

**Summary of Consolidated Financial Results  
for the Nine Months Ended December 31, 2017**  
<Under Japanese GAAP>



February 14, 2018

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange  
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 Scheduled date of filing interim securities report: February 14, 2018  
 Scheduled date of commencing dividend payments: -  
 Trading accounts: Unestablished  
 Availability of supplementary briefing material on interim financial results: Available  
 Schedule of interim financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2017**

**(April 1, 2017 to December 31, 2017)**

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2017	9,736,016	(2.5)	737,686	27.0	375,225	26.5
Nine months ended December 31, 2016	9,989,532	(7.5)	580,999	(25.9)	296,659	(22.6)

(Note) Comprehensive income: Nine months ended December 31, 2017: ¥ 720,284 million [68.5%]  
 Nine months ended December 31, 2016: ¥ 427,473 million [- %]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2017	91.78	-
Nine months ended December 31, 2016	72.07	-

(Note) Because there was no potential common stock, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of December 31, 2017	291,402,683	15,346,168	4.7
As of March 31, 2017	293,162,545	14,954,581	4.6

(Reference) Equity: As of December 31, 2017: ¥13,791,601 million  
 As of March 31, 2017: ¥13,451,766 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights – Non-controlling interests) / Total assets] x 100

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2017	Yen -	Yen 25.00	Yen -	Yen 25.00	Yen 50.00
Fiscal year ending March 31, 2018	-	25.00	-		
Fiscal year ending March 31, 2018 (Forecast)				25.00	50.00

(Note) Revision of dividends forecast to the latest announcement: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2018	12,460,000	(6.5)	780,000	(1.9)	400,000	-	98.10

(Note) Revision of financial results forecast to the latest announcement: None

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Adoption of accounting method specific to preparation of interim consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of shares issued (common stock)
  - 1) Total number of shares issued at the end of the period (including treasury stock):
    - December 31, 2017: 4,500,000,000 shares
    - March 31, 2017: 4,500,000,000 shares
  - 2) Total number of treasury stock at the end of the period:
    - December 31, 2017: 456,838,000 shares
    - March 31, 2017: 384,037,500 shares
  - 3) Average number of shares during the period:
    - Nine months ended December 31, 2017: 4,088,441,735 shares
    - Nine months ended December 31, 2016: 4,116,089,320 shares

(Note) The total number of treasury stock includes the shares of the Company held by the management board benefit trust of 698,800 shares and 731,500 shares as of December 31, 2017 and March 31, 2017, respectively. The number of treasury stock excluded from calculation of the average number of shares includes the shares of the Company held by the management board benefit trust of 708,073 shares and 604,680 shares for the nine months ended December 31, 2017 and 2016, respectively.

\* This summary of interim consolidated financial results is outside the scope of interim review procedures.

\* Explanation on appropriate use of financial results forecast and other specific matters

Forecasts and other forward-looking statements presented in this document are based on information available to the Company at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.

[Attachment]

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## 1. Qualitative Information on Interim Financial Results for the Period under Review

### (1) Explanation of Results of Operations

Consolidated ordinary income for the nine months ended December 31, 2017 amounted to ¥9,736,016 million (down ¥253,515 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥1,512,983 million (up ¥62,735 million year-on-year); the post office business segment accounted for ¥1,037,887 million (down ¥12,564 million year-on-year); the international logistics business segment accounted for ¥533,960 million (up ¥54,402 million year-on-year); the banking business segment accounted for ¥1,537,729 million (up ¥131,760 million year-on-year); and the life insurance business segment accounted for ¥5,995,179 million (down ¥502,967 million year-on-year). Consolidated net ordinary income amounted to ¥737,686 million (up ¥156,686 million year-on-year) as a result of net ordinary income of ¥30,011 million in the postal and domestic logistics business segment (up ¥26,343 million year-on-year); net ordinary income of ¥40,420 million in the post office business segment (down ¥5,760 million year-on-year); net ordinary income of ¥5,888 million in the international logistics business segment (up ¥4,522 million year-on-year); net ordinary income of ¥398,024 million in the banking business segment (up ¥85,434 million year-on-year); and net ordinary income of ¥254,896 million in the life insurance business segment (up ¥34,297 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥375,225 million (up ¥78,566 million year-on-year), which comprises consolidated net ordinary income after adjusting for items including extraordinary losses arising from provision for reserve for price fluctuations, etc. and provision for reserve for policyholder dividends.

### (2) Explanation of Financial Position

#### 1) Assets

Consolidated total assets were ¥291,402,683 million, down ¥1,759,862 million from the end of the previous fiscal year.

Major factors include an increase in loans of ¥1,127,817 million and an increase in money held in trust of ¥1,045,398 million, as well as a decrease in securities of ¥2,106,811 million and a decrease in cash and due from banks of ¥1,628,222 million.

#### 2) Liabilities

Consolidated total liabilities were ¥276,056,514 million, down ¥2,151,449 million from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥1,700,719 million, as well as a decrease in payables under securities lending transactions of ¥2,105,403 million and a decrease in policy reserves of ¥1,747,936 million.

#### 3) Net Assets

Consolidated total net assets were ¥15,346,168 million, up ¥391,587 million from the end of the previous fiscal year.

Major factors include an increase in net unrealized gains (losses) on available-for-sale securities of ¥402,093 million and an increase in retained earnings of ¥171,526 million, as well as a decrease in net deferred gains (losses) on hedges of ¥100,385 million.

### (3) Explanation of Consolidated Financial Results Forecast and Other Future Projections

The consolidated financial results forecast for the fiscal year ending March 31, 2018 remains unchanged from the full year forecast announced on May 15, 2017.

## 2. Interim Consolidated Financial Statements and Primary Notes

## (1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
Cash and due from banks	53,313,498	51,685,276
Call loans	620,000	745,000
Receivables under securities borrowing transactions	12,239,627	11,211,980
Monetary claims bought	279,776	513,986
Trading account securities	9	49
Money held in trust	5,944,951	6,990,349
Securities	202,320,530	200,213,718
Loans	12,125,022	13,252,840
Foreign exchanges	78,646	61,579
Other assets	1,792,201	2,339,332
Tangible fixed assets	3,206,394	3,205,304
Intangible assets	345,889	320,900
Asset for retirement benefits	35,697	35,364
Deferred tax assets	868,118	833,617
Reserve for possible loan losses	(7,819)	(6,616)
<b>Total assets</b>	<b>293,162,545</b>	<b>291,402,683</b>

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Deposits	178,004,318	179,705,037
Call money	45,436	-
Payables under repurchase agreements	960,937	1,198,969
Policy reserves and others	72,525,176	70,617,010
Reserve for outstanding claims	577,376	525,636
Policy reserves	70,175,234	68,427,297
Reserve for policyholder dividends	1,772,565	1,664,075
Payables under securities lending transactions	18,583,361	16,477,957
Commercial papers	40,324	338,524
Foreign exchanges	407	410
Other liabilities	3,587,312	3,234,398
Reserve for bonuses	101,979	28,802
Liability for retirement benefits	2,279,156	2,298,911
Reserve for employee stock ownership plan trust	-	266
Reserve for management board benefit trust	253	500
Reserve for reimbursement of deposits	2,096	31,443
Reserve under the special laws	788,712	835,561
Reserve for price fluctuations	788,712	835,561
Deferred tax liabilities	1,288,491	1,288,720
<b>Total liabilities</b>	<b>278,207,964</b>	<b>276,056,514</b>
<b>Net assets</b>		
Capital stock	3,500,000	3,500,000
Capital surplus	4,135,414	4,135,462
Retained earnings	3,294,130	3,465,657
Treasury stock	(731,992)	(831,946)
<b>Total shareholders' equity</b>	<b>10,197,552</b>	<b>10,269,172</b>
Net unrealized gains (losses) on available-for-sale securities	3,105,162	3,507,256
Net deferred gains (losses) on hedges	(103,790)	(204,175)
Foreign currency translation adjustments	(80,730)	(80,206)
Accumulated adjustments for retirement benefits	333,571	299,554
<b>Total accumulated other comprehensive income</b>	<b>3,254,213</b>	<b>3,522,428</b>
Non-controlling interests	1,502,815	1,554,567
<b>Total net assets</b>	<b>14,954,581</b>	<b>15,346,168</b>
<b>Total liabilities and net assets</b>	<b>293,162,545</b>	<b>291,402,683</b>

## (2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

Interim Consolidated Statements of Income  
Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Ordinary income	9,989,532	9,736,016
Postal business income	1,888,324	2,005,454
Banking business income	1,404,673	1,536,177
Life insurance business income	6,498,079	5,995,136
Other ordinary income	198,454	199,248
Ordinary expenses	9,408,532	8,998,330
Operating expenses	7,258,852	6,748,444
Personnel expenses	1,961,199	1,973,622
Depreciation and amortization	178,254	210,453
Other ordinary expenses	10,225	65,809
Net ordinary income	580,999	737,686
Extraordinary gains	8,844	3,841
Gains on sales of fixed assets	899	1,500
Gains on negative goodwill	-	570
Compensation for transfer	255	56
Compensation income	-	13
Settlement received	4,041	-
Gains on transfer of business	3,606	1,687
Other extraordinary gains	42	12
Extraordinary losses	18,602	71,099
Losses on sales and disposal of fixed assets	2,387	2,730
Losses on impairment of fixed assets	3,498	4,511
Provision for reserve under the special laws	5,660	46,848
Provision for reserve for price fluctuations	5,660	46,848
Post office refurbishment expenses	4,810	16,788
Provision for environmental measures	915	222
Other extraordinary losses	1,329	-
Provision for reserve for policyholder dividends	122,992	101,375
Income before income taxes	448,249	569,052
Income taxes current	200,549	249,643
Income taxes deferred	(81,561)	(95,665)
Total income taxes	118,988	153,977
Net income	329,260	415,074
Net income attributable to non-controlling interests	32,601	39,848
Net income attributable to Japan Post Holdings	296,659	375,225



Interim Consolidated Statements of Comprehensive Income  
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	329,260	415,074
Other comprehensive income	98,212	305,209
Net unrealized gains (losses) on available-for-sale securities	(45,699)	451,628
Net deferred gains (losses) on hedges	190,801	(112,774)
Foreign currency translation adjustments	(12,790)	527
Adjustments for retirement benefits	(34,099)	(34,178)
Share of other comprehensive income of affiliates	0	6
Comprehensive income	427,473	720,284
Total comprehensive income attributable to:		
Japan Post Holdings	379,194	643,464
Non-controlling interests	48,278	76,819

(3) Notes to Interim Consolidated Financial Statements  
(Notes on Going-Concern Assumption)

None

(Notes to Significant Changes in Shareholders' Equity)  
(Purchases of treasury stock)

In accordance with the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act, the Company resolved to purchase treasury stock at the meeting of the Board of Directors held on September 11, 2017, and purchased ¥99,999 million (72,833,200 shares) of treasury stock during the nine months ended December 31, 2017. As a result, the balance of treasury stock amounted to ¥831,946 million as of December 31, 2017.

As of September 13, 2017, the Company has completed the purchases of treasury stock which was resolved at the meeting of the Board of Directors held on September 11, 2017.

## (Segment Information)

## 1. Ordinary income and segment profit of reportable segments

(Millions of yen)

	Reportable Segments						Other business	Total
	Postal and domestic logistics business	Post office business	International logistics business	Banking business	Life insurance business	Subtotal		
Ordinary income								
Ordinary income from third parties	1,473,486	154,688	533,960	1,536,177	5,995,136	9,693,449	41,077	9,734,526
Intersegment ordinary income	39,496	883,199	-	1,551	42	924,290	265,328	1,189,619
Total	1,512,983	1,037,887	533,960	1,537,729	5,995,179	10,617,739	306,405	10,924,145
Segment profit	30,011	40,420	5,888	398,024	254,896	729,241	209,034	938,276

- (Notes) 1. Ordinary income is presented instead of net sales which is the typical method of presentation for companies in other industries.
2. "Other business" includes the hotel business and hospital business. Segment profit in "Other business" includes dividend income from subsidiaries and affiliates recorded by the Company in the amount of ¥198,891 million.

## 2. Reconciliation between total segment profit of reportable segments and net ordinary income on the interim consolidated statements of income

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	729,241
Segment profit in other business	209,034
Eliminations of intersegment transactions	(199,144)
Adjustments	(1,444)
Net ordinary income on the interim consolidated statements of income	737,686

(Note) "Adjustments" are due to differences in the calculation methods used for segment profit for the international logistics business segment and net ordinary income on the interim consolidated statements of income, etc.

## (Subsequent Events)

## (Establishment of significant subsidiary)

Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., both of which are consolidated subsidiaries, decided to establish a company to carry out private equity fund management (hereinafter referred to as the “New Company”) at the meeting of the Board of Directors, etc. held on January 30, 2018, and established the New Company on February 9, 2018, as follows.

## (1) Purpose of establishing the New Company

In order to drive further revenue growth through private equity investment, the New Company was established to conduct activities focused primarily on companies in Japan, and will specifically make investment decisions based on assessments of commercial viability and provide management support to portfolio companies, along with supplying equity financing together with other outstanding fund managers and other partners.

## (2) Outline of the New Company

Name	Japan Post Investment Corporation
Main business	Private offerings of interests in investment limited partnerships and related entities and wealth management
Stated capital and capital reserves	¥1.5 billion (comprising common shares worth ¥0.05 billion and preferred shares worth ¥1.45 billion)
Date of establishment	February 9, 2018
Ownership of voting rights held	Japan Post Bank Co., Ltd. 50.0% Japan Post Insurance Co., Ltd. 25.0% Officers and employees of the New Company 25.0%
Ownership of preferred shares	Japan Post Bank Co., Ltd. 66.7% Japan Post Insurance Co., Ltd. 33.3%

## (Transfer of significant assets)

Japan Post Insurance Co., Ltd., a consolidated subsidiary (hereinafter referred to as “Japan Post Insurance”), decided to transfer the fixed assets owned by Japan Post Insurance at the meeting of the Board of Directors held on February 1, 2018, and executed the sales agreement and transferred the property on February 2, 2018.

## (1) Reason for the transfer

In order to effectively utilize assets and to reduce administrative and maintenance expenses, the following fixed assets owned by Japan Post Insurance was transferred.

## (2) Details of the assets to be transferred

Name and location of assets	Land	Buildings	Gain on transfer	Current status
Former Tokyo service center (Minato Ward, Tokyo)	26,808.85 m <sup>2</sup>	43,440.70 m <sup>2</sup>	¥85,034 million	warehouse

\*The gain on transfer is a value calculated by deducting the carrying amount and the miscellaneous expenses related to the transfer from the transfer price.

## (3) The recipient of the transfer and the transfer price

The name of the recipient of the transfer and the transfer price are not disclosed in consideration of the intent of the recipient.

In addition, there are no capital, human or business relationships to be noted between the Company and its consolidated subsidiaries and the recipient, and the recipient is not a related party of the Company and its consolidated subsidiaries.

## (4) Schedule of the transfer

Date of resolution of the meeting of the Board of Directors	February 1, 2018
Date of the sales agreement	February 2, 2018
Date of transfer of property	February 2, 2018