

**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2020**
<Under Japanese GAAP>



August 7, 2020

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 6178 URL: <https://www.japanpost.jp/en/>
 Representative: MASUDA Hiroya, Director and Representative Executive Officer, President & CEO
 Contact: TSURUDA Nobuo, Executive Officer, Head of IR Office
 Phone: +81-3-3477-0206
 Scheduled date of filing interim securities report: August 14, 2020
 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 Three Months Ended June 30, 2020
(April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	2,793,065	(6.4)	133,229	(34.1)	78,788	(41.7)
Three months ended June 30, 2019	2,985,144	(5.5)	202,238	(3.8)	135,072	9.3

(Note) Comprehensive income: Three months ended June 30, 2020: ¥2,182,053 million [566.6%]
 Three months ended June 30, 2019: ¥327,342 million [-%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2020	19.49	-
Three months ended June 30, 2019	33.41	-

(Note 1) The percentage change of comprehensive income from the previous corresponding period is not shown for the three months ended June 30, 2019 because the rate of change exceeded 1,000%.

(Note 2) 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 June 30, 2020	293,636,200	14,681,583	4.3
As of March 31, 2020	286,098,449	12,616,774	3.8

(Reference) Equity: As of June 30, 2020: ¥12,667,950 million

As of March 31, 2020: ¥10,934,152 million

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

2. Dividends

	Annual dividend				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2020	Yen -	Yen 25.00	Yen -	Yen 25.00	Yen 50.00
Fiscal year ending March 31, 2021	-				
Fiscal year ending March 31, 2021 (Forecast)		0.00	-	-	-

(Note 1) Revision of dividends forecast to the latest announcement: None

(Note 2) The year-end dividend for the fiscal year ending March 31, 2021 (forecast) has been left undecided, as the outlook for the business environment in which the Japan Post Group operates remains unclear at present, and the Company's results may change significantly depending on future developments. The Company will consider the payment of a year-end dividend while closely monitoring results going forward.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% 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, 2021	11,290,000	(5.5)	520,000	(39.8)	280,000	(42.1)	69.25

(Note 1) Revision of financial results forecast to the latest announcement: None

(Note 2) The consolidated financial results forecast for the fiscal year ending March 31, 2021 has been calculated based on information on the impact of the spread of COVID-19 available to the Company as of June 30, 2020, under certain assumptions. The actual future results may vary considerably depending upon various factors such as when the spread of the infection is brought under control, as well as the economic environment in major markets in Japan and overseas, foreign exchange fluctuations, etc.

*** Notes:**

- (1) Changes in significant subsidiaries during the fiscal 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 fiscal period (including treasury stock):
 - As of June 30, 2020: 4,500,000,000 shares
 - As of March 31, 2020: 4,500,000,000 shares
 - 2) Total number of treasury stock at the end of the fiscal period:
 - As of June 30, 2020: 456,658,001 shares
 - As of March 31, 2020: 456,667,501 shares
 - 3) Average number of shares during the fiscal period:
 - Three months ended June 30, 2020: 4,043,339,598 shares
 - Three months ended June 30, 2019: 4,043,222,037 shares

(Note) The total number of treasury stock at the end of the fiscal period includes the shares of the Company held by the management board benefit trust of 518,800 shares and 528,300 shares as of June 30, 2020 and March 31, 2020, respectively. The number of treasury stock excluded from calculation of the average number of shares during the fiscal period includes the shares of the Company held by the management board benefit trust of 521,201 shares and 638,762 shares for the three months ended June 30, 2020 and 2019, respectively.

* This summary of interim consolidated financial results is outside the scope of interim audit procedures by Certified Public Accountants or Audit Firm.

*** 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 that the Company is aware of as of June 30, 2020 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 the impact of the spread of COVID-19, interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in the economic and financial environment, changes in the competitive environment, the occurrence of large-scale disasters, etc. and changes in laws and regulations. The Company disclaims any responsibility to update any forward-looking statements contained herein to the extent permitted by law or stock exchange rule.

[Attachment]

Table of Contents

1. Qualitative Information on Interim Consolidated Financial Results for the Fiscal Period under Review.....	2
(1) Explanation of Results of Operations.....	2
(2) Explanation of Financial Position	2
(3) Explanation of Consolidated Financial Results Forecast and Other Future Projections	2
2. Interim Consolidated Financial Statements and Primary Notes	3
(1) Interim Consolidated Balance Sheets.....	3
(2) Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income	5
(3) Notes to Interim Consolidated Financial Statements	7
(Notes on Going-Concern Assumption).....	7
(Notes to Significant Changes in Shareholders' Equity).....	7
(Additional Information).....	7
(Segment Information).....	8

Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Three Months Ended June 30, 2020

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

(1) Explanation of Results of Operations

Consolidated ordinary income for the three months ended June 30, 2020 amounted to ¥2,793,065 million (down ¥192,078 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥490,902 million (down ¥11,434 million year-on-year); the post office business segment accounted for ¥304,299 million (down ¥30,945 million year-on-year); the international logistics business segment accounted for ¥185,659 million (up ¥25,441 million year-on-year); the banking business segment accounted for ¥387,598 million (down ¥76,224 million year-on-year); and the life insurance business segment accounted for ¥1,696,390 million (down ¥122,596 million year-on-year). Consolidated net ordinary income amounted to ¥133,229 million (down ¥69,009 million year-on-year) as a result of net ordinary income of ¥15,803 million in the postal and domestic logistics business segment (down ¥6,259 million year-on-year); net ordinary income of ¥14,884 million in the post office business segment (down ¥7,114 million year-on-year); net ordinary loss of ¥10,940 million in the international logistics business segment (net ordinary loss of ¥5,268 million for the same period of the previous fiscal year); net ordinary income of ¥42,049 million in the banking business segment (down ¥63,666 million year-on-year); and net ordinary income of ¥69,956 million in the life insurance business segment (up ¥13,953 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥78,788 million (down ¥56,284 million year-on-year), which comprises consolidated net ordinary income after adjusting for extraordinary gains (losses), provision for reserve for policyholder dividends, income taxes and net income attributable to non-controlling interests.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥293,636,200 million, up ¥7,537,751 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥2,161,685 million, an increase in securities of ¥3,145,264 million and an increase in loans of ¥2,419,375 million, as well as a decrease in receivables under securities borrowing transactions of ¥486,377 million and a decrease in deferred tax assets of ¥285,593 million.

2) Liabilities

Consolidated total liabilities were ¥278,954,617 million, up ¥5,472,942 million from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥4,483,153 million and an increase in borrowed money of ¥1,911,626 million, as well as a decrease in payables under securities lending transactions of ¥889,438 million.

3) Net Assets

Consolidated total net assets were ¥14,681,583 million, up ¥2,064,808 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 ¥1,813,382 million and an increase in non-controlling interests of ¥331,010 million, as well as a decrease in net deferred gains (losses) on hedges of ¥42,347 million.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2021 remains unchanged from the full year forecast announced on May 15, 2020.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Cash and due from banks	53,680,384	55,842,070
Call loans	1,420,000	1,250,000
Receivables under resale agreements	9,731,897	9,711,854
Receivables under securities borrowing transactions	3,304,202	2,817,824
Monetary claims bought	634,394	624,272
Trading account securities	31	17
Money held in trust	7,804,150	8,426,934
Securities	191,127,051	194,272,315
Loans	10,624,482	13,043,858
Foreign exchanges	147,469	154,937
Other assets	2,787,487	2,952,521
Tangible fixed assets	3,186,558	3,188,135
Intangible assets	291,694	279,296
Asset for retirement benefits	55,308	55,250
Deferred tax assets	1,312,378	1,026,784
Reserve for possible loan losses	(9,043)	(9,873)
Total assets	286,098,449	293,636,200

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Deposits	181,377,859	185,861,012
Payables under repurchase agreements	14,855,624	15,116,767
Policy reserves and others	64,191,926	63,462,471
Reserve for outstanding claims	461,224	453,826
Policy reserves	62,293,166	61,591,944
Reserve for policyholder dividends	1,437,535	1,416,700
Payables under securities lending transactions	6,509,525	5,620,087
Borrowed money	302,200	2,213,826
Foreign exchanges	511	387
Bonds	100,000	100,000
Other liabilities	2,820,086	2,739,968
Reserve for bonuses	121,875	33,936
Liability for retirement benefits	2,220,241	2,247,696
Reserve for employee stock ownership plan trust	605	309
Reserve for management board benefit trust	984	806
Reserve for reimbursement of deposits	80,324	78,757
Reserve for insurance claims and others	29,722	16,230
Reserve under the special laws	858,339	835,942
Reserve for price fluctuations	858,339	835,942
Deferred tax liabilities	11,845	626,415
Total liabilities	273,481,674	278,954,617
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,084,763	4,085,107
Retained earnings	4,057,087	4,034,779
Treasury stock	(831,707)	(831,693)
Total shareholders' equity	10,810,143	10,788,193
Net unrealized gains (losses) on available-for-sale securities	295,671	2,109,053
Net deferred gains (losses) on hedges	(291,823)	(334,171)
Foreign currency translation adjustments	(89,698)	(91,720)
Accumulated adjustments for retirement benefits	209,860	196,595
Total accumulated other comprehensive income	124,008	1,879,756
Non-controlling interests	1,682,622	2,013,633
Total net assets	12,616,774	14,681,583
Total liabilities and net assets	286,098,449	293,636,200

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

Interim Consolidated Statements of Income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Ordinary income	2,985,144	2,793,065
Postal business income	650,844	666,763
Banking business income	463,405	387,180
Life insurance business income	1,818,977	1,696,386
Other ordinary income	51,917	42,734
Ordinary expenses	2,782,905	2,659,836
Operating expenses	2,059,517	1,951,113
Personnel expenses	643,851	613,846
Depreciation and amortization	72,699	71,809
Other ordinary expenses	6,837	23,067
Net ordinary income	202,238	133,229
Extraordinary gains	23,330	24,564
Gains on sales of fixed assets	1,219	251
Reversal of reserve under the special laws	15,669	22,397
Reversal of reserve for price fluctuations	15,669	22,397
Compensation for transfer	150	906
Gains on transfer of business	6,245	-
Other extraordinary gains	46	1,009
Extraordinary losses	1,804	2,358
Losses on sales and disposal of fixed assets	333	736
Losses on impairment of fixed assets	138	16
Post office refurbishment expenses	614	250
Other extraordinary losses	717	1,354
Provision for reserve for policyholder dividends	20,745	20,400
Income before income taxes	203,019	135,035
Income taxes current	65,896	33,334
Income taxes deferred	(18,700)	2,898
Total income taxes	47,196	36,232
Net income	155,823	98,802
Net income attributable to non-controlling interests	20,750	20,014
Net income attributable to Japan Post Holdings	135,072	78,788

Interim Consolidated Statements of Comprehensive Income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net income	155,823	98,802
Other comprehensive income	171,518	2,083,250
Net unrealized gains (losses) on available-for-sale securities	150,237	2,145,364
Net deferred gains (losses) on hedges	33,891	(47,648)
Foreign currency translation adjustments	(1,185)	(1,120)
Adjustments for retirement benefits	(11,420)	(13,340)
Share of other comprehensive loss of affiliates	(4)	(4)
Comprehensive income	327,342	2,182,053
Total comprehensive income attributable to:		
Japan Post Holdings	271,335	1,834,513
Non-controlling interests	56,006	347,539

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

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Additional Information)

On December 27, 2019, the Company and its consolidated subsidiary Japan Post Co., Ltd. received administrative dispositions pursuant to the Insurance Business Act, etc. from the Minister for Internal Affairs and Communications and the Financial Services Agency of Japan, and Japan Post Insurance Co., Ltd., a consolidated subsidiary of the Company, received administrative dispositions pursuant to the Insurance Business Act from the Financial Services Agency of Japan, on account of improper solicitation actions regarding insurance policies, and underlying systemic problems. The Company is resolved to treat the implementation of the business improvement plan that it formulated as its top-priority management issue, and is making group-wide efforts. Additionally, Japan Post Insurance Co., Ltd. has been confirming with all customers with insurance policies whether their insurance policies are in line with their intentions, and compensating customers who have suffered disadvantages.

As of June 30, 2020, the Company has reasonably estimated insurance-related expenses associated with the reinstatement of policies and other actions to compensate for the disadvantages suffered by the customers (the refund of premiums, payments of insurance claims, etc.), and recorded a reserve for insurance claims and others of ¥16,230 million.

(Segment Information)

1. Ordinary income and segment profit (loss) 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	481,735	30,887	185,622	387,180	1,696,386	2,781,813	9,518	2,791,331
Intersegment ordinary income	9,166	273,412	37	417	4	283,037	114,771	397,808
Total	490,902	304,299	185,659	387,598	1,696,390	3,064,850	124,289	3,189,140
Segment profit (loss)	15,803	14,884	(10,940)	42,049	69,956	131,753	99,988	231,742

(Notes) 1. Ordinary income is presented instead of net sales which is typical 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 ¥97,209 million.

2. Reconciliation between total segment profit (loss) 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	131,753
Segment profit in other business	99,988
Eliminations of intersegment transactions	(98,623)
Adjustments	110
Net ordinary income on the interim consolidated statements of income	133,229

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