



Financial Results of the Principal Subsidiaries

Three Months Ended June 30, 2017

August 10, 2017

Table of Contents

I	Japan Post Holdings	1
	Year-on-Year Changes of Income for the Three Months Ended June 30, 2017.....	1
II	Japan Post Co.....	3
	1. Interim Consolidated Balance Sheets	4
	2. Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income.....	6
	(1) Interim Consolidated Statements of Income.....	6
	(2) Interim Consolidated Statements of Comprehensive Income.....	7
	3. Segment Information.....	8
III	Japan Post Bank.....	9
IV	Japan Post Insurance	10

I Japan Post Holdings

Year-on-Year Changes of Income for the Three Months Ended June 30, 2017

Net ordinary income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Three months ended June 30, 2016	146.1	5.2	92.9	44.3	3.5
Three months ended June 30, 2017	218.1	7.4	124.2	83.2	3.1
Year-on-year change	+ 72.0	+ 2.2	+ 31.3	+ 38.8	(0.3)

Net income *

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Three months ended June 30, 2016	83.1	4.4	67.8	19.4	(8.6)
Three months ended June 30, 2017	104.4	5.8	89.3	24.1	(14.9)
Year-on-year change	+ 21.3	+ 1.4	+ 21.4	+ 4.7	(6.3)

*The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

II Japan Post Co.

1. Interim Consolidated Balance Sheets

	As of March 31, 2017	As of June 30, 2017
	(Millions of yen)	
Assets		
Current assets		
Cash and deposits	¥ 1,762,376	¥ 1,646,707
Notes receivable and operating accounts receivable	325,921	335,839
Securities	25,070	25,086
Inventories	21,810	20,351
Outstanding amount of banking business consignment	9,723	-
Other current assets	90,459	99,774
Reserve for possible loan losses	(3,521)	(3,326)
Total current assets	<u>2,231,841</u>	<u>2,124,433</u>
Non-current assets		
Tangible fixed assets		
Buildings	1,035,127	1,067,737
Land	1,340,847	1,340,871
Other tangible fixed assets	339,673	324,528
Total tangible fixed assets	<u>2,715,648</u>	<u>2,733,137</u>
Intangible assets	<u>92,199</u>	<u>91,444</u>
Investments and other assets		
Other investments and other assets	54,151	53,140
Reserve for possible loan losses	(2,465)	(2,534)
Total investments and other assets	<u>51,686</u>	<u>50,605</u>
Total non-current assets	<u>2,859,534</u>	<u>2,875,187</u>
Total assets	<u>¥ 5,091,375</u>	<u>¥ 4,999,620</u>

	As of March 31, 2017	As of June 30, 2017
	(Millions of yen)	
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	¥ 99,030	¥ 104,239
Short-term borrowings	96,552	101,686
Other accounts payable	311,832	169,344
Outstanding amount of banking business consignment	-	55,766
Outstanding amount of life insurance business consignment	4,706	3,972
Income taxes payable	21,324	6,820
Deposits received	319,446	273,906
Fund deposits for post offices	930,000	1,010,000
Reserve for bonuses	90,558	31,932
Other current liabilities	183,888	184,886
Total current liabilities	2,057,340	1,942,557
Long-term liabilities		
Long-term borrowings	93,322	108,510
Deferred tax liabilities	13,860	13,738
Reserve for losses on rebuilding of branches	329	329
Reserve for management board benefit trust	69	159
Liability for retirement benefits	2,053,228	2,062,039
Other long-term liabilities	78,980	77,834
Total long-term liabilities	2,239,790	2,262,611
Total liabilities	4,297,130	4,205,168
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	586,381	142,890
Retained earnings	(304,623)	144,769
Total shareholders' equity	681,757	687,659
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	48	57
Net deferred gains (losses) on hedges	(88)	105
Foreign currency translation adjustments	(80,730)	(81,478)
Accumulated adjustments for retirement benefits	189,881	184,580
Total accumulated other comprehensive income	109,110	103,264
Non-controlling interests	3,376	3,527
Total net assets	794,244	794,452
Total liabilities and net assets	¥ 5,091,375	¥ 4,999,620

2. Interim Consolidated Statements of Income and Interim Consolidated Statements of Comprehensive Income

(1) Interim Consolidated Statements of Income

	Three months ended June 30, 2016	Three months ended June 30, 2017
	(Millions of yen)	
Operating income		
Postal service business income	¥ 447,778	¥ 456,690
Commissions for banking business consignment	155,809	152,274
Commissions for life insurance business consignment	97,418	94,576
International logistics business income	154,387	162,773
Other operating income	42,848	44,987
Total operating income	898,243	911,301
Operating costs	831,797	847,914
Gross operating income	66,445	63,386
Sales, general and administrative costs	63,230	55,946
Net operating income	3,215	7,440
Other income		
Interest income	258	209
Dividend income	13	10
Equity in earnings of affiliates	1,114	-
Foreign exchange gains	1,155	-
Others	770	1,564
Total other income	3,312	1,783
Other expenses		
Interest expenses	1,048	1,067
Equity in losses of affiliates	-	45
Others	206	634
Total other expenses	1,255	1,748
Net ordinary income	5,272	7,476
Extraordinary gains		
Gains on sales of fixed assets	230	92
Settlement received	990	-
Contribution for post office refurbishment expenses	710	7,652
Others	13	1
Total extraordinary gains	1,944	7,746
Extraordinary losses		
Losses on sales of fixed assets	0	8
Losses on disposal of fixed assets	667	301
Losses on impairment of fixed assets	12	218
Post office refurbishment expenses	710	7,652
Others	128	22
Total extraordinary losses	1,519	8,203
Income before income taxes	5,696	7,018

Income taxes current	1,187	990
Income taxes deferred	55	82
Total income taxes	1,243	1,073
Net income	4,453	5,945
Net income attributable to non-controlling interests	24	62
Net income attributable to Japan Post Co.	¥ 4,428	¥ 5,883

(2) Interim Consolidated Statements of Comprehensive Income

	Three months ended June 30, 2016	Three months ended June 30, 2017
	(Millions of yen)	
Net income	¥ 4,453	¥ 5,945
Other comprehensive loss		
Net unrealized gains (losses) on available-for-sale securities	(126)	5
Net deferred gains (losses) on hedges	(19)	194
Foreign currency translation adjustments	(60,666)	(749)
Adjustments for retirement benefits	(5,535)	(5,300)
Share of other comprehensive income (loss) of affiliates	(0)	2
Total other comprehensive loss	(66,348)	(5,846)
Comprehensive income (loss)	¥ (61,894)	¥ 98
Total comprehensive income (loss) attributable to:		
Japan Post Co.	¥ (61,789)	¥ 37
Non-controlling interests	(104)	60

3. Segment Information

(1) Income and segment profit (loss) of reportable segments

Three months ended June 30, 2016

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics	Post office	International logistics ^(Note2)	Total		
Income ^(Note1)						
Income from third parties	449,124	294,731	154,387	898,243	-	898,243
Intersegment income	3,457	43,877	-	47,335	-	47,335
Total	452,581	338,609	154,387	945,578	-	945,578
Segment profit (loss)	(5,801)	14,446	1,798	10,443	-	10,443

(Notes)

1. "Income" is presented instead of net sales which is the typical method of presentation for companies in other industries.
2. The amount presented in segment profit (loss) for international logistics business segment is net operating income (EBIT) excluding amortization of goodwill, etc.

Three months ended June 30, 2017

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics	Post office	International logistics ^(Note2)	Total		
Income ^(Note1)						
Income from third parties	458,000	290,527	162,773	911,301	-	911,301
Intersegment income	3,681	45,139	-	48,820	-	48,820
Total	461,682	335,666	162,773	960,122	-	960,122
Segment profit (loss)	(6,490)	14,793	(769)	7,532	-	7,532

(Notes)

1. "Income" is presented instead of net sales which is the typical method of presentation for companies in other industries.
2. The amount presented in segment profit (loss) for international logistics business segment is net operating income (EBIT).

(2) Reconciliation between total segment profit (loss) of reportable segments and net operating income on the interim consolidated statements of income

	Three months ended June 30, 2016	Three months ended June 30, 2017
	(Millions of yen)	
Total segment profit (loss) of reportable segments	¥ 10,443	¥ 7,532
Profit of other business	-	-
Eliminations of intersegment transactions	275	355
Corporate expenses ^(Note1)	(323)	(307)
Other adjustments ^(Note2)	(7,180)	(140)
Net operating income on the interim consolidated statements of income	3,215	7,440

(Notes)

1. "Corporate expenses" consists mainly of general and administrative costs which are not attributable to any reportable segments.
2. "Other adjustments" includes amortization of goodwill, etc. recognized in the international logistics segment and other items.

III Japan Post Bank

Note: Please refer to the documents on financial results announcements of Japan Post Bank for financial results of the company.

IV Japan Post Insurance

Note: Please refer to the documents on financial results announcements of Japan Post Insurance for financial results of the company.