

**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2018**
<Under Japanese GAAP>



August 10, 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: August 10, 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 Three Months Ended June 30, 2018

(April 1, 2018 to June 30, 2018)

(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, 2018	3,159,148	(3.4)	210,181	(3.7)	123,540	18.2
Three months ended June 30, 2017	3,271,210	(3.0)	218,156	49.3	104,496	25.7

(Note) Comprehensive income: Three months ended June 30, 2018: ¥17,007 million [(88.5) %]
 Three months ended June 30, 2017: ¥147,580 million [- %]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2018	30.56	-
Three months ended June 30, 2017	25.39	-

(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 June 30, 2018	287,268,224	14,615,793	4.6
As of March 31, 2018	290,640,154	14,743,234	4.6

(Reference) Equity: As of June 30, 2018: ¥13,141,217 million
 As of March 31, 2018: ¥13,253,942 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, 2018	Yen -	Yen 25.00	Yen -	Yen 32.00	Yen 57.00
Fiscal year ending March 31, 2019	-				
Fiscal year ending March 31, 2019 (Forecast)		25.00	-	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, 2019 (April 1, 2018 to March 31, 2019)

(% 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, 2019	12,350,000	(4.4)	660,000	(28.0)	330,000	(28.4)	81.62

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

* 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, 2018: 4,500,000,000 shares
 - As of March 31, 2018: 4,500,000,000 shares
 - 2) Total number of treasury stock at the end of the fiscal period:
 - As of June 30, 2018: 456,815,401 shares
 - As of March 31, 2018: 456,837,301 shares
 - 3) Average number of shares during the fiscal period:
 - Three months ended June 30, 2018: 4,043,178,823 shares
 - Three months ended June 30, 2017: 4,115,972,292 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 676,200 shares and 698,100 shares as of June 30, 2018 and March 31, 2018, 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 681,976 shares and 721,708 shares for the three months ended June 30, 2018 and 2017, respectively.

* This summary of interim consolidated financial results is outside the scope of interim review 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 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 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, 2018 amounted to ¥3,159,148 million (down ¥112,061 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥498,975 million (up ¥36,418 million year-on-year); the post office business segment accounted for ¥331,968 million (down ¥4,142 million year-on-year); the international logistics business segment accounted for ¥169,180 million (up ¥6,264 million year-on-year); the banking business segment accounted for ¥470,501 million (down ¥16,667 million year-on-year); and the life insurance business segment accounted for ¥1,978,688 million (down ¥134,874 million year-on-year). Consolidated net ordinary income amounted to ¥210,181 million (down ¥7,974 million year-on-year) as a result of net ordinary income of ¥15,744 million in the postal and domestic logistics business segment (net ordinary loss of ¥5,966 million for the same period of the previous fiscal year); net ordinary income of ¥11,100 million in the post office business segment (down ¥3,889 million year-on-year); net ordinary loss of ¥421 million in the international logistics business segment (net ordinary loss of ¥1,497 million for the same period of the previous fiscal year); net ordinary income of ¥106,662 million in the banking business segment (down ¥17,639 million year-on-year); and net ordinary income of ¥75,249 million in the life insurance business segment (down ¥7,971 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥123,540 million (up ¥19,043 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 ¥287,268,224 million, down ¥3,371,930 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥1,937,431 million and an increase in call loans of ¥420,000 million, as well as a decrease in securities of ¥4,821,681 million and a decrease in receivables under securities borrowing transactions of ¥1,776,058 million.

2) Liabilities

Consolidated total liabilities were ¥272,652,431 million, down ¥3,244,488 million from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥1,576,441 million, as well as a decrease in payables under securities lending transactions of ¥3,590,711 million and a decrease in policy reserves of ¥621,392 million.

3) Net Assets

Consolidated total net assets were ¥14,615,793 million, down ¥127,441 million from the end of the previous fiscal year.

Major factors include a decrease in net unrealized gains (losses) on available-for-sale securities of ¥69,617 million and a decrease in net deferred gains (losses) on hedges of ¥23,857 million.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2019 remains unchanged from the full year forecast announced on May 15, 2018.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Cash and due from banks	50,782,381	52,719,813
Call loans	745,000	1,165,000
Receivables under securities borrowing transactions	11,520,376	9,744,318
Monetary claims bought	454,635	574,185
Trading account securities	32	37
Money held in trust	7,056,398	7,236,309
Securities	199,363,017	194,541,335
Loans	13,772,684	13,989,492
Foreign exchanges	87,487	56,870
Other assets	2,365,569	2,771,731
Tangible fixed assets	3,154,613	3,135,279
Intangible assets	329,880	318,993
Asset for retirement benefits	43,694	43,596
Deferred tax assets	970,601	977,611
Reserve for possible loan losses	(6,217)	(6,349)
Total assets	290,640,154	287,268,224

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Liabilities		
Deposits	178,489,035	180,065,476
Payables under repurchase agreements	1,985,285	2,069,235
Policy reserves and others	69,948,383	69,261,833
Reserve for outstanding claims	548,196	515,199
Policy reserves	67,777,297	67,155,904
Reserve for policyholder dividends	1,622,889	1,590,728
Payables under securities lending transactions	17,475,671	13,884,959
Commercial papers	191,481	180,350
Foreign exchanges	309	571
Other liabilities	3,350,756	2,877,099
Reserve for bonuses	126,869	37,087
Liability for retirement benefits	2,256,418	2,265,848
Reserve for employee stock ownership plan trust	809	497
Reserve for management board benefit trust	727	737
Reserve for reimbursement of deposits	86,114	87,162
Reserve under the special laws	916,743	917,010
Reserve for price fluctuations	916,743	917,010
Deferred tax liabilities	1,068,313	1,004,558
Total liabilities	275,896,920	272,652,431
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,135,462	4,135,675
Retained earnings	3,551,054	3,545,191
Treasury stock	(831,945)	(831,915)
Total shareholders' equity	10,354,570	10,348,951
Net unrealized gains (losses) on available-for-sale securities	2,688,219	2,618,602
Net deferred gains (losses) on hedges	2,784	(21,073)
Foreign currency translation adjustments	(85,870)	(87,189)
Accumulated adjustments for retirement benefits	294,238	281,926
Total accumulated other comprehensive income	2,899,371	2,792,265
Non-controlling interests	1,489,292	1,474,575
Total net assets	14,743,234	14,615,793
Total liabilities and net assets	290,640,154	287,268,224

(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, 2017	Three months ended June 30, 2018
Ordinary income	3,271,210	3,159,148
Postal business income	612,482	654,878
Banking business income	486,754	470,054
Life insurance business income	2,113,548	1,978,674
Other ordinary income	58,423	55,541
Ordinary expenses	3,053,053	2,948,966
Operating expenses	2,337,633	2,222,102
Personnel expenses	640,438	652,333
Depreciation and amortization	71,272	66,821
Other ordinary expenses	3,709	7,708
Net ordinary income	218,156	210,181
Extraordinary gains	1,783	727
Gains on sales of fixed assets	92	686
Compensation for transfer	0	23
Gains on transfer of business	1,687	-
Other extraordinary gains	2	16
Extraordinary losses	23,982	3,920
Losses on sales and disposal of fixed assets	360	734
Losses on impairment of fixed assets	218	1,609
Provision for reserve under the special laws	16,070	267
Provision for reserve for price fluctuations	16,070	267
Post office refurbishment expenses	7,333	863
Other extraordinary losses	-	446
Provision for reserve for policyholder dividends	32,558	26,832
Income before income taxes	163,398	180,157
Income taxes current	76,264	65,925
Income taxes deferred	(29,924)	(21,705)
Total income taxes	46,339	44,220
Net income	117,058	135,936
Net income attributable to non-controlling interests	12,561	12,396
Net income attributable to Japan Post Holdings	104,496	123,540

Interim Consolidated Statements of Comprehensive Income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Net income	117,058	135,936
Other comprehensive income (loss)	30,522	(118,928)
Net unrealized gains (losses) on available-for-sale securities	140,345	(78,437)
Net deferred gains (losses) on hedges	(97,709)	(26,813)
Foreign currency translation adjustments	(749)	(1,311)
Adjustments for retirement benefits	(11,367)	(12,364)
Share of other comprehensive income (loss) of affiliates	2	(1)
Comprehensive income	147,580	17,007
Total comprehensive income attributable to:		
Japan Post Holdings	130,433	16,438
Non-controlling interests	17,147	568

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

None

(Notes to Significant Changes in Shareholders' Equity)

None

(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	486,796	40,917	169,180	470,054	1,978,674	3,145,623	13,095	3,158,719
Intersegment ordinary income	12,178	291,051	-	447	13	303,691	140,240	443,932
Total	498,975	331,968	169,180	470,501	1,978,688	3,449,315	153,336	3,602,651
Segment profit (loss)	15,744	11,100	(421)	106,662	75,249	208,335	122,851	331,187

(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 ¥119,737 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 (loss) of reportable segments	208,335
Segment profit in other business	122,851
Eliminations of intersegment transactions	(120,139)
Adjustments	(865)
Net ordinary income on the interim consolidated statements of income	210,181

(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.