

**Summary of Consolidated Financial Results  
for the Nine Months Ended December 31, 2018**  
<Under Japanese GAAP>



February 14, 2019

Company name: Japan Post Holdings Co., Ltd.      Stock exchange listing: Tokyo Stock Exchange  
 Code number: 6178      URL: <http://www.japanpost.jp/>  
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 Scheduled date of filing interim securities report: February 14, 2019  
 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, 2018**  
(April 1, 2018 to December 31, 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	%
Nine months ended December 31, 2018	9,582,902	(1.6)	638,839	(13.4)	392,190	4.5
Nine months ended December 31, 2017	9,736,016	(2.5)	737,686	27.0	375,225	26.5

(Note) Comprehensive income: Nine months ended December 31, 2018: ¥ (589,368) million [ - %]  
 Nine months ended December 31, 2017: ¥720,284 million [68.5%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2018	97.00	-
Nine months ended December 31, 2017	91.78	-

(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, 2018	287,414,914	13,906,635	4.4
As of March 31, 2018	290,640,154	14,743,234	4.6

(Reference) Equity: As of December 31, 2018: ¥12,507,246 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	-	25.00	-		
Fiscal year ending March 31, 2019 (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, 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	12,450,000	(3.6)	780,000	(14.9)	430,000	(6.6)	106.35

(Note) Revision of financial results forecast to the latest announcement: Yes

### \* 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 December 31, 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 December 31, 2018: 456,796,001 shares
    - As of March 31, 2018: 456,837,301 shares
  - 3) Average number of shares during the fiscal period:
    - Nine months ended December 31, 2018: 4,043,193,975 shares
    - Nine months ended December 31, 2017: 4,088,441,735 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 656,800 shares and 698,100 shares as of December 31, 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 666,824 shares and 708,073 shares for the nine months ended December 31, 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 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]

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## Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Nine Months Ended December 31, 2018

## 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 nine months ended December 31, 2018 amounted to ¥9,582,902 million (down ¥153,114 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥1,592,713 million (up ¥79,729 million year-on-year); the post office business segment accounted for ¥1,039,831 million (up ¥1,943 million year-on-year); the international logistics business segment accounted for ¥535,185 million (up ¥1,225 million year-on-year); the banking business segment accounted for ¥1,384,701 million (down ¥153,027 million year-on-year); and the life insurance business segment accounted for ¥5,913,310 million (down ¥81,868 million year-on-year). Consolidated net ordinary income amounted to ¥638,839 million (down ¥98,847 million year-on-year) as a result of net ordinary income of ¥89,468 million in the postal and domestic logistics business segment (up ¥59,457 million year-on-year); net ordinary income of ¥48,316 million in the post office business segment (up ¥7,895 million year-on-year); net ordinary income of ¥2,759 million in the international logistics business segment (down ¥3,129 million year-on-year); net ordinary income of ¥281,833 million in the banking business segment (down ¥116,191 million year-on-year); and net ordinary income of ¥214,070 million in the life insurance business segment (down ¥40,826 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥392,190 million (up ¥16,964 million year-on-year), which comprises consolidated net ordinary income after adjusting for items including extraordinary gains (losses) and provision for reserve for policyholder dividends.

### (2) Explanation of Financial Position

#### 1) Assets

Consolidated total assets were ¥287,414,914 million, down ¥3,225,240 million from the end of the previous fiscal year.

Major factors include an increase in receivables under resale agreements of ¥8,641,864 million and an increase in cash and due from banks of ¥864,653 million, as well as a decrease in receivables under securities borrowing transactions of ¥8,338,080 million and a decrease in securities of ¥2,749,793 million.

#### 2) Liabilities

Consolidated total liabilities were ¥273,508,278 million, down ¥2,388,641 million from the end of the previous fiscal year.

Major factors include an increase in payables under repurchase agreements of ¥9,103,565 million and an increase in deposits of ¥2,006,717 million, as well as a decrease in payables under securities lending transactions of ¥10,073,017 million and a decrease in policy reserves of ¥1,929,203 million.

#### 3) Net Assets

Consolidated total net assets were ¥13,906,635 million, down ¥836,598 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥161,690 million, as well as a decrease in net unrealized gains (losses) on available-for-sale securities of ¥852,528 million and a decrease in non-controlling interests of ¥89,902 million.

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

Regarding the consolidated financial results forecast for the fiscal year ending March 31, 2019, the Company has revised the full-year forecast announced on November 14, 2018.

For details, please refer to “Notice Regarding Revisions to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019” released on February 14, 2019.

## 2. Interim Consolidated Financial Statements and Primary Notes

## (1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Assets</b>		
Cash and due from banks	50,782,381	51,647,035
Call loans	745,000	500,000
Receivables under resale agreements	-	8,641,864
Receivables under securities borrowing transactions	11,520,376	3,182,295
Monetary claims bought	454,635	613,228
Trading account securities	32	42
Money held in trust	7,056,398	6,727,239
Securities	199,363,017	196,613,223
Loans	13,772,684	12,292,403
Foreign exchanges	87,487	110,943
Other assets	2,365,569	2,503,331
Tangible fixed assets	3,154,613	3,121,572
Intangible assets	329,880	320,992
Asset for retirement benefits	43,694	43,348
Deferred tax assets	970,601	1,104,027
Reserve for possible loan losses	(6,217)	(6,635)
<b>Total assets</b>	<b>290,640,154</b>	<b>287,414,914</b>

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Deposits	178,489,035	180,495,752
Payables under repurchase agreements	1,985,285	11,088,851
Policy reserves and others	69,948,383	67,878,453
Reserve for outstanding claims	548,196	485,649
Policy reserves	67,777,297	65,848,094
Reserve for policyholder dividends	1,622,889	1,544,709
Payables under securities lending transactions	17,475,671	7,402,653
Commercial papers	191,481	43,551
Foreign exchanges	309	538
Other liabilities	3,350,756	2,583,022
Reserve for bonuses	126,869	32,895
Liability for retirement benefits	2,256,418	2,273,608
Reserve for employee stock ownership plan trust	809	480
Reserve for management board benefit trust	727	737
Reserve for reimbursement of deposits	86,114	88,067
Reserve under the special laws	916,743	907,647
Reserve for price fluctuations	916,743	907,647
Deferred tax liabilities	1,068,313	712,017
Total liabilities	275,896,920	273,508,278
<b>Net assets</b>		
Capital stock	3,500,000	3,500,000
Capital surplus	4,135,462	4,134,497
Retained earnings	3,551,054	3,712,744
Treasury stock	(831,945)	(831,887)
Total shareholders' equity	10,354,570	10,515,354
Net unrealized gains (losses) on available-for-sale securities	2,688,219	1,835,691
Net deferred gains (losses) on hedges	2,784	(11,117)
Foreign currency translation adjustments	(85,870)	(89,989)
Accumulated adjustments for retirement benefits	294,238	257,307
Total accumulated other comprehensive income	2,899,371	1,991,892
Non-controlling interests	1,489,292	1,399,389
Total net assets	14,743,234	13,906,635
Total liabilities and net assets	290,640,154	287,414,914

(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, 2017	Nine months ended December 31, 2018
Ordinary income	9,736,016	9,582,902
Postal business income	2,005,454	2,086,553
Banking business income	1,536,177	1,383,328
Life insurance business income	5,995,136	5,913,265
Other ordinary income	199,248	199,753
Ordinary expenses	8,998,330	8,944,062
Operating expenses	6,748,444	6,754,047
Personnel expenses	1,973,622	1,968,795
Depreciation and amortization	210,453	200,689
Other ordinary expenses	65,809	20,530
Net ordinary income	737,686	638,839
Extraordinary gains	3,841	11,025
Gains on sales of fixed assets	1,500	1,389
Gains on negative goodwill	570	-
Reversal of reserve under the special laws	-	9,096
Reversal of reserve for price fluctuations	-	9,096
Compensation for transfer	56	110
Compensation income	13	-
Gains on transfer of business	1,687	-
Other extraordinary gains	12	428
Extraordinary losses	71,099	15,059
Losses on sales and disposal of fixed assets	2,730	3,297
Losses on impairment of fixed assets	4,511	3,746
Provision for reserve under the special laws	46,848	-
Provision for reserve for price fluctuations	46,848	-
Post office refurbishment expenses	16,788	6,027
Other extraordinary losses	222	1,988
Provision for reserve for policyholder dividends	101,375	86,643
Income before income taxes	569,052	548,160
Income taxes current	249,643	191,236
Income taxes deferred	(95,665)	(68,804)
Total income taxes	153,977	122,432
Net income	415,074	425,728
Net income attributable to non-controlling interests	39,848	33,538
Net income attributable to Japan Post Holdings	375,225	392,190



Interim Consolidated Statements of Comprehensive Income  
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net income	415,074	425,728
Other comprehensive income (loss)	305,209	(1,015,096)
Net unrealized gains (losses) on available-for-sale securities	451,628	(957,702)
Net deferred gains (losses) on hedges	(112,774)	(15,625)
Foreign currency translation adjustments	527	(4,677)
Adjustments for retirement benefits	(34,178)	(37,089)
Share of other comprehensive income (loss) of affiliates	6	(1)
Comprehensive income (loss)	720,284	(589,368)
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	643,464	(515,275)
Non-controlling interests	76,819	(74,092)

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

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Additional Information)

(Strategic Alliance Based on Capital Relationship with Aflac Incorporated and Aflac Life Insurance Japan Ltd.)

The Company resolved to enter into a strategic alliance based on capital relationship (hereinafter referred to as the "Strategic Alliance") with Aflac Incorporated (head office: Georgia, U.S.; representative: Daniel P. Amos, Chairman and Chief Executive Officer) and Aflac Incorporated's wholly-owned subsidiary Aflac Life Insurance Japan Ltd. (head office: Shinjuku-ku, Tokyo; representative: Masatoshi Koide, President and Representative Director; hereinafter referred to as "Aflac Japan") at the meeting of the Board of Directors held on December 19, 2018, and executed a basic agreement on the Strategic Alliance on the same day.

Subject to the necessary regulatory approval, the Company plan to acquire through a trust approximately 7% of Aflac Incorporated outstanding common shares (excluding treasury stock) by the end of December 2019 (estimate).

1. Purpose of the basic agreement

The Company and Aflac Japan have established a strong relationship of trust as business partners over the years through the various initiatives regarding cancer insurance undertaken together with Japan Post Co., Ltd. (hereinafter referred to as "Japan Post Co.") and Japan Post Insurance Co., Ltd. (hereinafter referred to as "Japan Post Insurance"), which are the Company's consolidated subsidiaries.

This Strategic Alliance reaffirms the cancer insurance initiatives undertaken thus far and, through an investment by the Company in Aflac Japan's parent company Aflac Incorporated, aims to create a sustained cycle of growth for both companies by which Aflac Japan's business growth will contribute to the Company's earnings.

2. Overview of the basic agreement

(1) Capital relationship

Subject to the necessary regulatory approval, the Company will acquire through a trust approximately 7% of Aflac Incorporated outstanding common shares (excluding treasury stock). The Company will develop a capital relationship with Aflac Incorporated primarily for turning Aflac Incorporated into the Company's affiliate accounted for by the equity method, upon voting rights reaching at least 20%\* four years after acquisition of the shares.

The purpose of this capital relationship is not for the Company to acquire rights to control, manage, or intervene in management of Aflac Incorporated.

\*The Articles of Incorporation of Aflac Incorporated, in principle, stipulate each share is entitled to ten votes after continuous holding of Aflac Incorporated common shares for 48 months by the same beneficial owners.

(2) Reaffirm cancer insurance sales initiatives

The Company and Aflac Japan reaffirm the initiatives regarding cancer insurance that have been implemented among Japan Post Co. and Japan Post Insurance and shall make reasonable efforts to further develop them.

(3) Consideration of new initiatives for cooperation

In addition to initiatives regarding cancer insurance, consider new initiatives for cooperation, including leveraging digital technology, corporation in new product development, cooperation in domestic and/or overseas business expansion and joint investment in third party entities, and cooperation regarding asset management.

(4) Executive Management Meeting and Strategic Alliance Committee

The Company, Aflac Incorporated and Aflac Japan shall continue to leverage the regular meetings that have been held between the CEOs of the Company and Aflac Incorporated as the “Executive Management Meeting”, also discussing items related to the Strategic Alliance.

In addition, the Company, Aflac Incorporated and Aflac Japan shall continue leveraging the regular meetings that have been held among representative officers, representative directors, etc. of the Company, Japan Post Co., Japan Post Insurance and Aflac Japan as the “Strategic Alliance Committee”, also discussing items related to the Strategic Alliance.

## (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	1,554,426	156,063	535,185	1,383,328	5,913,265	9,542,271	39,247	9,581,518
Intersegment ordinary income	38,286	883,767	-	1,372	44	923,471	269,732	1,193,204
Total	1,592,713	1,039,831	535,185	1,384,701	5,913,310	10,465,742	308,980	10,774,723
Segment profit	89,468	48,316	2,759	281,833	214,070	636,448	209,260	845,708

- (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 ¥203,163 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	636,448
Segment profit in other business	209,260
Eliminations of intersegment transactions	(203,980)
Adjustments	(2,888)
Net ordinary income on the interim consolidated statements of income	638,839

- (Note) "Adjustments" are primarily 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.