



Financial Results of the Principal Subsidiaries

for the Three Months Ended June 30, 2019

August 9, 2019

Table of Contents

I	Japan Post Holdings	1
	Year-on-Year Changes of Income for the Three Months Ended June 30, 2019.....	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.....	10
IV	Japan Post Insurance	11

Note: Please refer to the documents on consolidated financial results announcements of Japan Post Bank and Japan Post Insurance released on the respective company's website for their consolidated financial results.

I Japan Post Holdings

Year-on-Year Changes of Income for the Three Months Ended June 30, 2019

Net ordinary income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Three months ended June 30, 2018	210.1	25.1	106.6	75.2	3.1
Three months ended June 30, 2019	202.2	37.6	105.7	56.0	2.8
Year-on-year change	(7.9)	+ 12.5	(0.9)	(19.2)	(0.2)

Net income

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)	Others (Including consolidated accounting procedures)
Three months ended June 30, 2018	123.5	22.9	78.3	34.0	(11.8)
Three months ended June 30, 2019	135.0	35.4	77.8	33.7	(11.9)
Year-on-year change	+ 11.5	+ 12.4	(0.5)	(0.3)	(0.0)

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

II Japan Post Co.

1. Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	1,871,936	1,698,411
Notes receivable and operating accounts receivable	347,649	336,764
Securities	15,000	15,000
Inventories	21,727	19,129
Outstanding amount of banking business consignment	22,767	-
Other current assets	90,889	97,425
Reserve for possible loan losses	(2,832)	(2,639)
Total current assets	2,367,139	2,164,091
Non-current assets		
Tangible fixed assets		
Buildings	1,013,063	993,746
Land	1,306,333	1,304,143
Right-of-use assets	-	164,804
Other tangible fixed assets	345,982	341,500
Total tangible fixed assets	2,665,379	2,804,195
Intangible assets	97,944	90,312
Investments and other assets		
Other investments and other assets	54,350	54,763
Reserve for possible loan losses	(2,004)	(2,119)
Total investments and other assets	52,345	52,643
Total non-current assets	2,815,669	2,947,152
Total assets	5,182,809	5,111,243

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes payable and operating accounts payable	101,504	102,078
Short-term borrowings	124,752	135,500
Current portion of long-term borrowings	76,509	65,594
Other accounts payable	311,386	202,583
Outstanding amount of banking business consignment	-	65,221
Outstanding amount of life insurance business consignment	2,577	3,301
Income taxes payable	16,837	7,581
Deposits received	280,030	268,432
Fund deposits for post offices	870,000	870,000
Reserve for bonuses	108,463	31,696
Other current liabilities	188,790	187,005
Total current liabilities	2,080,852	1,938,995
Long-term liabilities		
Long-term borrowings	75,760	77,107
Lease obligations	16,595	176,335
Deferred tax liabilities	12,167	12,390
Reserve for losses on rebuilding of branches	197	197
Reserve for management board benefit trust	310	332
Liability for retirement benefits	2,010,351	2,016,738
Other long-term liabilities	71,443	71,381
Total long-term liabilities	2,186,826	2,354,482
Total liabilities	4,267,678	4,293,478
Net assets		
Shareholders' equity		
Capital stock	400,000	400,000
Capital surplus	142,661	142,661
Retained earnings	294,738	204,436
Total shareholders' equity	837,400	747,098
Accumulated other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	38	0
Net deferred gains (losses) on hedges	30	33
Foreign currency translation adjustments	(89,350)	(90,134)
Accumulated adjustments for retirement benefits	153,924	148,556
Total accumulated other comprehensive income	64,644	58,456
Non-controlling interests	13,085	12,210
Total net assets	915,130	817,765
Total liabilities and net assets	5,182,809	5,111,243

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

(1) Interim Consolidated Statements of Income

Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating income		
Postal service business income	492,976	496,973
Commissions for banking business consignment	153,834	97,732
Commissions for life insurance business consignment	88,288	74,262
Funds to maintain post office network	-	73,818
International logistics business income	169,032	160,067
Other operating income	44,367	41,480
Total operating income	948,499	944,334
Operating costs	864,093	842,945
Gross operating income	84,405	101,388
Sales, general and administrative costs	59,294	61,148
Net operating income	25,110	40,240
Other income		
Interest income	150	111
Dividend income	10	4
Equity in earnings of affiliates	114	28
Foreign exchange gains	170	560
Subsidy income	474	64
Others	754	512
Total other income	1,674	1,282
Other expenses		
Interest expenses	1,458	3,603
Others	174	251
Total other expenses	1,633	3,855
Net ordinary income	25,151	37,667
Extraordinary gains		
Gains on sales of fixed assets	683	1,219
Contribution for post office refurbishment expenses	972	739
Others	23	195
Total extraordinary gains	1,679	2,153
Extraordinary losses		
Losses on sales of fixed assets	19	55
Losses on disposal of fixed assets	495	238
Losses on impairment of fixed assets	1	91
Post office refurbishment expenses	972	739
Others	446	553
Total extraordinary losses	1,934	1,678
Income before income taxes	24,897	38,143
Income taxes current	1,869	1,856
Income taxes deferred	27	705
Total income taxes	1,896	2,561
Net income	23,000	35,581
Net income attributable to non-controlling interests	27	165
Net income attributable to Japan Post Co.	22,973	35,416

Japan Post Co.

(2) Interim Consolidated Statements of Comprehensive Income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net income	23,000	35,581
Other comprehensive income		
Net unrealized gains (losses) on available-for-sale securities	52	(34)
Net deferred gains (losses) on hedges	95	2
Foreign currency translation adjustments	(1,311)	(1,185)
Adjustments for retirement benefits	(5,352)	(5,368)
Share of other comprehensive loss of affiliates	(1)	(4)
Total other comprehensive loss	(6,517)	(6,589)
Comprehensive income	16,482	28,992
Total comprehensive income (loss) attributable to:		
Japan Post Co.	16,448	29,228
Non-controlling interests	34	(235)

3. Segment Information

Three months ended June 30, 2018

(1) Operating income and segment profit of reportable segments

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note 2)	Subtotal		
Operating income ^(Note 1)						
Operating income from third parties	494,378	285,087	169,032	948,499	-	948,499
Intersegment operating income	3,407	46,557	-	49,964	-	49,964
Total	497,785	331,645	169,032	998,463	-	998,463
Segment profit	14,840	10,863	677	26,381	-	26,381

(Notes)

1. "Operating income" is presented instead of net sales which is typical for companies in other industries.
2. The amount presented in segment profit for the international logistics business segment is EBIT.

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	26,381
Segment profit in other business	-
Eliminations of intersegment transactions	347
Corporate expenses ^(Note)	(412)
Other adjustments	(1,206)
Net operating income on the interim consolidated statements of income	25,110

(Note)

"Corporate expenses" consists mainly of general and administrative costs which are not attributable to any reportable segments.

Japan Post Co.

Three months ended June 30, 2019

(1) Operating income and segment profit (loss) of reportable segments

(Millions of yen)

	Reportable segments				Other	Total
	Postal and domestic logistics business	Post office business	International logistics business (Note 2)	Subtotal		
Operating income ^(Note 1)						
Operating income from third parties	498,359	285,907	160,067	944,334	-	944,334
Intersegment operating income	3,200	49,030	42	52,273	-	52,273
Total	501,560	334,938	160,109	996,607	-	996,607
Segment profit (loss)	21,516	21,851	(1,919)	41,448	-	41,448

(Notes)

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

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

(Millions of yen)

Items	Amount
Total segment profit of reportable segments	41,448
Segment profit in other business	-
Eliminations of intersegment transactions	334
Corporate expenses ^(Note)	(490)
Other adjustments	(1,052)
Net operating income on the interim consolidated statements of income	40,240

(Note)

"Corporate expenses" consists mainly of general and administrative costs which are not attributable to any reportable segments.

III Japan Post Bank

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

IV Japan Post Insurance

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