

**Summary of Consolidated Financial Results
for the Nine Months Ended December 31, 2020**
<Under Japanese GAAP>



February 12, 2021

Company name: Japan Post Holdings Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
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 Scheduled date of filing interim securities report: February 12, 2021
 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, 2020
(April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	8,700,507	(3.9)	708,807	2.9	390,013	(7.6)
Nine months ended December 31, 2019	9,054,558	(5.5)	688,879	7.8	422,006	7.6

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥3,560,664 million [338.1 %]
 Nine months ended December 31, 2019: ¥812,826 million [- %]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2020	96.46	-
Nine months ended December 31, 2019	104.37	-

(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, 2020	297,239,064	16,063,869	4.6
As of March 31, 2020	286,098,449	12,616,774	3.8

(Reference) Equity: As of December 31, 2020: ¥13,819,813 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	-	0.00	-		
Fiscal year ending March 31, 2021 (Forecast)				50.00	50.00

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

(Note 2) The source of dividends for the fiscal year ending March 31, 2021 is to be capital surplus.

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	11,360,000	(4.9)	620,000	(28.3)	340,000	(29.7)	84.09

(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 December 31, 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 December 31, 2020: 456,635,301 shares

As of March 31, 2020: 456,667,501 shares

3) Average number of shares during the fiscal period:

Nine months ended December 31, 2020: 4,043,354,659 shares

Nine months ended December 31, 2019: 4,043,227,218 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 496,100 shares and 528,300 shares as of December 31, 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 506,140 shares and 633,581 shares for the nine months ended December 31, 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 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 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]

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Supplementary Briefing Material:

Materials for Consolidated Financial Results for the Nine Months Ended December 31, 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 nine months ended December 31, 2020 amounted to ¥8,700,507 million (down ¥354,050 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥1,555,562 million (down ¥48,081 million year-on-year); the post office business segment accounted for ¥955,515 million (down ¥50,116 million year-on-year); the international logistics business segment accounted for ¥564,268 million (up ¥77,571 million year-on-year); the banking business segment accounted for ¥1,313,684 million (down ¥44,789 million year-on-year); and the life insurance business segment accounted for ¥5,127,335 million (down ¥334,216 million year-on-year). Consolidated net ordinary income amounted to ¥708,807 million (up ¥19,927 million year-on-year) as a result of net ordinary income of ¥88,233 million in the postal and domestic logistics business segment (down ¥32,231 million year-on-year); net ordinary income of ¥41,883 million in the post office business segment (down ¥10,232 million year-on-year); net ordinary loss of ¥8,339 million in the international logistics business segment (net ordinary loss of ¥15,605 million for the same period of the previous fiscal year); net ordinary income of ¥313,882 million in the banking business segment (up ¥24,627 million year-on-year); and net ordinary income of ¥260,892 million in the life insurance business segment (up ¥26,915 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥390,013 million (down ¥31,992 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 ¥297,239,064 million, up ¥11,140,614 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥10,038,004 million and an increase in money held in trust of ¥2,115,522 million, as well as a decrease in loans of ¥635,257 million and a decrease in deferred tax assets of ¥384,612 million.

2) Liabilities

Consolidated total liabilities were ¥281,175,194 million, up ¥7,693,519 million from the end of the previous fiscal year.

Major factors include an increase in deposits of ¥6,625,982 million and an increase in borrowed money of ¥3,657,177 million, as well as a decrease in policy reserves of ¥2,187,897 million and a decrease in payables under securities lending transactions of ¥1,098,614 million.

3) Net Assets

Consolidated total net assets were ¥16,063,869 million, up ¥3,447,094 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 ¥2,538,294 million, an increase in non-controlling interests of ¥561,434 million and an increase in retained earnings of ¥288,917 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 November 13, 2020.

2. Interim Consolidated Financial Statements and Primary Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Cash and due from banks	53,680,384	63,718,389
Call loans	1,420,000	1,050,000
Receivables under resale agreements	9,731,897	9,672,153
Receivables under securities borrowing transactions	3,304,202	3,094,279
Monetary claims bought	634,394	628,882
Trading account securities	31	12
Money held in trust	7,804,150	9,919,672
Securities	191,127,051	192,114,208
Loans	10,624,482	9,989,224
Foreign exchanges	147,469	122,248
Other assets	2,787,487	2,542,693
Tangible fixed assets	3,186,558	3,154,496
Intangible assets	291,694	259,454
Asset for retirement benefits	55,308	55,133
Deferred tax assets	1,312,378	927,765
Reserve for possible loan losses	(9,043)	(9,552)
Total assets	286,098,449	297,239,064

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Deposits	181,377,859	188,003,841
Payables under repurchase agreements	14,855,624	15,268,122
Policy reserves and others	64,191,926	61,893,311
Reserve for outstanding claims	461,224	402,839
Policy reserves	62,293,166	60,105,268
Reserve for policyholder dividends	1,437,535	1,385,203
Payables under securities lending transactions	6,509,525	5,410,911
Commercial papers	-	132,438
Borrowed money	302,200	3,959,377
Foreign exchanges	511	532
Bonds	100,000	100,000
Other liabilities	2,820,086	2,235,004
Reserve for bonuses	121,875	34,403
Liability for retirement benefits	2,220,241	2,261,685
Reserve for employee stock ownership plan trust	605	304
Reserve for management board benefit trust	984	806
Reserve for reimbursement of deposits	80,324	75,368
Reserve for insurance claims and others	29,722	4,658
Reserve under the special laws	858,339	863,729
Reserve for price fluctuations	858,339	863,729
Deferred tax liabilities	11,845	930,697
Total liabilities	273,481,674	281,175,194
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,084,763	4,085,191
Retained earnings	4,057,087	4,346,004
Treasury stock	(831,707)	(831,661)
Total shareholders' equity	10,810,143	11,099,534
Net unrealized gains (losses) on available-for-sale securities	295,671	2,833,965
Net deferred gains (losses) on hedges	(291,823)	(224,957)
Foreign currency translation adjustments	(89,698)	(93,781)
Accumulated adjustments for retirement benefits	209,860	205,050
Total accumulated other comprehensive income	124,008	2,720,278
Non-controlling interests	1,682,622	2,244,056
Total net assets	12,616,774	16,063,869
Total liabilities and net assets	286,098,449	297,239,064

(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, 2019	Nine months ended December 31, 2020
Ordinary income	9,054,558	8,700,507
Postal business income	2,052,823	2,086,852
Banking business income	1,356,644	1,312,419
Life insurance business income	5,461,523	5,127,323
Other ordinary income	183,566	173,913
Ordinary expenses	8,365,678	7,991,700
Operating expenses	6,183,986	5,879,973
Personnel expenses	1,929,521	1,858,243
Depreciation and amortization	220,232	214,375
Other ordinary expenses	31,939	39,107
Net ordinary income	688,879	708,807
Extraordinary gains	20,914	9,143
Gains on sales of fixed assets	2,811	3,946
Gains on negative goodwill	48	-
Reversal of reserve under the special laws	9,835	-
Reversal of reserve for price fluctuations	9,835	-
Compensation for transfer	406	1,040
Compensation income	-	1,795
Gains on transfer of business	6,245	-
Other extraordinary gains	1,569	2,361
Extraordinary losses	9,871	29,994
Losses on sales and disposal of fixed assets	2,203	1,946
Losses on impairment of fixed assets	1,408	10,875
Provision for reserve under the special laws	-	5,389
Provision for reserve for price fluctuations	-	5,389
Post office refurbishment expenses	3,685	2,075
Other extraordinary losses	2,573	9,707
Provision for reserve for policyholder dividends	81,314	68,523
Income before income taxes	618,608	619,432
Income taxes current	196,659	168,494
Income taxes deferred	(64,722)	(10,550)
Total income taxes	131,936	157,943
Net income	486,671	461,489
Net income attributable to non-controlling interests	64,664	71,475
Net income attributable to Japan Post Holdings	422,006	390,013

Interim Consolidated Statements of Comprehensive Income
 Nine months ended December 31

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	486,671	461,489
Other comprehensive income	326,154	3,099,175
Net unrealized gains (losses) on available-for-sale securities	438,665	3,031,080
Net deferred gains (losses) on hedges	(74,619)	75,203
Foreign currency translation adjustments	(3,624)	(2,568)
Adjustments for retirement benefits	(34,262)	(4,534)
Share of other comprehensive loss of affiliates	(4)	(5)
Comprehensive income	812,826	3,560,664
Total comprehensive income attributable to:		
Japan Post Holdings	641,146	2,986,273
Non-controlling interests	171,680	574,390

(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.

In the nine months ended December 31, 2020, the Company recorded the refund of premiums and payment of insurance claims to compensate for the disadvantages suffered by customers as part of insurance claims and others (operating expenses, etc.), and the corresponding adjustment to policy reserves as part of reversal of policy reserves (life insurance business income), while recording a reduction of the net amount totaling ¥19,972 million from reserve for insurance claims and others at the end of the previous fiscal year, and a reversal of ¥5,091 million, a decrease as a result of reflecting the status of progress in the investigation of insurance policies on estimates. Consequently, insurance claims and others stood at ¥4,658 million at the end of the nine months ended December 31, 2020. The amounts of the aforementioned reduction and reversal of insurance claims and others are included in life insurance business income in the consolidated statement of income for the nine months ended December 31, 2020.

(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	1,524,412	132,936	564,117	1,312,419	5,127,323	8,661,209	35,810	8,697,020
Intersegment ordinary income	31,150	822,578	150	1,265	12	855,156	154,417	1,009,574
Total	1,555,562	955,515	564,268	1,313,684	5,127,335	9,516,366	190,228	9,706,595
Segment profit (loss)	88,233	41,883	(8,339)	313,882	260,892	696,553	109,815	806,368

(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 (loss) of reportable segments	696,553
Segment profit in other business	109,815
Eliminations of intersegment transactions	(93,240)
Adjustments	(4,320)
Net ordinary income on the interim consolidated statements of income	708,807

(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.