Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015

FASF MEMBERSHIP

November 13, 2015

Company name:	Japan Post Holdings Co., Ltd.	Stock exchange listing:	Tokyo Stock Exchange
Code number:	6178	URL:	http://www.japanpost.jp/

Representative: Taizo Nishimuro, President & CEO (Representative Executive Officer)
Contact: Noboru Ichikura, Managing Executive Officer
Phone: +81-3-3504-9708
Scheduled date of filing interim securities report: November 27, 2015
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 Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)

(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	%
Six months ended September 30, 2015	7,035,001	(1.0)	473,378	(8.8)	213,344	(1.7)
Six months ended September 30, 2014	7,105,663	(5.7)	518,784	1.8	217,129	(1.2)

(Note) Comprehensive income: Six months ended September 30, 2015: ¥(484,088) million [– %]
Six months ended September 30, 2014: ¥720,094 million [293.7%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2015	47.41	-
Six months ended September 30, 2014	48.25	-

(Note 1) Because there was no dilution, the amount for diluted net income per share is omitted.
(Note 2) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Net income per share has been calculated assuming the stock split was implemented on April 1, 2014.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of September 30, 2015	295,658,127	14,769,441	5.0
As of March 31, 2015	295,849,794	15,301,561	5.2

(Reference) Equity: As of September 30, 2015: ¥14,764,610 million
As of March 31, 2015: ¥15,298,833 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights – Non-controlling interests) / Total assets] x 100

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	-	0.00	-	334.00	334.00
Fiscal year ending March 31, 2016	-	0.00			
Fiscal year ending March 31, 2016 (Forecast)			-	23.00	23.00

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

(Note 2) The Company implemented a 30-for-1 common stock split effective August 1, 2015. For year-end dividend for the Fiscal Year Ending March 31, 2016 (forecast), the amount reflecting such stock split is indicated.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% 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, 2016	14,210,000	(0.3)	860,000	(22.9)	370,000	(23.3)	85.20

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

(Note 2) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

*** Notes:**

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(Note) For details, please refer to [Attachment] "2. Matters Concerning Summary Information (Notes)" on page 4.

(3) Total number of shares issued (common stock)

1) Total number of shares issued at the end of the period (including treasury stock):
September 30, 2015: 4,500,000,000 shares
March 31, 2015: 4,500,000,000 shares

2) Total number of treasury stock at the end of the period:
September 30, 2015: - shares
March 31, 2015: - shares

3) Average number of shares during the period:
Six months ended September 30, 2015: 4,500,000,000 shares
Six months ended September 30, 2014: 4,500,000,000 shares

(Note) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Total number of shares issued (common stock) has been calculated assuming the stock split was implemented on April 1, 2014.

(Summary of non-consolidated financial statements)

1. Non-consolidated Financial Results for the Six Months Ended September 30, 2015 (April 1, 2015 to September 30, 2015)

(1) Non-consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Operating income		Net operating income		Net ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2015	259,095	37.3	221,759	64.2	222,733	63.8	214,734	52.8
Six months ended September 30, 2014	188,670	(8.2)	135,047	(1.6)	135,968	(1.5)	140,573	(2.4)

	Net income per share
	Yen
Six months ended September 30, 2015	47.72
Six months ended September 30, 2014	31.24

(Note) The Company implemented a 30-for-1 common stock split effective August 1, 2015. Net income per share has been calculated assuming the stock split was implemented on April 1, 2014.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of September 30, 2015	9,189,653	8,909,091	96.9
As of March 31, 2015	9,107,178	8,744,456	96.0

(Reference) Equity: As of September 30, 2015: ¥8,909,091 million
As of March 31, 2015: ¥8,744,456 million

(Note) Equity ratio = [(Net assets – Stock acquisition rights) / Total assets] x 100

* Explanation regarding the status of interim audit procedures

This summary of interim consolidated financial results is outside the scope of interim audit procedures based on the Financial Instruments and Exchange Act (the "Act"), and at the time of disclosure of these interim financial results, the interim audit procedures for the interim consolidated and non-consolidated financial statements based on the Act have not been completed.

* Explanation on appropriate use of financial results forecast and other specific matters

1. 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.
2. With regard to the acquisition of treasury stock, at the meeting of the Board of Directors held on October 19, 2015, the Company resolved to commission purchases through off-auction own share repurchase trading (ToSTNeT-3) at the Tokyo Stock Exchange for a maximum total number of 2,250,000,000 shares and a maximum total amount of ¥730,964,638,025 during the period from November 5, 2015 to March 31, 2016. Although the number of treasury stock to be acquired (assumed based on the offer price for the shares of the Company to be offered) has been taken into account for the calculation of the number of shares used as the basis in "3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)", the actual number of treasury stock acquired may differ from the assumption.

[Attachment]

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1. Qualitative Information on Interim Financial Results for the Period under Review

(1) Explanation of Results of Operations

Looking at the economic climate in Japan during the six months ended September 30, 2015, overall personal consumption was resilient as the economy continued to recover gradually due to factors such as improved corporate earnings. Despite the recovery trends in employment and income environment, consumer confidence appeared to have made no further headway.

Although the world economy continues to recover gradually, mainly in developed countries, there are concerns that the slowdown in Chinese economy may trigger a slump in growth in the emerging economies.

In the financial and capital markets, with regard to the yield rate on ten-year Japanese government bonds, although the yield rate rose to the mid-0.5% range in mid-June 2015 due to factors such as overseas long-term interest rates, the yield rate trended down subsequently and descended to the lower 0.3% range by late September 2015.

The Nikkei Stock Average continued its upward trend in response to anticipations of an improvement in the domestic economy and corporate earnings, rising almost up to ¥21,000 in late June 2015, but dropped significantly from mid-August due to the effects of a decline in stock prices worldwide lead by a slowdown in the Chinese economy, and proceeded mainly in the ¥17,000 range in late September.

Under such business environment, the consolidated financial results for the six months ended September 30, 2015 amounted to ordinary income of ¥7,035,001 million, net ordinary income of ¥473,378 million and net income attributable to Japan Post Holdings of ¥213,344 million, which comprises net ordinary income after adjusting for items including extraordinary gains due to sales of fixed assets, etc., extraordinary losses due to provision for reserve for price fluctuations under the Insurance Business Act, etc. and provision for reserve for policyholder dividends.

Financial results by segment are as follows. From the six months ended September 30, 2015, “International Logistics Business Segment” was added as new reportable segment.

(Postal and Domestic Logistics Business Segment)

In the postal and domestic logistics business during the six months ended September 30, 2015, volume of Yu-Pack handled increased due to expansion of e-commerce market and the strengthened sales activities for small and medium-sized businesses and international parcel including EMS and international parcels for China increased. In addition, ordinary income amounted to ¥886,304 million due to efforts including expansion of new services such as Smart Letter.

Meanwhile, ordinary expenses amounted to ¥918,948 million mainly due to an improvement of productivity in pick-up and delivery services, despite negative factors including an increase in unit personnel expenses associated with increasing volume of Yu-Pack and EMS handled. As a result, net ordinary loss amounted to ¥32,643 million

Operating income and net operating loss for the six months ended September 30, 2015 for the postal and domestic logistics business of Japan Post Co., Ltd. amounted to ¥868,174 million and ¥46,365 million, respectively.

With regard to the volume of items handled for the six months ended September 30, 2015, the volume of mail handled increased by 0.4% year-on-year to 7,743.87 million , the volume of Yu-Mail parcels handled increased by 5.6% year-on-year to 1,680.43 million and the volume of Yu-Pack parcels handled increased by 7.7% year-on-year to 247.47 million.

(International Logistics Business Segment)

Toll Holdings Limited (hereinafter referred to as the “Toll”) and its subsidiaries have been incorporated into international logistics business of the Japan Post Group, and financial results of Toll have been included in the consolidated figures of Japan Post Group from July 2015.

Toll is an international logistics provider with a strong operating base in Australia that engages in the forwarding business and third-party logistics (contract logistics) in the Asia Pacific region. The Japan Post

Group has positioned Toll as the platform for global expansion of the Group and will promote growth of the international logistics business by taking full advantage of the knowledge and experience of Toll.

In the international logistics business during the six months ended September 30, 2015, ordinary income amounted to ¥191,612 million and net ordinary income amounted to ¥6,795 million under the weak business environment in Australia.

Operating income and net operating income for the six months ended September 30, 2015 for the international logistics business of Japan Post Co., Ltd. amounted to ¥191,471 million and ¥8,061 million, respectively.

(Post Office Business Segment)

In the post office business during the six months ended September 30, 2015, commissions for banking business consignment and life insurance business consignment increased as a result of promoting the operating initiatives in cooperation with Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., catalog sales as part of merchandising business increased, earnings from the development of real estate business increased and third-party financial product agency services improved mainly due to the expansion of the scope of post offices handling cancer insurance. As a result, ordinary income amounted to ¥676,350 million.

On the other hand, ordinary expenses amounted to ¥652,956 million due to an increase in salaries and allowances, legal welfare expenses and costs of sales. As a result, net ordinary income amounted to ¥23,393 million.

Operating income and net operating income for the six months ended September 30, 2015 for the post office business of Japan Post Co., Ltd. amounted to ¥666,324 million and ¥21,684 million, respectively.

(Banking Business Segment)

In the banking business during the six months ended September 30, 2015, deposit balance amounted to ¥177,131,058 million. Ordinary income amounted to ¥987,184 million due to a decrease in net interest income under the adverse business environment with the prolonged period of historically low interest rates. Of ordinary income, interest income, comprised mainly of interest and dividends on securities, amounted to ¥881,872 million, and fees and commissions amounted to ¥63,127 million.

On the other hand, ordinary expenses amounted to ¥735,459 million mainly due to the effects of the reduction in the deposit insurance premium rate. Of ordinary expenses, interest expenses and general and administrative expenses amounted to ¥187,003 million and ¥530,592 million, respectively.

As a result of the above, net ordinary income amounted to ¥251,724 million.

(Life Insurance Business Segment)

In the life insurance business during the six months ended September 30, 2015, 1,171 thousand new individual insurance policies with a policy amount of ¥3,522,466 million and 37 thousand new individual annuity policies with a policy amount of ¥133,030 million were acquired.

Ordinary income amounted to ¥4,881,336 million. Of ordinary income, insurance premiums and others was ¥2,746,776 million, and investment income was ¥688,854 million.

Meanwhile, ordinary expenses amounted to ¥4,662,549 million. Of ordinary expenses, insurance claims and others amounted to ¥4,349,885 million, provision for policy reserves and others amounted to ¥182 million and investment expenses amounted to ¥4,263 million.

As a result of the above, net ordinary income amounted to ¥218,787 million.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥295,658,127 million, a decrease of ¥191,667 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥5,675,930 million, an increase in goodwill of ¥462,704 million, an increase in money held in trust at the banking business and life insurance business of ¥262,122 million, as well as a decrease in securities mainly in the banking business and life insurance business of ¥6,513,582 million.

2) Liabilities

Consolidated total liabilities were ¥280,888,685 million, an increase of ¥340,452 million from the end of the previous fiscal year.

Major factors include an increase in deposits in the banking business of ¥211,521 million and an increase in payables under securities lending transactions in the banking business and life insurance business of ¥2,238,415 million, as well as a decrease in policy reserves in the life insurance business of ¥1,412,887 million.

3) Net Assets

Consolidated total net assets were ¥14,769,441 million, a decrease of ¥532,119 million from the end of the previous fiscal year.

Major factors include an increase in retained earnings of ¥163,367 million, as well as a decrease in net unrealized gains on available-for-sale securities mainly in the banking business and life insurance business of ¥653,346 million.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2016 remains unchanged from the full year forecast in “Notice Concerning Consolidated Financial Results Information, etc. Following the Listing on the First Section of the Tokyo Stock Exchange” announced on November 4, 2015.

The financial results forecast was prepared based on information available as of the release date of the notice. Actual financial results may differ from these forecasts due to various factors.

2. Matters Concerning Summary Information (Notes)

(1) Changes in Accounting Policies, Changes in Accounting Estimates and Retrospective Restatement

(Changes in Accounting Policies)

Effective from the six months ended September 30, 2015, the Company has adopted Accounting Standard for Business Combinations (ASBJ Statement No. 21, September 13, 2013; hereinafter referred to as the “Business Combinations Accounting Standard”), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, September 13, 2013; hereinafter referred to as the “Consolidation Accounting Standard”), Accounting Standard for Business Divestitures (ASBJ Statement No. 7, September 13, 2013; hereinafter referred to as the “Business Divestitures Accounting Standard”), and other pronouncements. Accordingly, the Company changed to the method where the Company records changes in the Company’s ownership interest in a subsidiary in the case where the Company retains control over the subsidiary as capital surplus, and records acquisition-related costs as expenses in the fiscal year of incurrence. With respect to business combinations to be implemented after the beginning of the six months ended September 30, 2015, the Company changed to the method where revisions to the allocation of acquisition costs due to finalizing amounts from the provisional accounting treatments are reflected in the interim consolidated financial statements for the period in which the business combination was carried out.

The Business Combinations Accounting Standard and other pronouncements are applied transitionally as provided for in Paragraph 58-2 (4) of the Business Combinations Accounting Standard, Paragraph 44-5 (4) of the Consolidation Accounting Standard and Paragraph 57-4 (4) of the Business Divestitures Accounting Standard, and are applied prospectively from the beginning of the six months ended September 30, 2015.

The effects of this change on net ordinary income and income before income taxes were immaterial.

3. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Cash and due from banks	36,406,491	42,082,422
Call loans	2,406,954	2,507,200
Receivables under securities borrowing transactions	11,094,941	11,114,698
Monetary claims bought	571,100	532,180
Trading account securities	104	173
Money held in trust	4,926,581	5,188,704
Securities	222,593,945	216,080,362
Loans	12,761,331	12,057,451
Foreign exchanges	49,332	16,118
Other assets	1,296,577	1,511,435
Tangible fixed assets	2,790,296	3,007,581
Intangible fixed assets	303,854	797,191
Asset for retirement benefits	10,653	10,449
Deferred tax assets	547,743	664,217
Customers' liabilities for acceptances and guarantees	95,000	95,000
Reserve for possible loan losses	(5,113)	(7,059)
Total assets	295,849,794	295,658,127

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Deposits	175,697,196	175,908,718
Call money	-	46,267
Policy reserves and others	77,905,677	76,420,197
Reserve for outstanding claims	718,156	687,233
Policy reserves	75,112,601	73,699,714
Reserve for policyholder dividends	2,074,919	2,033,249
Payables under securities lending transactions	17,228,691	19,467,106
Foreign exchanges	266	346
Other liabilities	5,091,074	4,449,242
Reserve for bonuses	93,528	126,197
Liability for retirement benefits	2,269,094	2,284,198
Reserve under the special laws	712,167	742,556
Reserve for price fluctuations	712,167	742,556
Deferred tax liabilities	1,455,537	1,348,854
Acceptances and guarantees	95,000	95,000
Total liabilities	280,548,232	280,888,685
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,503,856	4,503,856
Retained earnings	3,149,937	3,313,304
Total shareholders’ equity	11,153,793	11,317,160
Net unrealized gains (losses) on available-for-sale securities	4,389,261	3,735,914
Net deferred gains (losses) on hedges	(666,430)	(612,381)
Foreign currency translation adjustments	160	(76,122)
Accumulated adjustments for retirement benefits	422,048	400,040
Total accumulated other comprehensive income	4,145,039	3,447,450
Non-controlling interests	2,728	4,830
Total net assets	15,301,561	14,769,441
Total liabilities and net assets	295,849,794	295,658,127

(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Interim Consolidated Statements of Income

Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Ordinary income	7,105,663	7,035,001
Postal business income	810,835	1,037,756
Banking business income	1,030,432	986,491
Life insurance business income	5,171,654	4,881,287
Other ordinary income	92,740	129,465
Ordinary expenses	6,586,878	6,561,622
Operating expenses	5,364,447	5,235,415
Personnel expenses	1,127,894	1,221,279
Depreciation and amortization	88,515	99,941
Other ordinary expenses	6,021	4,985
Net ordinary income	518,784	473,378
Extraordinary gains	6,681	5,227
Gains on sales of fixed assets	3,643	819
Gains on negative goodwill	2,667	849
Compensation for transfer	348	490
Compensation income	-	20
Gains on transfer of business	-	2,315
Other extraordinary gains	22	731
Extraordinary losses	63,420	51,449
Losses on sales and disposal of fixed assets	2,132	3,227
Losses on impairment of fixed assets	5,088	4,572
Provision for reserve under the special laws	54,370	30,388
Provision for reserve for price fluctuations	54,370	30,388
Post office refurbishment expenses	1,753	13,254
Other extraordinary losses	76	6
Provision for reserve for policyholder dividends	135,423	119,559
Income before income taxes	326,622	307,596
Income taxes current	183,552	161,410
Income taxes deferred	(74,025)	(67,498)
Total income taxes	109,526	93,912
Net income	217,095	213,683
Net income (loss) attributable to non-controlling interests	(33)	339
Net income attributable to Japan Post Holdings	217,129	213,344

Interim Consolidated Statements of Comprehensive Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Net income	217,095	213,683
Other comprehensive income	502,998	(697,771)
Net unrealized gains (losses) on available-for-sale securities	573,808	(653,348)
Net deferred gains (losses) on hedges	(56,292)	54,048
Foreign currency translation adjustments	(51)	(76,461)
Adjustments for retirement benefits	(14,467)	(22,007)
Share of other comprehensive income of affiliates	1	(2)
Comprehensive income	720,094	(484,088)
Total comprehensive income attributable to:		
Japan Post Holdings	720,128	(484,245)
Non-controlling interests	(33)	156

(3) Interim Consolidated Statements of Changes in Net Assets

Six month ended September 30, 2014

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,503,856	2,967,703	10,971,559
Cumulative effects of changes in accounting policies			(256,948)	(256,948)
Restated balance at the beginning of the fiscal year	3,500,000	4,503,856	2,710,754	10,714,611
Changes in the period				
Cash dividends			(43,500)	(43,500)
Net income attributable to Japan Post Holdings			217,129	217,129
Increase due to merger between consolidated and unconsolidated subsidiaries				-
Net changes in items other than shareholders' equity in the period				
Net changes in the period	-	-	173,629	173,629
Balance at the end of the period	3,500,000	4,503,856	2,884,384	10,888,240

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	2,750,463	(596,892)	66	261,879	2,415,517	1,573	13,388,650
Cumulative effects of changes in accounting policies							(256,948)
Restated balance at the beginning of the fiscal year	2,750,463	(596,892)	66	261,879	2,415,517	1,573	13,131,701
Changes in the period							
Cash dividends							(43,500)
Net income attributable to Japan Post Holdings							217,129
Increase due to merger between consolidated and unconsolidated subsidiaries							-
Net changes in items other than shareholders' equity in the period	573,809	(56,292)	(51)	(14,467)	502,998	1,217	504,216
Net changes in the period	573,809	(56,292)	(51)	(14,467)	502,998	1,217	677,845
Balance at the end of the period	3,324,272	(653,184)	14	247,412	2,918,515	2,791	13,809,547

Six month ended September 30, 2015

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,503,856	3,149,937	11,153,793
Cumulative effects of changes in accounting policies				-
Restated balance at the beginning of the fiscal year	3,500,000	4,503,856	3,149,937	11,153,793
Changes in the period				
Cash dividends			(50,100)	(50,100)
Net income attributable to Japan Post Holdings			213,344	213,344
Increase due to merger between consolidated and unconsolidated subsidiaries			122	122
Net changes in items other than shareholders' equity in the period				
Net changes in the period	-	-	163,367	163,367
Balance at the end of the period	3,500,000	4,503,856	3,313,304	11,317,160

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	4,389,261	(666,430)	160	422,048	4,145,039	2,728	15,301,561
Cumulative effects of changes in accounting policies							-
Restated balance at the beginning of the fiscal year	4,389,261	(666,430)	160	422,048	4,145,039	2,728	15,301,561
Changes in the period							
Cash dividends							(50,100)
Net income attributable to Japan Post Holdings							213,344
Increase due to merger between consolidated and unconsolidated subsidiaries							122
Net changes in items other than shareholders' equity in the period	(653,346)	54,048	(76,283)	(22,007)	(697,589)	2,102	(695,487)
Net changes in the period	(653,346)	54,048	(76,283)	(22,007)	(697,589)	2,102	(532,119)
Balance at the end of the period	3,735,914	(612,381)	(76,122)	400,040	3,447,450	4,830	14,769,441

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going-Concern Assumption)

None

(Segment Information)

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

Six months ended September 30, 2014

(Millions of yen)

	Reportable Segments						Other	Total
	Postal and logistics business	International logistics business	Post office business	Banking business	Life insurance business	Subtotal		
Income								
Income from third parties	812,848	-	62,554	1,030,432	5,171,654	7,077,490	28,173	7,105,663
Intersegment income	26,809	-	576,887	557	53	604,307	179,725	784,032
Total	839,658	-	639,441	1,030,989	5,171,707	7,681,797	207,898	7,889,695
Segment profit (loss)	(48,042)	-	14,008	273,033	263,501	502,501	135,937	638,438

(Notes) 1. Income is presented instead of net sales, which is the typical method of presentation 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 ¥119,517 million.

3. Beginning with the three months ended September 30, 2015, we renamed postal and logistics segment as the “postal and domestic logistics segment”.

Six months ended September 30, 2015

(Millions of yen)

	Reportable Segments						Other	Total
	Postal and domestic logistics business	International logistics business	Post office business	Banking business	Life insurance business	Subtotal		
Income								
Income from third parties	859,301	191,612	85,501	986,491	4,881,287	7,004,194	29,085	7,033,280
Intersegment income	27,003	-	590,849	692	48	618,594	255,762	874,356
Total	886,304	191,612	676,350	987,184	4,881,336	7,622,789	284,848	7,907,637
Segment profit (loss)	(32,643)	6,795	23,393	251,724	218,787	468,056	225,032	693,089

(Notes) 1. Income is presented instead of net sales, which is the typical method of presentation 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 ¥209,245 million.

2. Reconciliation of amounts reported on reportable segments and interim consolidated financial statements

(1) Reconciliation between total income of reportable segments and ordinary income on the interim consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Total income of reportable segments	7,681,797	7,622,789
Income of other business	207,898	284,848
Eliminations of intersegment transactions	(784,032)	(874,356)
Adjustments	-	1,721
Ordinary income on the interim consolidated statements of income	7,105,663	7,035,001

(Notes) 1. Income is presented instead of net sales, which is the typical method of presentation for companies in other industries.

2. "Adjustments" are due to differences in the calculation methods used for ordinary income for the international logistics business segment and the interim consolidated statements of income.

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

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Total segment profit of reportable segments	502,501	468,056
Segment profit in other business	135,937	225,032
Eliminations of intersegment transactions	(119,653)	(211,983)
Adjustments	-	(7,727)
Net ordinary income on the interim consolidated statements of income	518,784	473,378

(Note) "Adjustments" are due to amortization of goodwill of ¥(6,141) million recognized in the international logistics business segment and other items.

(Subsequent Events)

(Sale of stocks of subsidiaries)

The Company sold a portion of its equity interest in Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. (hereinafter "two financial companies") as outlined below:

1. Reasons for the sale of stocks

Under the Postal Service Privatization Act, the Company is required to dispose of its entire equity interest in the two financial companies within at the earliest possible timeframe, in light of the condition of businesses of both companies and impact on fulfilling its obligation to provide universal services. In addition, the Japanese government is required to retain such portion of its equity interest in the Company that exceeds one-third of its total equity interest and dispose of the remainder within the earliest possible timeframe.

Furthermore, under the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake, in order to secure financial resources for redemption costs for reconstruction bonds, the Japanese government is required to complete such disposal within the earliest possible timeframe, in a manner determined based upon consideration of potential methods for such disposal, in light of management condition and financial outlook of the Company, among other factors.

In addition to these legal requirements, upon comprehensive consideration of factors such as the need for early disposal of the shares of the two financial companies in order to ensure the freedom of management of the companies and the reflection of the share value of the two financial companies to ensure transparency, it has been determined that it is best to simultaneously list shares of all three companies. As such, the shares of the two financial companies have been arranged to simultaneously be offered and listed in line with the offering and listing of stocks of the Company by the Japanese government.

In line with the objective of the Postal Service Privatization Act mentioned above, the Company will begin with selling in stages the equity interest in the two financial companies after the listing up to the point its shareholdings ratio is down to the 50% level in view of allowing for greater freedom of management of the two financial companies as well as the realization of the Group’s unity and collective strength.

2. Timing of the sale

November 4, 2015

3. Business descriptions of the subsidiaries and details of their transactions with the Company

(1) Japan Post Bank Co., Ltd.

Business description: Banking business

Details of transactions with the Company: Payment of subsidies to the Company in accordance with Article 122 of the Postal Service Privatization Act, payment of brand royalty fees to the Company, and others

(2) Japan Post Insurance Co., Ltd.

Business description: Life insurance business

Details of transactions with the Company: Payment of brand royalty fees to the Company, and others

4. Number of stocks to be sold, selling price, impact of the sale, and equity interest after the sale

(1) Japan Post Bank Co., Ltd.

Number of stocks to be sold: 412,442,300 shares

Selling price: ¥588,163 million

Impact of the sale: A decrease in capital surplus of ¥341,531 million is projected during the third quarter due to the sale. The affected amount is the current estimated value on a consolidated basis, thus the amount may change due to factors including confirmation of the actual cost of stocks sold.

Equity interest after the sale: 89.0%

(2) Japan Post Insurance Co., Ltd.

Number of stocks to be sold: 66,000,000 shares

Selling price: ¥142,801 million

Impact of the sale: A decrease in capital surplus of ¥15,143 million is projected during the third quarter due to the sale. The affected amount is the current estimated value on a consolidated basis, thus the amount may change due to factors including confirmation of the actual cost of stocks sold.

Equity interest after the sale: 89.0%

(Acquisition of treasury stock)

In accordance with the Articles of Incorporation pursuant to Article 459, Paragraph 1, Item 1 of the Companies Act, the Company resolved matters related to acquisition of treasury stock at the Board of Directors meeting held on October 19, 2015.

1. Reasons for acquisition of treasury stock

The Company has decided to invest the proceeds from the sale of the two financial companies shares in the acquisition of treasury stock with an aim to enhance its capital efficiency and to contribute to the securing of financial resources for reconstruction through the sale of stock of the Company held by the government as well as to the promotion of postal service privatization, as the Group's present funding needs can be sufficiently covered by its funds on hand.

2. Details of the acquisition

(1) Class of shares to be acquired
Common stock of the Company

(2) Total number of shares to be acquired
2,250,000,000 shares (maximum)

(3) Total acquisition price
¥730,964,638,025 (maximum)

(4) Acquisition period
November 5, 2015 to March 31, 2016

(5) Acquisition method
Off-auction own share repurchase trading (ToSTNeT-3) at the Tokyo Stock Exchange

4. Interim Non-consolidated Financial Statements

(1) Interim Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	277,553	348,244
Inventories	511	426
Prepaid expenses	68	433
Short-term loan	42,200	43,000
Accounts receivable	139,560	127,916
Others	2,916	7,297
Reserve for possible loan losses	(7)	(10)
Total current assets	462,804	527,306
Non-current assets		
Tangible fixed assets		
Buildings	36,784	33,098
Tools and fixtures	3,323	2,854
Land	95,727	91,706
Others	2,167	24,211
Total tangible fixed assets	138,001	151,871
Intangible fixed assets	9,010	9,593
Investments and other assets		
Stocks of subsidiaries and affiliates	8,502,299	8,502,299
Claims in bankruptcy	89	75
Long-term prepaid expenses	74	68
Others	139	3,666
Reserve for possible loan losses	(89)	(75)
Allowance for investment loss	(5,152)	(5,152)
Total investments and other assets	8,497,360	8,500,881
Total non-current assets	8,644,373	8,662,347
Total assets	9,107,178	9,189,653

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Liabilities		
Current liabilities		
Accounts payable	52,626	24,145
Accrued expenses	2,138	1,280
Income taxes payable	107,444	67,698
Consumption taxes payable	455	498
Reserve for bonuses	1,670	2,191
Reserve for point service program	516	499
Others	4,922	1,068
Total current liabilities	169,775	97,382
Long-term liabilities		
Reserve for retirement benefits	167,507	158,526
Reserve for compensation for accidents in the course of duty	21,609	21,153
Others	3,828	3,499
Total long-term liabilities	192,946	183,179
Total liabilities	362,721	280,562
Net assets		
Shareholders' equity		
Capital stock	3,500,000	3,500,000
Capital surplus		
Capital reserve	875,000	875,000
Other capital surplus	3,628,856	3,628,856
Total capital surplus	4,503,856	4,503,856
Retained earnings		
Other retained earnings		
Retained earnings brought forward	740,600	905,235
Total retained earnings	740,600	905,235
Total shareholders' equity	8,744,456	8,909,091
Total net assets	8,744,456	8,909,091
Total liabilities and net assets	9,107,178	9,189,653

(2) Interim Non-consolidated Statements of Income
Six months ended September 30

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Operating income		
Commissions from subsidiaries and affiliates	5,724	-
Brand royalty fees	-	6,676
Dividend income from subsidiaries and affiliates	119,517	209,245
Income from business consignment	25,216	12,483
Subsidy payment equivalent to deposit insurance premiums	11,296	4,931
Income from hospital business	11,986	11,160
Income from hotel business	14,928	14,598
Total operating income	188,670	259,095
Operating expenses		
Expenses for business consignment	23,754	10,571
Expenses for hospital business	15,007	13,878
Expenses for hotel business	16,509	15,558
Administrative expenses	(1,648)	(2,672)
Total operating expenses	53,622	37,336
Net operating income	135,047	221,759
Other income		
Rent income	1,254	1,259
Others	343	468
Total other income	1,597	1,728
Other expenses		
Interest expenses	1	0
Rent expenses	558	604
Others	115	149
Total other expenses	675	753
Net ordinary income	135,968	222,733
Extraordinary gains		
Gains on sales of fixed assets	0	103
Gains on transfer of business	-	2,315
Others	-	623
Total extraordinary gains	0	3,042
Extraordinary losses		
Losses on sales and disposal of fixed assets	617	29
Losses on impairment of fixed assets	1,573	3,849
Share of post office refurbishment expenses	-	13,804
Others	-	5
Total extraordinary losses	2,190	17,689
Income before income taxes	133,779	208,086
Income taxes current	(6,794)	(6,647)
Total income taxes	(6,794)	(6,647)
Net income	140,573	214,734

(3) Interim Non-consolidated Statements of Changes in Net Assets

Six month ended September 30, 2014

(Millions of yen)

	Shareholders' equity						Total net assets
	Capital stock	Capital surplus		Retained earnings		Total shareholders' equity	
		Capital reserve	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at the beginning of the fiscal year	3,500,000	4,503,856	4,503,856	715,528	715,528	8,719,384	8,719,384
Cumulative effects of changes in accounting policies				(62,609)	(62,609)	(62,609)	(62,609)
Restated balance at the beginning of the fiscal year	3,500,000	4,503,856	4,503,856	652,918	652,918	8,656,774	8,656,774
Changes in the period							
Cash dividends				(43,500)	(43,500)	(43,500)	(43,500)
Net income				140,573	140,573	140,573	140,573
Net changes in the period	-	-	-	97,073	97,073	97,073	97,073
Balance at the end of the period	3,500,000	4,503,856	4,503,856	749,992	749,992	8,753,848	8,753,848

Six months ended September 30, 2015

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	740,600	740,600
Cumulative effects of changes in accounting policies						
Restated balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	740,600	740,600
Changes in the period						
Cash dividends					(50,100)	(50,100)
Net income					214,734	214,734
Net changes in the period	-	-	-	-	164,634	164,634
Balance at the end of the period	3,500,000	875,000	3,628,856	4,503,856	905,235	905,235

	Shareholders' equity	Total net assets
	Total shareholders' equity	
Balance at the beginning of the fiscal year	8,744,456	8,744,456
Cumulative effects of changes in accounting policies	-	-
Restated balance at the beginning of the fiscal year	8,744,456	8,744,456
Changes in the period		
Cash dividends	(50,100)	(50,100)
Net income	214,734	214,734
Net changes in the period	164,634	164,634
Balance at the end of the period	8,909,091	8,909,091