

**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2016
<Under Japanese GAAP>**



August 12, 2016

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 Scheduled date of filing interim securities report: August 12, 2016
 Scheduled date of commencing dividend payments: -
 Trading accounts: Unestablished
 Availability of supplementary briefing material on interim financial results: Available
 Schedule of interim financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Three Months Ended June 30, 2016
(April 1, 2016 to June 30, 2016)**

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Net ordinary income		Net income attributable to Japan Post Holdings	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2016	3,373,341	(2.1)	146,124	(39.8)	83,131	(41.7)
Three months ended June 30, 2015	3,446,514	(3.2)	242,704	(10.8)	142,639	1.6

(Note) Comprehensive income (loss): Three months ended June 30, 2016: ¥(52,323) million [- %]
 Three months ended June 30, 2015: ¥148,044 million [(51.6)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2016	20.20	-
Three months ended June 30, 2015	31.70	-

(Note 1) 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.

(Note 2) Because there was no potential common stock, the amount for diluted net income per share is omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio (Note)
	Million yen	Million yen	%
As of June 30, 2016	292,152,797	15,007,711	4.6
As of March 31, 2016	291,947,080	15,176,088	4.7

(Reference) Equity: As of June 30, 2016: ¥13,543,609 million
 As of March 31, 2016: ¥13,697,749 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
Fiscal year ended March 31, 2016	Yen -	Yen 0.00	Yen -	Yen 25.00	Yen 25.00
Fiscal year ending March 31, 2017	-				
Fiscal year ending March 31, 2017 (Forecast)		25.00	-	25.00	50.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% 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, 2017	13,240,000	(7.1)	770,000	(20.3)	320,000	(24.9)	77.74

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

* Notes:

- (1) Changes in significant subsidiaries during the 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 period (including treasury stock):

June 30, 2016:	4,500,000,000 shares
March 31, 2016:	4,500,000,000 shares
 - 2) Total number of treasury stock at the end of the period:

June 30, 2016:	384,047,300 shares
March 31, 2016:	383,306,000 shares
 - 3) Average number of shares during the period:

Three months ended June 30, 2016:	4,116,349,211 shares
Three months ended June 30, 2015:	4,500,000,000 shares

(Note 1) 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, 2015.

(Note 2) The total number of treasury stock as of June 30, 2016 includes the number of shares of the Company held by the management board benefit trust (741,300 shares). The number of treasury stock excluded from calculation of the average number of shares for the three months ended June 30, 2016 includes the number of shares of the Company held by the management board benefit trust (344,789 shares).

* Explanation regarding the status of interim review procedures

Although this summary of interim consolidated financial results is outside the scope of interim review procedures based on the Financial Instruments and Exchange Act (the “Act”), at the time of disclosure of these interim financial results, the interim review procedures for the interim consolidated financial statements based on the Act have been completed.

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

Forecasts and other forward-looking statements presented in this document are based on information available to the Company at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.

[Attachment]

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

(1) Explanation of Results of Operations

Looking at the economic climate in Japan during the three months ended June 30, 2016, despite some improvement seen in the employment situation amid continued moderate recovery trend, consumer sentiment lacked momentum in its recovery.

Although the world economy continued to undergo modest growth, it suffered somewhat from an economic slowdown, mainly in emerging economies.

In the financial and capital markets, the yield rate on ten-year Japanese government bonds continued in negative territory, reaching as low as the -0.2% range in late June.

The Nikkei Stock Average rose to the ¥17,000 range in late April, and while there has been some deviation since May, it has mainly stayed in the ¥16,000 range. Because of the global move toward risk aversion following the decision by the UK to leave the EU, the Nikkei Stock Average temporarily dropped to the ¥14,000 range in June, but it recovered to the ¥15,000 range by the end of the month.

Under such business environment, consolidated ordinary income for the three months ended June 30, 2016 amounted to ¥3,373,341 million (down ¥73,173 million year-on-year), of which the postal and domestic logistics business segment accounted for ¥454,189 million (up ¥159 million year-on-year); the international logistics business segment accounted for ¥154,536 million; the post office business segment accounted for ¥339,075 million (up ¥5,101 million year-on-year); the banking business segment accounted for ¥459,967 million (down ¥22,780 million year-on-year); and the life insurance business segment accounted for ¥2,261,439 million (down ¥211,686 million year-on-year). Consolidated net ordinary income amounted to ¥146,124 million (down ¥96,579 million year-on-year) as a result of net ordinary loss of ¥4,332 million in the postal and domestic logistics business segment (net ordinary income of ¥743 million for the same period of the previous fiscal year); net ordinary income of ¥1,063 million in the international logistics business segment; net ordinary income of ¥14,764 million in the post office business segment (down ¥2,042 million year-on-year); net ordinary income of ¥92,986 million in the banking business segment (down ¥20,942 million year-on-year); and net ordinary income of ¥44,371 million in the life insurance business segment (down ¥63,040 million year-on-year).

As a result of the above, net income attributable to Japan Post Holdings amounted to ¥83,131 million (down ¥59,508 million year-on-year), which comprises consolidated net ordinary income after adjusting for items including extraordinary gains due to reversal of reserve for price fluctuations in the life insurance business, etc., extraordinary losses due to sales and disposal of fixed assets, etc., and provision for reserve for policyholder dividends.

In addition, since the international logistics business segment was newly established in the second quarter ended September 30, 2015, year-on-year changes have not been presented herein.

(2) Explanation of Financial Position

1) Assets

Consolidated total assets were ¥292,152,797 million, an increase of ¥205,717 million from the end of the previous fiscal year.

Major factors include an increase in cash and due from banks of ¥1,715,933 million, an increase in receivables under securities borrowing transactions in the banking business and life insurance business of ¥419,507 million and an increase in call loans in the banking business and life insurance business of ¥296,162 million, as well as a decrease in securities mainly in the banking business and life insurance business of ¥2,993,606 million and a decrease in money held in trust in the banking business and life insurance business of ¥77,071 million.

2) Liabilities

Consolidated total liabilities were ¥277,145,086 million, an increase of ¥374,093 million from the end of the previous fiscal year.

Major factors include an increase in deposits in the banking business of ¥1,859,316 million, as well as a decrease in payables under securities lending transactions in the banking business and life insurance business of ¥652,690 million and a decrease in policy reserves in the life insurance business of ¥489,505 million.

3) Net Assets

Consolidated total net assets were ¥15,007,711 million, a decrease of ¥168,376 million from the end of the previous fiscal year.

Major factors include an increase in net deferred gains (losses) on hedges mainly in the banking business and life insurance business of ¥188,768 million, as well as a decrease in net unrealized gains (losses) on available-for-sale securities mainly in the banking business and life insurance business of ¥253,806 million and a decrease in foreign currency translation adjustments of ¥60,536 million.

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

The consolidated financial results forecast for the fiscal year ending March 31, 2017 remains unchanged from the full year forecast announced on May 13, 2016.

2. Interim Consolidated Financial Statements

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Cash and due from banks	48,258,991	49,974,925
Call loans	1,338,837	1,635,000
Receivables under securities borrowing transactions	10,931,820	11,351,328
Monetary claims bought	608,659	614,670
Trading account securities	187	42
Money held in trust	5,205,658	5,128,587
Securities	207,720,339	204,726,733
Loans	11,520,487	11,513,144
Foreign exchanges	25,328	25,414
Other assets	1,547,434	2,416,725
Tangible fixed assets	3,168,469	3,154,897
Intangible fixed assets	796,091	735,468
Asset for retirement benefits	27,629	27,476
Deferred tax assets	729,307	805,384
Customers' liabilities for acceptances and guarantees	75,000	50,000
Reserve for possible loan losses	(7,163)	(7,001)
Total assets	291,947,080	292,152,797

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Deposits	176,090,188	177,949,504
Call money	22,536	41,678
Payables under repurchase agreements	554,522	567,424
Policy reserves and others	74,934,165	74,389,957
Reserve for outstanding claims	635,167	623,504
Policy reserves	72,362,503	71,872,997
Reserve for policyholder dividends	1,936,494	1,893,455
Payables under securities lending transactions	16,772,037	16,119,347
Foreign exchanges	338	167
Other liabilities	3,910,119	3,678,538
Reserve for bonuses	103,755	35,809
Liability for retirement benefits	2,281,439	2,292,524
Reserve for management board benefit trust	-	276
Reserve under the special laws	782,268	758,942
Reserve for price fluctuations	782,268	758,942
Deferred tax liabilities	1,244,621	1,260,917
Acceptances and guarantees	75,000	50,000
Total liabilities	276,770,992	277,145,086
Net assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,134,853	4,135,420
Retained earnings	3,525,932	3,509,156
Treasury stock	(730,964)	(732,006)
Total shareholders' equity	10,429,821	10,412,569
Net unrealized gains (losses) on available-for-sale securities	3,318,181	3,064,375
Net deferred gains (losses) on hedges	(373,232)	(184,464)
Foreign currency translation adjustments	(56,856)	(117,393)
Accumulated adjustments for retirement benefits	379,835	368,522
Total accumulated other comprehensive income	3,267,928	3,131,039
Non-controlling interests	1,478,338	1,464,101
Total net assets	15,176,088	15,007,711
Total liabilities and net assets	291,947,080	292,152,797

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

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Ordinary income	3,446,514	3,373,341
Postal business income	433,554	594,861
Banking business income	482,368	459,582
Life insurance business income	2,473,101	2,261,412
Other ordinary income	57,489	57,485
Ordinary expenses	3,203,810	3,227,216
Operating expenses	2,582,434	2,522,355
Personnel expenses	573,393	640,559
Depreciation and amortization	46,436	58,722
Other ordinary expenses	1,545	5,578
Net ordinary income	242,704	146,124
Extraordinary gains	4,169	24,564
Gains on sales of fixed assets	525	234
Gains on negative goodwill	849	-
Reversal of reserve under the special laws	-	23,326
Reversal of reserve for price fluctuations	-	23,326
Compensation for transfer	458	12
Compensation income	20	-
Settlement received	-	990
Gains on transfer of business	2,315	-
Other extraordinary gains	-	1
Extraordinary losses	26,161	2,681
Losses on sales and disposal of fixed assets	1,367	815
Losses on impairment of fixed assets	60	43
Provision for reserve under the special laws	19,212	-
Provision for reserve for price fluctuations	19,212	-
Post office refurbishment expenses	5,520	687
Provision for environmental measures	-	915
Other extraordinary losses	-	218
Provision for reserve for policyholder dividends	56,371	41,675
Income before income taxes	164,341	126,331
Income taxes current	53,223	66,060
Income taxes deferred	(31,584)	(32,496)
Total income taxes	21,638	33,563
Net income	142,702	92,767
Net income attributable to non-controlling interests	63	9,636
Net income attributable to Japan Post Holdings	142,639	83,131

Interim Consolidated Statements of Comprehensive Income
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Net income	142,702	92,767
Other comprehensive income (loss)	5,342	(145,090)
Net unrealized gains (losses) on available-for-sale securities	43,503	(285,159)
Net deferred gains (losses) on hedges	(28,728)	212,102
Foreign currency translation adjustments	1,362	(60,666)
Adjustments for retirement benefits	(10,794)	(11,366)
Share of other comprehensive loss of affiliates	(1)	(0)
Comprehensive income (loss)	148,044	(52,323)
Total comprehensive income (loss) attributable to:		
Japan Post Holdings	147,985	(53,756)
Non-controlling interests	59	1,433

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

None

(Notes to Significant Changes in Shareholders' Equity)

None

(Segment Information)

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

(Millions of yen)

	Reportable Segments						Other business	Total
	Postal and domestic logistics business	International logistics business	Post office business	Banking business	Life insurance business	Subtotal		
Income								
Income from third parties	441,998	154,536	39,671	459,582	2,261,412	3,357,201	14,693	3,371,895
Intersegment income	12,190	-	299,403	385	27	312,007	144,890	456,897
Total	454,189	154,536	339,075	459,967	2,261,439	3,669,208	159,584	3,828,792
Segment profit (loss)	(4,332)	1,063	14,764	92,986	44,371	148,853	129,189	278,043

(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 ¥125,231 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	148,853
Segment profit in other business	129,189
Eliminations of intersegment transactions	(126,090)
Adjustments	(5,827)
Net ordinary income on the interim consolidated statements of income	146,124

(Note) "Adjustments" are due to amortization of goodwill of ¥(5,314) million, etc. recognized in the international logistics business segment and other items.

(Business Combination)

(Business Combination by Acquisition)

Significant revision to the initial allocation of the acquisition cost in the comparative information

Whereas provisional accounting treatment was applied during the three months ended June 30, 2015 for the business combination implemented on May 28, 2015 with Toll Holdings Limited, the said provisional accounting treatment was finalized as of March 31, 2016.

In line with the finalization of the provisional accounting treatment, a significant revision to the initial allocation of the acquisition cost was reflected in the comparative information included in the interim consolidated financial statements for the three months ended June 30, 2016. The details of the revision and the revised amount of goodwill are as follows.

(Millions of yen)

Revised accounting items	Revised amount of goodwill
Goodwill (Before revision)	532,102
Tangible fixed assets	(44,120)
Trademark rights	(30,433)
Deferred tax liabilities	21,333
Others	(4,427)
Total revised amount	(57,647)
Goodwill (After revision)	474,454

Moreover, since the deemed date of the acquisition is June 30, 2015, this revision has no impact on the interim consolidated statements of income for the three months ended June 30, 2015.

(Additional Information)

Effective from the three months ended June 30, 2016, the Company has adopted Implementation Guidance on Recoverability of Deferred Tax Assets (ASBJ Guidance No. 26, March 28, 2016).