



Summary of Financial Results for the Six Months Ended September 30, 2014

<Under Japanese GAAP> (Non-Consolidated)

November 14, 2014

Company name: JAPAN POST BANK Co., Ltd.
 Website: <http://www.jp-bank.japanpost.jp/>
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 Managing Executive Officer: Riki Mukai
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Trading accounts: Unestablished

Selected Financial Information for quarterly financial statements: Available

Quarterly investor meeting presentation: None

1. Financial results for the six months ended September 30, 2014

Please note that all Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the "Bank," "we," "us," "our," and similar terms) have been rounded down to the nearest million yen, except for per share data. In addition, we define "H1 FY2015" as the six months ended September 30, 2014, "H1 FY2014" as the six months ended September 30, 2013, "fiscal 2015" or "FY2015" as the fiscal year ending March 31, 2015, and "fiscal 2014" or "FY2014" as the fiscal year ended March 31, 2014.

(1) Operating results

(% represents the change from the same period in the previous fiscal year)

	Revenues		Net ordinary income		Net income	
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)
H1 FY2015	1,030,975	(3.6)	273,018	(9.1)	181,710	(4.3)
H1 FY2014	1,070,317	(2.9)	300,641	2.8	190,057	3.3

	Net income per share	Diluted net income per share (*)
	(¥)	(¥)
H1 FY2015	1,212.50	—
H1 FY2014	1,267.05	—

* Diluted net income per share is not presented since there has been no potential dilution for the six months ended September 30, 2014 and 2013.

(2) Financial conditions

	Total assets (A)	Total net assets (B)	(B) / (A)
	(¥ million)	(¥ million)	(%)
H1 FY2015	205,662,555	10,633,403	5.1
FY2014	202,512,882	11,464,524	5.6

Reference: Net assets attributable to shareholders were ¥10,633,403 million as of September 30, 2014 and ¥11,464,524 million as of March 31, 2014.

(3) Cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
H1 FY2015	772,896	6,590,493	(1,393,986)	24,818,308
H1 FY2014	3,647,405	(1,089,909)	(93,487)	11,025,279

2. Earnings forecasts for the fiscal year ending March 31, 2015

(% represents the change from the same period in the previous fiscal year)

	Net ordinary income		Net income		Net income per share (¥)
	(¥ million)	(%)	(¥ million)	(%)	
FY2015	390,000	(30.9)	260,000	(26.6)	1,891.50

Note: Revision of the latest announced earnings forecasts for fiscal 2015: No

* Notes

(1) Changes in accounting policies, changes in accounting estimates and restatements

i) Changes in accounting policies due to revision of accounting standards: Yes

ii) Changes in accounting policies due to reasons other than i): No

iii) Changes in accounting estimates: No

iv) Restatements: No

(Note) For more information, please refer to "2. Matters Related to Summary Information (Notes)" on page 3 of the attachment.

(2) Shares outstanding (common shares)

i) Period-end issued shares (including treasury stock):	As of September 30, 2014	150,000,000 shares	As of March 31, 2014	150,000,000 shares
ii) Period-end treasury stock:	As of September 30, 2014	25,017,500 shares	As of March 31, 2014	- shares
iii) Average number of outstanding shares:	H1 FY2015	149,863,293 shares	H1 FY2014	150,000,000 shares

(Note) For more information, please refer to "2. Matters Related to Summary Information (Notes)" on page 3 of the attachment.

(Semi-annual audit)

This "Summary of Financial Results" is not subject to the semi-annual audit prescribed by the "Financial Instruments and Exchange Act." The audit of the semi-annual non-consolidated financial statements has not been completed as of the disclosure of this "Summary of Financial Results".

(Forward-looking statements and other matters)

This summary of financial results contains forward-looking statements regarding estimations, forecasts, targets and plans in relation to the operating results, financial condition and overall management and business of the Bank as a whole ("forward-looking statements"). Any forward-looking statements contained herein are made based upon, among other things, the Bank's current estimations, perceptions, evaluations and assumptions regarding its business and industry, general economic conditions, and various other future events and circumstances. Forward-looking statements are accordingly subject to various risks and uncertainties and are not guarantees of future performance. The Bank's actual results may differ materially from those expressed or implied in any forward-looking statements.

The Bank prepares its semi-annual non-consolidated financial statements in accordance with the "Regulation for Terminology, Forms and Preparation of Semi-Annual Financial Statements" (Ordinance of Ministry of Finance No.38 of 1977), except for assets, liabilities, revenues and expenses, which are classified based on the "Ordinance for the enforcement of the Banking Act" (Ministry of Finance Ordinance No.10 of 1982).

The information in this summary of financial results is intended only for the purpose of providing general information regarding JAPAN POST BANK (the "Bank"). Nothing in this summary of financial results should be construed as an offer to sell or a solicitation of an offer to buy any shares or any other securities of JAPAN POST GROUP.

[Attachment]

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1. Qualitative Information Concerning Non-Consolidated Earnings and Others for the Six Months Ended September 30, 2014

(1) Information concerning non-consolidated results of operations

Revenues for the six months ended September 30, 2014 were ¥1,030.9 billion, including ¥949.4 billion of interest income (mainly interest and dividends on securities) and ¥59.7 billion of fees and commissions. Meanwhile, expenses were ¥757.9 billion, including ¥176.5 billion of interest expenses and ¥564.6 billion of general and administrative expenses.

Taking into account the above, net ordinary income was ¥273.0 billion and net income was ¥181.7 billion.

(2) Information concerning non-consolidated financial conditions

Total assets as of September 30, 2014 were ¥205,662.5 billion. Securities were ¥161,094.1 billion, and loans were ¥2,900.5 billion.

Deposits as of September 30, 2014 were ¥177,946.5 billion (¥179,158.2 billion including accrued interest). The portion of deposits received from the Management Organization for Postal Savings and Postal Life Insurance (corresponding to postal savings for TEIGAKU savings and others that were passed on to the organization by JAPAN POST as of September 30, 2007) included in special deposits totaled ¥24,015.9 billion.

Shareholder's equity as of September 30, 2014 decreased by ¥1,221.1 billion from the end of fiscal 2014 mainly due to the repurchase of the Bank's own shares and keeping them as treasury stock on September 30, 2014. In addition, the valuation and translation adjustments increased by ¥389.9 billion from the end of fiscal 2014. As a result, net assets totaled ¥10,633.4 billion. Retained earnings, included in shareholders' equity, were ¥1,780.8 billion.

(3) Information concerning non-consolidated earnings forecasts and other future predictions

The Bank's forecasts for fiscal 2015 remain unchanged from the forecasts announced on May 15, 2014.

2. Matters Related to Summary Information (Notes)

(1) Changes in accounting policies, changes in accounting estimates and restatements (Changes in accounting policies due to revision of accounting standards)

The Bank has adopted the paragraph 35 of "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26 released on May 17, 2012, hereinafter "the Standard") and the paragraph 67 of "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25 released on May 17, 2012, hereinafter "the Guidance") from the beginning of H1 FY2015. Following the adoption of the Standard and the Guidance, the Bank amended the method of determining retirement benefit obligations and current service costs. As part of the amendment, the Bank revised the method of attributing expected retirement benefits to periods from straight-line basis to benefit formula basis and the method of calculating the discount rate. In addition, the method of determining the discount rates applied in the calculation of projected benefit obligation was changed from the method using the number of years approximate to the employees' average remaining service period to the method using the single weighted average discount rate that reflects the estimated period and amount of benefit payment in each period.

The Standard is being applied transitionally as determined in its paragraph 37. At the beginning of H1 FY2015, the effect of the change in accounting standard is stated as an increase or decrease of remeasurements of retirement benefit obligations and current service costs under retained earnings.

As a result, reserve for employees' retirement benefits increased ¥13.7 billion, deferred tax liabilities declined ¥4.8 billion, and retained earnings decreased ¥8.8 billion from the beginning of H1 FY2015. Meanwhile, the impact on net ordinary income and income before income taxes for H1 FY2015 was immaterial.

(2) Shares outstanding (common shares)

As part of the capital strategy of JAPAN POST GROUP by JAPAN POST HOLDINGS Co., Ltd., the Bank's board of directors made a decision on September 18, 2014 to repurchase the Bank's own shares from JAPAN POST HOLDINGS Co., Ltd. as of September 30, 2014, given that the same decision was made at the Bank's shareholders' meeting on September 17, 2014.

"Net income per share" for the six months ended September 30, 2014 is calculated using the net income of ¥181.7 billion divided by the average number of outstanding shares (149,863,293 shares).

"Net income per share" in the earnings forecasts for the fiscal year ending March 31, 2015 is calculated using the net income forecast of ¥260.0 billion divided by the annual average number of outstanding shares forecast (137,456,980 shares).

3. Non-Consolidated Financial Statements

(1) Non-consolidated balance sheets

	As of March 31, 2014	(Millions of yen) As of September 30, 2014
Assets		
Cash and due from banks	19,463,622	25,483,308
Call loans	1,843,569	2,185,342
Receivables under securities borrowing transactions	7,212,769	8,939,876
Monetary claims bought	62,272	65,923
Trading account securities	278	171
Money held in trust	2,919,003	3,097,175
Securities	166,057,886	161,094,130
Loans	3,076,325	2,900,535
Foreign exchanges	30,659	33,782
Other assets	1,529,309	1,513,108
Other	1,529,309	1,513,108
Tangible fixed assets	144,588	182,467
Intangible fixed assets	58,725	52,792
Customers' liabilities for acceptances and guarantees	115,000	115,000
Reserve for possible loan losses	(1,127)	(1,060)
Total assets	202,512,882	205,662,555
Liabilities		
Deposits	176,612,780	177,946,511
Call money	-	10,945
Payables under securities lending transactions	10,667,591	11,947,468
Foreign exchanges	249	401
Other liabilities	2,511,110	3,633,355
Income taxes payable	25,749	31,692
Asset retirement obligations	614	379
Other	2,484,746	3,601,284
Reserve for employees' bonuses	5,566	6,241
Reserve for employees' retirement benefits	136,848	151,796
Deferred tax liabilities	999,212	1,217,431
Acceptances and guarantees	115,000	115,000
Total liabilities	191,048,358	195,029,151
Net Assets		
Common stock	3,500,000	3,500,000
Capital surplus	4,296,285	4,296,285
Legal capital surplus	4,296,285	4,296,285
Retained earnings	1,702,007	1,780,894
Other retained earnings	1,702,007	1,780,894
Retained earnings brought forward	1,702,007	1,780,894
Treasury stock	-	(1,299,999)
Total shareholders' equity	9,498,293	8,277,180
Net unrealized gains (losses) on available-for-sale securities	2,563,134	3,009,445
Deferred gains (losses) on hedges	(596,903)	(653,222)
Total valuation and translation adjustments	1,966,231	2,356,222
Total net assets	11,464,524	10,633,403
Total liabilities and net assets	202,512,882	205,662,555

(2) Non-consolidated statements of income

(Millions of yen)

	H1 FY2014	H1 FY2015
Revenues	1,070,317	1,030,975
Interest income	920,640	949,448
Interest on loans	19,763	16,109
Interest and dividends on securities	891,664	917,811
Fees and commissions	61,595	59,721
Other operating income	2,878	128
Other income	85,202	21,676
Expenses	769,676	757,956
Interest expenses	181,622	176,586
Interest on deposits	130,323	121,636
Fees and commissions	14,340	15,184
Other operating expenses	13,937	373
General and administrative expenses	558,981	564,612
Other expenses	794	1,197
Net ordinary income	300,641	273,018
Extraordinary income	–	3,008
Extraordinary loss	263	566
Income before income taxes	300,377	275,461
Income taxes		
Current	101,453	86,784
Deferred	8,865	6,965
Total income taxes	110,319	93,750
Net income	190,057	181,710

(3) Non-consolidated statements of changes in net assets

For the six months ended September 30, 2013

(Millions of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward	
Balance at the beginning of the period	3,500,000	4,296,285	1,440,830	9,237,115
Changes during the period				
Cash dividends			(93,487)	(93,487)
Net income			190,057	190,057
Net changes in items other than shareholders' equity				
Total changes during the period	–	–	96,570	96,570
Balance at the end of the period	3,500,000	4,296,285	1,537,400	9,333,686

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	2,137,265	(376,823)	1,760,442	10,997,558
Changes during the period				
Cash dividends				(93,487)
Net income				190,057
Net changes in items other than shareholders' equity	45,555	(89,204)	(43,649)	(43,649)
Total changes during the period	45,555	(89,204)	(43,649)	52,921
Balance at the end of the period	2,182,820	(466,027)	1,716,793	11,050,479

For the six months ended September 30, 2014

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
		Legal capital surplus	Other retained earnings Retained earnings brought forward		
Balance at the beginning of the period	3,500,000	4,296,285	1,702,007	–	9,498,293
Cumulative effect of a change in accounting principle			(8,837)		(8,837)
Balance including a change in accounting principle at the beginning of the period	3,500,000	4,296,285	1,693,170	–	9,489,456
Changes during the period					
Cash dividends			(93,987)		(93,987)
Net income			181,710		181,710
Repurchase of treasury stock				(1,299,999)	(1,299,999)
Net changes in items other than shareholders' equity					
Total changes during the period	–	–	87,723	(1,299,999)	(1,212,275)
Balance at the end of the period	3,500,000	4,296,285	1,780,894	(1,299,999)	8,277,180

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	2,563,134	(596,903)	1,966,231	11,464,524
Cumulative effect of a change in accounting principle				(8,837)
Balance including a change in accounting principle at the beginning of the period	2,563,134	(596,903)	1,966,231	11,455,687
Changes during the period				
Cash dividends				(93,987)
Net income				181,710
Repurchase of treasury stock				(1,299,999)
Net changes in items other than shareholders' equity	446,310	(56,318)	389,991	389,991
Total changes during the period	446,310	(56,318)	389,991	(822,283)
Balance at the end of the period	3,009,445	(653,222)	2,356,222	10,633,403

(4) Non-consolidated statements of cash flows

(Millions of yen)

	H1 FY2014	H1 FY2015
Cash flows from operating activities		
Income before income taxes	300,377	275,461
Depreciation and amortization	16,377	16,850
Losses on impairment of fixed assets	13	8
Net change in reserve for possible loan losses	(89)	(67)
Net change in reserve for employees' bonuses	(11)	674
Net change in reserve for employees' retirement benefits	1,680	1,217
Net change in reserve for directors' retirement benefits	(198)	-
Interest income	(920,640)	(949,448)
Interest expenses	181,622	176,586
Losses (gains) related to securities – net	13,550	(83)
Losses (gains) on money held in trust – net	(82,854)	(18,649)
Foreign exchange losses (gains) – net	(97,508)	(172,075)
Losses on sales and disposals of fixed assets – net	249	(2,451)
Net change in loans	654,615	175,198
Net change in deposits	353,639	1,333,731
Net change in negotiable certificates of deposit	30,000	(50,000)
Net change in call loans, etc	234,794	(345,353)
Net change in receivables under securities borrowing transactions	(73,554)	(1,727,106)
Net change in call money, etc	-	10,945
Net change in payables under securities lending transactions	2,269,610	1,279,877
Net change in foreign exchange assets	(20,079)	(3,122)
Net change in foreign exchange liabilities	41	151
Interest received	1,015,956	1,023,838
Interest paid	(98,864)	(98,164)
Other – net	(24,180)	(49,823)
Subtotal	3,754,546	878,194
Income taxes paid	(107,141)	(105,298)
Net cash provided by (used in) operating activities	3,647,405	772,896
Cash flows from investing activities		
Purchases of securities	(25,301,125)	(11,514,804)
Proceeds from sales of securities	919,926	115,011
Proceeds from maturity of securities	22,923,606	17,995,295
Investment in money held in trust	(69,900)	-
Proceeds from disposition of money held in trust	443,632	7,566
Purchases of tangible fixed assets	(3,585)	(14,951)
Proceeds from sales of tangible fixed assets	-	4,734
Purchases of intangible fixed assets	(3,685)	(3,566)
Other – net	1,222	1,209
Net cash provided by (used in) investing activities	(1,089,909)	6,590,493
Cash flows from financing activities		
Cash dividends paid	(93,487)	(93,987)
Repurchase of treasury stock	-	(1,299,999)
Net cash used in financing activities	(93,487)	(1,393,986)
Effect of exchange rate changes on cash and cash equivalents	330	283
Net change in cash and cash equivalents	2,464,339	5,969,686
Cash and cash equivalents at the beginning of the period	8,560,940	18,848,622
Cash and cash equivalents at the end of the period	11,025,279	24,818,308

(5) Notes to Financial Statements

Notes on going-concern assumption

None