



## Summary of Financial Results for the Three Months Ended June 30, 2014

<Under Japanese GAAP> (Non-Consolidated)

July 31, 2014

Company name: JAPAN POST BANK Co., Ltd.  
 Website: <http://www.jp-bank.japanpost.jp/>  
 President & CEO: Yoshiyuki Izawa  
 Managing Executive Officer: Riki Mukai  
 Tel: 81-3-3504-9636  
 Trading accounts: Unestablished  
 Selected Financial Information for quarterly financial statements: Available  
 Quarterly investor meeting presentation: None

### 1. Financial results for the three months ended June 30, 2014

Please note that all Japanese yen figures in the financial statements of JAPAN POST BANK Co., Ltd. (the Bank) have been rounded down to the nearest million yen, except for per share data. In addition, we define "Q1 FY2015" as the three months ended June 30, 2014, "Q1 FY2014" as the three months ended June 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)	(%)
Q1 FY2015	508,819	(9.7)	128,130	(29.0)	85,993	(25.3)
Q1 FY2014	564,058	4.4	180,612	31.4	115,246	29.1

	Net income per share	Diluted net income per share (*)
	(¥)	(¥)
Q1 FY2015	573.29	—
Q1 FY2014	768.31	—

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

#### (2) Financial conditions

	Total assets (A)	Total net assets (B)	(B) / (A)
	(¥ million)	(¥ million)	(%)
Q1 FY2015	203,386,886	11,585,793	5.6
FY2014	202,512,882	11,464,524	5.6

Reference: Net assets attributable to shareholders were ¥11,585,793 million as of June 30, 2014 and ¥11,464,524 million as of March 31, 2014.

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

(% represents the change from the previous fiscal year)

	Net ordinary income (¥ million)	(%)	Net income (¥ million)	(%)	Net income per share (¥)
FY2015	390,000	(30.9)	260,000	(26.6)	1,733.33

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

### \* Notes

(1) Adoption of specified accounting methods for the preparation of the quarterly non-consolidated financial statements: No

(2) 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.

(3) Shares outstanding (common shares)

Number of period end issued shares:

As of June 30, 2014: 150,000,000 shares

As of March 31, 2014: 150,000,000 shares

(4) Others

The Bank prepares its quarterly non-consolidated financial statements in accordance with the "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Financial Statements, etc." (Cabinet Office Ordinance No.63 of 2007), 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).

(Quarterly Review)

This summary of quarterly financial results and financial conditions is not subject to the quarterly review prescribed by the "Financial Instruments and Exchange Act." The review of the quarterly non-consolidated financial statements has not been completed as of the disclosure of this summary of financial results.

#### Forward-looking statements and other matters

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.

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.

## [Attachment]

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## **1. Qualitative Information Concerning Non-Consolidated Earnings and Others for the Three Months Ended June 30, 2014**

### **(1) Information concerning non-consolidated results of operations**

Revenues for the three months ended June 30, 2014 were ¥508.8 billion, including ¥473.9 billion of interest income (mainly interest and dividends on securities) and ¥29.7 billion of fees and commissions. Meanwhile, expenses were ¥380.6 billion, including ¥87.0 billion of interest expenses and ¥284.3 billion of general and administrative expenses.

Taking into account the above, net ordinary income was ¥128.1 billion and net income was ¥85.9 billion.

### **(2) Information concerning non-consolidated financial conditions**

Total assets as of June 30, 2014 were ¥203,386.8 billion. Securities were ¥163,162.8 billion, and loans were ¥3,009.1 billion.

Deposits as of June 30, 2014 were ¥177,508.2 billion (¥178,674.2 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 ¥25,068.9 billion.

Shareholder's equity as of June 30, 2014 decreased by ¥16.8 billion from the end of fiscal 2014, and valuation and translation adjustments increased by ¥138.0 billion from the end of fiscal 2014. As a result, net assets totaled ¥11,585.7 billion. Retained earnings, included in shareholders' equity, were ¥1,685.1 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)**

### **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 Q1 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.

The Standard is being applied transitionally as determined in its paragraph 37. At the beginning of Q1 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 Q1 FY2015. Meanwhile, the impact on net ordinary income and income before income taxes for Q1 FY2015 is immaterial.

### 3. Non-Consolidated Financial Statements

#### (1) Non-consolidated balance sheets

	As of March 31, 2014	(Millions of yen) As of June 30, 2014
<b>Assets</b>		
Cash and due from banks	19,463,622	23,385,429
Call loans	1,843,569	1,812,232
Receivables under securities borrowing transactions	7,212,769	6,925,484
Monetary claims bought	62,272	63,681
Trading account securities	278	271
Money held in trust	2,919,003	2,997,548
Securities	166,057,886	163,162,803
Loans	3,076,325	3,009,150
Foreign exchanges	30,659	29,858
Other assets	1,529,309	1,647,484
Tangible fixed assets	144,588	183,216
Intangible fixed assets	58,725	55,811
Customers' liabilities for acceptances and guarantees	115,000	115,000
Reserve for possible loan losses	(1,127)	(1,084)
<b>Total assets</b>	<b>202,512,882</b>	<b>203,386,886</b>
<b>Liabilities</b>		
Deposits	176,612,780	177,508,254
Payables under securities lending transactions	10,667,591	10,549,891
Foreign exchanges	249	188
Other liabilities	2,511,110	2,399,144
Reserve for employees' bonuses	5,566	1,565
Reserve for employees' retirement benefits	136,848	150,273
Deferred tax liabilities	999,212	1,076,773
Acceptances and guarantees	115,000	115,000
<b>Total liabilities</b>	<b>191,048,358</b>	<b>191,801,092</b>
<b>Net Assets</b>		
Common stock	3,500,000	3,500,000
Capital surplus	4,296,285	4,296,285
Retained earnings	1,702,007	1,685,177
<b>Total shareholders' equity</b>	<b>9,498,293</b>	<b>9,481,463</b>
Net unrealized gains (losses) on available-for-sale securities	2,563,134	2,661,205
Deferred gains (losses) on hedges	(596,903)	(556,875)
Total valuation and translation adjustments	1,966,231	2,104,330
<b>Total net assets</b>	<b>11,464,524</b>	<b>11,585,793</b>
<b>Total liabilities and net assets</b>	<b>202,512,882</b>	<b>203,386,886</b>

**(2) Non-consolidated statements of income**

(Millions of yen)

	<b>For the three months ended June 30, 2013</b>	<b>For the three months ended June 30, 2014</b>
Revenues	564,058	508,819
Interest income	459,823	473,967
Interest on loans	9,941	8,026
Interest and dividends on securities	445,590	458,769
Fees and commissions	30,962	29,727
Other operating income	2,085	120
Other income	71,186	5,004
Expenses	383,445	380,689
Interest expenses	92,031	87,033
Interest on deposits	66,228	60,968
Fees and commissions	7,062	7,468
Other operating expenses	821	1,031
General and administrative expenses	283,082	284,308
Other expenses	447	848
Net ordinary income	180,612	128,130
Extraordinary loss	111	318
Losses on sales and disposals of fixed assets	98	318
Losses on impairment of fixed assets	13	—
Income before income taxes	180,501	127,811
Income taxes		
Current	57,838	36,006
Deferred	7,416	5,810
Total income taxes	65,254	41,817
Net income	115,246	85,993

**(3) Notes to financial statements****Notes on going-concern assumption**

None

**Note for material changes in the amount of shareholders' equity**

None