



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

<Under Japanese GAAP> (Non-Consolidated)

November 13, 2015

Company name:	JAPAN POST BANK Co., Ltd.
Stock exchange listings:	Tokyo Stock Exchange
Code number:	7182
Website:	<a href="http://www.jp-bank.japanpost.jp/">http://www.jp-bank.japanpost.jp/</a>
President & CEO:	Masatsugu Nagato
Managing Executive Officer:	Riki Mukai
Quarterly Securities Report issuing date:	Tel: 81-3-3504-9636
Dividend payment date:	November 27, 2015
Trading accounts:	—
Selected Financial Information for quarterly financial statements:	Unestablished
Quarterly investor meeting presentation:	Available
	Scheduled (for investors and analysts)

(Figures are rounded down)

## 1. Financial results for the six months ended September 30, 2015

### (1) Operating results

(Millions of yen, except for per share data and percentages)

	Ordinary income		Net ordinary income		Net income	
H1 FY2016	¥ 987,155	(4.2)%	¥251,695	(7.8)%	¥171,587	(5.5)%
H1 FY2015	1,030,975	(3.6)	273,018	(9.1)	181,710	(4.3)

	Net income per share	Diluted net income per share
H1 FY2016	¥45.76	¥—
H1 FY2015	40.41	—

Notes: 1. JAPAN POST BANK Co., Ltd. (the "Bank") conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the "Net income per share" is based on the assumption that the stock split was effective at the beginning of the previous fiscal year.

- Diluted net income per share is not presented since there has been no potential dilution for the six months ended September 30, 2015 and 2014.
- Percentages shown in ordinary income, net ordinary income and net income are the increase (decrease) from the same period in the previous fiscal year.

### (2) Financial conditions

(Millions of yen, except for percentages)

	Total assets (A)	Total net assets (B)	(B) / (A)
H1 FY2016	¥207,232,518	¥11,207,805	5.4%
FY2015	208,179,309	11,630,212	5.5

Reference: Net assets attributable to shareholders were ¥11,207,805 million as of September 30, 2015 and ¥11,630,212 million as of March 31, 2015.

## 2. Dividends

(Yen)

	Annual dividends per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
FY2015	¥—	¥0.00	¥—	¥1,477.95	¥1,477.95
FY2016	—	0.00	—	—	—
FY2016 (forecast)	—	—	—	25.00	25.00

Notes: 1. Revision of the latest announced dividend forecasts for FY2016: No

- The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. The Bank's forecast of the "Annual dividends per share" as of March 31, 2016 reflects the effect of the stock split.

### 3. Earnings forecasts for the fiscal year ending March 31, 2016

(Millions of yen, except for per share data and percentages)

	Net ordinary income	Net income	Net income per share
FY2016	¥460,000 (19.2)%	¥320,000 (13.3)%	¥85.34

Notes: 1. Revision of the latest announced earnings forecasts for FY2016: No

2. The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the "Net income per share" is based on the assumption that the stock split was effective at the beginning of FY2016.

3. Percentages shown in net ordinary income and net income are the increase (decrease) from the previous fiscal year.

#### \* Notes

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

i) Changes in accounting policies due to revision of accounting standards: No

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

iii) Changes in accounting estimates: No

iv) Restatements: No

(2) Shares outstanding (common stock)

i) Period-end issued shares (including treasury stock):	As of September 30, 2015	4,500,000,000 shares	As of March 31, 2015	4,500,000,000 shares
ii) Period-end treasury stock:	As of September 30, 2015	750,525,000 shares	As of March 31, 2015	750,525,000 shares
iii) Average number of outstanding shares:	H1 FY2016	3,749,475,000 shares	H1 FY2015	4,495,898,770 shares

(Note) The Bank conducted a stock split effective on August 1, 2015, under which each share of common stock was split into 30 shares. However, the Bank's calculation of the number of shares outstanding (common stock) is based on the assumption that the stock split was effective at the beginning of the previous fiscal year.

(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 including changes in interest rates, foreign currency fluctuations, etc. 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 Six Months Ended September 30, 2015**

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

Ordinary income for the six months ended September 30, 2015 were ¥987.1 billion, including ¥881.8 billion of interest income (mainly interest and dividends on securities) and ¥63.1 billion of fees and commissions. Meanwhile, ordinary expenses were ¥735.4 billion, including ¥187.0 billion of interest expenses and ¥530.5 billion of general and administrative expenses.

Taking into account the above, net ordinary income was ¥251.6 billion and net income was ¥171.5 billion.

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

Total assets as of September 30, 2015 were ¥207,232.5 billion. Securities were ¥149,801.1 billion, and loans were ¥2,617.6 billion. Deposits as of September 30, 2015 were ¥177,131.0 billion (¥178,500.1 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 ¥20,379.7 billion.

Shareholder's equity as of September 30, 2015 decreased by ¥13.1 billion from the end of fiscal 2015. In addition, the valuation and translation adjustments decreased by ¥409.2 billion from the end of fiscal 2015. As a result, net assets totaled ¥11,207.8 billion. Retained earnings, included in shareholders' equity, were ¥1,955.4 billion.

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

The Bank's forecasts for fiscal 2016 remain unchanged from the forecasts announced on November 4, 2015.

## 2. Non-Consolidated Financial Statements

### (1) Non-consolidated balance sheets

	As of March 31, 2015	(Millions of yen) As of September 30, 2015
<b>Assets</b>		
Cash and due from banks	33,301,050	39,378,850
Call loans	1,961,526	1,830,314
Receivables under securities borrowing transactions	8,374,084	8,058,744
Monetary claims bought	122,032	124,725
Trading account securities	104	173
Money held in trust	3,491,637	3,479,636
Securities	156,169,792	149,801,138
Loans	2,783,985	2,617,649
Foreign exchanges	49,332	16,118
Other assets	1,603,912	1,601,414
Other	1,603,912	1,601,414
Tangible fixed assets	179,933	184,552
Intangible fixed assets	47,971	45,251
Customers' liabilities for acceptances and guarantees	95,000	95,000
Reserve for possible loan losses	(1,055)	(1,051)
<b>Total assets</b>	<b>208,179,309</b>	<b>207,232,518</b>
<b>Liabilities</b>		
Deposits	177,710,776	177,131,058
Call money	—	46,267
Payables under repurchase agreements	—	442,552
Payables under securities lending transactions	13,570,198	14,146,436
Foreign exchanges	266	346
Other liabilities	3,576,119	2,769,908
Income taxes payable	35,121	28,339
Asset retirement obligations	368	397
Other	3,540,629	2,741,171
Reserve for bonuses	5,581	7,268
Reserve for employees' retirement benefits	150,466	151,511
Deferred tax liabilities	1,440,688	1,234,363
Acceptances and guarantees	95,000	95,000
<b>Total liabilities</b>	<b>196,549,097</b>	<b>196,024,713</b>
<b>Net Assets</b>		
Capital 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	1,968,617	1,955,487
Other retained earnings	1,968,617	1,955,487
Retained earnings brought forward	1,968,617	1,955,487
Treasury stock	(1,299,999)	(1,299,999)
<b>Total shareholders' equity</b>	<b>8,464,904</b>	<b>8,451,773</b>
Net unrealized gains (losses) on available-for-sale securities	3,824,643	3,391,783
Net deferred gains (losses) on hedges	(659,335)	(635,751)
Total valuation and translation adjustments	3,165,307	2,756,031
<b>Total net assets</b>	<b>11,630,212</b>	<b>11,207,805</b>
<b>Total liabilities and net assets</b>	<b>208,179,309</b>	<b>207,232,518</b>

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

	(Millions of yen)	
	H1 FY2015	H1 FY2016
Ordinary income	1,030,975	987,155
Interest income	949,448	881,872
Interest on loans	16,109	13,224
Interest and dividends on securities	917,811	844,957
Fees and commissions	59,721	63,127
Other operating income	128	14,093
Other ordinary income	21,676	28,062
Ordinary expenses	757,956	735,459
Interest expenses	176,586	187,003
Interest on deposits	121,636	118,218
Fees and commissions	15,184	16,176
Other operating expenses	373	977
General and administrative expenses	564,612	530,592
Other ordinary expenses	1,197	710
Net ordinary income	273,018	251,695
Extraordinary income	3,008	—
Gains on sales and disposals of fixed assets	3,008	—
Extraordinary loss	566	767
Losses on sales and disposals of fixed assets	557	767
Losses on impairment of fixed assets	8	0
Income before income taxes	275,461	250,927
Income taxes		
Current	86,784	84,539
Deferred	6,965	(5,198)
Total income taxes	93,750	79,340
Net income	181,710	171,587

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

For the six months ended September 30, 2014

(Millions of yen)

	Shareholders' equity				
	Capital 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 policies			(8,837)		(8,837)
Balance including a change in accounting policies 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	Net 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 policies				(8,837)
Balance including a change in accounting policies at the beginning of the policies	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

For the six months ended September 30, 2015

(Millions of yen)

	Shareholders' equity				
	Capital 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	1,968,617	(1,299,999)	8,464,904
Cumulative effect of a change in accounting policies					—
Balance including a change in accounting policies at the beginning of the period	3,500,000	4,296,285	1,968,617	(1,299,999)	8,464,904
Changes during the period					
Cash dividends			(184,717)		(184,717)
Net income			171,587		171,587
Repurchase of treasury stock					—
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	(13,130)	—	(13,130)
Balance at the end of the period	3,500,000	4,296,285	1,955,487	(1,299,999)	8,451,773

	Valuation and translation adjustments			Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	3,824,643	(659,335)	3,165,307	11,630,212
Cumulative effect of a change in accounting policies				—
Balance including a change in accounting policies at the beginning of the period	3,824,643	(659,335)	3,165,307	11,630,212
Changes during the period				
Cash dividends				(184,717)
Net income				171,587
Repurchase of treasury stock				—
Net changes in items other than shareholders' equity	(432,860)	23,584	(409,275)	(409,275)
Total changes during the period	(432,860)	23,584	(409,275)	(422,406)
Balance at the end of the period	3,391,783	(635,751)	2,756,031	11,207,805

**(4) Notes to financial statements**

**Notes on going-concern assumption**

None