



## Summary of Financial Results for the Six Months Ended September 30, 2016

<Under Japanese GAAP> (Non-Consolidated)

November 14, 2016

Company name: JAPAN POST BANK Co., Ltd. Stock exchange listing: Tokyo Stock Exchange  
 Code number: 7182 Website: <http://www.jp-bank.japanpost.jp/>  
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Quarterly Securities Report issuing date: November 25, 2016 (Scheduled)

Dividend payment date: December 6, 2016 (Scheduled)

Trading accounts: Unestablished

Selected Financial Information for quarterly financial statements: Available

Quarterly investor meeting presentation: Scheduled (for investors and analysts)

(Figures are rounded down)

### 1. Financial results for the six months ended September 30, 2016

#### (1) Operating results

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

	Ordinary income		Net ordinary income		Net income	
H1 FY2017	¥934,221	(5.3)%	¥212,462	(15.5)%	¥150,973	(12.0)%
H1 FY2016	987,155	(4.2)	251,695	(7.8)	171,587	(5.5)

	Net income per share	Diluted net income per share
H1 FY2017	¥40.26	¥—
H1 FY2016	45.76	—

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.

2. Diluted net income per share is not presented since there has been no potential dilution for the six months ended September 30, 2016 and 2015.

3. 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 FY2017	¥207,210,247	¥11,610,954	5.6%
FY2016	207,056,039	11,508,150	5.5

Reference: Net assets attributable to shareholders were ¥11,610,954 million as of September 30, 2016 and ¥11,508,150 million as of March 31, 2016.

### 2. Dividends

(Yen)

	Dividends per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
FY2016	¥—	¥ 0.00	¥—	¥25.00	¥25.00
FY2017	—	25.00			
FY2017 (forecast)			—	25.00	50.00

Note: Revision of the latest announced dividend forecasts for FY2017: No

### 3. Earnings forecasts for the fiscal year ending March 31, 2017

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

	Net ordinary income	Net income	Net income per share
FY2017	¥420,000 (12.8)%	¥300,000 (7.7)%	¥80.01

Notes: 1. Revision of the latest announced earnings forecasts for FY2017: No

2. 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, 2016	4,500,000,000 shares	As of March 31, 2016	4,500,000,000 shares
ii) Period-end treasury stock:	As of September 30, 2016	750,848,850 shares	As of March 31, 2016	750,525,000 shares
iii) Average number of outstanding shares:	H1 FY2017	3,749,229,921 shares	H1 FY2016	3,749,475,000 shares

Notes: 1. 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.

2. The period-end treasury stock as of September 30, 2016 includes the Bank's shares held by board benefit trust (323,900 shares). The treasury stock deducted to calculate the average number of outstanding shares for H1 FY2017 includes the Bank's shares held by board benefit trust (245,091 shares).

(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 including forecasts, targets and plans. These statements are based on estimates at the time in light of the information currently available to the Bank. The statements and assumptions may prove to be incorrect and may not be realized in the future.

Any uncertainties, risks and other factors that may cause such a situation to arise include, but are not limited to, risks related to the effectiveness of risk management policies and procedures; risks related to business strategy and management planning such as market risk, market liquidity risk, credit risk and operational risk; risks related to the expansion of the scope of operations; risks related to the business environment; and other various risks. Please also see the Securities Report and the latest quarterly financial report for material facts that the Bank recognizes as potentially affecting its actual results, performance or financial position. The Bank's actual results, performance or financial position may be materially different from those expressed or implied by such forward-looking statements.

The statements in this document are current as of the date of the document or the date otherwise specified, and the Bank has no obligation or intent to keep this information up to date.

The information concerning companies or parties other than the Bank and the Japan Post Group is based on publicly available and other information as cited, and the Bank has neither independently verified the accuracy and appropriateness of, nor makes any warranties with respect to, such information. The information of the document may be revised without prior notice.

**[Attachment]**

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(Supplemental Information)

Selected Financial Information for the Six Months Ended September 30, 2016

## **1. Qualitative Information Concerning Non-Consolidated Earnings and Others for the Six Months Ended September 30, 2016**

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

Ordinary income for the six months ended September 30, 2016 was ¥934.2 billion, including ¥797.2 billion of interest income (mainly interest and dividends on securities) and ¥59.5 billion of fees and commissions. Meanwhile, ordinary expenses were ¥721.7 billion, including ¥172.7 billion of interest expenses and ¥529.9 billion of general and administrative expenses.

Taking into account the above, net ordinary income was ¥212.4 billion and net income was ¥150.9 billion.

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

Total assets as of September 30, 2016 were ¥207,210.2 billion. Securities were ¥141,197.5 billion, and loans were ¥2,720.7 billion. Deposits as of September 30, 2016 were ¥178,456.5 billion (¥179,893.3 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 Corporation as of September 30, 2007) included in special deposits totaled ¥16,060.7 billion.

Shareholder's equity as of September 30, 2016 increased by ¥56.8 billion from March 31, 2016. In addition, valuation and translation adjustments increased by ¥45.9 billion from March 31, 2016. As a result, net assets totaled ¥11,610.9 billion. Retained earnings, included in shareholders' equity, were ¥2,166.2 billion.

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

The Bank's forecasts for the fiscal year ending March 31, 2017 remain unchanged from the forecasts announced on May 13, 2016.

## 2. Non-Consolidated Financial Statements

### (1) Non-consolidated balance sheets

	As of March 31, 2016	(Millions of yen) As of September 30, 2016
<b>Assets</b>		
Cash and due from banks	45,895,068	47,665,957
Call loans	978,837	666,155
Receivables under securities borrowing transactions	7,923,229	8,096,939
Monetary claims bought	178,509	197,965
Trading account securities	187	50
Money held in trust	3,561,110	3,503,401
Securities	144,076,834	141,197,568
Loans	2,542,049	2,720,729
Foreign exchanges	25,328	33,805
Other assets	1,573,316	2,905,447
Other	1,573,316	2,905,447
Tangible fixed assets	182,733	181,455
Intangible fixed assets	44,865	41,874
Customers' liabilities for acceptances and guarantees	75,000	—
Reserve for possible loan losses	(1,030)	(1,102)
<b>Total assets</b>	<b>207,056,039</b>	<b>207,210,247</b>
<b>Liabilities</b>		
Deposits	177,871,986	178,456,554
Call money	22,536	40,953
Payables under repurchase agreements	554,522	592,456
Payables under securities lending transactions	13,123,558	12,684,076
Foreign exchanges	338	462
Other liabilities	2,532,920	2,440,583
Income taxes payable	45,370	38,542
Asset retirement obligations	396	415
Other	2,487,153	2,401,625
Reserve for bonuses	6,020	7,588
Reserve for employees' retirement benefits	149,720	150,862
Reserve for management board benefit trust	—	43
Deferred tax liabilities	1,211,286	1,225,711
Acceptances and guarantees	75,000	—
<b>Total liabilities</b>	<b>195,547,888</b>	<b>195,599,293</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	2,108,969	2,166,206
Other retained earnings	2,108,969	2,166,206
Retained earnings brought forward	2,108,969	2,166,206
Treasury stock	(1,299,999)	(1,300,411)
<b>Total shareholders' equity</b>	<b>8,605,256</b>	<b>8,662,080</b>
Net unrealized gains (losses) on available-for-sale securities	3,322,827	3,103,068
Net deferred gains (losses) on hedges	(419,932)	(154,195)
Total valuation and translation adjustments	2,902,894	2,948,873
<b>Total net assets</b>	<b>11,508,150</b>	<b>11,610,954</b>
<b>Total liabilities and net assets</b>	<b>207,056,039</b>	<b>207,210,247</b>

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

(Millions of yen)

	For the six months ended September 30, 2015	For the six months ended September 30, 2016
Ordinary income	987,155	934,221
Interest income	881,872	797,269
Interest on loans	13,224	9,399
Interest and dividends on securities	844,957	774,338
Fees and commissions	63,127	59,523
Other operating income	14,093	45,620
Other ordinary income	28,062	31,807
Ordinary expenses	735,459	721,758
Interest expenses	187,003	172,709
Interest on deposits	118,218	104,999
Fees and commissions	16,176	16,528
Other operating expenses	977	1,583
General and administrative expenses	530,592	529,939
Other ordinary expenses	710	997
Net ordinary income	251,695	212,462
Extraordinary loss	767	338
Losses on sales and disposals of fixed assets	767	313
Losses on impairment of fixed assets	0	24
Income before income taxes	250,927	212,124
Income taxes		
Current	84,539	66,254
Deferred	(5,198)	(5,103)
Total income taxes	79,340	61,150
Net income	171,587	150,973

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

For the six months ended September 30, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward
Balance at the beginning of the period	3,500,000	4,296,285	—	4,296,285	1,968,617
Changes during the period					
Cash dividends					(184,717)
Net income					171,587
Repurchase of treasury stock					
Disposal of treasury stock					
Transfer of loss on disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	—	—	(13,130)
Balance at the end of the period	3,500,000	4,296,285	—	4,296,285	1,955,487

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	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	(1,299,999)	8,464,904	3,824,643	(659,335)	3,165,307	11,630,212
Changes during the period						
Cash dividends		(184,717)				(184,717)
Net income		171,587				171,587
Repurchase of treasury stock		—				—
Disposal of treasury stock		—				—
Transfer of loss on disposal of treasury stock		—				—
Net changes in items other than shareholders' equity			(432,860)	23,584	(409,275)	(409,275)
Total changes during the period	—	(13,130)	(432,860)	23,584	(409,275)	(422,406)
Balance at the end of the period	(1,299,999)	8,451,773	3,391,783	(635,751)	2,756,031	11,207,805

For the six months ended September 30, 2016

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings
					Retained earnings brought forward
Balance at the beginning of the period	3,500,000	4,296,285	—	4,296,285	2,108,969
Changes during the period					
Cash dividends					(93,736)
Net income					150,973
Repurchase of treasury stock					
Disposal of treasury stock			(0)	(0)	
Transfer of loss on disposal of treasury stock			0	0	(0)
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	—	—	57,236
Balance at the end of the period	3,500,000	4,296,285	—	4,296,285	2,166,206

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	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	(1,299,999)	8,605,256	3,322,827	(419,932)	2,902,894	11,508,150
Changes during the period						
Cash dividends		(93,736)				(93,736)
Net income		150,973				150,973
Repurchase of treasury stock	(418)	(418)				(418)
Disposal of treasury stock	6	6				6
Transfer of loss on disposal of treasury stock		—				—
Net changes in items other than shareholders' equity			(219,758)	265,737	45,978	45,978
Total changes during the period	(411)	56,824	(219,758)	265,737	45,978	102,803
Balance at the end of the period	(1,300,411)	8,662,080	3,103,068	(154,195)	2,948,873	11,610,954



**(4) Notes to financial statements**

**Notes on going-concern assumption**

None

**Additional information**

The Bank has adopted the “Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan Guidance No. 26, released on March 28, 2016) from the six months ended September 30, 2016.