

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018



<Under Japanese GAAP>

August 10, 2018

Company name: JAPAN POST BANK Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
 Code number: 7182 Website: <https://www.jp-bank.japanpost.jp/>
 Representative: Norito Ikeda, Director, President and Representative Executive Officer
 For inquiry: Toshiharu Ono, Executive Officer, General Manager of Financial Accounting Department
 Quarterly Securities Report issuing date: August 10, 2018 (Scheduled)
 Dividend payment date: —
 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. Consolidated financial results for the three months ended June 30, 2018

(1) Consolidated operating results

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

	Ordinary income	Net ordinary income	Net income attributable to owners of parent
Q1 FY2019	¥470,506 —%	¥106,666 —%	¥78,346 —%
Q1 FY2018	— —	— —	— —

Note: Comprehensive Income (loss) was ¥ (72,238) million for the three months ended June 30, 2018.

	Net income per share	Diluted net income per share
Q1 FY2019	¥20.89	¥—
Q1 FY2018	—	—

Notes: 1. Diluted net income per share is not presented since there has been no potential dilution for the three months ended June 30, 2018 and 2017.

2. Since JAPAN POST BANK Co., Ltd. (the "Bank") prepares its quarterly consolidated financial statements from the three months ended June 30, 2018, consolidated amount for the three months ended June 30, 2017 and percentages of increase (decrease) were not disclosed.

(2) Consolidated financial conditions

(Millions of yen, except for percentages)

	Total assets	Total net assets	Net assets attributable to shareholders to total assets
Q1 FY2019	¥209,116,203	¥11,356,675	5.4%
FY2018	210,629,821	11,521,680	5.4

Reference: Net assets attributable to shareholders were ¥11,355,113 million as of June 30, 2018 and ¥11,521,216 million as of March 31, 2018.

Note: Net assets attributable to shareholders to total assets were calculated as follows:

$[(\text{Total net assets} - \text{Non-controlling interests}) / \text{Total assets}] \times 100$

Net assets attributable to shareholders to total assets above is not based on Capital adequacy notification.

2. Dividends

(Yen)

	Dividends per share				
	As of June 30	As of September 30	As of December 31	As of March 31	Total
FY2018	¥—	¥25.00	¥—	¥25.00	¥50.00
FY2019	—				
FY2019 (forecast)		25.00	—	25.00	50.00

Note: Revision of the latest announced dividend forecasts for FY2019: No

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2019

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

	Net ordinary income	Net income attributable to owners of parent	Net income per share
FY2019	¥370,000 (25.9)%	¥260,000 (26.2)%	¥69.35

Notes: 1. Revision of the latest announced earnings forecasts for FY2019: No

2. Percentages shown in net ordinary income and net income attributable to owners of parent are the increase (decrease) from the previous fiscal year.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No

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

(3) 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

(4) Shares outstanding (common stock)

i) Period-end issued shares (including treasury stock):	As of June 30, 2018	4,500,000,000 shares	As of March 31, 2018	4,500,000,000 shares
ii) Period-end treasury stock:	As of June 30, 2018	751,225,350 shares	As of March 31, 2018	751,069,350 shares
iii) Average number of outstanding shares:	Q1 FY2019	3,748,788,488 shares	Q1 FY2018	3,749,021,960 shares

Note: The period-end treasury stock includes the Bank's shares held by stock benefit trust (700,400 shares as of June 30, 2018 and 544,400 shares as of March 31, 2018). The treasury stock deducted to calculate the average number of outstanding shares includes the Bank's shares held by stock benefit trust (686,562 shares for Q1 FY2019 and 453,090 shares for Q1 FY2018).

(Note on quarterly review procedures)

This “Summary of Consolidated Financial Results” is not subject to the quarterly review procedures by a certified public accountant or an audit corporation.

(Forward-looking statements and other matters)

This “Summary of Financial Results” contains forward-looking statements including forecasts, targets and plans of the Bank and its consolidated subsidiaries (the “Group”). 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 the Group’s actual results, performance or financial position. The Group’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 Group 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 Three Months Ended June 30, 2018

1. Consolidated Financial Statements

(1) Consolidated balance sheets

	As of March 31, 2018	(Millions of yen) As of June 30, 2018
Assets		
Cash and due from banks	49,288,314	51,127,268
Call loans	480,000	420,000
Receivables under securities borrowing transactions	8,224,153	7,617,466
Monetary claims bought	278,566	248,494
Trading account securities	32	37
Money held in trust	4,241,524	4,319,612
Securities	139,200,459	135,456,569
Loans	6,145,537	6,819,311
Foreign exchanges	87,487	56,870
Other assets	2,442,327	2,806,952
Tangible fixed assets	190,104	193,295
Intangible fixed assets	52,382	51,376
Reserve for possible loan losses	(1,066)	(1,051)
Total assets	210,629,821	209,116,203

	As of March 31, 2018	(Millions of yen) As of June 30, 2018
Liabilities		
Deposits	179,881,329	181,349,714
Payables under repurchase agreements	1,985,285	2,069,235
Payables under securities lending transactions	13,812,123	11,359,359
Commercial paper	191,481	180,350
Borrowed money	2,400	3,000
Foreign exchanges	309	571
Other liabilities	1,950,360	1,581,364
Reserve for bonuses	7,907	1,838
Liability for retirement benefits	135,655	135,705
Reserve for employee stock ownership plan trust	809	497
Reserve for management board benefit trust	144	159
Reserve for reimbursement of deposits	86,114	87,162
Deferred tax liabilities	1,054,220	990,567
Total liabilities	199,108,141	197,759,528
Net Assets		
Capital stock	3,500,000	3,500,000
Capital surplus	4,296,285	4,296,285
Retained earnings	2,399,162	2,383,771
Treasury stock	(1,300,717)	(1,300,948)
Total shareholders' equity	8,894,730	8,879,109
Net unrealized gains (losses) on available-for-sale securities	2,615,432	2,492,230
Net deferred gains (losses) on hedges	3,119	(23,786)
Accumulated adjustments for retirement benefits	7,934	7,560
Total accumulated other comprehensive income	2,626,485	2,476,004
Non-controlling interests	463	1,561
Total net assets	11,521,680	11,356,675
Total liabilities and net assets	210,629,821	209,116,203

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

**For the three months
ended June 30, 2018**

Ordinary income	470,506
Interest income	357,304
Interest on loans	3,133
Interest and dividends on securities	346,286
Fees and commissions	34,827
Other operating income	68,094
Other ordinary income	10,279
Ordinary expenses	363,839
Interest expenses	85,970
Interest on deposits	25,995
Fees and commissions	8,041
Other operating expenses	1,440
General and administrative expenses	263,031
Other ordinary expenses	5,355
Net ordinary income	106,666
Extraordinary loss	151
Losses on sales and disposals of fixed assets	151
Income before income taxes	106,515
Income taxes	
Current	25,499
Deferred	2,777
Total income taxes	28,277
Net income	78,238
Net loss attributable to non-controlling interests	(107)
Net income attributable to owners of parent	78,346

Consolidated statements of comprehensive income

	(Millions of yen)
	For the three months ended June 30, 2018
Net income	78,238
Other comprehensive income (loss)	(150,476)
Net unrealized gains (losses) on available-for-sale securities	(123,196)
Net deferred gains (losses) on hedges	(26,905)
Adjustments for retirement benefits	(374)
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	0
Comprehensive income (loss)	(72,238)
Total comprehensive income (loss) attributable to:	
Owners of parent	(72,135)
Non-controlling interests	(102)

(3) Notes to consolidated financial statements

Notes on going-concern assumption

None

Note for material changes in the amount of shareholders' equity

None

Significant subsequent event

(Reduction in the Amount of Legal Capital Surplus)

The Bank has resolved at its Board of Directors Meeting held on May 15, 2018 that the Bank submitted the proposal below for reducing the amount of legal capital surplus to the ordinary general meeting of shareholders to be held on June 19, 2018, and the proposal was approved at the ordinary general meeting of shareholders, and took effect on July 31, 2018.

(1) Purpose of reduction in the amount of legal capital surplus

In order to ensure the flexibility and dynamism of future capital policy, the Bank reduced the amount of legal capital surplus and transferred the same amount to other capital surplus, pursuant to Article 448, Paragraph 1 of the Companies Act.

(2) Outline of reduction in the amount of legal capital surplus (include in capital surplus)

i) Items and reduced amount of surplus

¥796,285,955,819 out of ¥4,296,285,955,819 of legal capital surplus

ii) Items and increased amount of surplus

Other capital surplus ¥796,285,955,819