

# Summary of Consolidated Financial Results for the Six Months Ended September 30, 2018

<Under Japanese GAAP>



November 14, 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: November 26, 2018 (Scheduled)  
Dividend payment date: December 6, 2018 (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. Consolidated financial results for the six months ended September 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
H1 FY2019	¥965,396 — %	¥223,356 — %	¥159,291 — %
H1 FY2018	— —	— —	— —

Note: "Comprehensive income (loss)" was ¥ (148,223) million for the six months ended September 30, 2018.

	Net income per share	Diluted net income per share
H1 FY2019	¥42.49	¥—
H1 FY2018	—	—

Notes: 1. "Diluted net income per share" is not presented since there has been no potential dilution for the six months ended September 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 six months ended September 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
H1 FY2019	¥208,381,300	¥11,284,022	5.4%
FY2018	210,629,821	11,521,680	5.4

Reference: "Net assets attributable to shareholders" was ¥11,279,242 million as of September 30, 2018 and ¥11,521,216 million as of March 31, 2018.

Note: "Net assets attributable to shareholders to total assets" is calculated as follows:

$$\left[ \frac{(\text{"Total net assets"} - \text{"Non-controlling interests"})}{\text{Total assets}} \right] \times 100$$

"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	—	25.00			
FY2019 (forecast)			—	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) 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

(3) Shares outstanding (common stock)

i) Period-end issued shares (including treasury stock):	As of September 30, 2018	4,500,000,000 shares	As of March 31, 2018	4,500,000,000 shares
ii) Period-end treasury stock:	As of September 30, 2018	751,208,350 shares	As of March 31, 2018	751,069,350 shares
iii) Average number of outstanding shares:	H1 FY2019	3,748,787,848 shares	H1 FY2018	3,748,974,981 shares

Note: The period-end treasury stock includes the Bank's shares held by stock benefit trust (683,400 shares as of September 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 (687,202 shares for H1 FY2019 and 500,069 shares for H1 FY2018).

## (Reference) Summary of Non-Consolidated Financial Results

### 1. Non-consolidated financial results for the six months ended September 30, 2018

#### (1) Non-consolidated operating results

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

	Ordinary income		Net ordinary income		Net income	
H1 FY2019	¥965,306	(1.2)%	¥223,478	(13.1)%	¥159,291	(12.2)%
H1 FY2018	977,268	4.6	257,184	21.0	181,555	20.2

	Net income per share
H1 FY2019	¥42.49
H1 FY2018	48.42

Note: 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) Non-consolidated financial conditions

(Millions of yen, except for percentages)

	Total assets (A)	Total net assets (B)	(B) / (A)
H1 FY2019	¥208,377,817	¥11,271,927	5.4%
FY2018	210,630,601	11,513,151	5.4

Reference: “Net assets attributable to shareholders” was ¥11,271,927 million as of September 30, 2018 and ¥11,513,151 million as of March 31, 2018.

(Note on semi-annual audit procedures)

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

(Forward-looking statements and other matters)

This “Summary of Consolidated 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]**

**Contents of Attachment**

1. Consolidated Financial Statements.....	2
(1) Consolidated balance sheets .....	2
(2) Consolidated statements of income and consolidated statements of comprehensive income .....	4
(3) Consolidated statements of changes in net assets .....	6
(4) Notes to consolidated financial statements.....	6
Notes on going-concern assumption .....	6
2. Non-consolidated Financial Statements.....	7
(1) Non-consolidated balance sheets .....	7
(2) Non-consolidated statements of income .....	9
(3) Non-consolidated statements of changes in net assets .....	10

(Supplemental Information)

Selected Financial Information for the Six Months Ended September 30, 2018

# 1. Consolidated Financial Statements

## (1) Consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	49,288,314	48,464,845
Call loans	480,000	420,000
Receivables under securities borrowing transactions	8,224,153	7,719,159
Monetary claims bought	278,566	257,978
Trading account securities	32	29
Money held in trust	4,241,524	4,448,964
Securities	139,200,459	137,753,165
Loans	6,145,537	6,380,233
Foreign exchanges	87,487	102,848
Other assets	2,442,327	2,584,350
Tangible fixed assets	190,104	199,482
Intangible fixed assets	52,382	51,231
Reserve for possible loan losses	(1,066)	(988)
Total assets	210,629,821	208,381,300

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Deposits	179,881,329	180,373,023
Payables under repurchase agreements	1,985,285	2,688,582
Payables under securities lending transactions	13,812,123	11,164,093
Commercial paper	191,481	74,100
Borrowed money	2,400	3,700
Foreign exchanges	309	454
Other liabilities	1,950,360	1,638,608
Reserve for bonuses	7,907	7,375
Liability for retirement benefits	135,655	137,346
Reserve for employee stock ownership plan trust	809	480
Reserve for management board benefit trust	144	159
Reserve for reimbursement of deposits	86,114	87,744
Deferred tax liabilities	1,054,220	921,608
<b>Total liabilities</b>	<b>199,108,141</b>	<b>197,097,278</b>
<b>Net Assets</b>		
Capital stock	3,500,000	3,500,000
Capital surplus	4,296,285	4,296,286
Retained earnings	2,399,162	2,464,716
Treasury stock	(1,300,717)	(1,300,926)
<b>Total shareholders' equity</b>	<b>8,894,730</b>	<b>8,960,076</b>
Net unrealized gains (losses) on available-for-sale securities	2,615,432	2,418,411
Net deferred gains (losses) on hedges	3,119	(106,430)
Accumulated adjustments for retirement benefits	7,934	7,184
<b>Total accumulated other comprehensive income</b>	<b>2,626,485</b>	<b>2,319,165</b>
Non-controlling interests	463	4,779
<b>Total net assets</b>	<b>11,521,680</b>	<b>11,284,022</b>
<b>Total liabilities and net assets</b>	<b>210,629,821</b>	<b>208,381,300</b>

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

### Consolidated statements of income

	(Millions of yen) For the six months ended September 30, 2018
<b>Ordinary income</b>	965,396
Interest income	716,116
Interest on loans	6,269
Interest and dividends on securities	693,384
Fees and commissions	69,338
Other operating income	139,852
Other ordinary income	40,088
<b>Ordinary expenses</b>	742,040
Interest expenses	172,288
Interest on deposits	47,152
Fees and commissions	16,343
Other operating expenses	21,704
General and administrative expenses	521,269
Other ordinary expenses	10,433
<b>Net ordinary income</b>	223,356
<b>Extraordinary loss</b>	370
Losses on sales and disposals of fixed assets	347
Losses on impairment of fixed assets	22
<b>Income before income taxes</b>	222,986
<b>Income taxes</b>	
Current	60,842
Deferred	3,052
Total income taxes	63,894
<b>Net income</b>	159,091
<b>Net loss attributable to non-controlling interests</b>	(199)
<b>Net income attributable to owners of parent</b>	159,291

## Consolidated statements of comprehensive income

(Millions of yen)

**For the six months ended  
September 30, 2018**

<b>Net income</b>	159,091
<b>Other comprehensive income (loss)</b>	(307,315)
Net unrealized gains (losses) on available-for-sale securities	(197,015)
Net deferred gains (losses) on hedges	(109,549)
Adjustments for retirement benefits	(750)
Share of other comprehensive income (loss) of affiliates accounted for by the equity method	0
<b>Comprehensive income (loss)</b>	<b>(148,223)</b>
Total comprehensive income (loss) attributable to:	
Owners of parent	(148,028)
Non-controlling interests	(194)



**(3) Consolidated statements of changes in net assets**

For the six months ended September 30, 2018

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the period	3,500,000	4,296,285	2,399,162	(1,300,717)	8,894,730
Changes during the period					
Cash dividends			(93,736)		(93,736)
Net income attributable to owners of parent			159,291		159,291
Repurchase of treasury stock				(542)	(542)
Disposal of treasury stock				333	333
Changes in equity of parent due to transactions with non-controlling shareholders		0			0
Net changes in items other than shareholders' equity					
Total changes during the period	—	0	65,554	(209)	65,345
Balance at the end of the period	3,500,000	4,296,286	2,464,716	(1,300,926)	8,960,076

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income		
Balance at the beginning of the period	2,615,432	3,119	7,934	2,626,485	463	11,521,680
Changes during the period						
Cash dividends						(93,736)
Net income attributable to owners of parent						159,291
Repurchase of treasury stock						(542)
Disposal of treasury stock						333
Changes in equity of parent due to transactions with non-controlling shareholders						0
Net changes in items other than shareholders' equity	(197,020)	(109,549)	(750)	(307,320)	4,316	(303,003)
Total changes during the period	(197,020)	(109,549)	(750)	(307,320)	4,316	(237,658)
Balance at the end of the period	2,418,411	(106,430)	7,184	2,319,165	4,779	11,284,022

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

None

## 2. Non-consolidated Financial Statements

### (1) Non-consolidated balance sheets

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
<b>Assets</b>		
Cash and due from banks	49,288,314	48,464,755
Call loans	480,000	420,000
Receivables under securities borrowing transactions	8,224,153	7,719,159
Monetary claims bought	278,566	257,978
Trading account securities	32	29
Money held in trust	4,241,524	4,448,964
Securities	139,201,254	137,759,782
Loans	6,145,537	6,380,233
Foreign exchanges	87,487	102,848
Other assets	2,442,328	2,574,362
Other	2,442,328	2,574,362
Tangible fixed assets	190,098	199,471
Intangible fixed assets	52,372	51,219
Reserve for possible loan losses	(1,066)	(988)
<b>Total assets</b>	<b>210,630,601</b>	<b>208,377,817</b>

	(Millions of yen)	
	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Deposits	179,882,759	180,374,985
Payables under repurchase agreements	1,985,285	2,688,582
Payables under securities lending transactions	13,812,123	11,164,093
Commercial paper	191,481	74,100
Borrowed money	2,400	3,700
Foreign exchanges	309	454
Other liabilities	1,950,331	1,638,074
Income taxes payable	70,108	27,783
Asset retirement obligations	416	417
Other	1,879,805	1,609,874
Reserve for bonuses	7,879	7,375
Reserve for employees' retirement benefits	147,095	147,702
Reserve for employee stock ownership plan trust	809	480
Reserve for management board benefit trust	144	159
Reserve for reimbursement of deposits	86,114	87,744
Deferred tax liabilities	1,050,715	918,437
<b>Total liabilities</b>	<b>199,117,450</b>	<b>197,105,890</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	3,500,000
Other capital surplus	—	796,285
Retained earnings	2,399,031	2,464,586
Other retained earnings	2,399,031	2,464,586
Retained earnings brought forward	2,399,031	2,464,586
Treasury stock	(1,300,717)	(1,300,926)
<b>Total shareholders' equity</b>	<b>8,894,599</b>	<b>8,959,945</b>
Net unrealized gains (losses) on available-for-sale securities	2,615,432	2,418,411
Net deferred gains (losses) on hedges	3,119	(106,430)
<b>Total valuation and translation adjustments</b>	<b>2,618,551</b>	<b>2,311,981</b>
<b>Total net assets</b>	<b>11,513,151</b>	<b>11,271,927</b>
<b>Total liabilities and net assets</b>	<b>210,630,601</b>	<b>208,377,817</b>

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

	(Millions of yen)	
	For the six months ended September 30, 2017	For the six months ended September 30, 2018
<b>Ordinary income</b>	977,268	965,306
Interest income	781,220	716,116
Interest on loans	7,239	6,269
Interest and dividends on securities	760,795	693,384
Fees and commissions	64,901	69,338
Other operating income	103,851	139,852
Other ordinary income	27,294	39,998
<b>Ordinary expenses</b>	720,084	741,828
Interest expenses	167,886	172,288
Interest on deposits	80,980	47,152
Fees and commissions	17,774	16,343
Other operating expenses	11,284	21,704
General and administrative expenses	521,158	520,894
Other ordinary expenses	1,979	10,596
<b>Net ordinary income</b>	257,184	223,478
<b>Extraordinary loss</b>	512	370
Losses on sales and disposals of fixed assets	511	347
Losses on impairment of fixed assets	1	22
<b>Income before income taxes</b>	256,671	223,107
<b>Income taxes</b>		
Current	75,143	60,763
Deferred	(27)	3,052
<b>Total income taxes</b>	75,115	63,815
<b>Net income</b>	181,555	159,291

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

For the six months ended September 30, 2017

(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	2,233,759
Changes during the period					
Cash dividends					(93,736)
Net income					181,555
Transfer to other capital surplus from legal capital surplus					
Repurchase of treasury stock					
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the period	—	—	—	—	87,818
Balance at the end of the period	3,500,000	4,296,285	—	4,296,285	2,321,578

	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	(1,300,411)	8,729,634	3,166,980	(116,577)	3,050,403	11,780,037
Changes during the period						
Cash dividends		(93,736)				(93,736)
Net income		181,555				181,555
Transfer to other capital surplus from legal capital surplus		—				—
Repurchase of treasury stock	(449)	(449)				(449)
Disposal of treasury stock	143	143				143
Net changes in items other than shareholders' equity			131,982	(113,541)	18,440	18,440
Total changes during the period	(306)	87,512	131,982	(113,541)	18,440	105,952
Balance at the end of the period	(1,300,717)	8,817,146	3,298,962	(230,118)	3,068,843	11,885,990

For the six months ended September 30, 2018

(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	2,399,031
Changes during the period					
Cash dividends					(93,736)
Net income					159,291
Transfer to other capital surplus from legal capital surplus		(796,285)	796,285	—	
Repurchase of treasury stock					
Disposal of treasury stock					
Net changes in items other than shareholders' equity					
Total changes during the period	—	(796,285)	796,285	—	65,555
Balance at the end of the period	3,500,000	3,500,000	796,285	4,296,285	2,464,586

	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	(1,300,717)	8,894,599	2,615,432	3,119	2,618,551	11,513,151
Changes during the period						
Cash dividends		(93,736)				(93,736)
Net income		159,291				159,291
Transfer to other capital surplus from legal capital surplus		—				—
Repurchase of treasury stock	(542)	(542)				(542)
Disposal of treasury stock	333	333				333
Net changes in items other than shareholders' equity			(197,020)	(109,549)	(306,570)	(306,570)
Total changes during the period	(209)	65,345	(197,020)	(109,549)	(306,570)	(241,224)
Balance at the end of the period	(1,300,926)	8,959,945	2,418,411	(106,430)	2,311,981	11,271,927