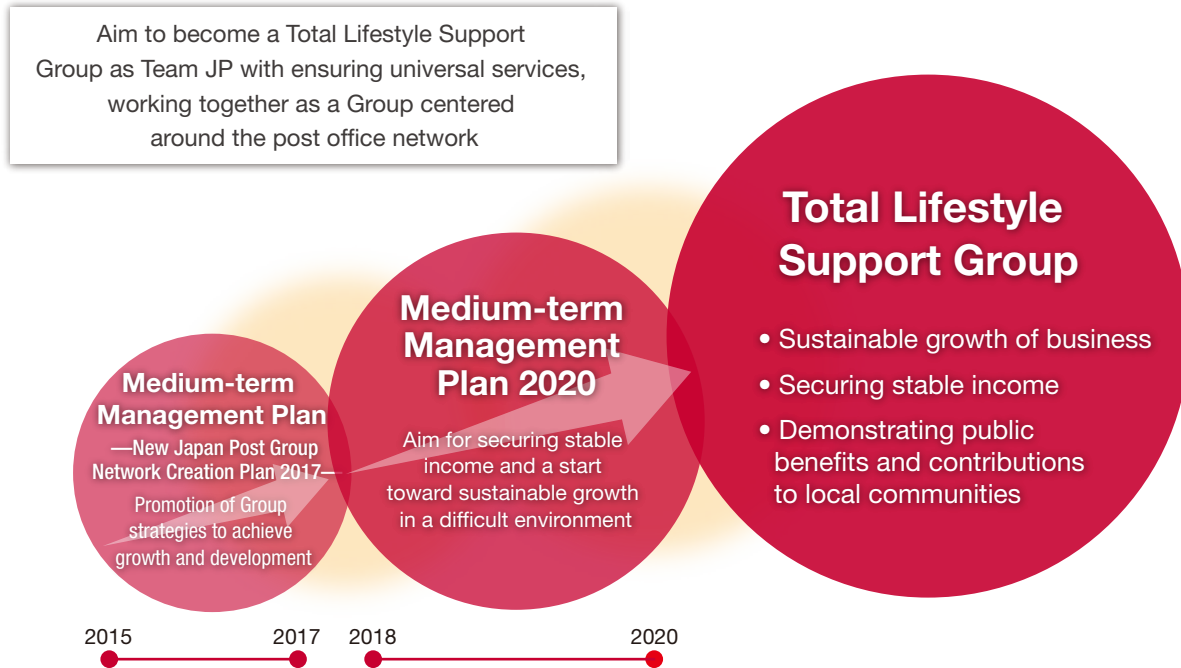


Overview of Medium-term Management Plan 2020 (2018 – 2020)*

*Published on May 15, 2018

Aim for securing stable income and a start toward sustainable growth in a difficult environment.

Basic policies	
1 Development of business that supports the total lifestyles of customers	2 Securing stable income for the Group
3 Development of environment that enables employees to demonstrate their full capabilities	4 Development of new businesses aimed at future growth



Basic Policies by Business

Business fields	Basic policies
1 Postal and domestic logistics business	Comprehensive review of products and operations systems and strengthening of service infrastructure to support an expansion in parcels
2 Post office business	Coexistence with local community by maintaining, strengthening and maximally utilizing the post office network through deployment of unique and diverse post offices in accordance with regional needs, etc.
3 International logistics business	Improvements in management of Toll and deployment of contract logistics in Japan through strengthening synergy between JP and Toll
4 Banking business	Diversification and sophistication of investment management, expansion of non-interest revenue and efficient resource allocation
5 Life insurance business	Reversal/growth of policies in force through sales activities focusing on protection needs and improvement in solicitation quality

Numerical targets for 2021/3 and dividend policy

Group consolidated

Earnings per share of at least **100 yen***

Dividends per share of at least **50 yen**
(Implementation of stable dividends)

* Assuming the current number of issued shares (excluding treasury stock), net income attributable to Japan Post Holdings Co. of approximately 405 billion yen

Japan Post Co.

- Consolidated net operating income 90 billion yen
 - Postal and domestic logistics business 40 billion yen
 - Post office business 30 billion yen
 - International logistics business 20 billion yen
- Consolidated net income 65 billion yen
- Number of Yu-Pack handled
Approx. +200 million (compared to FY2018/3)

Japan Post Bank Co.

- Consolidated net ordinary income 390 billion yen
- Consolidated net income 280 billion yen
(Reference) Earnings per share: 74 yen
- Secure capital adequacy ratio of about 10%
(After consideration of strengthening of financial regulations)
- Investment trusts balance about +1.7 trillion yen*
- Secure dividends per share of 50 yen
(Implementation of stable dividends)

* The cumulative total of "sales amount - cancellation amount" for 3 years (not market price basis).

Japan Post Insurance Co.

- Aim for reversal and growth of annualized premiums for policies in force*
- Earnings per share 155 yen
(Reference) Consolidated net income: 93 billion yen
- Aim to increase dividends per share to 76 yen while ensuring the soundness of management

* We recognize that we are presently facing difficulties to achieve the target for annualized premiums for policies in force for the fiscal year ending March 31, 2021 (approximately ¥4.9 trillion). We aim to reverse the downward trend and achieve growth during the period covered by the medium-term management plan.

Results for 2019/3

Group consolidated

Earnings per share **118.57 yen**

Dividends per share **50 yen**

Japan Post Co.

- Consolidated net operating income 182.0 billion yen
 - Postal and domestic logistics business 121.3 billion yen
 - Post office business 59.6 billion yen
 - International logistics business 10.3 billion yen
- Consolidated net income 126.6 billion yen
- Number of Yu-Pack handled
Approx. 940 million (+60 million)

Japan Post Bank Co.

- Consolidated net ordinary income 373.9 billion yen
- Consolidated net income 266.1 billion yen
- Capital adequacy ratio (non-consolidated, domestic standard) 15.78%
- Net assets of investment trusts +643.6 billion yen
- Dividends per share 50 yen

Japan Post Insurance Co.

- Annualized premiums for policies in force 4.67 trillion yen
- Earnings per share 200.86 yen
- Dividends per share 72 yen

Note: Interest rates, foreign exchange rates and stock prices, which are the premise of each numerical target, are set based on the situation at the end of December 2017.

Investment Plan for the Period Covered by the Medium-term Management Plan (2018 – 2020)

Under the Medium-term Management Plan, we plan to promote infrastructure improvements to increase customer satisfaction, sales capabilities and operational efficiencies, which will ultimately strengthen our management foundations. Our plan includes investment in: post office and other construction work in the postal and domestic logistics business and the post office business; real estate development in the post office business; building of a new accounting system in the international logistics business; purchase of ATMs in the banking business; and building of a next-generation open system in the life insurance business.

Business segment (Total investment for 2018-2020)	Details	Amount (Total for 2018– 2020)	Effect
Postal and domestic logistics (180 billion yen)	Post office and other construction work	78 billion yen	Improving service environment
	Postal system renewal and upgrading	30 billion yen	Periodic postal system renewal and upgrading
Post office (270 billion yen)	Real estate development	180 billion yen	Expansion of real estate revenue
	Post office and other construction work	60 billion yen	Improving service environment
International logistics (150 billion yen)	Renewal of ship	15 billion yen	Achieving stable business operation
	Building of a new accounting system	12 billion yen	IT infrastructure renewal and upgrading
Banking (130 billion yen)	Development of a total information system	30 billion yen	Improving customer convenience and operation efficiency and securing stable business operation
	Renewal of auto cashier	22 billion yen	Strengthening internal controls on cash management
	Reconstruction of an Operation Support Center	20 billion yen	Reconstructing of buildings that have become too old or too narrow
	Purchase of ATMs	19 billion yen	Improving customer convenience and secure stable business operation
Life insurance (150 billion yen)	Building of a next-generation open system	49 billion yen	Improving a system infrastructure for utilization of ICT
	Development of core systems	41 billion yen	Improving customer convenience through the provision of new products and services, and operation efficiency
	Introduction of new mobile devices for sales	12 billion yen	Improving customer convenience and operation efficiency
Others (120 billion yen)	Building of a data center	34 billion yen	Strengthening management foundations
	Next generation PNET	30 billion yen	Strengthening management foundations

Notes:

1. The table shows our investment plan as of May 15, 2018 when the Medium-term Management Plan 2020 was announced.
2. The table does not include growth investments, such as capital partnerships and M&As.

In addition to the above, we plan to carry out appropriate capital partnerships and M&As in a broad range of fields, which will lead to the growth of Japan Post Group as a “Total Lifestyle Support Group” and serve to enhance the Group’s and Group companies’ corporate value, after carefully judging each case

against our investment judgement criteria. To finance such partnerships and M&As, we plan to utilize our existing cash flow, borrowings backed by our abundant borrowing capacity and proceeds from the sale of shares of Japan Post Bank Co. and Japan Post Insurance Co.

Shareholder Return Policy

Japan Post Holdings Co. considers returning profits to shareholders to be an important management measure and sets out its basic policy to continuously provide stable return to shareholders in accordance with the results of operations.

With regard to dividends from retained earnings, the Company aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, the Company intends to sustain stable dividends per share.

The decision-making body concerning dividends from retained earnings is set to be the Board of Directors as per the provisions of the Articles of Incorporation in order to ensure flexible management operations. In

addition, it is stipulated that dividends from retained earnings are to be paid with March 31 and September 30 of each year as record dates.

With regard to dividends from retained earnings for which the record date falls in the fiscal year ended March 31, 2019, based on a comprehensive judgement of the consolidated financial results and other factors, the annual dividend on common stock was ¥50 (of which interim dividend of ¥25) per share.

Internal reserves will be utilized mainly for investments to capture growth opportunities and capital policies with awareness on capital efficiency, aiming at enhancement of corporate value.