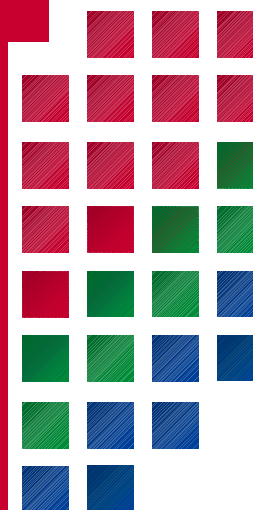


**Financial Highlights
for the Fiscal Year Ended March 31, 2014**

May 15, 2014



Japan Post Group: Financial Highlights

- Net income of the Japan Post Group amounted to ¥479.0 billion. Year-on-year decrease of ¥83.6 billion was recorded despite profit exceeding financial results forecast for the fiscal year ended March 31, 2014, and a decline is also expected for in the next fiscal year.

Results of Operations for the Fiscal Year Ended March 31, 2014

(Billions of yen)

	Japan Post Group (Consolidated)	Japan Post Holdings (Holding company on a non-consolidated basis)	Japan Post	Japan Post Bank	Japan Post Insurance
Ordinary income	15,240.1	276.3	2,792.4	2,076.3	11,233.9
Year-on-year (For the year ended Mar.31, 2013) change	(609.0) (3.8)%	+ 7.6 + 2.8%	+ 19.1 + 0.7%	(49.4) (2.3)%	(600.9) (5.1)%
Net ordinary income	1,103.6	147.8	52.5	565.0	463.5
Year-on-year (For the year ended Mar.31, 2013) change	(121.4) (9.9)%	+ 22.1 + 17.6%	(27.5) (34.4)%	(28.4) (4.7)%	(65.8) (12.4)%
Net income	479.0	155.0	32.9	354.6	63.4
Year-on-year (For the year ended Mar.31, 2013) change	(83.6) (14.9)%	+ 9.8 + 6.8%	(27.1) (45.2)%	(19.2) (5.1)%	(27.5) (30.3)%

Forecast for the Fiscal Year Ending March 31, 2015

Net ordinary income	820.0	116.0	6.0	390.0	410.0
Net income	330.0	127.0	(26.0)	260.0	73.0

Notes: 1. Figures less than ¥0.1 billion are rounded down. The aggregate consolidated and non-consolidated amounts do not correspond because of other consolidated accounting procedures.

2. Net ordinary income of Japan Post Insurance represents ordinary profit on the financial statements of Japan Post Insurance.

3. With regards to the forecast for the fiscal year ending March 31, 2015, actual results may differ from the forecast, subject to various factors including changes in the underlying assumptions regarding the business environment.

Japan Post: Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2014

(Billions of yen)

	For the year ended		Year-on-year change
	Mar.31, 2014	Mar.31, 2013	
Operating income	2,773.9	2,754.0	+ 19.8
Operating expenses	2,726.9	2,682.7	+ 44.1
Personnel expenses	2,041.3	2,020.0	+ 21.2
Net operating income	46.9	71.3	(24.3)
Postal and logistics business	9.4	37.4	(27.9)
Post office business	37.5	27.2	+10.3
Net ordinary income	52.5	80.1	(27.5)
Net income	32.9	60.0	(27.1)
Ordinary income	2,792.4	2,773.2	+ 19.1

Overview

- Operating income for the fiscal year under review increased by ¥19.8 billion year-on-year to ¥2,773.9 billion, while operating expenses increased by ¥44.1 billion year-on-year to ¥2,726.9 billion.
- As a result, net operating income for the fiscal year ended March 31, 2014 amounted to ¥46.9 billion, a year-on-year decrease of ¥24.3 billion.
- Net operating income by segment is as follows:
 - Net operating income of the postal and logistics business decreased by ¥27.9 billion year-on-year to ¥9.4 billion due to increases in personnel expenses and other expenses, despite the recording of an increase in operating income for the first time since privatization as a result of sales initiatives targeting small- and medium-size businesses in marketing Yu-Pack and Yu-Mail, as well as the increase in volume of Express Mail Service (EMS) handled amid decreasing in volume of mail handled including new year's postcards.
 - Net operating income of the post office business increased by ¥10.3 billion year-on-year to ¥37.5 billion, as a result of efforts aimed at increasing profit from new businesses such as merchandising business and real estate business and decreases in personnel expenses and other expenses despite the effect of the ongoing decline in commission from businesses consignment.
- Net income decreased by ¥27.1 billion year-on-year to ¥32.9 billion.

Note: The figures of Japan Post for the fiscal year ended March 31, 2013 are derived from the figures of Japan Post Network Co., Ltd. and the figures of Japan Post Service Co., Ltd. before the merger.

Japan Post: Financial Highlights by Segment

■ Financial results by segment are as follows.

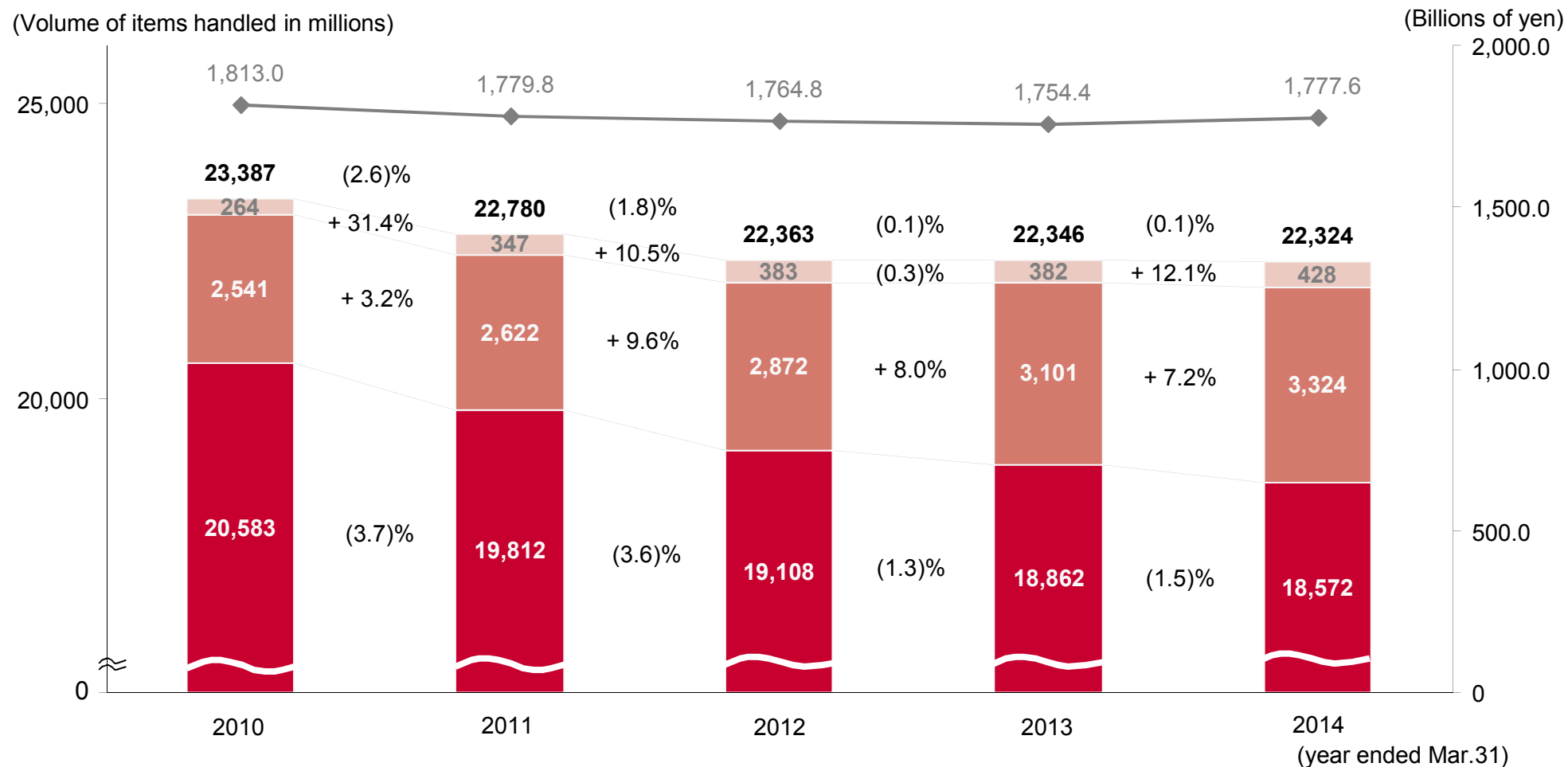
(Billions of yen)

Item	Japan Post		Postal and logistics business		Post office business	
		Year-on-year change		Year-on-year change		Year-on-year change
Operating income	2,773.9	+ 19.8	1,777.6	+ 23.2	1,183.5	(4.4)
Postal service business income	1,766.6	+ 24.7	1,776.4	+ 23.1	-	-
Commissions for post service business consignment	-	-	-	-	176.3	+0.6
Commissions for banking business consignment	607.2	(2.3)	-	-	607.2	(2.3)
Commissions for life insurance business consignment	367.1	(11.4)	-	-	367.1	(11.4)
Other operating income	32.9	+ 8.7	1.1	+0.0	32.8	+ 8.6
Operating expenses	2,726.9	+ 44.1	1,768.1	+ 51.1	1,145.9	(14.7)
Net operating income	46.9	(24.3)	9.4	(27.9)	37.5	+ 10.3
Net ordinary income	52.5	(27.5)				
Income before income taxes	42.8	(32.9)				
Total income taxes	9.9	(5.8)				
Net income	32.9	(27.1)				
(As stated previously)						
Ordinary income	2,792.4	+ 19.1				

Note: Year-on-year changes in the postal service business as well as the post office business are based on the comparison with full-year results on reportable segment.

Japan Post (Postal and Logistics Business): Trends in Mail Volume

■ Total volume of items handled was on par, showing a year-on-year decrease of 0.1%. Volume of mail handled continues to decrease mainly due to increased penetration of the Internet, and decreased by 1.5% year-on-year. On the other hand, volume of Yu-Pack and Yu-Mail handled increased by 12.1% and 7.2%, respectively, as a result of efforts including sales initiatives targeting small- and medium-size businesses.



Note: Yu-Pack includes EXPACK parcels. ■ Mail ■ Yu-Mail ■ Yu-Pack ◆ Operating income (right axis)

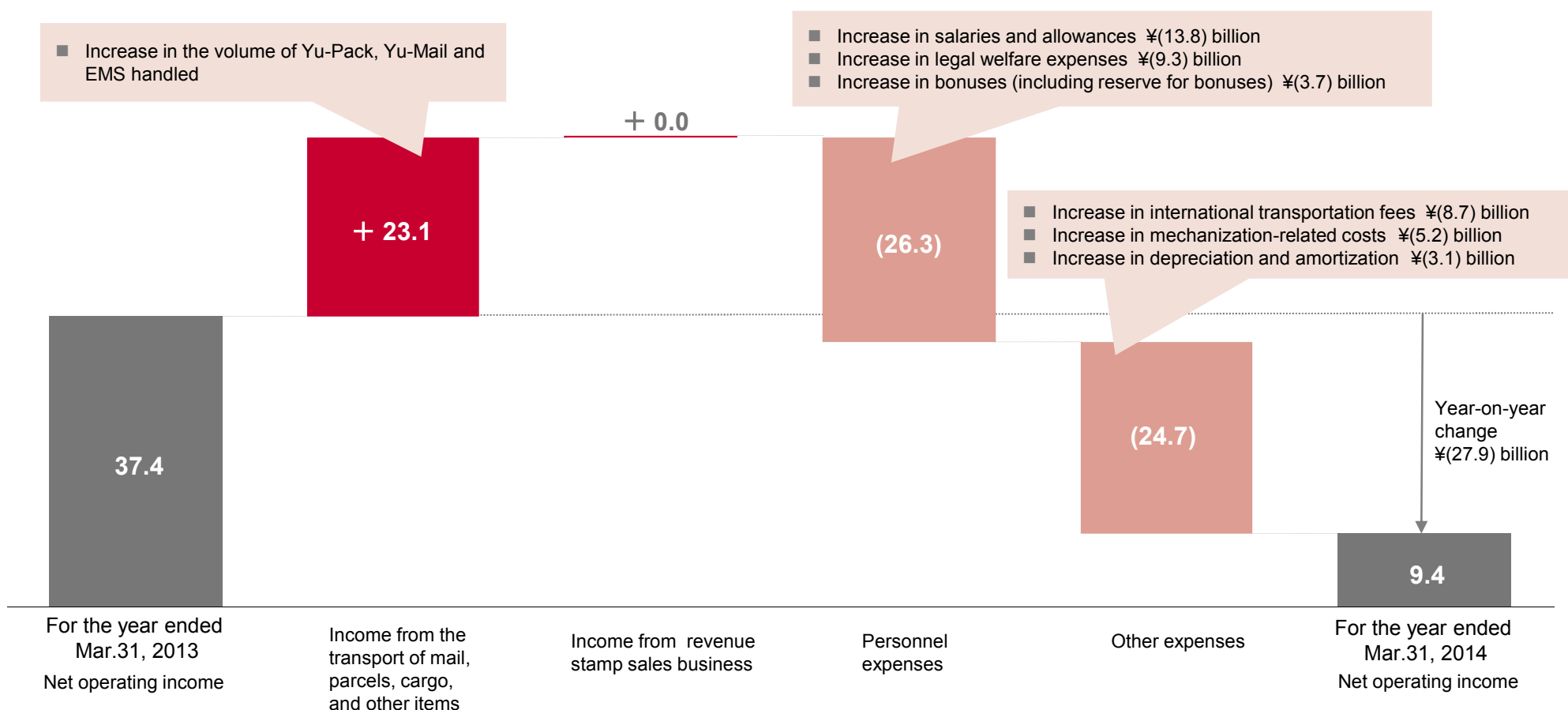
Japan Post (Postal and Logistics Business):

Factors Contributing to the Year-on-Year Increase/Decrease of Net Operating Income



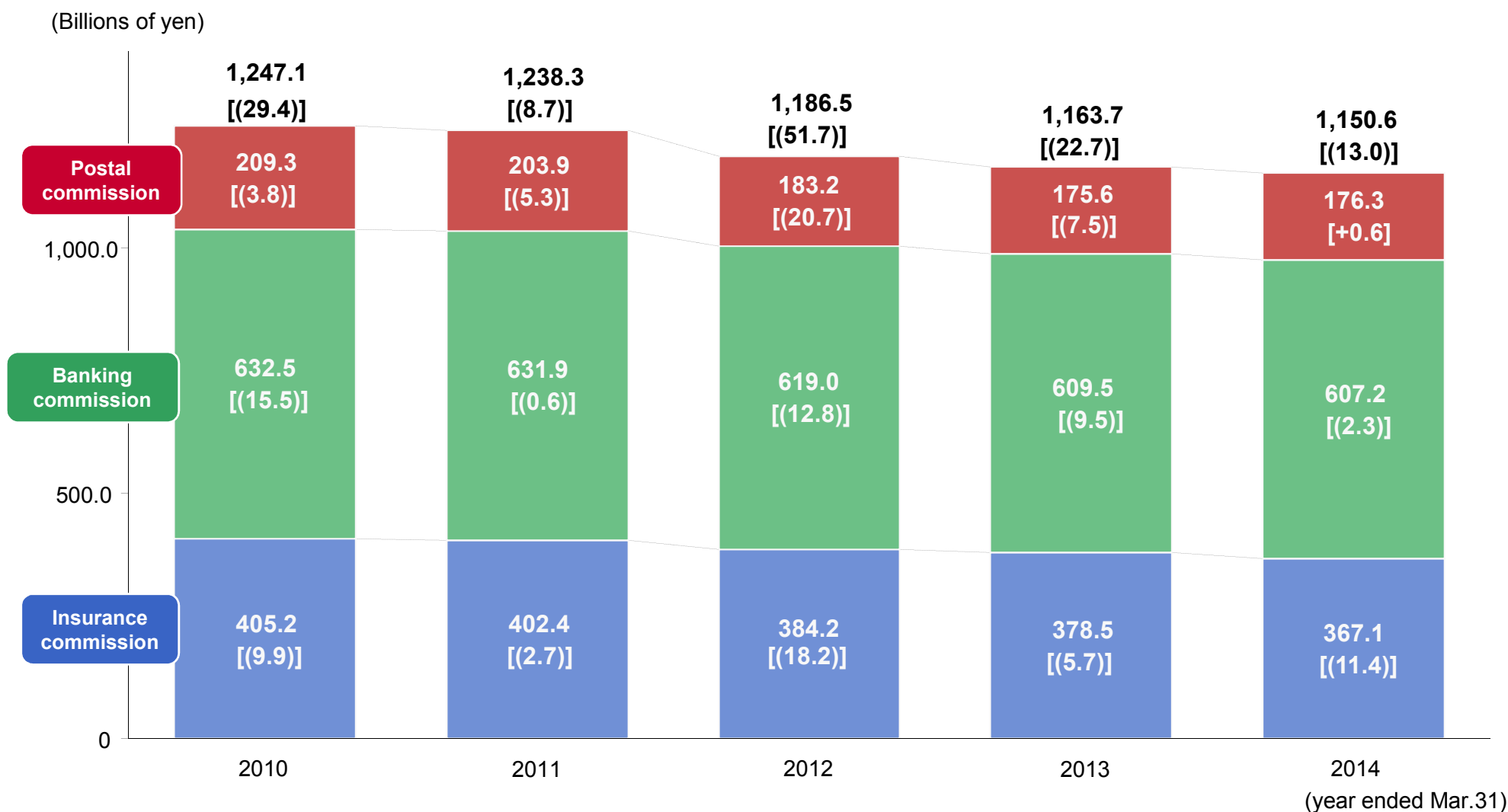
Net operating income of the postal and logistics business decreased by ¥27.9 billion year-on-year to ¥9.4 billion due to increases in personnel expenses and other expenses including legal welfare expenses resulting primarily from the rising ratio of contribution to the mutual aid pension program, despite the recording of an increase in operating income for the first time since privatization as a result of sales initiatives targeting small- and medium-size businesses in marketing Yu-Pack and Yu-Mail, as well as an increase in volume of Express Mail Service (EMS) handled amid decreasing volume of mail handled including new year's postcards.

(Billions of yen)



Japan Post (Post Office Business): Trends of Commission from Consigned Businesses

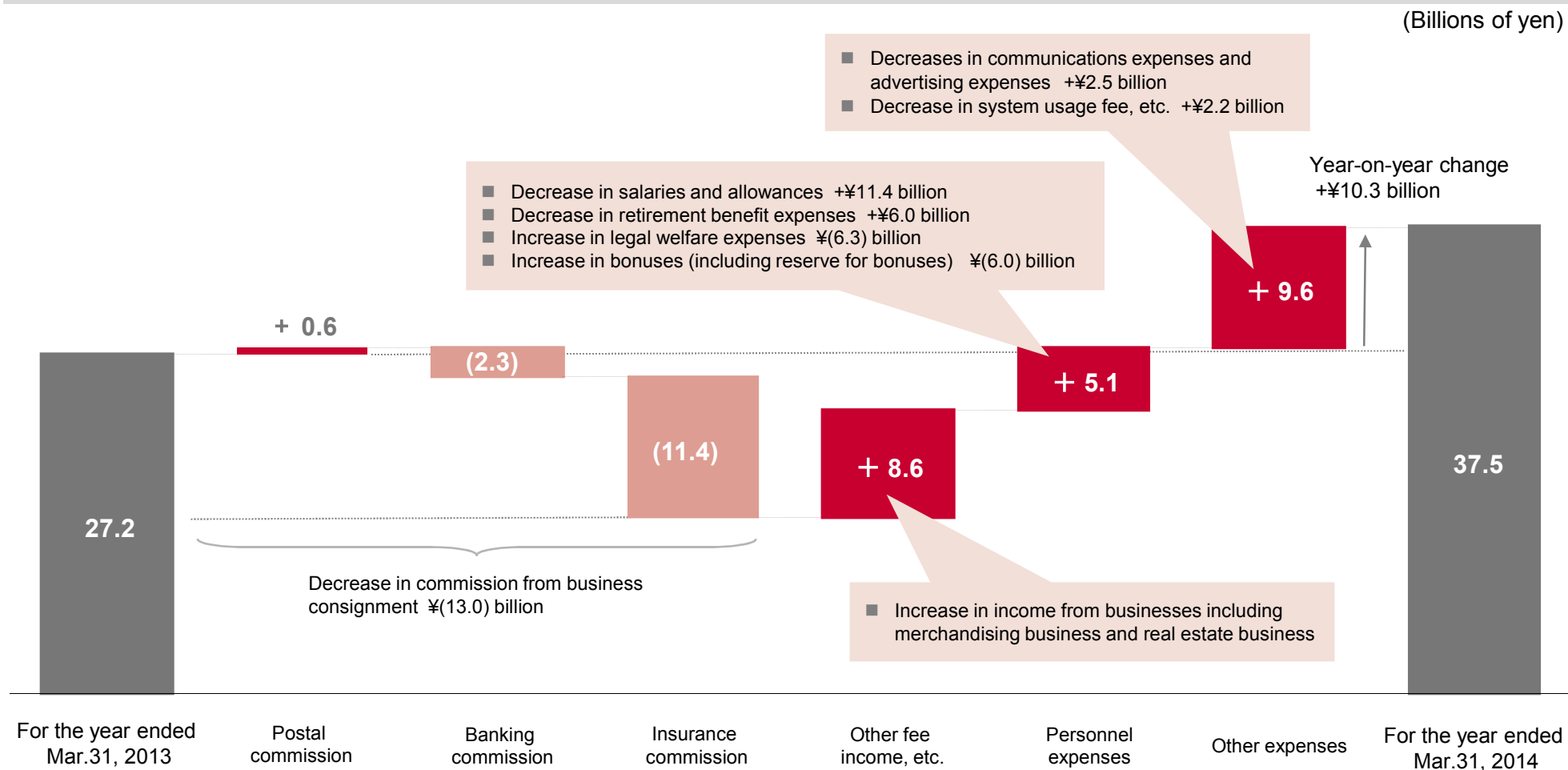
■ Trends of commission from business consignment for the past five years is as follows.



Japan Post (Post Office Business):

Factors Contributing to the Year-on-Year Increase/Decrease of Net Operating Income

Net operating income of the post office business increased by ¥10.3 billion year-on-year to ¥37.5 billion as a result of efforts aimed at increasing income from new businesses such as merchandising business and real estate business and decreases in personnel expenses and other expenses despite the effect of the ongoing decline in commission from business consignment.



Japan Post Bank: Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2014

(Billions of yen, %)

	For the year ended		Year-on-year change
	Mar.31, 2014	Mar.31, 2013	
Ordinary income	2,076.3	2,125.8	(49.4)
Ordinary expenses	1,511.3	1,532.3	(21.0)
General and administrative expenses	1,095.0	1,110.7	(15.7)
Net ordinary income	565.0	593.5	(28.4)
Net income	354.6	373.9	(19.2)
Net operating profit	472.6	512.8	(40.1)

	As of		Year-on-year change
	Mar.31, 2014	Mar.31, 2013	
Deposits *1	176,612.7	176,096.1	+ 516.6
Capital adequacy ratio (non-consolidated, domestic standard) *2	56.81	66.04	
Loans based on the Financial Reconstruction Act	-	-	-
Non-performing loan ratio	-	-	-

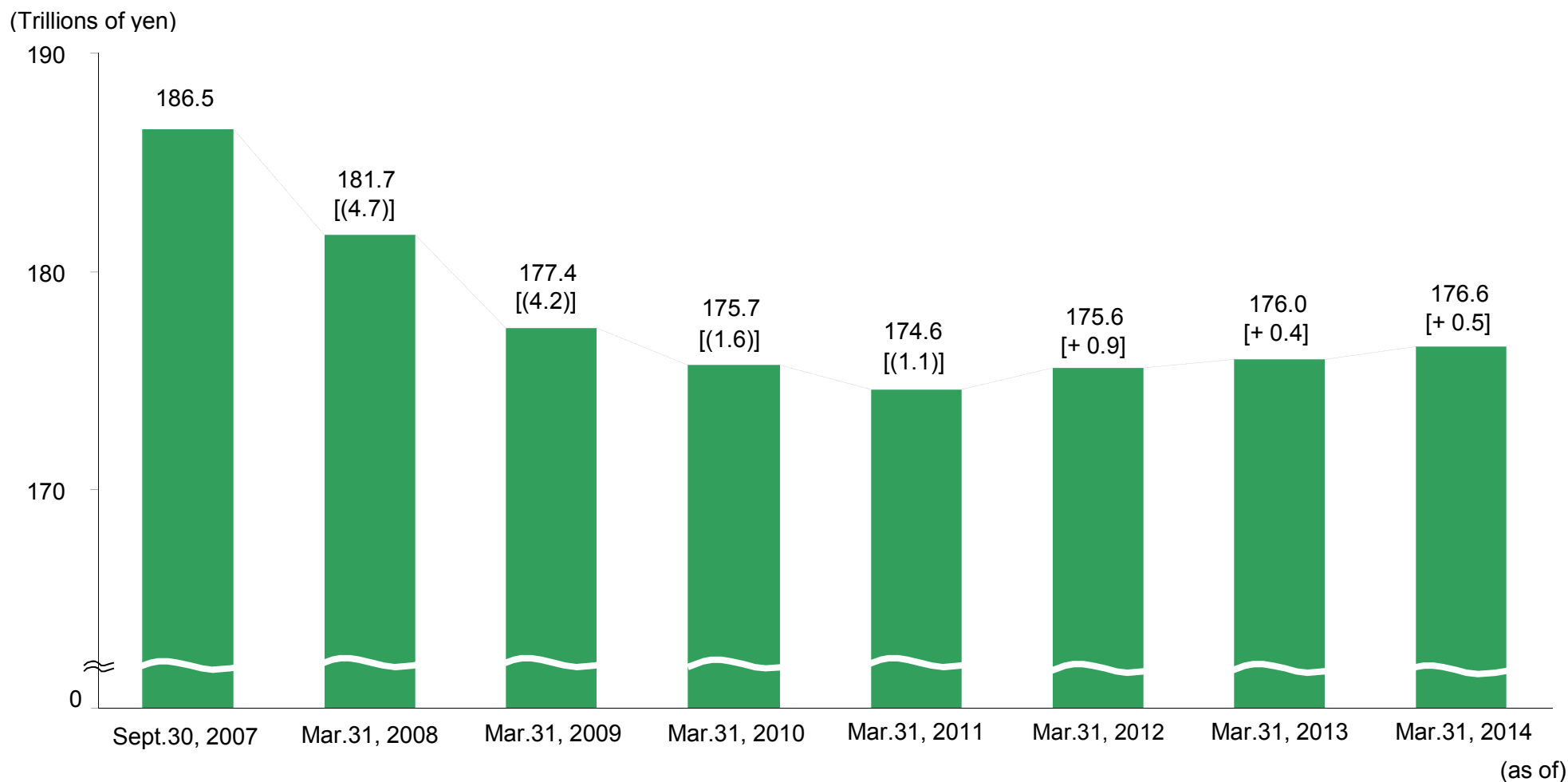
Overview

- Ordinary income for the fiscal year under review decreased by ¥49.4 billion year-on-year to ¥2,076.3 billion. Ordinary expenses decreased by ¥21.0 billion year-on-year to ¥1,511.3 billion, of which general and administrative expenses decreased by ¥15.7 billion year-on-year to ¥1,095.0 billion, mainly due to ongoing cost reduction efforts since privatization.
- Net ordinary income and net income amounted to ¥565.0 billion and ¥354.6 billion, respectively, as a result of focusing on diversifying the sources of income as well as efficient use of expenses. However, net income decreased by ¥19.2 billion year-on-year due to being under an adverse business environment with the domestic interest rate hovering at a low level. Net operating profit also decreased by ¥40.1 billion year-on-year to ¥472.6 billion.
- Deposits as of March 31, 2014 amounted to ¥176,612.7 billion (¥177,734.2 billion including accrued interest).
- Capital adequacy ratio (non-consolidated, domestic standard) was 56.81%, subject to the new domestic standard based on Basel III adopted since the fiscal year ended March 31, 2014.
- There are no loans required to be disclosed based on the Financial Reconstruction Act.

*1. Excludes accrued interest. *2. Year-on-year change is not presented as the capital adequacy ratio for the year ended March 31, 2013 was calculated based on the old domestic standard (Basel 2.5).

Japan Post Bank: Trends of Deposits

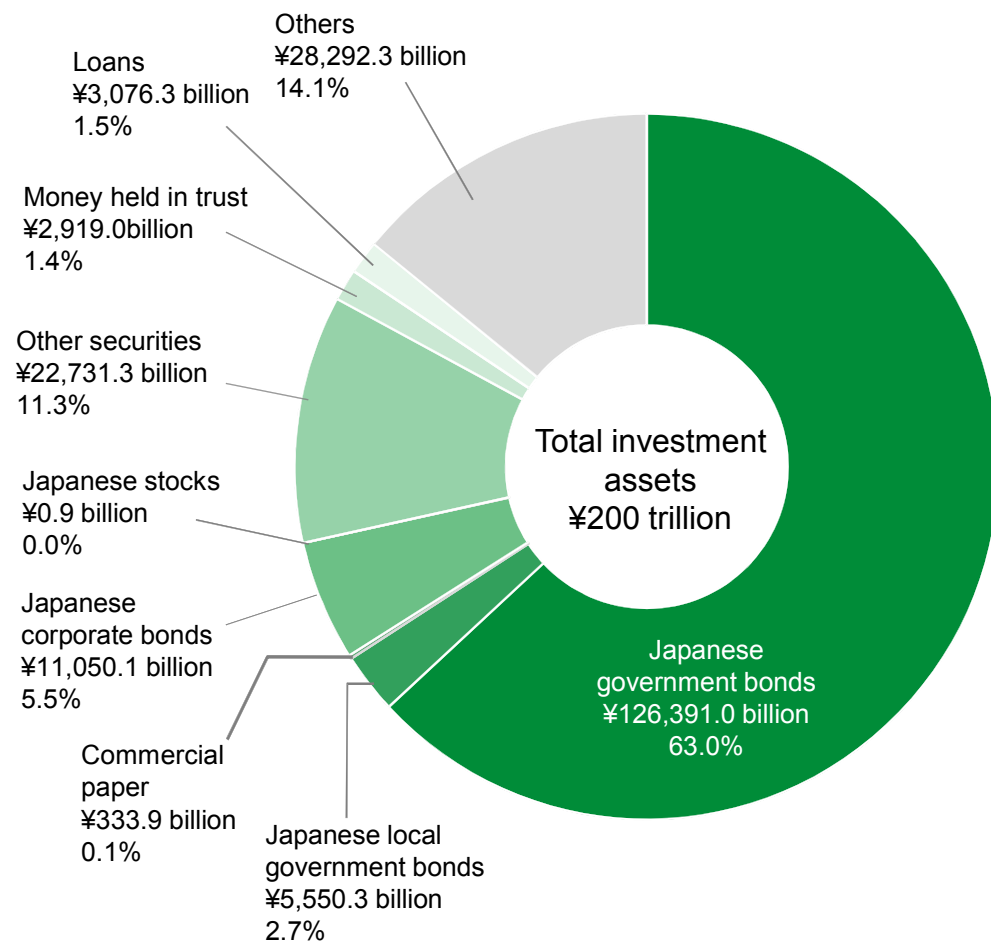
■ Deposits as of March 31, 2014 increased by ¥0.5 trillion year-on-year to ¥176.6 trillion as a result of strengthened sales efforts in collaboration with post offices.



Notes: 1. Figures exclude accrued interest. Figures for Sept. 30, 2007 represent the deposits held by Japan Post Corporation, and the types of deposits handled have been partially changed since privatization.
 2. Figures are rounded down to the first decimal place.

Japan Post Bank: Details of Investment Assets

■ Securities, which consisted of Japanese government bonds, etc., were ¥166 trillion in securities, while loans were ¥3 trillion as of March 31, 2014.



(Billions of yen)

Type	As of Mar. 31, 2014	Composition ratio (%)	As of Mar. 31, 2013	Composition ratio (%)
Loans	3,076.3	1.5	3,967.9	2.0
Securities	166,057.8	82.8	171,596.5	86.8
Japanese government bonds	126,391.0	63.0	138,198.7	69.9
Japanese local government bonds	5,550.3	2.7	5,806.0	2.9
Commercial paper	333.9	0.1	548.9	0.2
Japanese corporate bonds	11,050.1	5.5	11,304.0	5.7
Japanese stocks	0.9	0.0	0.9	0.0
Other securities	22,731.3	11.3	15,737.8	7.9
Money held in trust	2,919.0	1.4	3,038.8	1.5
Others*	28,292.3	14.1	19,061.7	9.6
Total investment assets	200,345.5	100.0	197,665.1	100.0

* "Others" includes due from banks, call loans, and receivables under securities borrowing transactions, etc.

Japan Post Insurance: Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2014

(Billions of yen, number of policies in thousands)

	For the year ended		Year-on-year change
	Mar.31, 2014	Mar.31, 2013	
Ordinary income	11,233.9	11,834.9	(600.9)
Ordinary expenses	10,770.4	11,305.5	(535.1)
Ordinary profit	463.5	529.3	(65.8)
Net income	63.4	91.0	(27.5)
Core profit	482.0	570.0	(87.9)
Mortality and morbidity rate margin	290.4	385.2	(94.7)
Administrative expense margin	137.3	189.5	(52.1)
Spread	54.2	(4.7)	+ 58.9
Number of new policies (individual insurance)	2,230	2,210	+ 30
	As of		Year-on-year change
	Mar.31, 2014	Mar.31, 2013	
Number of policies in force (including postal life insurance policies)	34,860	36,810	(1,940)

Overview

- The number of new individual insurance policies amounted to 2,230 thousand (an increase of 26 thousand policies year-on-year) as a result of strengthened sales efforts in collaboration with post offices. There were 34,860 thousand policies in force (including postal life insurance policies), a decrease of 1,940 thousand policies year-on-year.
- Core profit decreased by ¥87.9 billion year-on-year to ¥482.0 billion, as further improvement in spread eliminated the negative net worth from the fiscal year under review, which, however, was more than offset by the decrease in administrative expense margin associated with the decrease in policies in force, and the declining mortality and morbidity rate margin resulting mainly from the reduction of the standard interest rate effective from the current fiscal year.
- Ordinary profit decreased by ¥65.8 billion year-on-year to ¥463.5 billion, while net income, which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends, and income taxes from ordinary profit decreased by ¥27.5 billion year-on-year to ¥63.4 billion.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,203.0 billion.
- The solvency margin ratio, an indicator of the financial soundness, amounted to 1,623.4%, continuously maintaining a high level of financial soundness.

Notes: 1. Postal life insurance policies refer to the reinsurance contracts of postal life insurance received from Management Organization for Postal Savings and Postal Life Insurance.

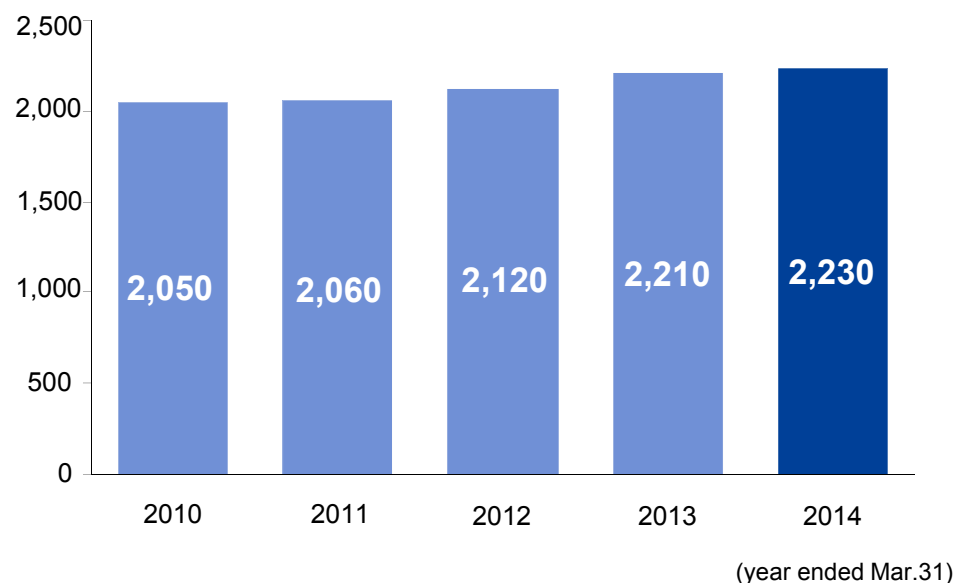
2. Number of policies is rounded to the nearest ten thousand.

Japan Post Insurance: Status of Insurance Policies

- The number of new individual insurance policies amounted to 2,230 thousand (an increase of 26 thousand policies year-on-year) as a result of strengthened sales efforts in collaboration with post offices. There were 34,860 thousand policies in force (including postal life insurance policies), a decrease of 1,940 thousand policies year-on-year.

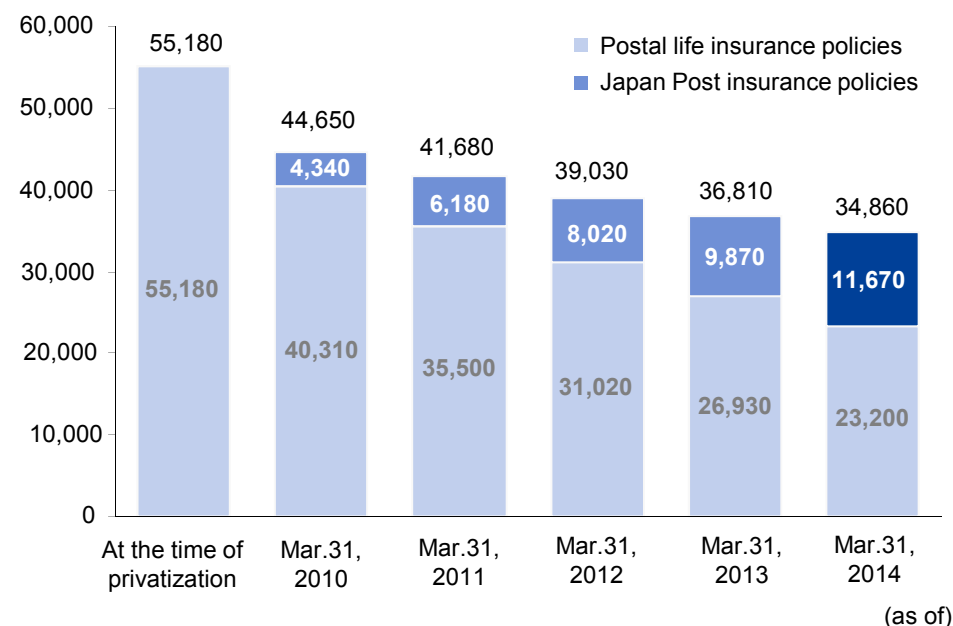
Status of New Policies (Individual Insurance)

(Number of policies in thousands)



Status of Policies in Force

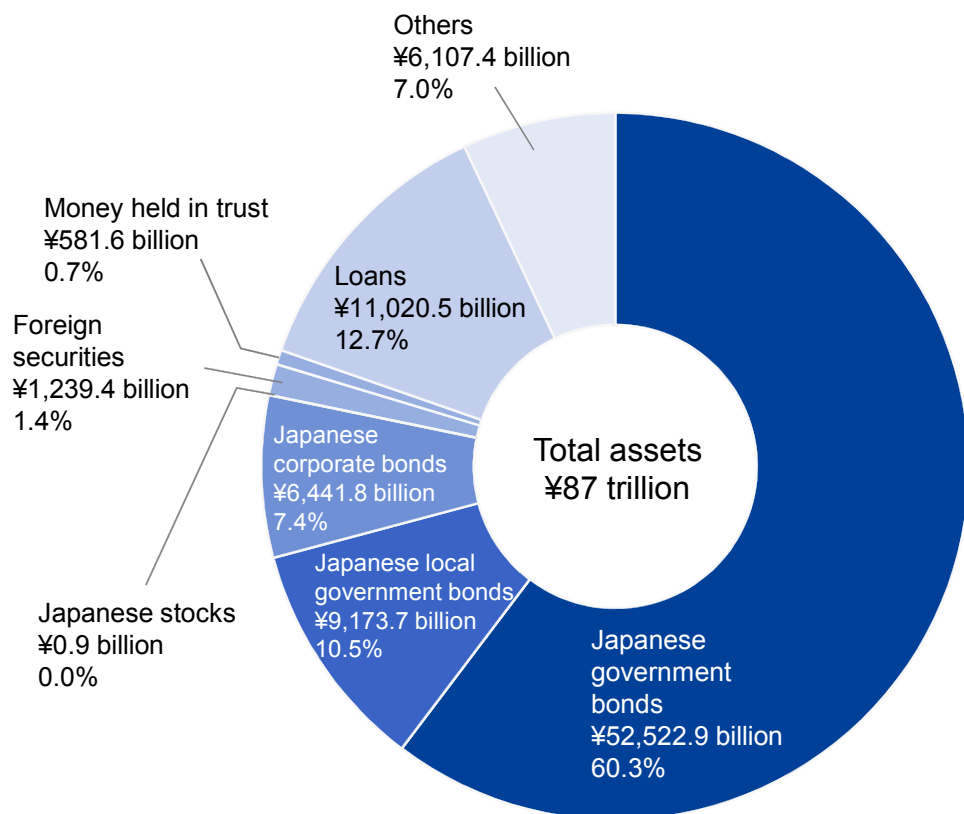
(Number of policies in thousands)



Note: Number of policies is rounded to the nearest ten thousand.

Japan Post Insurance: Status of Investment of Assets

■ Securities, which consisted of Japanese government bonds, etc., were ¥69 trillion, while loans were ¥11 trillion as of March 31, 2014.



(Billions of yen)

Type	As of Mar. 31, 2014	Composition ratio (%)	As of Mar. 31, 2013	Composition ratio (%)
Loans	11,020.5	12.7	12,691.5	14.0
Securities	69,378.9	79.7	72,558.1	80.2
Japanese government bonds	52,522.9	60.3	56,472.6	62.4
Japanese local government bonds	9,173.7	10.5	8,698.4	9.6
Japanese corporate bonds	6,441.8	7.4	6,483.8	7.2
Japanese stocks	0.9	0.0	0.9	0.0
Foreign securities	1,239.4	1.4	902.2	1.0
Money held in trust	581.6	0.7	256.8	0.3
Others	6,107.4	7.0	4,955.7	5.5
Total assets	87,088.6	100.0	90,462.3	100.0