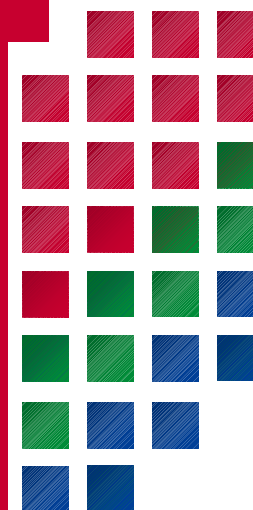


**Financial Highlights
for the Three Months Ended June 30, 2014**

August 8, 2014



Japan Post Group: Financial Highlights

■ Results of Operations for the Three Months Ended June 30, 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	3,561.1	153.5	674.2	508.8	2,592.7
Year-on-year (for the three months ended June 30, 2013) change	(210.8)	(15.2)	+ 6.6	(55.2)	(171.5)
	(5.6)%	(9.0)%	+ 1.0%	(9.7)%	(6.2)%
Net ordinary income	272.0	125.1	8.0	128.1	130.7
Year-on-year (for the three months ended June 30, 2013) Change	(18.3)	(7.6)	(6.6)	(52.4)	+ 37.8
	(6.3)%	(5.8)%	(45.4)%	(29.0)%	+ 40.7%
Net income	140.4	129.2	20.1	85.9	25.3
Year-on-year (for the three months ended June 30, 2013) change	(21.4)	(8.0)	(7.5)	(29.2)	+ 12.8
	(13.3)%	(5.9)%	(27.2)%	(25.3)%	+ 103.3%

■ 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

1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Group (consolidated) and the combined figures of each subsidiaries do not correspond because of other consolidated accounting procedures.

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

3. These materials were prepared solely for the purpose of providing information to the general public, and should not be construed as solicitation for investment in shares of the Company or its subsidiaries, or any other securities.

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 Three Months Ended June 30, 2014

(Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2014	June 30, 2013	
Operating income	669.2	662.8	+ 6.4
Operating expenses	664.2	650.7	+ 13.4
Personnel expenses	498.6	492.0	+ 6.5
Net operating income	5.0	12.0	(7.0)
Postal and logistics business	(8.8)	(5.8)	(3.0)
Post office business	13.9	17.8	(3.9)
Net ordinary income	8.0	14.7	(6.6)
Net income	20.1	27.6	(7.5)
Ordinary income	674.2	667.5	+ 6.6

Overview

- Despite a decrease in commissions for banking business consignment and life insurance business consignment, operating income increased by ¥6.4 billion year-on-year to ¥669.2 billion mainly due to an increase in volume of Yu-Pack and Express Mail Service (EMS) handled.
- Operating expenses increased by ¥13.4 billion compared to the previous corresponding period to ¥664.2 billion due to increases in cost associated with an increase in volume of Yu-Pack and EMS handled and in personnel expenses associated with a rise in wage rates.
- Net operating income decreased by ¥7.0 billion year-on-year to ¥5.0 billion.
As for net operating income (loss) by segments, net operating loss of postal and logistics business increased by ¥3.0 billion year-on-year to ¥8.8 billion, and net operating income of post office business decreased by ¥3.9 billion year-on-year to ¥13.9 billion.
- Net income decreased by ¥7.5 billion year-on-year to ¥20.1 billion.

<<Volume of items handled>>

(Volume of items handled in millions)

Type	For the three months ended June 30, 2014	Year-on-year change
Total volume of items handled	4,940	(0.8)%
Mail	4,000	(2.8)%
Yu-Pack	106	+ 14.1%
Yu-Mail	834	+ 8.3%

Japan Post: Financial Highlights by Segment

(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	669.2	+ 6.4	419.0	+ 8.7	294.6	(2.0)
Postal service business income	416.4	+ 8.7	418.7	+ 8.7	-	-
Commissions for post office business consignment	-	-	-	-	41.8	+ 0.3
Commissions for banking business consignment	152.8	(3.0)	-	-	152.8	(3.0)
Commissions for life insurance business consignment	91.4	(0.6)	-	-	91.4	(0.6)
Other operating income	8.5	+ 1.3	0.2	+ 0.0	8.5	+ 1.3
Operating expenses	664.2	+ 13.4	427.9	+ 11.8	280.6	+ 1.8
Personnel expenses	498.6	+ 6.5	278.9	+ 6.4	219.7	+ 0.1
Other expenses	165.5	+ 6.8	149.0	+ 5.3	60.9	+ 1.7
Net operating income (loss)	5.0	(7.0)	(8.8)	(3.0)	13.9	(3.9)
Net ordinary income	8.0	(6.6)				
Income (loss) before income taxes	7.3	(5.2)				
Total income taxes	(12.7)	+ 2.2				
Net income	20.1	(7.5)				
(As stated previously)						
Ordinary income	674.2	+ 6.6				

<<Factors behind the increase in personnel expenses>>
 Increase in volume of items handled,
 Increase in salaries and allowances due to a rise in wage rates, etc.

<<Factors behind the increase in other expenses>>
 Increases in system usage fee, etc.

<<Factors behind the increase in other operating expenses>>
 Increase in transport and delivery outsourcing expenses, etc.

Japan Post Bank: Financial Highlights

Results of Operations for the Three Months Ended June 30, 2014

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2014	June 30, 2013	
Ordinary income	508.8	564.0	(55.2)
Ordinary expenses	380.6	383.4	(2.7)
General and administrative expenses	284.3	283.0	+ 1.2
Net ordinary income	128.1	180.6	(52.4)
Net income	85.9	115.2	(29.2)
Net operating profit	127.9	114.2	+ 13.6
	As of		Year-on-year change
	June 30, 2014	June 30, 2013	
Deposits*	177,508.2	177,305.7	+ 202.5
Loans based on the Financial Reconstruction Act	-	-	-
Non-performing loan ratio	-	-	-

* Excludes accrued interest.

Overview

- Ordinary income for the three months ended June 30, 2014 decreased by ¥55.2 billion year-on-year to ¥508.8 billion. Ordinary expenses decreased by ¥2.7 billion year-on-year to ¥380.6 billion. Of ordinary expenses, general and administrative expenses increased by ¥1.2 billion to ¥284.3 billion partly due to the impact of the consumption tax rate hike.

Whereas net interest income increased, investment gains (losses) on money held in trust decreased, and net ordinary income amounted to ¥128.1 billion.

Net income for the three months ended June 30, 2014 decreased by ¥29.2 billion year-on-year to ¥85.9 billion.

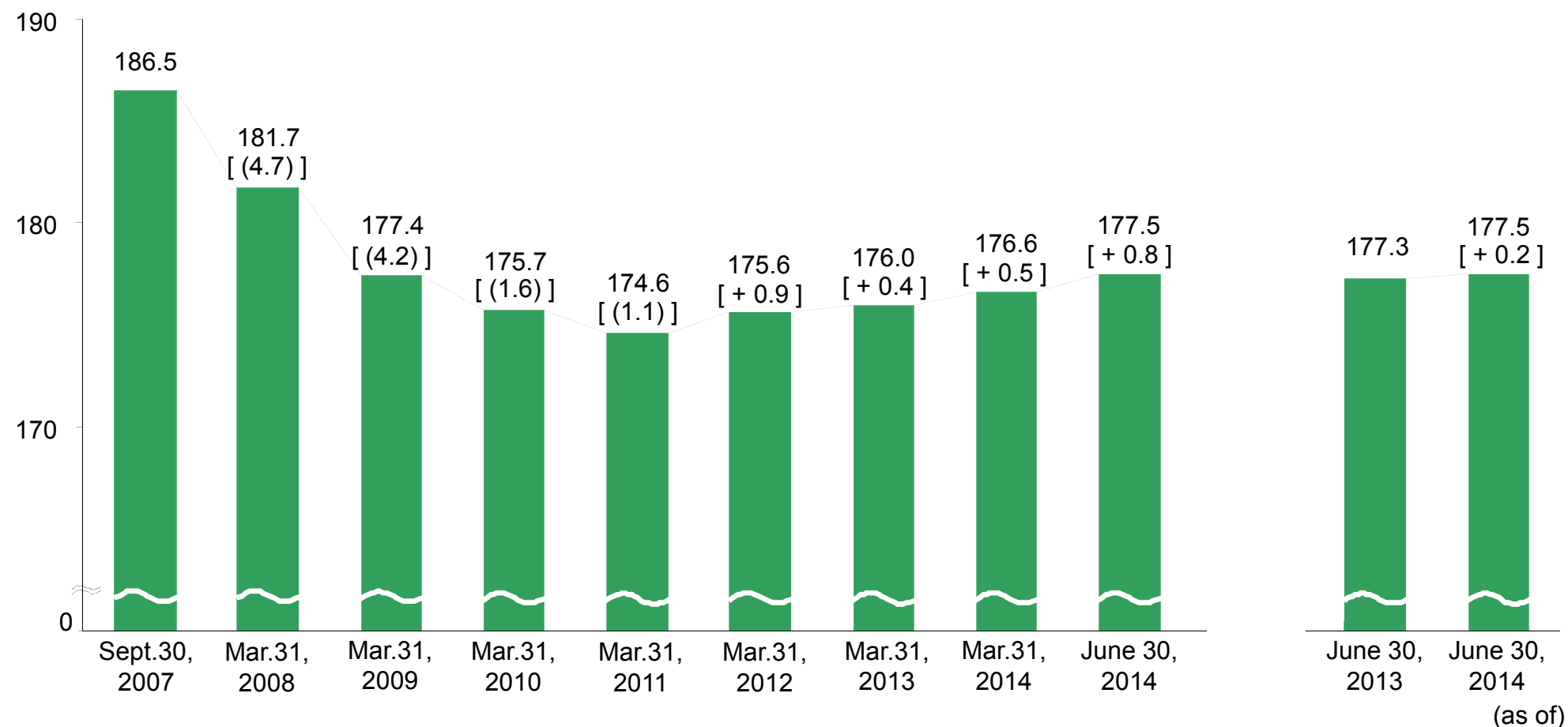
In the adverse business environment with the prolonged period of historically low interest rates, net operating profit increased by ¥13.6 billion to ¥127.9 billion, as a result of focusing efforts on diversifying the sources of income.

- Deposits as of June 30, 2014 amounted to ¥177,508.2 billion (¥178,674.2 billion including accrued interest).
- There are no loans required to be disclosed based on the Financial Reconstruction Act.

Japan Post Bank: Trends of Deposits

■ Deposits as of June 30, 2014 was ¥177.5 trillion (an increase of ¥0.8 trillion from the end of the previous fiscal year and an increase of ¥0.2 trillion year-on-year), as a result of the strengthened sales efforts in collaboration with post offices.

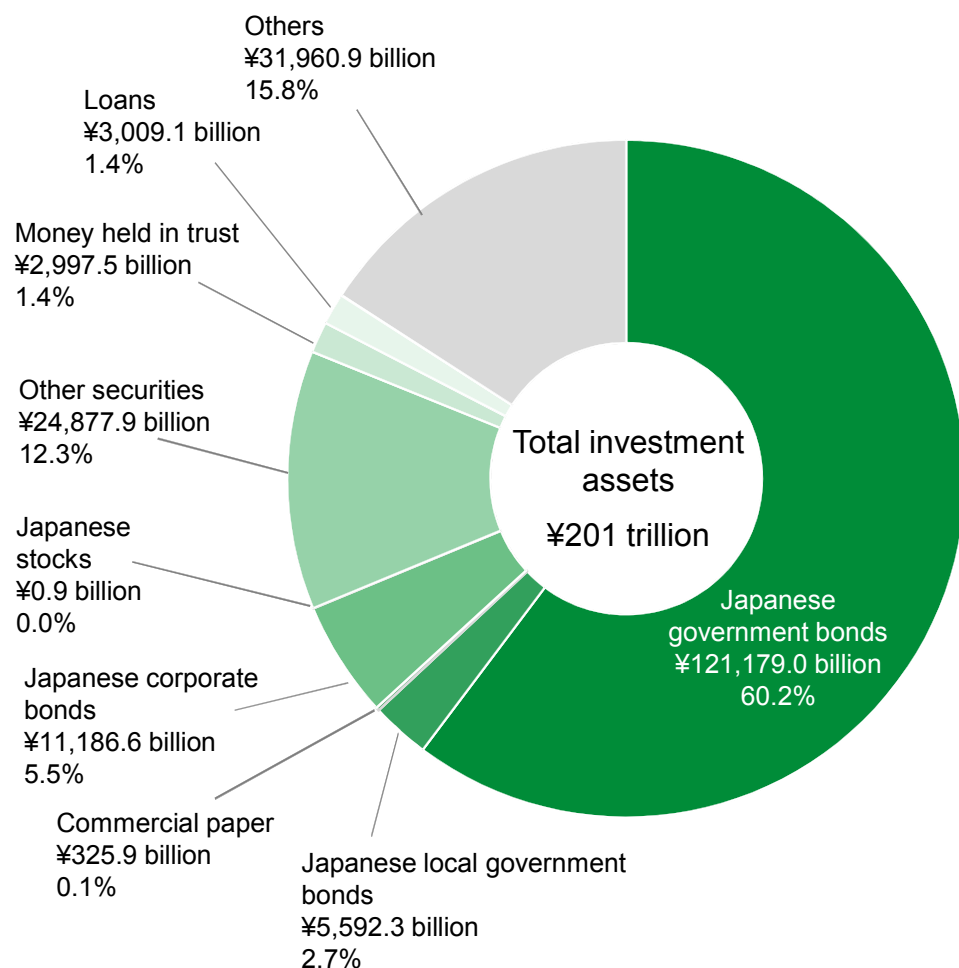
(Trillions of yen)



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 ¥163 trillion, while loans were ¥3 trillion as of June 30, 2014.



(Billions of yen)

Type	As of June 30, 2014	Composition ratio (%)	As of Mar.31, 2014	Composition ratio (%)
Loans	3,009.1	1.4	3,076.3	1.5
Securities	163,162.8	81.1	166,057.8	82.8
Japanese government bonds	121,179.0	60.2	126,391.0	63.0
Japanese local government bonds	5,592.3	2.7	5,550.3	2.7
Commercial paper	325.9	0.1	333.9	0.1
Japanese corporate bonds	11,186.6	5.5	11,050.1	5.5
Japanese stocks	0.9	0.0	0.9	0.0
Other securities	24,877.9	12.3	22,731.3	11.3
Money held in trust	2,997.5	1.4	2,919.0	1.4
Others*	31,960.9	15.8	28,292.3	14.1
Total investment assets	201,130.4	100.0	200,345.5	100.0

*"Others" consists of deposits, call loans, and receivables under securities borrowing transactions, etc.

Japan Post Insurance: Financial Highlights

Results of Operations for the Three Months Ended June 30, 2014

(Billions of yen, number of policies in thousands)

	For the three months ended		Year-on-year change
	June 30, 2014	June 30, 2013	
Ordinary income	2,592.7	2,764.2	(171.5)
Ordinary expenses	2,461.9	2,671.3	(209.3)
Ordinary profit	130.7	92.9	+ 37.8
Net income	25.3	12.4	+ 12.8
Core profit	132.2	107.4	+ 24.8
Mortality and morbidity rate margin	90.5	64.1	+ 26.4
Administrative expense margin	32.2	41.2	(8.9)
Spread	9.4	2.0	+ 7.3
Number of new policies (individual insurance)	620	580	+ 40
	As of		Change
	June 30, 2014	Mar.31, 2014	
Number of policies in force (including postal life insurance policies)	34,530	34,860	(330)

Overview

- The number of new individual insurance policies was 620 thousand (an increase of 43 thousand policies year-on-year), as a result of the strengthened sales efforts in collaboration with post offices. In particular, sales of new educational endowment insurance policies released in April 2014 was favorable.

There were 34,530 thousand policies in force (including postal life insurance policies), a decrease of 330 thousand policies year-on-year.

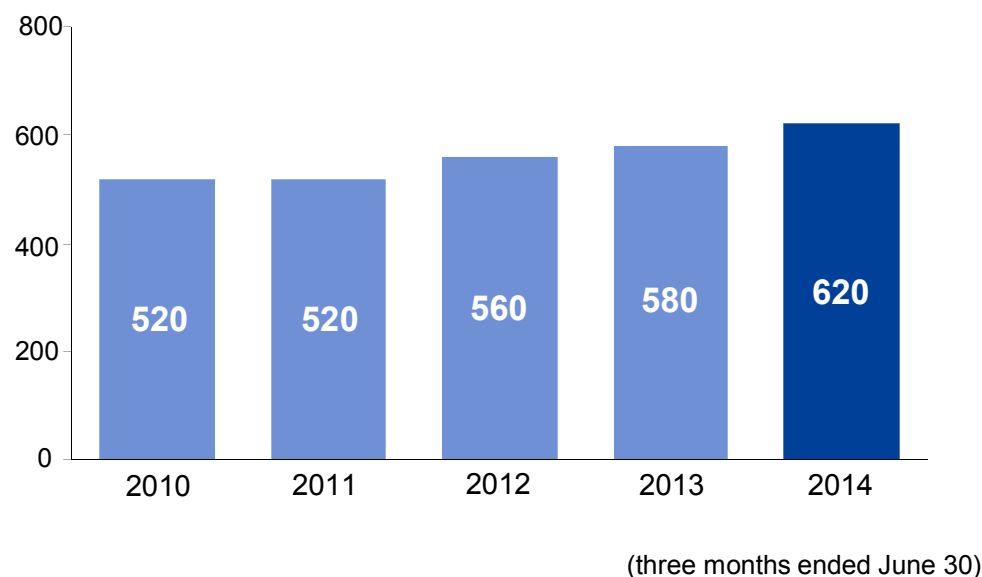
- Core profit increased by ¥24.8 billion year-on-year to ¥132.2 billion due to increases in mortality and morbidity rate margin and in spread, despite a decrease in administrative expense margin resulting from with a decrease in policies in force.
- Ordinary profit increased by ¥37.8 billion year-on-year to ¥130.7 billion, while net income, which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends, and income taxes from ordinary profit increased by ¥12.8 billion year-on-year to ¥25.3 billion.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,207.9 billion.
- The solvency margin ratio, an indicator of the financial soundness, amounted to 1,600.5%, 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.

■ New individual insurance policies amounted to 620 thousand (a increase of 43 thousand policies year-on-year) as a result of strengthened sales efforts in collaboration with post offices. There were 34,530 thousand policies in force (including postal life insurance policies), a decrease of 330 thousand policies year-on-year.

Status of New Policies (Individual Insurance)

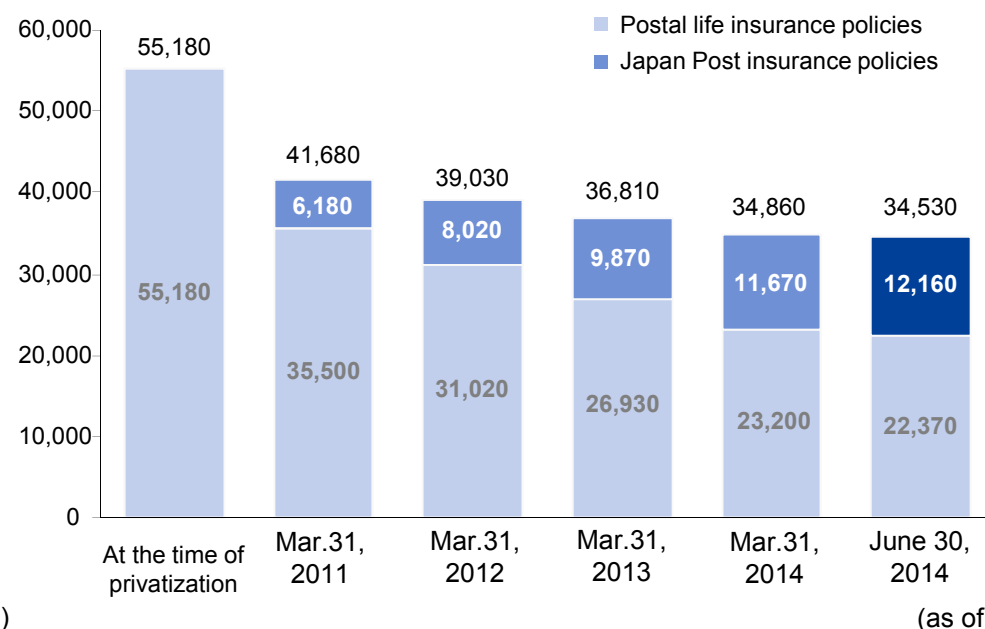
(Number of policies in thousands)



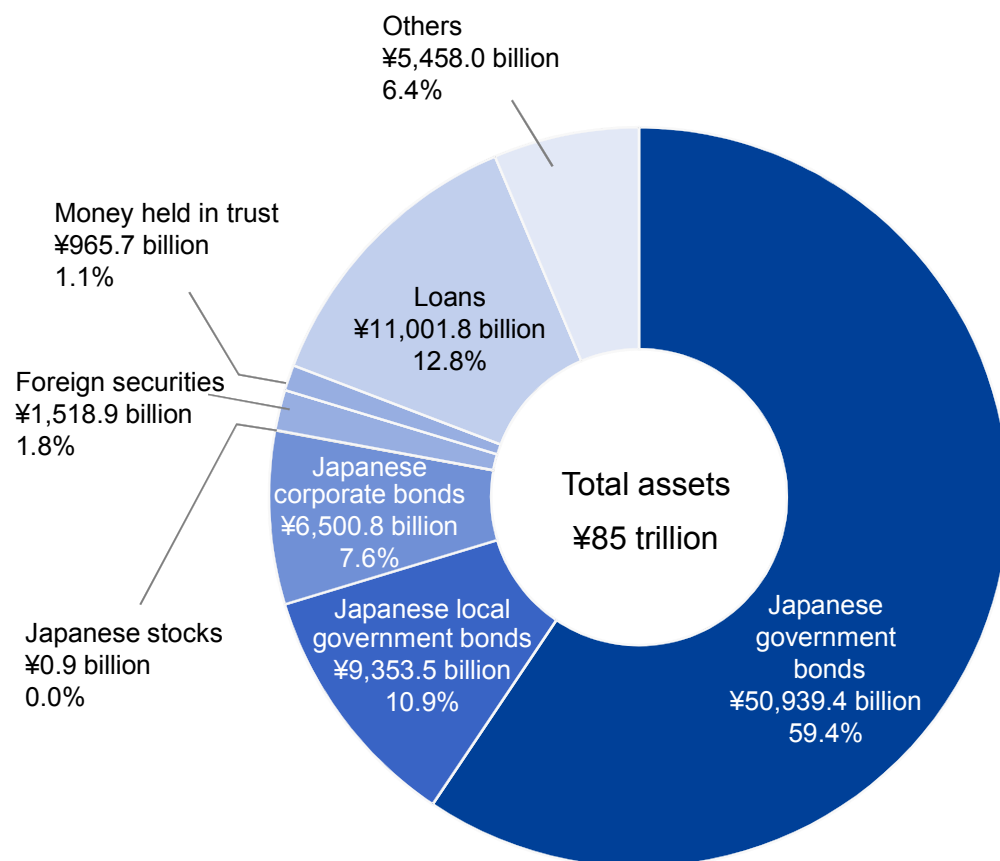
Note: Number of policies is rounded to the nearest ten thousand.

Status of Policies in Force

(Number of policies in thousands)



- Securities, which consisted of Japanese government bonds, etc., were ¥68 trillion, while loans were ¥11 trillion as of June 30, 2014.



(Billions of yen)

Type	As of June 30, 2014	Composition ratio (%)	As of Mar.31, 2014	Composition ratio (%)
Loans	11,001.8	12.8	11,020.5	12.7
Securities	68,313.7	79.7	69,378.9	79.7
Japanese government bonds	50,939.4	59.4	52,522.9	60.3
Japanese local government bonds	9,353.5	10.9	9,173.7	10.5
Japanese corporate bonds	6,500.8	7.6	6,441.8	7.4
Japanese stocks	0.9	0.0	0.9	0.0
Foreign securities	1,518.9	1.8	1,239.4	1.4
Money held in trust	965.7	1.1	581.6	0.7
Others	5,458.0	6.4	6,107.4	7.0
Total assets	85,739.2	100.0	87,088.6	100.0