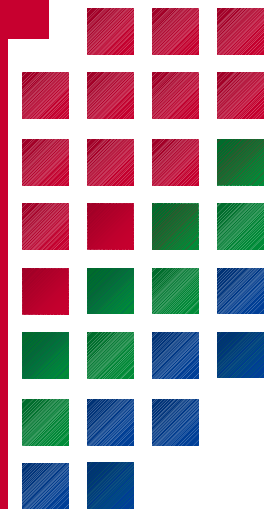


**Financial Highlights
for the Six Months Ended September 30, 2014**

November 14, 2014



Japan Post Group: Financial Highlights

■ Results of Operations for the Six Months Ended September 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	7,105.6	190.2	1,325.1	1,030.9	5,171.7
Year-on-year (for the six months ended Sept.30, 2013) Change	(432.5) (5.7)%	(16.6) (8.1)%	+ 9.8 + 0.7%	(39.3) (3.6)%	(422.4) (7.6)%
Net ordinary income	518.7	135.9	(33.6)	273.0	263.7
Year-on-year (for the six months ended Sept.30, 2013) Change	+ 8.9 + 1.8%	(2.1) (1.5)%	(33.9) -	(27.6) (9.1)%	+ 63.6 + 31.8%
Net income	217.1	140.5	(38.6)	181.7	50.9
Year-on-year (for the six months ended Sept.30, 2013) Change	(2.6) (1.2)%	(3.4) (2.4)%	(34.9) -	(8.3) (4.3)%	+ 31.3 + 160.4%

■ 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 figures of Japan Post Group (consolidated) and the combined figures of each subsidiaries 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. 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 Six Months Ended September 30, 2014

(Billions of yen)

	For the six months ended		Year-on-year change
	Sept. 30, 2014	Sept. 30, 2013	
Operating income	1,316.0	1,305.7	+ 10.2
Operating expenses	1,352.6	1,310.8	+ 41.8
Personnel expenses	1,005.6	984.7	+ 20.8
Net operating income (loss)	(36.5)	(5.0)	(31.5)
Postal and logistics business	(50.5)	(38.2)	(12.3)
Post office business	14.0	33.2	(19.2)
Net ordinary income (loss)	(33.6)	0.2	(33.9)
Net income (loss)	(38.6)	(3.7)	(34.9)
Ordinary income	1,325.1	1,315.2	+ 9.8

Overview

- Operating income for the six months ended September 30, 2014 increased by ¥10.2 billion year-on-year to ¥1,316.0 billion mainly due to an increase in volume of Yu-Pack and Express Mail Service (EMS) handled, despite a decrease in income from commissions for banking business consignment and life insurance business consignment.
- Operating expenses increased by ¥41.8 billion year-on-year to ¥1,352.6 billion due to an increase in cost associated with an increase in volume of Yu-Pack and EMS handled, an increase in personnel expenses associated with a rise in wage rates, and an increase in other expenses associated with nationwide replacement of computer terminals.
- As a result, net operating loss for the six months ended September 30, 2014 increased by ¥31.5 billion year-on-year to ¥36.5 billion.
- Net operating income (loss) by segment is as follows:
 - Net operating loss of postal and logistics business increased by ¥12.3 billion year-on-year to ¥50.5 billion. Operating income of postal and logistics business due to its seasonal characteristics in which income is concentrated in the second half due to new year's postcards demands.
 - Net operating income of post office business decreased by ¥19.2 billion year-on-year to ¥14.0 billion.
- Net loss increased by ¥34.9 billion year-on-year to ¥38.6 billion.

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	1,316.0	+ 10.2	819.6	+ 18.7	584.6	(7.7)
Postal service business income	814.1	+ 18.6	819.0	+ 18.7	-	-
Commissions for post office business consignment	-	-	-	-	82.8	+ 0.6
Commissions for banking business consignment	303.1	(5.8)	-	-	303.1	(5.8)
Commissions for life insurance business consignment	181.3	(4.9)	-	-	181.3	(4.9)
Other operating income	17.4	+ 2.4	0.5	+0.0	17.3	+ 2.3
Operating expenses	1,352.6	+ 41.8	870.1	+ 31.0	570.6	+ 11.4
Personnel expenses	1,005.6	+ 20.8	563.0	+ 17.5	442.5	+ 3.3
Other expenses	346.9	+ 20.9	307.0	+ 13.5	128.1	+ 8.1
Net operating income (loss)	(36.5)	(31.5)	(50.5)	(12.3)	14.0	(19.2)
Net ordinary income (loss)	(33.6)	(33.9)				
Income (loss) before income taxes	(39.2)	(34.7)				
Total income taxes	(0.6)	+ 0.1				
Net income (loss)	(38.6)	(34.9)				
(As stated previously)						
Ordinary income	1,325.1	+ 9.8				

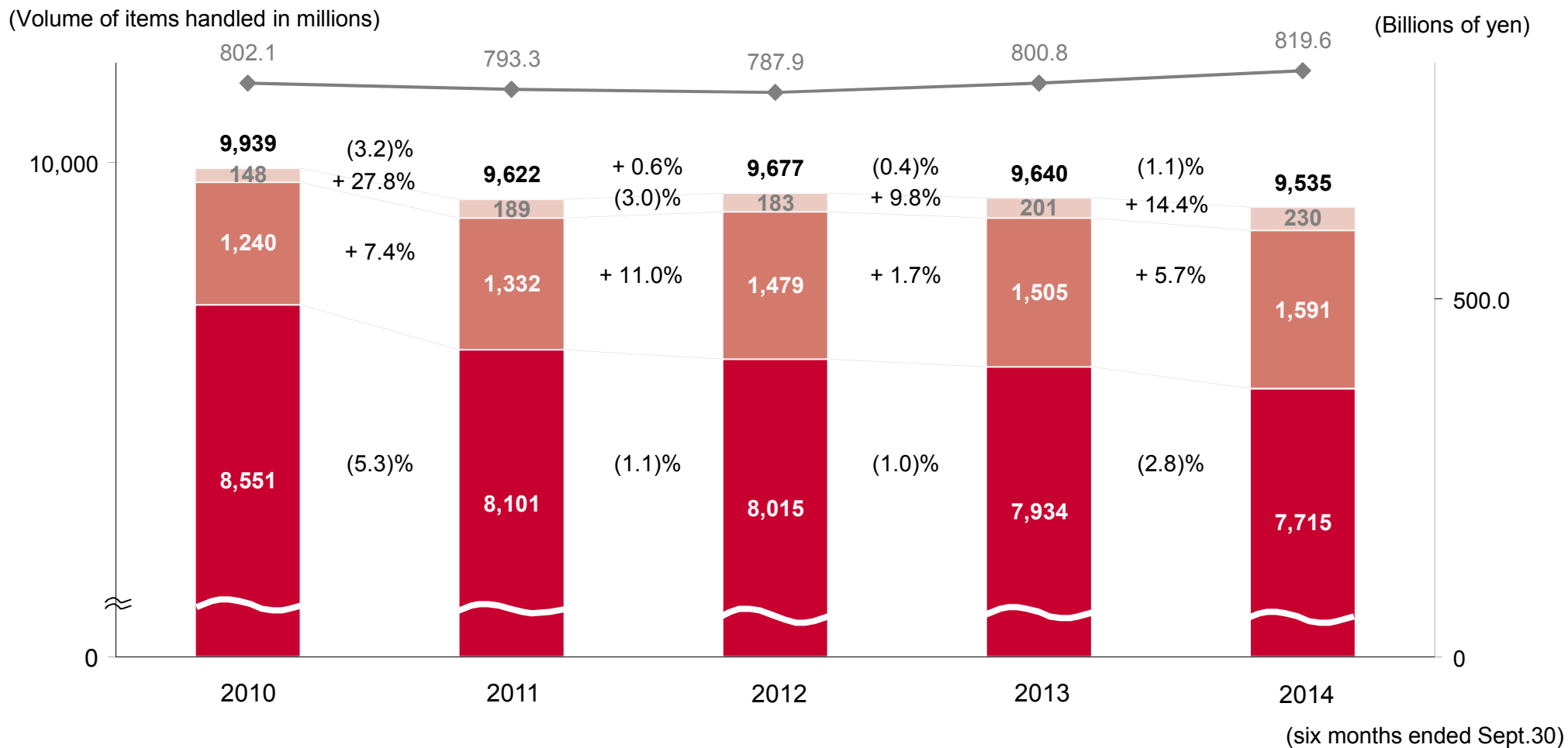
<<Factors behind the increase in personnel expenses>>
 Increase in volume of items handled,
 Increase in salaries and allowances due to a rise in wage rates, etc.

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

<<Factors behind the increase in other expenses>>
 Increase in expenses associated with nationwide replacement of computer terminals, etc.

Japan Post (Postal and Logistics Business): Trends in Volume of Items Handled

■ Total volume of items handled decreased by 1.1% year-on-year. Of which, a decrease in volume of mail handled decreased by 2.8% year-on-year. Volume of Yu-Pack and Yu-Mail handled increased by 14.4% and 5.7% year-on-year, respectively, due to factors including sales initiatives targeting small and medium-sized businesses.



Note: Yu-Pack includes EXPACK parcels.

■ Mail ■ Yu-Mail ■ Yu-Pack ◆ Operating income (right axis)

Japan Post Bank: Financial Highlights

Results of Operations for the Six Months Ended September 31, 2014

(Billions of yen, %)

	For the six months ended		Year-on-year change
	Sept.30, 2014	Sept.30, 2013	
Gross operating profit	821.4	779.7	+ 41.7
Net interest income	777.1	743.5	+ 33.6
General and administrative expenses ^(Note1)	565.1	559.4	+ 5.6
Net operating profit	256.2	220.2	+ 36.0
Non-recurring gains (losses)	16.7	80.4	(63.6)
Net ordinary income	273.0	300.6	(27.6)
Net income	181.7	190.0	(8.3)
Ordinary income	1,030.9	1,070.3	(39.3)
Ordinary expenses	757.9	769.6	(11.7)
	As of		Year-on-year change
	Sept.30, 2014	Sept.30, 2013	
Deposits ^(Note2)	177,946.5	176,449.7	+ 1,496.7
Capital adequacy ratio (non-consolidated, domestic standard) ^(Note3)	44.91	60.65	
Loans based on the Financial Reconstruction Act	-	-	-

Overview

- Gross operating profit for the six months ended September 30, 2014 increased by ¥41.7 billion year-on-year to ¥821.4 billion mainly due to an increase in net interest income.

General and administrative expenses increased by ¥5.6 billion year-on-year to ¥565.1 billion partly due to the impact of the consumption tax rate hike.

In the adverse business environment with the prolonged period of historically low interest rates, net operating profit increased by ¥36.0 billion to ¥256.2 billion, as a result of focusing efforts on diversifying the sources of income.

Investment gains (losses) on money held in trust under non-recurring gains decreased, and net ordinary income amounted to ¥273.0 billion.

Net income decreased by ¥8.3 billion year-on-year to ¥181.7 billion.

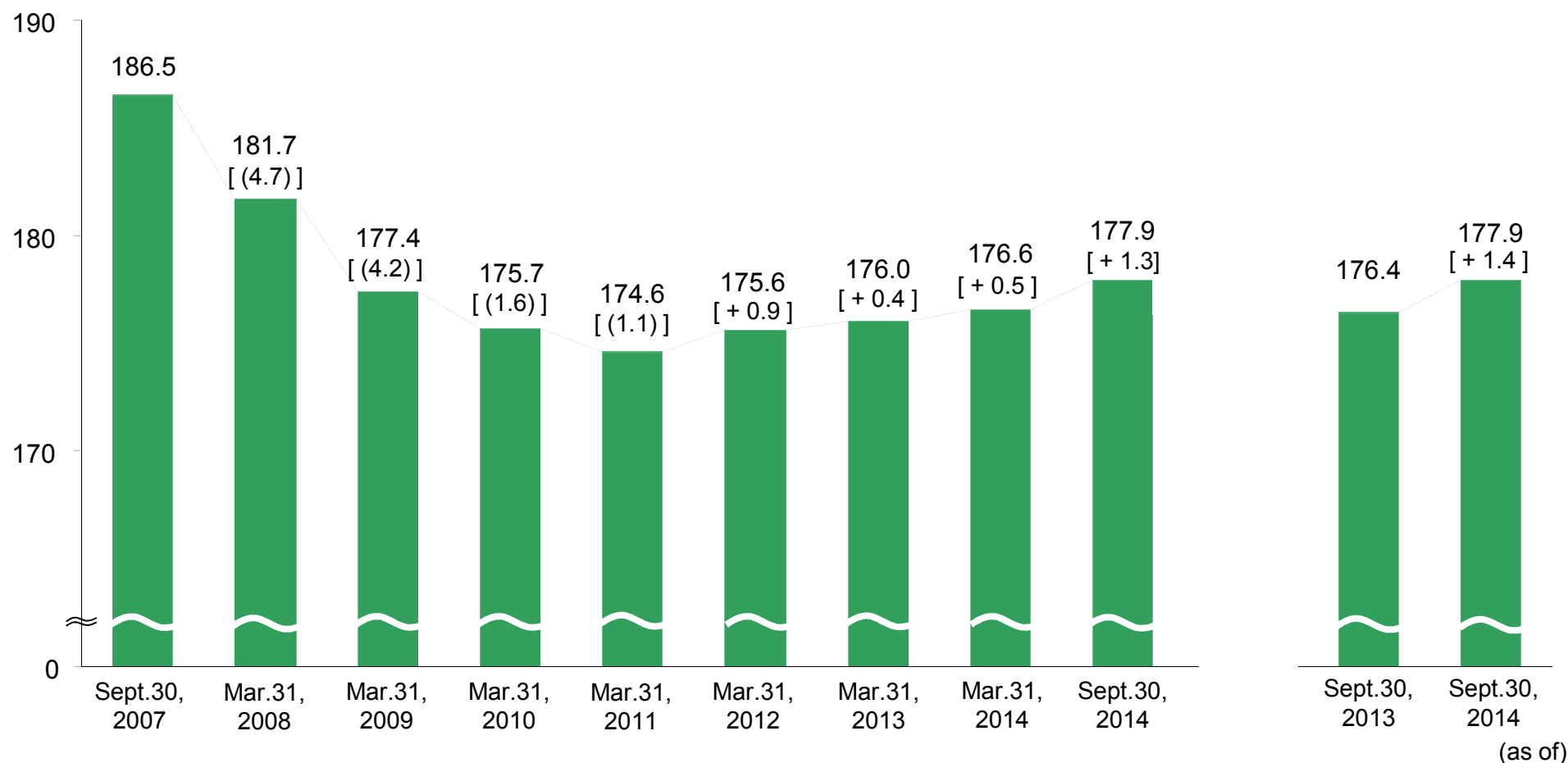
- Deposits as of September 30, 2014 amounted to ¥177,946.5 billion (¥179,158.2 billion including accrued interest).
- Capital adequacy ratio (non-consolidated, domestic standard) as of September 30, 2014 was 44.91% partly due to the acquisition of its common stock and an increase in credit risk assets.
- There are no loans required to be disclosed based on the Financial Reconstruction Act.

Notes: 1. Excludes non-recurring losses.
2. Excludes accrued interest.
3. Year-on-year change is not presented as the capital adequacy ratio for the six months ended September 30, 2013 was calculated based on the old domestic standard (Basel 2.5).

Japan Post Bank: Trends of Deposits

- Deposits as of September 30, 2014 amounted to ¥177.9 trillion (an increase of ¥1.3 trillion from the end of the previous fiscal year and an increase of ¥1.4 trillion year-on-year).
- Funds associated with purchase of its common stock of ¥1.3 trillion were accepted as deposits.

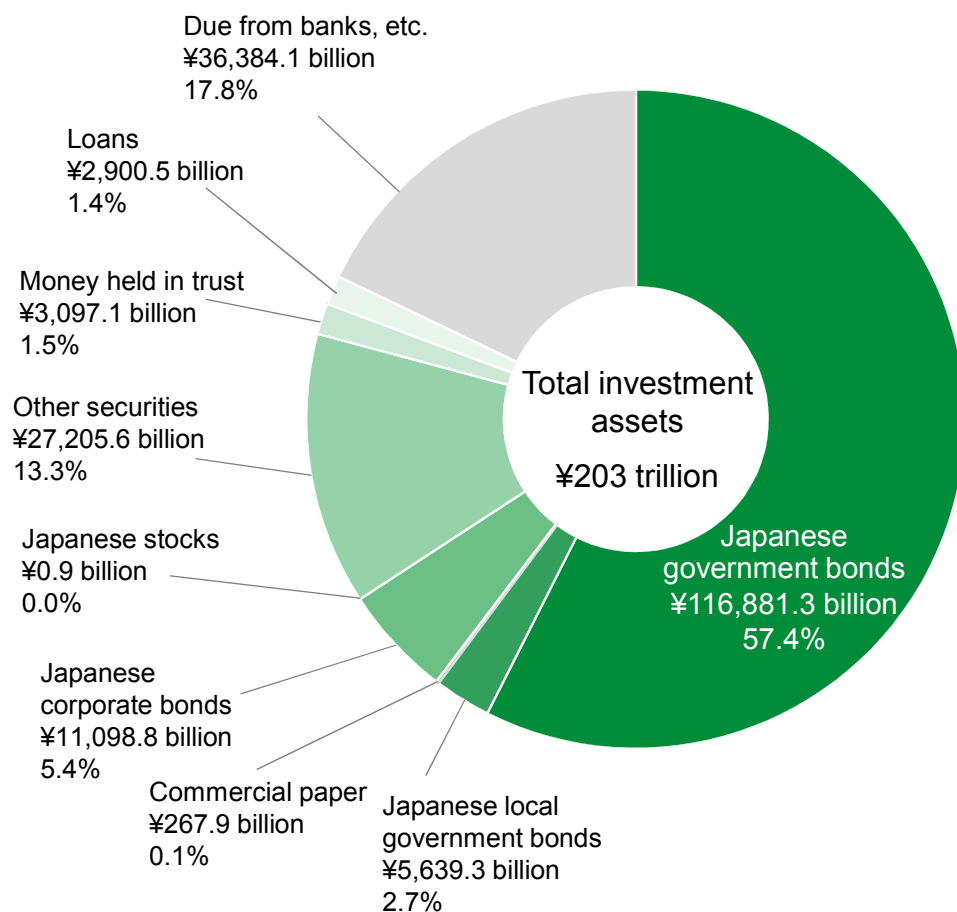
(Trillions of yen)



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 ¥161.0 , while loans were ¥2.9 trillion as of September 30, 2014.



(Billions of yen)

Type	As of Sept. 30, 2014	Composition ratio (%)	As of Mar. 31, 2014	Composition ratio (%)
Loans	2,900.5	1.4	3,076.3	1.5
Securities	161,094.1	79.1	166,057.8	82.8
Japanese government bonds	116,881.3	57.4	126,391.0	63.0
Japanese local government bonds	5,639.3	2.7	5,550.3	2.7
Commercial paper	267.9	0.1	333.9	0.1
Japanese corporate bonds	11,098.8	5.4	11,050.1	5.5
Japanese stocks	0.9	0.0	0.9	0.0
Other securities ^(Note1)	27,205.6	13.3	22,731.3	11.3
Money held in trust	3,097.1	1.5	2,919.0	1.4
Due from banks, etc. ^(Note2)	36,384.1	17.8	28,292.3	14.1
Total investment assets	203,475.9	100.0	200,345.5	100.0

Notes: 1. "Other securities" consists of foreign securities.

2. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, and receivables under securities borrowing transactions, etc.

Japan Post Insurance: Financial Highlights

Results of Operations for the Six Months Ended September 31, 2014

(Billions of yen, number of policies in thousands)

	For the six months ended		Year-on-year change
	Sept.30, 2014	Sept.30, 2013	
Ordinary income	5,171.7	5,594.1	(422.4)
Ordinary expenses	4,908.0	5,394.1	(486.1)
Ordinary profit	263.7	200.0	+ 63.6
Net income	50.9	19.5	+ 31.3
Core profit	268.0	225.1	+ 42.8
Mortality and morbidity rate margin	183.1	133.5	+ 49.5
Administrative expense margin	57.5	73.5	(15.9)
Spread	27.2	17.9	+ 9.2
Number of new policies (individual insurance)	1,240	1,230	+ 15
	As of		Change
	Sept.30, 2014	Mar.31, 2014	
Number of policies in force (including postal life insurance policies)	34,200	34,860	(660)

Overview

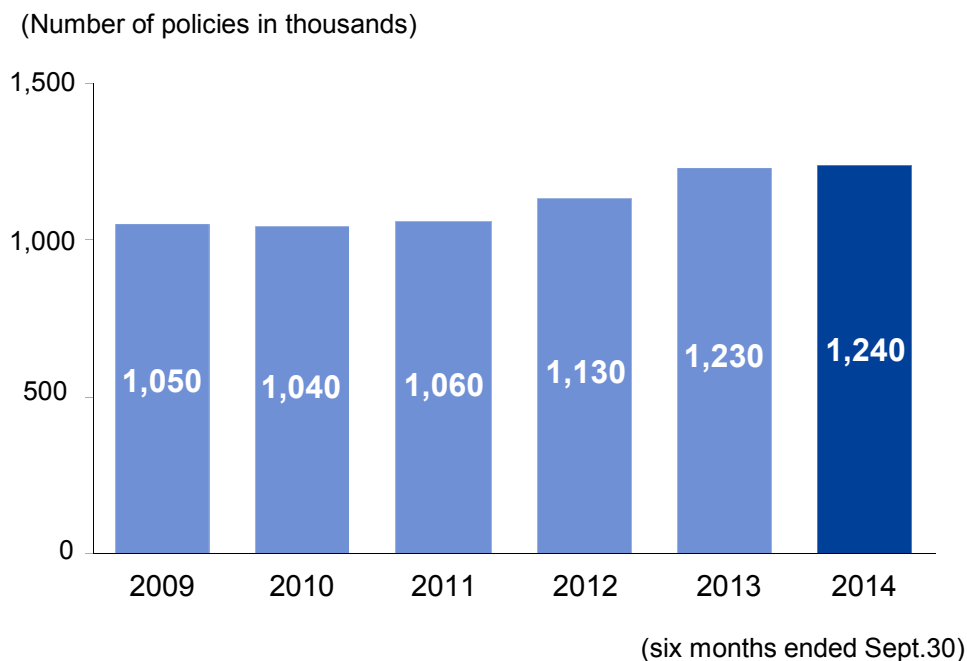
- The number of new individual insurance policies was 1,240 thousand (an increase of 15 thousand policies year-on-year), as a result of strengthened sales efforts in collaboration with post offices and strong sales of educational endowment insurance policies released in April 2014.
There were 34,200 thousand policies in force (including postal life insurance policies), a decrease of 660 thousand policies from the end of the previous fiscal year.
- Core profit increased by ¥42.8 billion year-on-year to ¥268.0 billion due to increases in mortality and morbidity rate margin and in spread, despite a decrease in administrative expense margin resulting from a decrease in policies in force.
- Ordinary profit increased by ¥63.6 billion year-on-year to ¥263.7 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 ¥31.3 billion year-on-year to ¥50.9 billion.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,211.9 billion.
- The solvency margin ratio, an indicator of the financial soundness, amounted to 1,631.5%, 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.

Japan Post Insurance Status of Insurance Policies

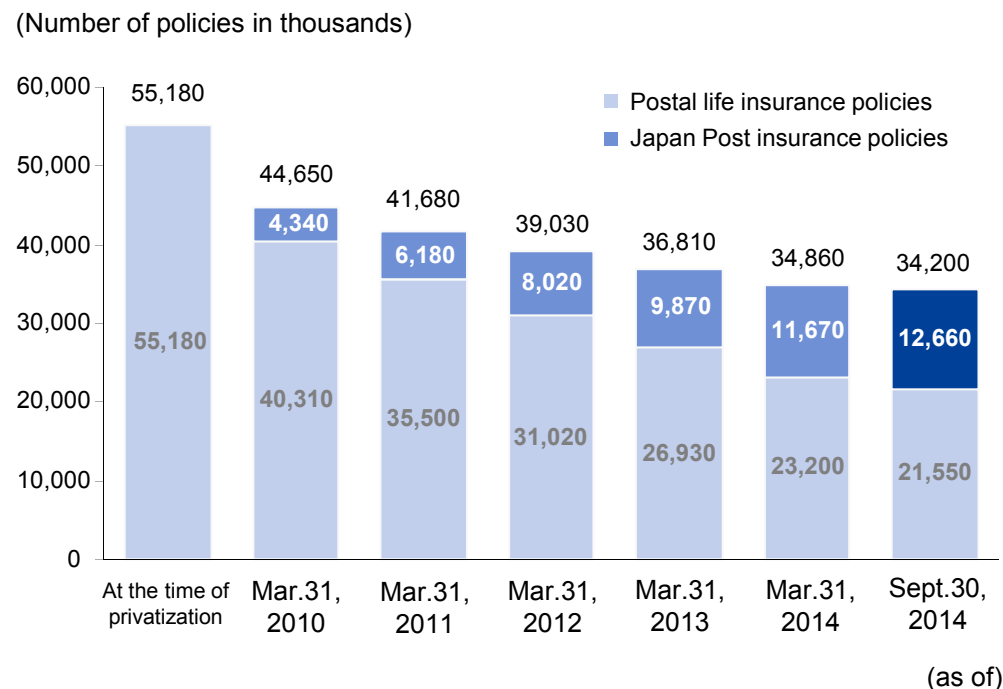
■ The number of new individual insurance policies was 1,240 thousand (an increase of 15 thousand policies year-on-year), as a result of the strengthened sales efforts in collaboration with post offices and strong sales of educational endowment insurance policies released in April 2014. There were 34,200 thousand policies in force (including postal life insurance policies), a decrease of 660 thousand policies from the end of the previous fiscal year.

Status of New Policies (Individual Insurance)

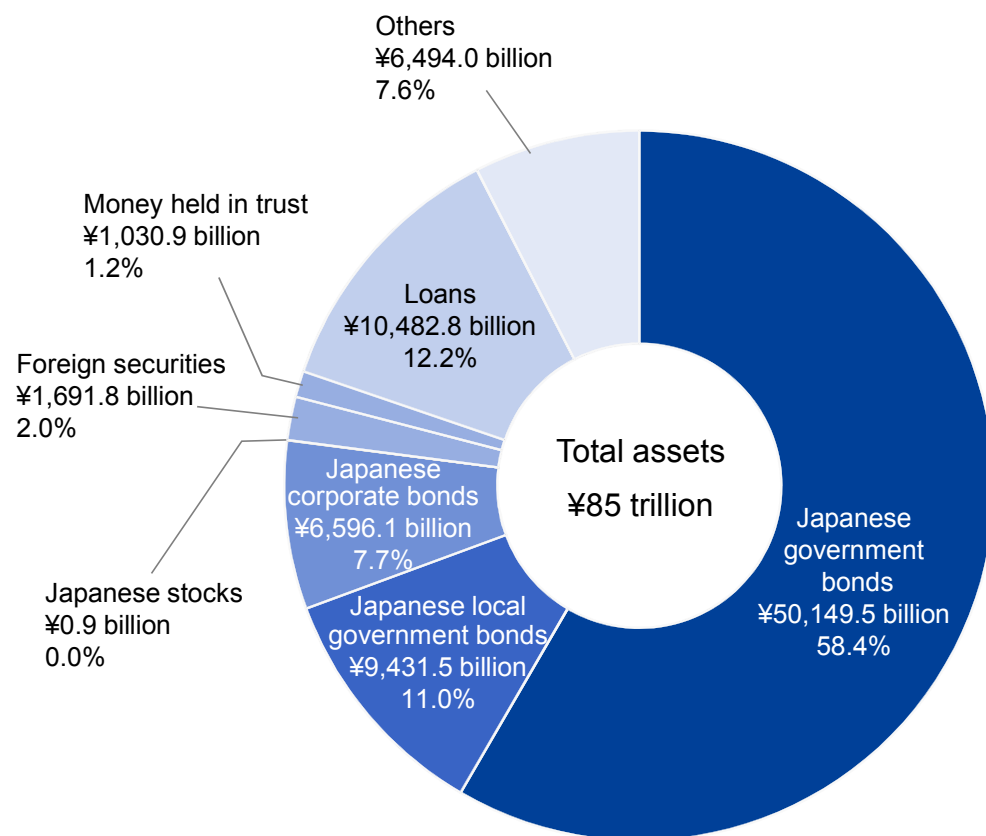


Note: Number of policies is rounded to the nearest ten thousand.

Status of Policies in Force



- Securities, which consisted of Japanese government bonds, etc., were ¥67 trillion, while loans were ¥10 trillion as of September 30, 2014.



(Billions of yen)

Type	As of Sept.30, 2014	Composition ratio (%)	As of Mar.31, 2014	Composition ratio (%)
Loans	10,482.8	12.2	11,020.5	12.7
Securities	67,870.0	79.0	69,378.9	79.7
Japanese government bonds	50,149.5	58.4	52,522.9	60.3
Japanese local government bonds	9,431.5	11.0	9,173.7	10.5
Japanese corporate bonds	6,596.1	7.7	6,441.8	7.4
Japanese stocks	0.9	0.0	0.9	0.0
Foreign securities	1,691.8	2.0	1,239.4	1.4
Money held in trust	1,030.9	1.2	581.6	0.7
Others	6,494.0	7.6	6,107.4	7.0
Total assets	85,877.8	100.0	87,088.6	100.0

Overview

- Japan Post Holdings resolved to establish retirement benefit trusts for “share of public service pension”, etc., (liabilities of payment associated with pensions for employees who engaged in the postal services in or before 1958) of approximately ¥700.0 billion, so as to improve financial soundness of retirement benefits.
- Japan Post Holdings will reinforce the management foundation of Japan Post and secure financial resources for growth investments of Japan Post (restructuring of postal and logistics networks, expansion of real estate business, etc.) by subscribing to the capital increase of ¥600.0 billion by Japan Post.
- These funds are procured through the purchase by Japan Post Bank of a portion of its shares held by Japan Post Holdings, worth ¥1.3 trillion.

Overview Chart

