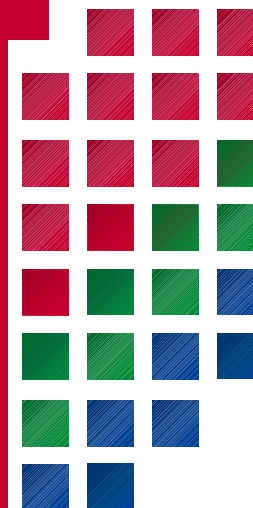


**Financial Highlights  
for the Nine Months Ended December 31, 2014**

**February 10, 2015**



# Japan Post Group: Financial Highlights

## ■ Results of Operations for the Nine Months Ended December 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	<b>10,803.6</b>	224.9	2,132.0	1,568.4	7,723.3
Year-on-year (for the nine months ended Dec.31, 2013) change	<b>(630.4)</b> <b>(5.5)%</b>	(18.9) (7.8)%	+ 29.3 + 1.4%	(7.2) (0.4)%	(678.2) (8.1)%
Net ordinary income	<b>843.3</b>	143.8	23.5	419.9	377.7
Year-on-year (for the nine months ended Dec.31, 2013) change	<b>+ 7.5</b> <b>+ 0.9%</b>	+ 3.5 + 2.6%	(52.7) (69.1)%	+ 2.9 + 0.7%	+ 48.6 + 14.8%
Net income	<b>404.6</b>	152.2	17.4	280.0	73.7
Year-on-year (for the nine months ended Dec.31, 2013) change	<b>+ 10.4</b> <b>+ 2.6%</b>	+ 1.2 + 0.8%	(48.2) (73.4)%	+ 15.3 + 5.8%	+ 32.3 + 78.4%

## ■ Forecast for the fiscal year ending March 31, 2015

\*Forecast announced in May 2014 is shown in square brackets.

Net ordinary income	970.0 [820.0]	116.0	6.0	540.0 [390.0]	410.0
Net income	420.0 [330.0]	127.0	(26.0)	350.0 [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 Nine Months Ended December 31, 2014

(Billions of yen)

	For the nine months ended		Year-on-year change
	Dec.31, 2014	Dec.31, 2013	
Operating income	<b>2,118.0</b>	2,088.0	+ 29.9
Operating expenses	<b>2,100.2</b>	2,020.0	+ 80.2
Personnel expenses	<b>1,540.9</b>	1,506.0	+ 34.8
Net operating income	<b>17.7</b>	68.0	(50.3)
Postal and logistics business	<b>(11.2)</b>	13.4	(24.7)
Post office business	<b>28.9</b>	54.5	(25.5)
Net ordinary income	<b>23.5</b>	76.2	(52.7)
Net income	<b>17.4</b>	65.6	(48.2)
Ordinary income	<b>2,132.0</b>	2,102.6	+ 29.3

## Overview

- Despite a decrease in income from commissions for banking business consignment and life insurance business consignment, operating income increased by ¥29.9 billion year-on-year to ¥2,118.0 billion due to increases in volume of Yu-Pack and EMS handled from strengthened sales activities for small and medium-sized businesses.
- Operating expenses increased by ¥80.2 billion year-on-year to ¥2,100.2 billion due to an increase in cost associated with an increase in volume of Yu-Pack and EMS handled, increase in personnel expenses resulting from a rise in wage rates in response to the employment situation, and an increase in expenses associated with investments including the nationwide replacement of computer terminals in view of strengthening the operational foundation.
- As a result, net operating income (loss) amounted to ¥17.7 billion, a year-on-year decrease of ¥50.3 billion.  
As for net operating income (loss) by segments, net operating income (loss) of postal and logistics business decreased by ¥24.7 billion year-on-year to ¥(11.2) billion, and net operating income (loss) of post office business decreased by ¥25.5 billion year-on-year to ¥28.9 billion.
- Net income decreased by ¥48.2 billion year-on-year to ¥17.4 billion.

### <<Volume of items handled>>

(Volume of items handled in millions)

Type	For the nine months ended Dec.31, 2014	Year-on-year change
Total volume of items handled	14,828	(0.7)%
Mail	11,996	(1.8)%
Yu-Pack	378	+ 13.9%
Yu-Mail	2,454	+ 2.9%

\*Excluding new year's postcards

# 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	2,118.0	+ 29.9	1,366.9	+ 32.7	895.2	(2.2)
Postal service business income	1,358.4	+ 32.6	1,365.9	+ 32.6	-	-
Commissions for post office business consignment	-	-	-	-	135.7	+ 0.5
Commissions for banking business consignment	456.7	(4.2)	-	-	456.7	(4.2)
Commissions for life insurance business consignment	270.1	(5.2)	-	-	270.1	(5.2)
Other operating income	32.6	+ 6.7	1.0	+ 0.0	32.5	+ 6.6
Operating expenses	2,100.2	+ 80.2	1,378.2	+ 57.4	866.2	+ 23.3
Personnel expenses	1,540.9	+ 34.8	873.7	+ 29.1	667.2	+ 5.7
Other expenses	559.3	+ 45.3	504.5	+ 28.3	198.9	+ 17.5
Net operating income (loss)	17.7	(50.3)	(11.2)	(24.7)	28.9	(25.5)
Net ordinary income	23.5	(52.7)				
Income (loss) before income taxes	13.7	(57.3)				
Total income taxes	(3.6)	(9.1)				
Net income	17.4	(48.2)				
(As stated previously)						
Ordinary income	2,132.0	+ 29.3				

<<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>>  
 Increase in expenses associated with investments including the nationwide replacement of computer terminals

<<Factors behind the increase in other expenses>>  
 Increase in collection, transport and delivery outsourcing expenses, increase in expenses associated with investments, etc.

# Japan Post Bank: Financial Highlights

## Results of Operations for the Nine Months Ended December 31, 2014

(Billions of yen)

	For the nine months ended		Year-on-year change
	Dec.31, 2014	Dec.31, 2013	
Gross operating profit	<b>1,252.3</b>	1,179.7	+ 72.6
Net interest income	<b>1,177.1</b>	1,111.3	+ 65.8
General and administrative expenses <sup>(Note1)</sup>	<b>854.2</b>	839.3	+ 14.8
Net operating profit	<b>398.1</b>	340.3	+ 57.7
Non-recurring gains (losses)	<b>21.7</b>	76.6	(54.8)
Net ordinary income	<b>419.9</b>	416.9	+ 2.9
Net income	<b>280.0</b>	264.6	+ 15.3
Ordinary income	<b>1,568.4</b>	1,575.7	(7.2)
Ordinary expenses	<b>1,148.5</b>	1,158.7	(10.1)
	As of		Year-on-year change
	Dec.31, 2014	Dec.31, 2013	
Deposits <sup>(Note2)</sup>	<b>179,068.7</b>	177,629.8	+ 1,438.9
Loans based on the Financial Reconstruction Act	-	-	-

Notes: 1. Excludes non-recurring losses. 2. Excludes accrued interest.

## Overview

- Gross operating profit for the nine months ended December 31, 2014 increased by ¥72.6 billion year-on-year to ¥1,252.3 billion mainly due to an increase in net interest income.

General and administrative expenses increased by ¥14.8 billion year-on-year to ¥854.2 billion partly due to the impact of the consumption tax hike.

In the adverse business environment with the prolonged period of historically low interest rates, net operating profit increased by ¥57.7 billion to ¥398.1 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 ¥419.9 billion.

Net income increased by ¥15.3 billion year-on-year to ¥280.0 billion.

- The earnings forecasts for the fiscal year ending March 31, 2015 have been revised given the actual results for the nine months ended December 31, 2014.

Net ordinary income   ¥540.0 billion (an increase of ¥150.0 billion from the previously announced forecast)

Net income            ¥350.0 billion (an increase of ¥90.0 billion from the previously announced forecast)

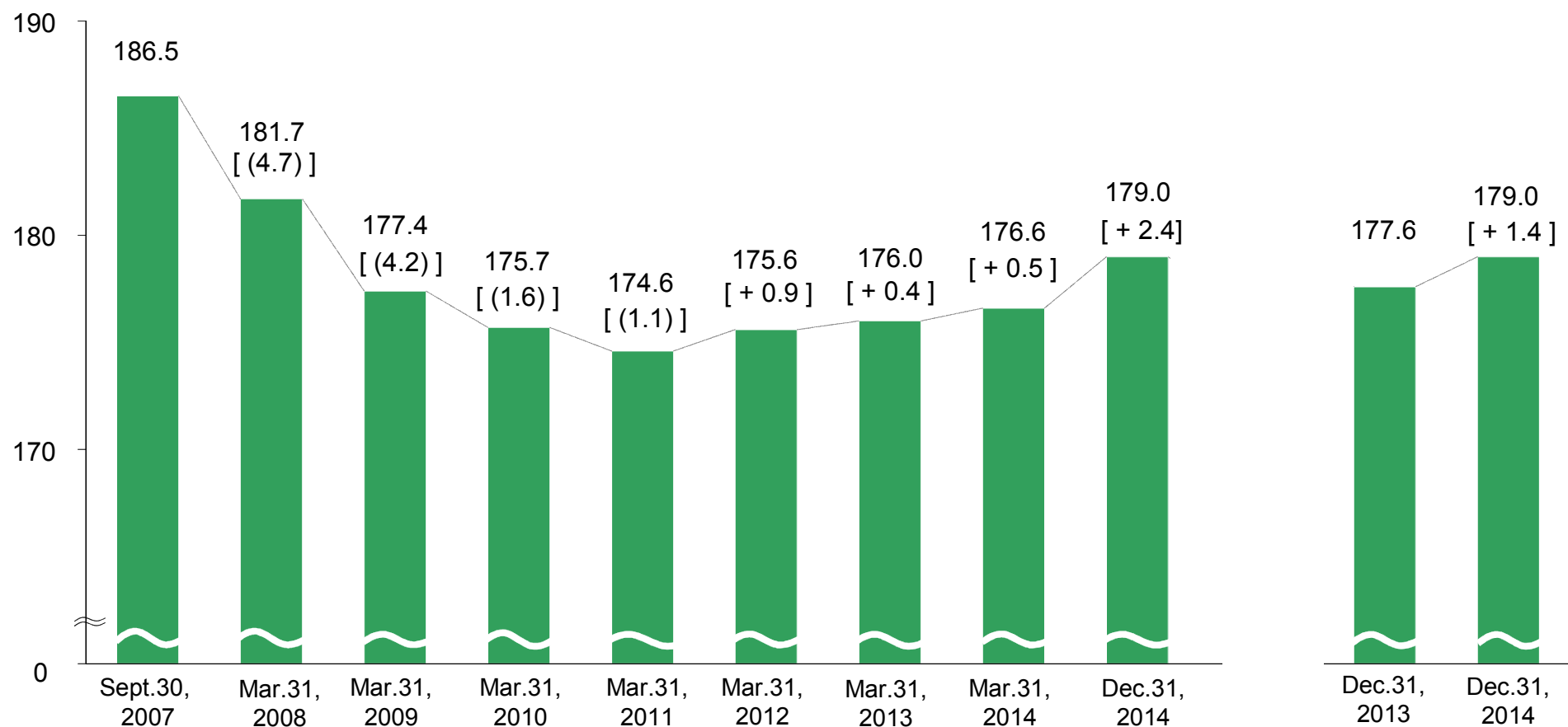
- Deposits as of December 31, 2014 amounted to ¥179,068.7 billion (¥180,323.3 billion including accrued interest).

- There are no loans required to be disclosed based on the Financial Reconstruction Act.

# Japan Post Bank: Trends of Deposits

■ Deposits as of December 31, 2014 amounted to ¥179.0 trillion (an increase of ¥2.4 trillion from the end of the previous fiscal year and an increase of ¥1.4 trillion year-on-year).

(Trillions of yen)



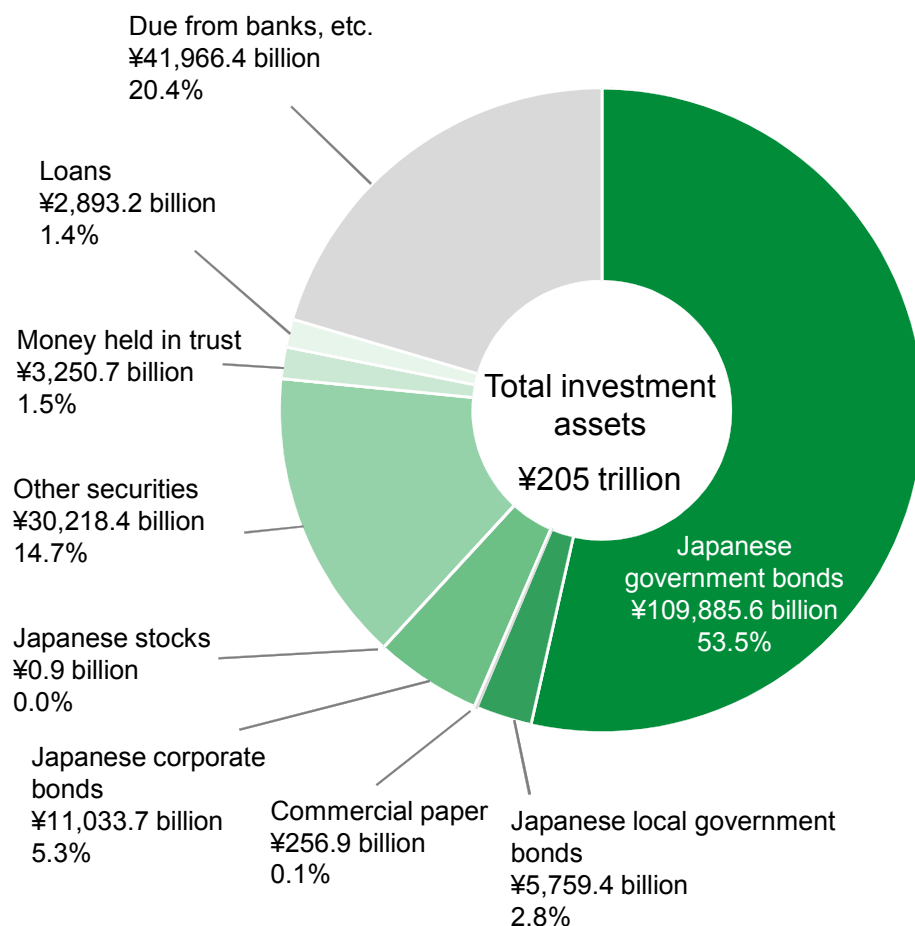
(as of)

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 ¥157.1 trillion, while loans were ¥2.8 trillion as of December 31, 2014.



(Billions of yen)

Type	As of Dec.31, 2014	Composition ratio (%)	As of Mar.31, 2014	Composition ratio (%)
Loans	2,893.2	1.4	3,076.3	1.5
Securities	157,155.1	76.5	166,057.8	82.8
Japanese government bonds	109,885.6	53.5	126,391.0	63.0
Japanese local government bonds	5,759.4	2.8	5,550.3	2.7
Commercial paper	256.9	0.1	333.9	0.1
Japanese corporate bonds	11,033.7	5.3	11,050.1	5.5
Japanese Stocks	0.9	0.0	0.9	0.0
Other securities (Note1)	30,218.4	14.7	22,731.3	11.3
Money held in trust	3,250.7	1.5	2,919.0	1.4
Due from banks, etc. (Note2)	41,966.4	20.4	28,292.3	14.1
<b>Total investment assets</b>	<b>205,265.5</b>	<b>100.0</b>	<b>200,345.5</b>	<b>100.0</b>

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 Nine Months Ended December 31, 2014

(Billions of yen, number of policies in thousands)

	For the nine months ended		Year-on-year change
	Dec.31, 2014	Dec.31, 2013	
Ordinary income	<b>7,723.3</b>	8,401.6	(678.2)
Ordinary expenses	<b>7,345.6</b>	8,072.5	(726.8)
Ordinary profit	<b>377.7</b>	329.0	+ 48.6
Net income	<b>73.7</b>	41.3	+ 32.3
<b>Core profit</b>	<b>389.2</b>	352.6	+ 36.5
Mortality and morbidity rate margin	<b>262.8</b>	211.5	+ 51.2
Administrative expense margin	<b>82.4</b>	108.3	(25.9)
Spread	<b>43.9</b>	32.7	+ 11.1
Number of new policies (individual insurance)	<b>1,795</b>	1,726	+ 69
	As of		Change
	Dec.31, 2014	Mar.31, 2014	
Number of policies in force (including postal life insurance policies)	<b>33,830</b>	34,860	(1,040)

## Overview

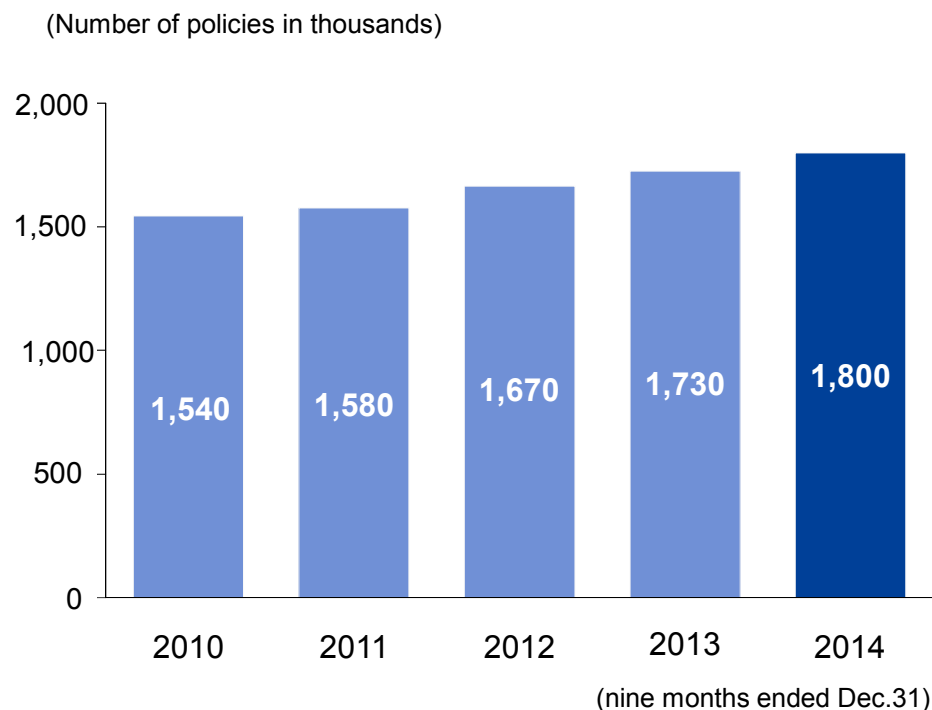
- There were 1,795 thousand new individual insurance policies (a year-on-year increase of 69 thousand policies) as a result of strengthened sales efforts in collaboration with post offices and strong sales in educational endowment insurance "Hajime no Kanpo," which released in April 2014. There were 33,830 thousand policies in force (including postal life insurance policies), a decrease of 1,040 thousand policies from the end of the previous fiscal year.
- Core profit increased by ¥36.5 billion year-on-year to ¥389.2 billion, due to the improved mortality and morbidity rate margin resulting from the reduced reserve obligations associated with the reduction of the standard interest rate effective from the previous fiscal year, and steady increase in spread, despite a decrease in administrative expense margin resulting from a decrease in policies in force.
- Ordinary profit increased by ¥48.6 billion year-on-year to ¥377.7 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 ¥32.3 billion year-on-year to ¥73.7 billion.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,214.0 billion.
- The solvency margin ratio, an indicator of the financial soundness, amounted to 1,648.7%, 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 new policies is rounded to the nearest thousand, and number of policies in force is rounded to the nearest ten thousand.

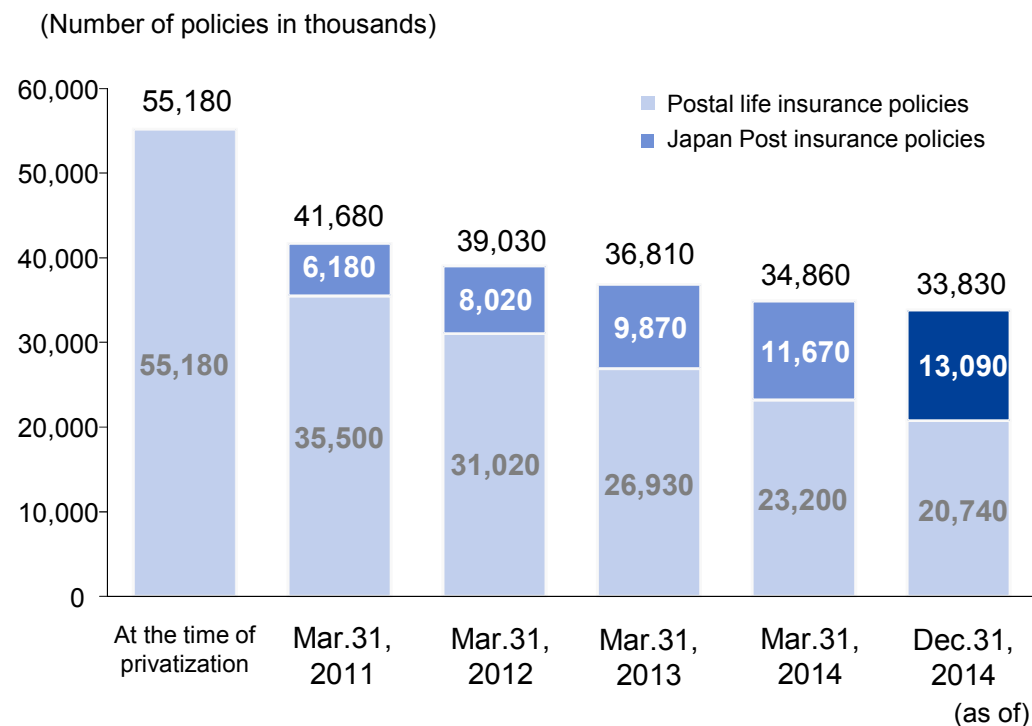


■ The number of new individual insurance policies amounted to 1,795 thousand (an increase of 69 thousand policies year-on-year) as a result of strengthened sales efforts in collaboration with post offices and strong sales in educational endowment insurance “Hajime no Kanpo,” which released in April 2014. There were 33,830 thousand policies in force (including postal life insurance policies), a decrease of 1,040 thousand policies from the end of the previous fiscal year.

## Status of New Policies (Individual Insurance)



## Status of Policies in Force

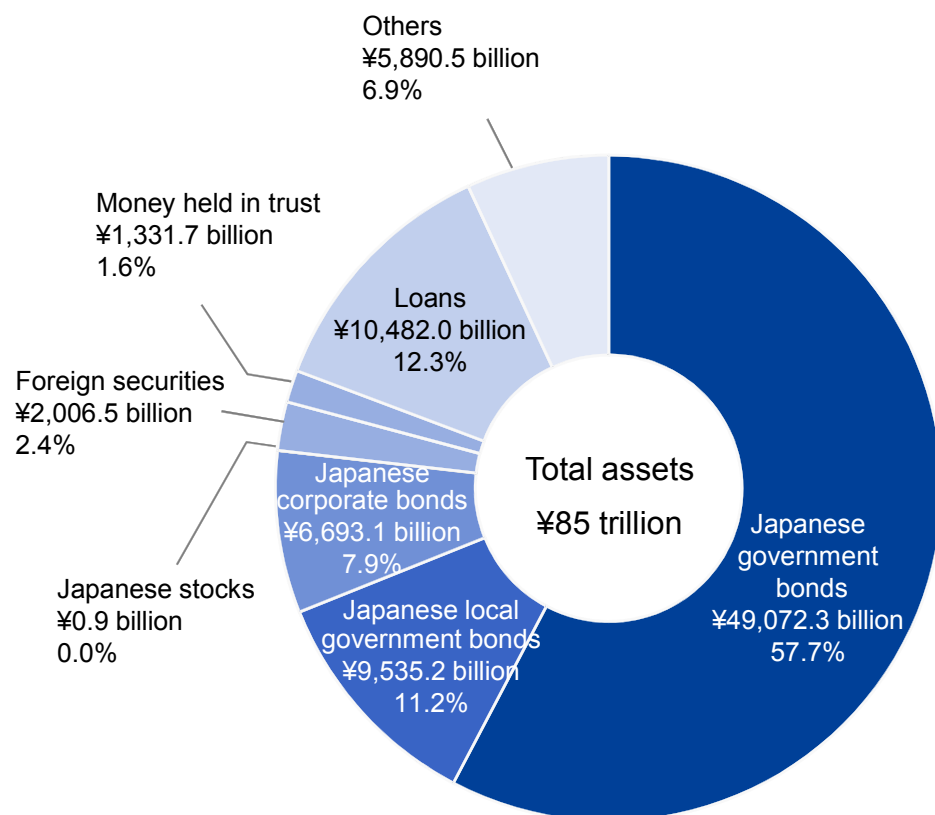


Note: Number of policies is rounded down to the nearest ten thousand.

# Japan Post Insurance: Status of Investment Assets

- Securities, which consisted of Japanese government bonds, etc., were ¥67 trillion, while loans were ¥10 trillion as of December 31, 2014.

(Billions of yen)



Type	As of Dec.31, 2014	Composition ratio (%)	As of Mar.31, 2014	Composition ratio (%)
Loans	10,482.0	12.3	11,020.5	12.7
Securities	67,308.3	79.2	69,378.9	79.7
Japanese government bonds	49,072.3	57.7	52,522.9	60.3
Japanese local government bonds	9,535.2	11.2	9,173.7	10.5
Japanese corporate bonds	6,693.1	7.9	6,441.8	7.4
Japanese stocks	0.9	0.0	0.9	0.0
Foreign securities	2,006.5	2.4	1,239.4	1.4
Money held in trust	1,331.7	1.6	581.6	0.7
Others	5,890.5	6.9	6,107.4	7.0
<b>Total assets</b>	<b>85,012.6</b>	<b>100.0</b>	<b>87,088.6</b>	<b>100.0</b>