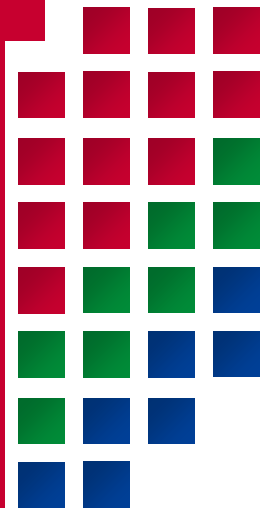


**Financial Highlights
for the Three Months Ended June 30, 2016**

August 12, 2016



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	3,373.3	901.5	459.9	2,261.4
Year-on-year (for the three months ended June 30, 2015) change	(73.1)	+ 170.2	(22.7)	(211.6)
	(2.1)%	+ 23.3%	(4.7)%	(8.6)%
Net ordinary income	146.1	5.2	92.9	44.3
Year-on-year (for the three months ended June 30, 2015) change	(96.5)	(4.9)	(20.9)	(63.0)
	(39.8)%	(48.2)%	(18.3)%	(58.7)%
Net income	83.1	4.4	67.8	19.4
Year-on-year (for the three months ended June 30, 2015) change	(59.5)	(28.7)	(11.3)	(3.4)
	(41.7)%	(86.6)%	(14.3)%	(15.2)%

■ Forecast for the fiscal year ending March 31, 2017 (announced in May 2016)

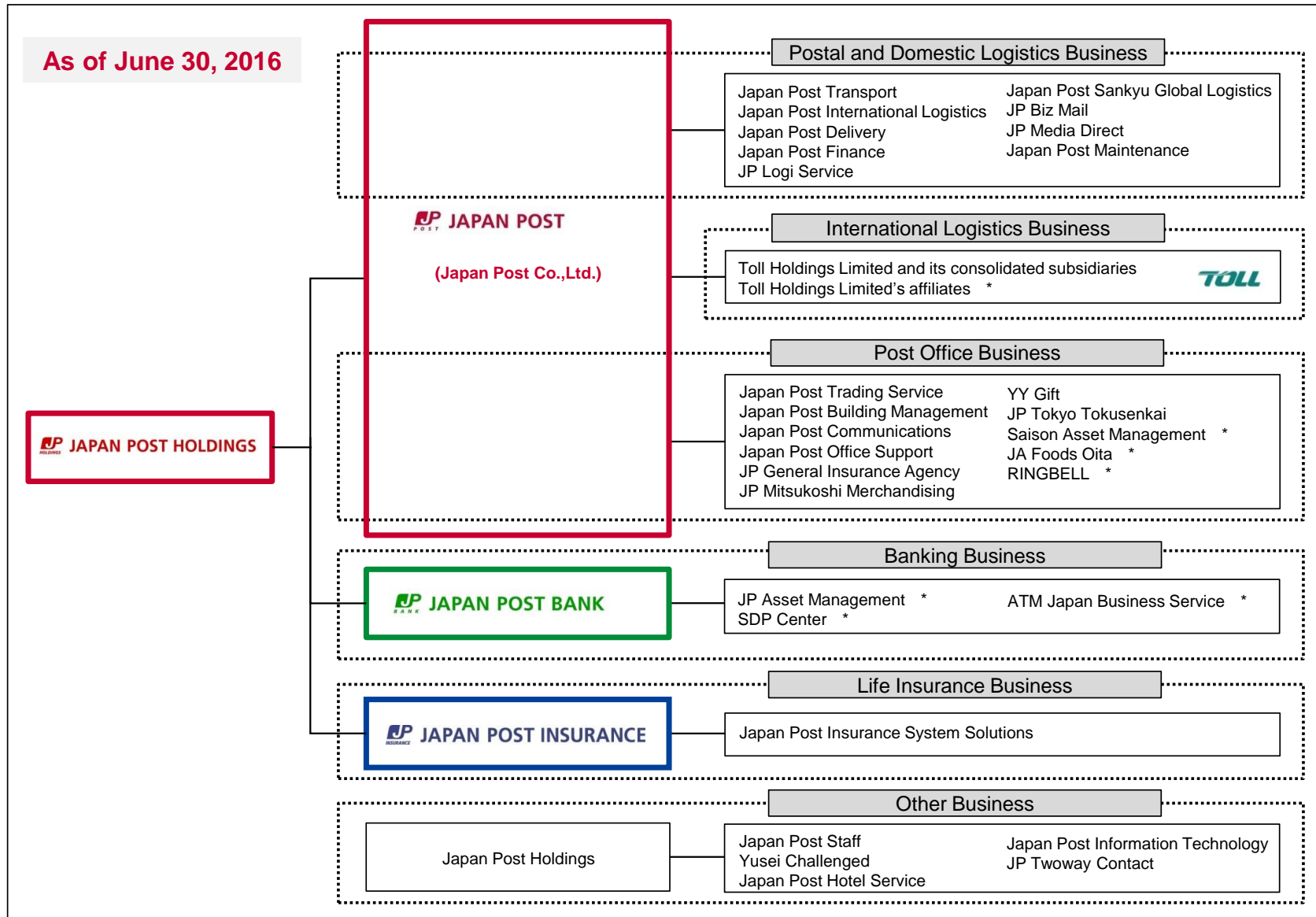
Net ordinary income	770.0	27.0	420.0	310.0
[percentage achievement]	[19.0%]	[19.3%]	[22.1%]	[14.3%]
Net income	320.0	12.0	300.0	86.0
[percentage achievement]	[26.0%]	[36.7%]	[22.6%]	[22.6%]

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

2. The amount of ordinary profit on the consolidated financial statements of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

Japan Post Holdings: Organization Chart

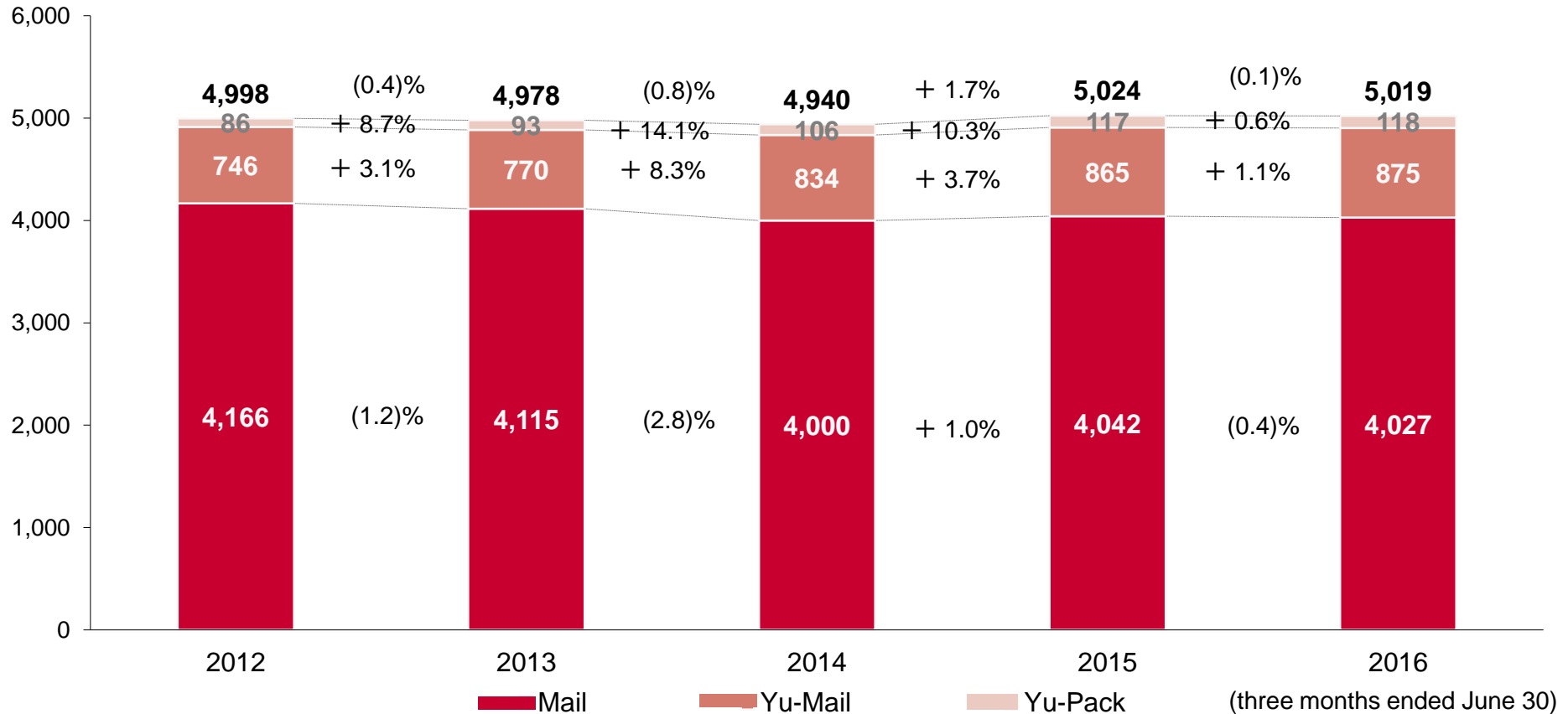


* Affiliates accounted for by the equity method.

Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Trends in Volume of Items Handled

- Total volume of items handled remained nearly at the same level as the previous corresponding period (a decrease of 0.1%). Of which, volume of mail handled decreased only slightly by 0.4% year-on-year partly due to an increase in volume handled as affected by the House of Councilors election, etc.
- Volume of Yu-Pack and Yu-Mail handled continued to maintain an upward trend due to expansion of the e-commerce market and strengthened sales activities for small and medium-sized businesses.

(Volume of items handled in millions)



Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Financial Results

- Operating income increased by ¥7.0 billion year-on-year due to factors including an increase in income from mail handled as affected by the House of Councilors election, etc., an increase in income from Yu-Pack and Yu-Mail handled, and an increase in sales income of Letter Pack.
- Operating expenses increased by ¥6.8 billion year-on-year mainly due to an increase in legal welfare expenses because of a rising premium rate and an increase in unit personnel expenses, despite the measures taken for improving productivity and cost reduction.
- As a result, net operating loss was at the same level as the previous corresponding period at ¥5.8 billion.

Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	Year-on-year change
Operating income	452.5	445.5	+ 7.0
Operating expenses	458.3	451.5	+ 6.8
Personnel expenses	298.5	291.3	+ 7.1
Other expenses	159.8	160.1	(0.3)
Net operating loss	(5.8)	(6.0)	+ 0.2

Factors behind the increase in operating income

- Increase in income of the mail handled
- Increase in income of Yu-Pack and Yu-Mail handled
- Increase in sales income of Letter Pack (including Smart Letter)

Factors behind the increase in personnel expenses

- Increase in legal welfare expenses
- Increase in salaries and allowances (including for fixed-term employees)

Factors behind the decrease in other expenses

- Decrease in collection, transport and delivery outsourcing expenses and vehicle fuel costs, etc.

Factors behind the increase in other expenses

- Increase in business tax, etc. due to a rise in the tax rate

Japan Post Co.(Consolidated) [International Logistics Business]: Financial Results of Toll

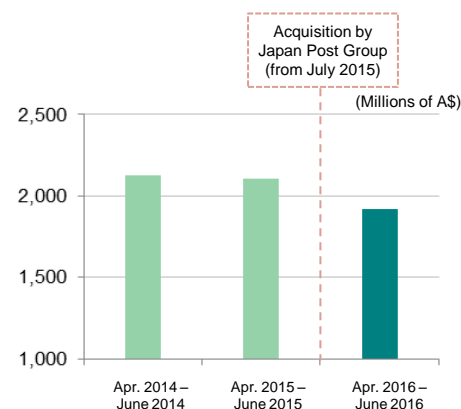
- Financial results of Toll for the three-month period from April 2016 to June 2016 has been included in the consolidated figures of Japan Post Holdings. Operating income and net operating income of Toll both decreased from the previous year before it became a consolidated subsidiary of Japan Post Holdings.
- Toll's results reflect persistently challenging conditions in a number of sectors of the Australian economy that have particularly impacted its network businesses. A strong focus on cost reduction initiatives and growing momentum from continuous improvement programs have only partially mitigated the impact. Contract based businesses have benefitted from more variable cost structures and have thus continued to operate soundly.

Results of Operations for the Three Months Ended June 30, 2016

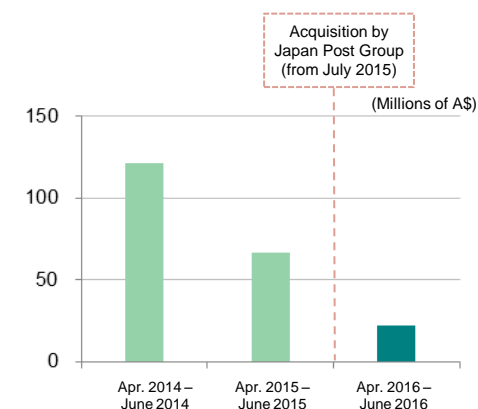
(Millions of Australian dollars)
[Billions of yen]

	For the three months ended June 30, 2016 (Note1)	For the three months ended June 30, 2015 (Note1,2)	Year-on-year change (Note1)
Operating income (revenue)	1,916 [154.3]	2,105 [198.7]	(189) [(44.3)]
Operating expenses	1,893 [152.5]	2,039 [192.4]	(145) [(39.8)]
Net operating income (EBIT)	22 [1.7]	66 [6.2]	(43) [(4.4)]

Trends of operating income (revenue)



Trends of net operating income (EBIT)

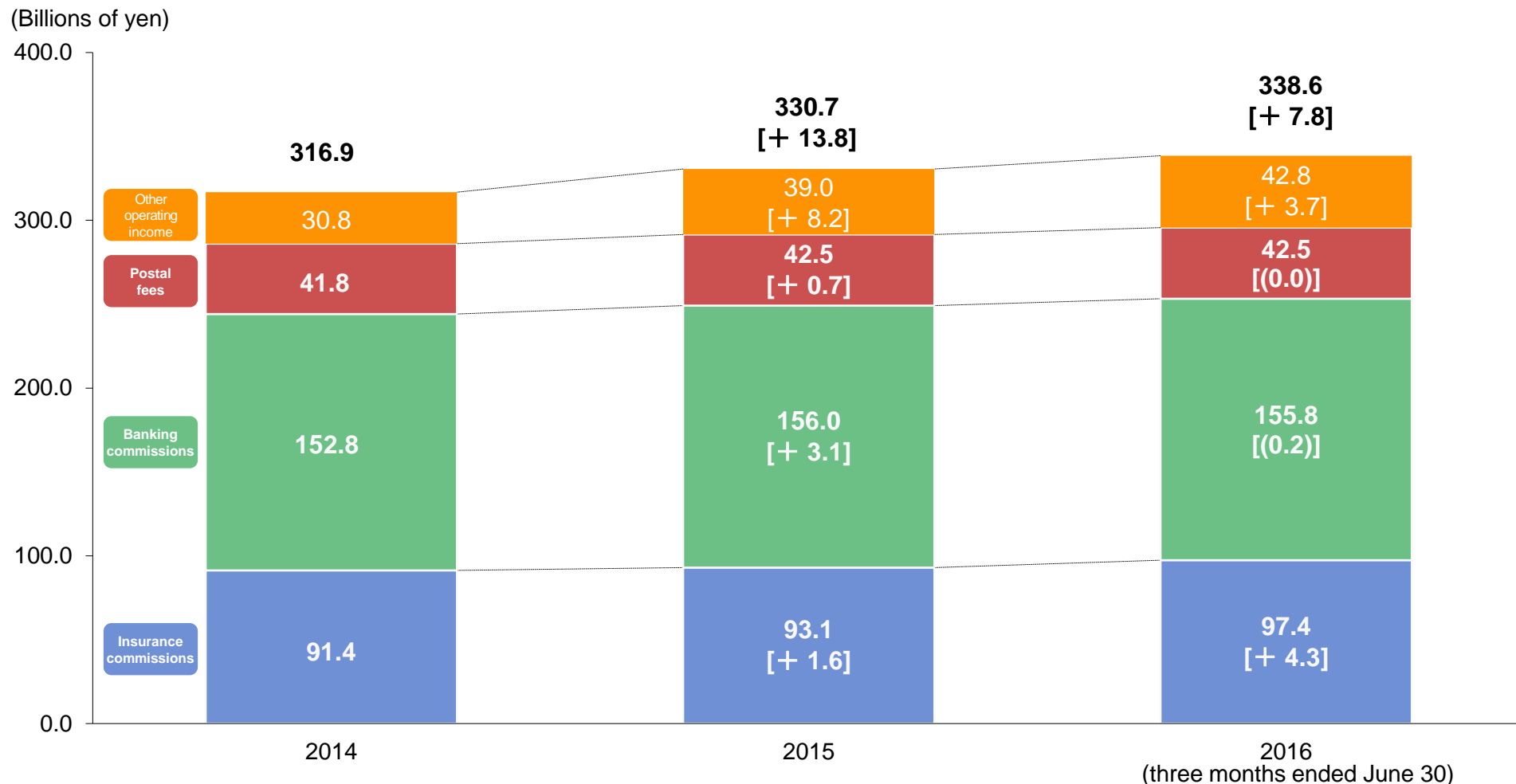


Notes: 1. International logistics business is presented as the financial results of Toll and in accordance with IFRS. Net operating income is presented as EBIT of Toll. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2016: ¥80.57 to A\$1.00 and for the three months ended June 30, 2015: ¥94.36 to A\$1.00).

2. Figures under “for the three months ended June 30, 2015” are the figures of Toll for the three-month period in the previous fiscal year before it became a consolidated subsidiary of Japan Post Group, and are included for referential purposes only.

Japan Post Co. (Consolidated) [Post Office Business]: Trends in the Earnings Structure

- Banking commissions remained at the same level as the previous corresponding period. Insurance commissions increased year-on-year mainly due to an increase in the number of new policies.
- Other operating income showed steady increase due to expansion of merchandising business and real estate business, and improvement in third-party financial product agency services.



- Commissions for new policy sales from Japan Post Insurance increased due to promoting the operating initiatives in cooperation with it. Furthermore, operating income increased by ¥7.8 billion year-on-year because of strong catalog sales as part of merchandising business, the development of real estate business, and improvement in third-party financial product agency services such as the expansion in July 2015 of the scope of post offices handling cancer insurance to 20,000 locations.
- Operating expenses increased by ¥9.9 billion year-on-year resulting from increases in salaries and allowances, legal welfare expenses because of a rising premium rate, and business tax associated with an increase in the pro-forma standard tax rate.
- As a result, net operating income decreased by ¥2.0 billion year-on-year to ¥14.4 billion.

Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen)

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	Year-on-year change
Operating income	338.6	330.7	+ 7.8
Operating expenses	324.1	314.2	+ 9.9
Personnel expenses	231.9	226.7	+ 5.2
Other expenses	92.1	87.5	+ 4.6
Net operating income	14.4	16.5	(2.0)

Breakdown of operating income

(Billions of yen)

Item	For the three months ended June 30, 2016	Year-on-year change
Commissions for business consignment	295.7	+ 4.0
Other operating income	42.8	+ 3.7
Merchandising business	28.3	+ 2.2
Real estate business	6.1	+ 1.1
Third-party financial product agency services	3.5	+ 1.0

Factors behind the increase in personnel expenses

- Increase in salaries and allowances
- Increase in legal welfare expenses

Factors behind the increase in other expenses

- Increase in cost of sales for merchandising business and real estate business
- Increase in business tax, etc. due to a rise in the tax rate

Japan Post Co. (Consolidated): Financial Highlights

Operating income for the three months ended June 30, 2016 increased by ¥168.8 billion year-on-year to ¥898.2 billion. Net income decreased by ¥28.7 billion year-on-year to ¥4.4 billion partly due to the impact of income taxes (¥17.8 billion).

- Net operating loss of postal and domestic logistics business was at the same level as the previous corresponding period at ¥ 5.8 billion, mainly due to an increase in personnel expenses despite the measures taken for increasing income and improving productivity.
- Operating income and net operating income (EBIT) of international logistics business were ¥154.3 billion and ¥1.7 billion, respectively, as affected by the ongoing weakness in the Australian economy.
- Net operating income of post office business decreased by ¥2.0 billion year-on-year to ¥14.4 billion partly due to an increase in personnel expenses, offsetting the expansion of income thanks to an increase in commissions for new policy sales from Japan Post Insurance.

Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen)

Item	Japan Post Co. (Consolidated)		Postal and domestic logistics business		International logistics business		Post office business	
		Year-on-year change		Year-on-year change		(Note2) Year-on-year change		Year-on-year change
Operating income	898.2	+ 168.8	452.5	+ 7.0	154.3	-	338.6	+ 7.8
Operating expenses	895.0	+ 174.3	458.3	+ 6.8	152.5	-	324.1	+ 9.9
Personnel expenses	583.1	+ 65.0	298.5	+ 7.1	52.6	-	231.9	+ 5.2
Other expenses	(Note1) 311.8	+ 109.2	159.8	(0.3)	99.9	-	92.1	+ 4.6
Net operating income(loss)	3.2	(5.4)	(5.8)	+ 0.2	1.7	-	14.4	(2.0)
Net ordinary income	5.2	(4.9)						
Income before income taxes	5.6	(10.9)						
Net income	4.4	(28.7)						

- Notes:
1. Includes amortization of goodwill, etc. in connection with the acquisition of Toll, which is ¥5.3 billion for the three-month period from April 2016 to June 2016.
 2. Year-on-year change figures have not been presented because the previous corresponding period was before Toll acquisition.

Japan Post Bank: Financial Highlights

Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen)

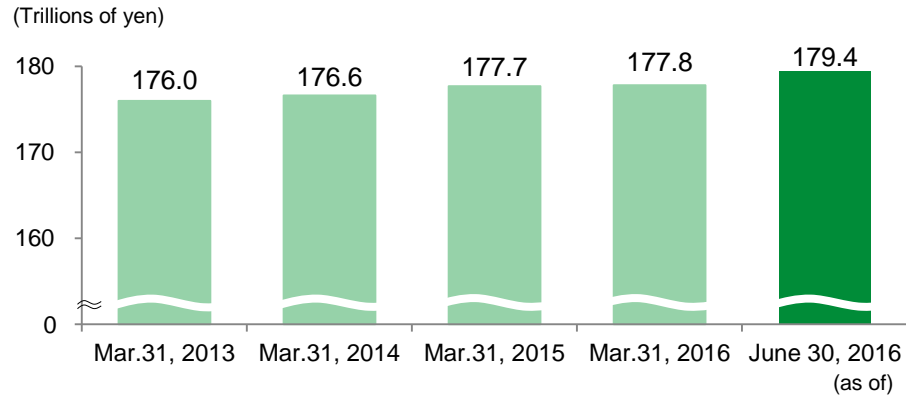
	As of and for the three months ended		Year-on-year change
	June 30, 2016	June 30, 2015	
Gross operating profit	353.6	379.1	(25.5)
Net interest income	308.0	355.3	(47.3)
Net fees and commissions	21.7	23.8	(2.0)
Net other operating income	23.8	0.0	+ 23.8
General and administrative expenses <small>(Note1)</small>	267.2	267.5	(0.2)
Provision for general reserve for possible loan losses	(0.0)	-	(0.0)
Net operating profit	86.4	111.6	(25.2)
Non-recurring gains (losses)	6.5	2.2	+ 4.3
Net ordinary income	92.9	113.8	(20.9)
Net income	67.8	79.2	(11.3)
Ordinary income	459.9	482.7	(22.7)
Ordinary expenses	366.9	368.8	(1.8)
Deposits <small>(Note2)</small>	179,429.0	178,121.8	+ 1,307.2
Capital adequacy ratio (non-consolidated, domestic standard)	24.64%	34.65%	(10.01)%

Overview

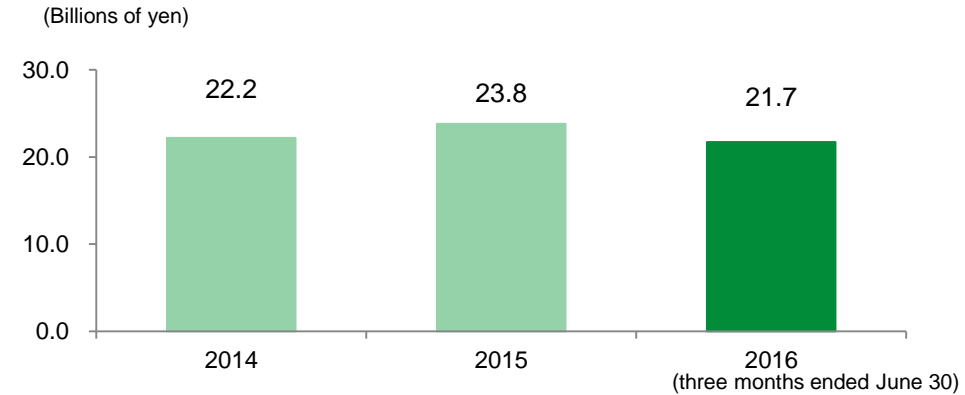
- Gross operating profit for the three months ended June 30, 2016 decreased by ¥25.5 billion year-on-year to ¥353.6 billion. Of which, net interest income decreased by ¥47.3 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions decreased by ¥2.0 billion year-on-year. Meanwhile, net other operating income increased by ¥23.8 billion year-on-year mainly due to an increase in gains(losses) on foreign exchange transactions.
- General and administrative expenses decreased by ¥0.2 billion year-on-year to ¥267.2 billion.
- In the adverse business environment where the interest rates further decline reflecting the Quantitative and Qualitative Monetary Easing with a Negative Interest Rate, net operating profit decreased by ¥25.2 billion year-on-year to ¥86.4 billion and net ordinary income decreased by ¥20.9 billion year-on-year to ¥92.9 billion.
- Net income decreased by ¥11.3 billion year-on-year to ¥67.8 billion, which achieved 22.6% of the financial results forecast of ¥300.0 billion for the fiscal year ending March 31, 2017, progressing more or less as planned.
- Deposits as of June 30, 2016 amounted to ¥179,429.0 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of June 30, 2016 was 24.64%.

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

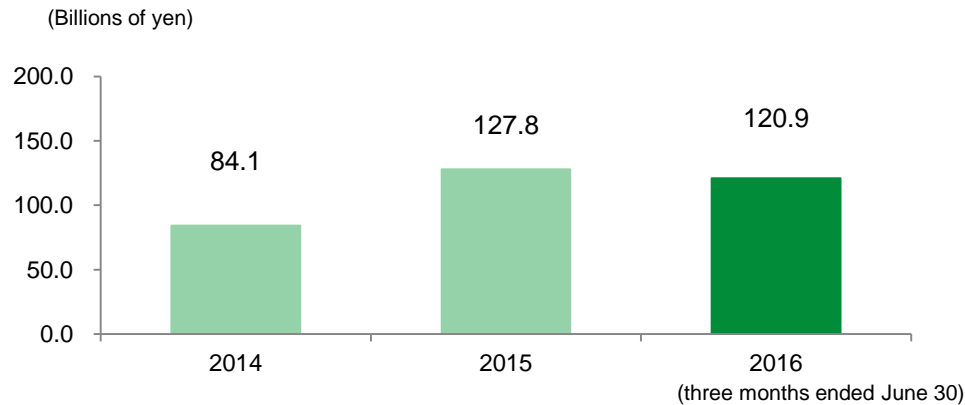
Deposit Balance



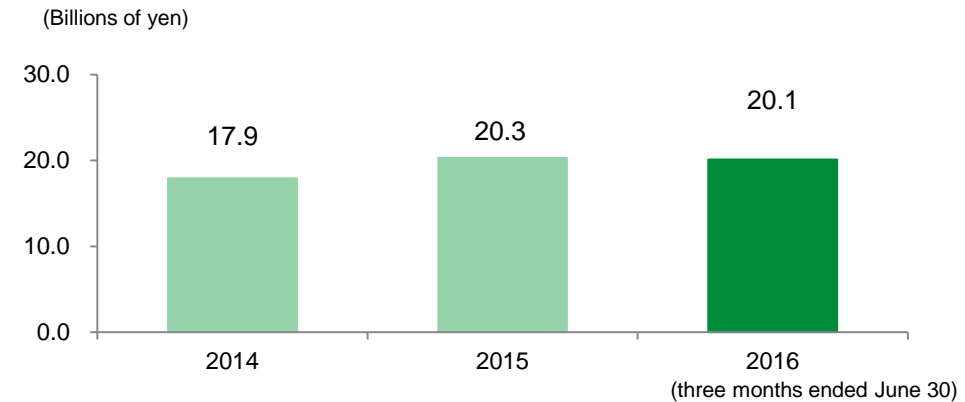
Net Fees and Commissions



Investment Trust Sales



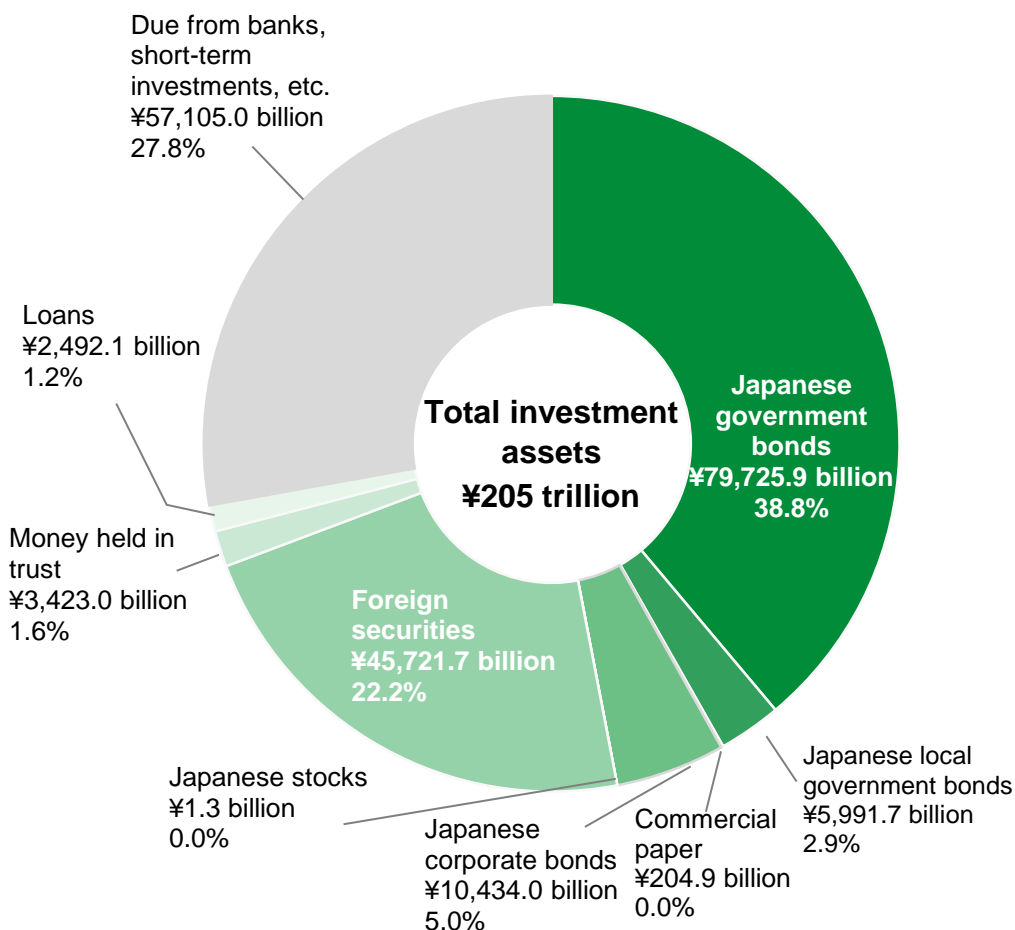
Variable Annuity Insurance Sales



Note: Figures are rounded down to the first decimal place.

Japan Post Bank: Details of Investment Assets

(Billions of yen)



Type	As of June 30, 2016	Composition ratio (%)	As of Mar.31, 2016	Composition ratio (%)
Loans	2,492.1	1.2	2,542.0	1.2
Securities	142,079.9	69.2	144,076.8	70.3
Japanese government bonds	79,725.9	38.8	82,255.6	40.1
Japanese local government bonds	5,991.7	2.9	5,856.5	2.8
Commercial paper	204.9	0.0	204.9	0.1
Japanese corporate bonds	10,434.0	5.0	10,362.7	5.0
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities	45,721.7	22.2	45,395.5	22.1
Money held in trust	3,423.0	1.6	3,561.1	1.7
Due from banks, short - term investments, etc. ^(Note)	57,105.0	27.8	54,696.6	26.6
Total investment assets	205,100.1	100.0	204,876.6	100.0

Note: "Due from banks, short-term investments, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, receivables under securities borrowing transactions, and monetary claims bought, etc.

Results of Operations for the Three Months Ended June 30, 2016

(Billions of yen, number of policies in thousands)

	For the three months ended		Year-on-year change
	June 30, 2016	June 30, 2015	
Ordinary income	2,261.4	2,473.1	(211.6)
Ordinary expenses	2,217.0	2,365.7	(148.6)
Ordinary profit	44.3	107.4	(63.0)
Net income	19.4	22.9	(3.4)
Core profit (non-consolidated)	94.1	113.0	(18.9)
Number of new policies (individual insurance)	670	570	+ 90
Annualized premiums from new policies (individual insurance)	144.1	119.4	+ 24.7

	As of		Change
	June 30, 2016	Mar.31, 2016	
Number of policies in force (including Postal Life Insurance Policies)	32,140	32,320	(180)
Solvency margin ratio (consolidated)	1,538.8%	1,570.3%	(31.5)%
Real net assets (consolidated)	16,287.3	14,649.5	+ 1,637.8

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 down to the nearest ten thousand.

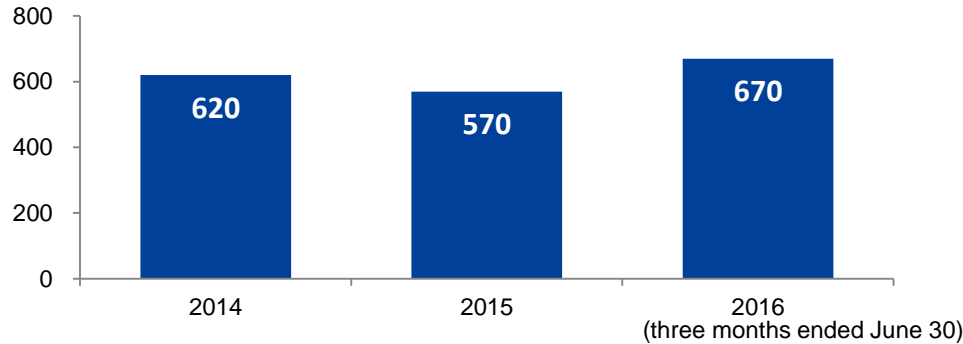
Overview

- Ordinary profit decreased by ¥63.0 billion year-on-year to ¥44.3 billion because of a decrease of number of policies in force mainly due to maturity of Postal Life Insurance Policies, etc. Net income decreased by ¥3.4 billion year-on-year to ¥19.4 billion, and achieved 22.6% of the financial results forecast for the fiscal year ending March 31, 2017, signifying steady progress.
- As a result of efforts for strengthening sales promotion including the 100th anniversary campaign activities, annualized premiums from new policies for individual insurance increased by 20.7% year-on-year to ¥144.1 billion.
- There were 32,140 thousand policies in force (including Postal Life Insurance Policies), a decrease of 180 thousand policies from the end of the previous fiscal year.
- Retained earnings, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,103.4 billion.
- Solvency margin ratio (consolidated), an indicator of the financial soundness, amounted to 1,538.8%, continuously maintaining a high level of financial soundness.
- Real net assets (consolidated) amounted to ¥16,287.3 billion, an increase of ¥1,637.8 billion from the end of the previous fiscal year.

Number of Policies

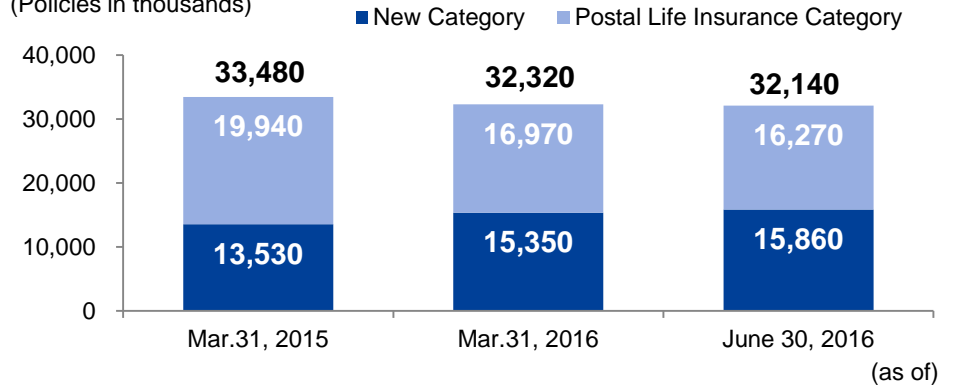
New Policies (Individual Insurance)

(Policies in thousands)



Policies in Force (Individual Insurance)

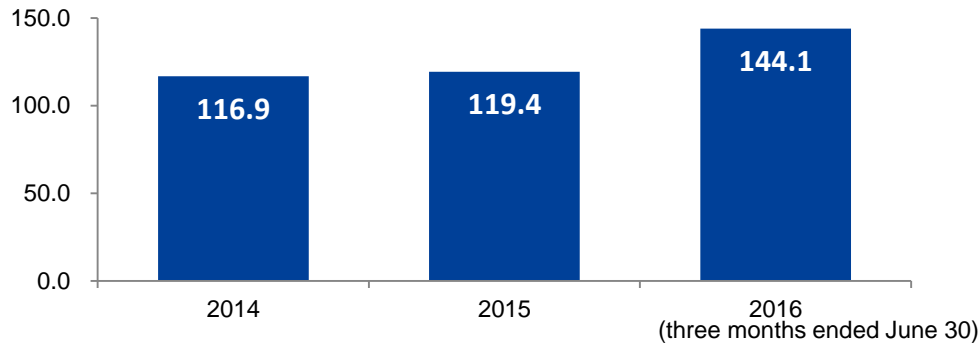
(Policies in thousands)



Annualized Premiums

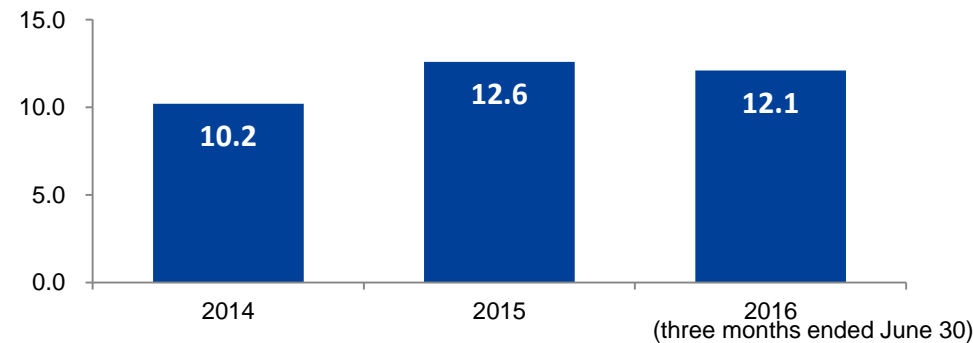
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



Annualized Premiums from New Policies (Medical Care)

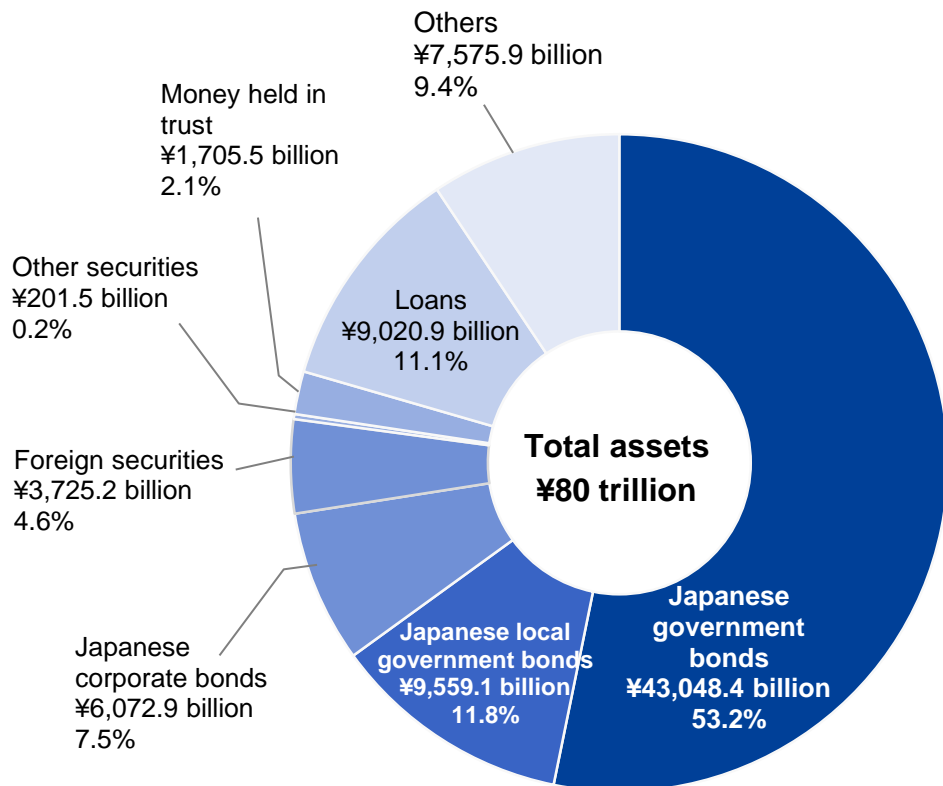
(Billions of yen)



Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

2. "New Category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance Category" shows Postal Life Insurance Policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.

(Billions of yen)



Type	As of June 30, 2016	Composition ratio (%)	As of Mar.31, 2016	Composition ratio (%)
Loans	9,020.9	11.1	8,978.4	11.0
Securities	62,607.3	77.4	63,609.9	78.0
Japanese government bonds	43,048.4	53.2	44,178.6	54.2
Japanese local government bonds	9,559.1	11.8	9,405.4	11.5
Japanese corporate bonds	6,072.9	7.5	6,236.9	7.6
Foreign securities	3,725.2	4.6	3,688.8	4.5
Other securities	201.5	0.2	100.0	0.1
Money held in trust	1,705.5	2.1	1,644.5	2.0
Others	7,575.9	9.4	7,312.2	9.0
Total assets	80,909.8	100.0	81,545.1	100.0

Forecasts and other forward-looking statements presented in this document are based on information available to Japan Post Holdings Co., Ltd (the “Company”) at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.