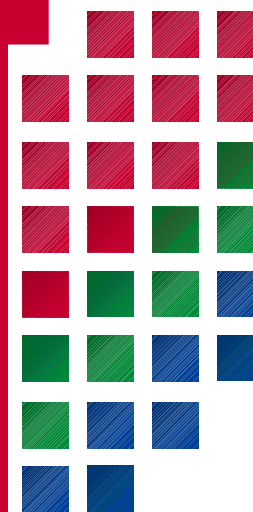


**Financial Highlights
for the Fiscal Year Ended March 31, 2017**

May 15, 2017



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Fiscal Year Ended March 31, 2017

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	13,326.5	3,765.8	1,897.2	8,659.4
Year-on-year (for the year ended March 31, 2016) change	(931.0)	+ 117.4	(71.7)	(946.2)
	(6.5)%	+ 3.2%	(3.6)%	(9.9)%
Net ordinary income	795.2	52.2	442.0	279.7
Year-on-year (for the year ended March 31, 2016) change	(171.0)	+ 9.8	(39.9)	(131.7)
	(17.7)%	+ 23.3%	(8.2)%	(32.0)%
Net income (loss)	(28.9)	(385.2)	312.2	88.5
Year-on-year (for the year ended March 31, 2016) change	(454.9)	(432.4)	(12.8)	+ 3.6
	-	-	(3.9)%	+ 4.4%

■ Forecast for the Fiscal Year Ended March 31, 2017

	Revised (Announced in April 2017)	Original (Announced in May 2016)	Announced in May 2016		
			Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Net ordinary income [percentage achievement]	780.0	770.0 [103.3%]	27.0 [193.4%]	420.0 [105.2%]	310.0 [90.2%]
Net income (loss) [percentage achievement]	(40.0)	320.0 [-]	12.0 [-]	300.0 [104.0%]	86.0 [103.0%]

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.

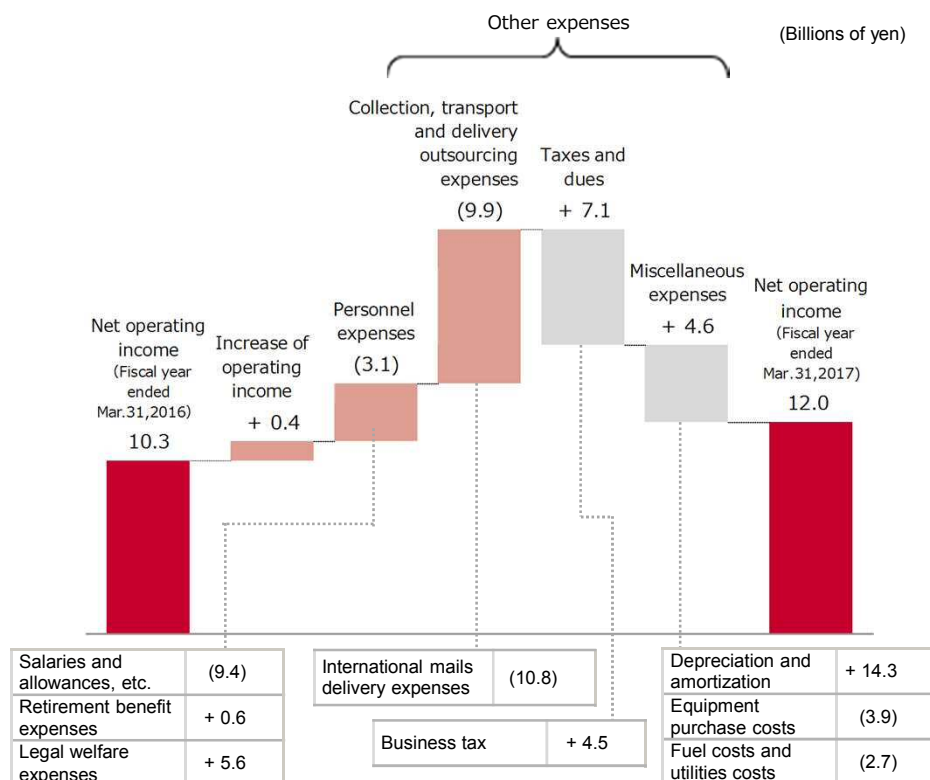
3. The amounts of net loss attributable to Japan Post Holdings, net loss attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated),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

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

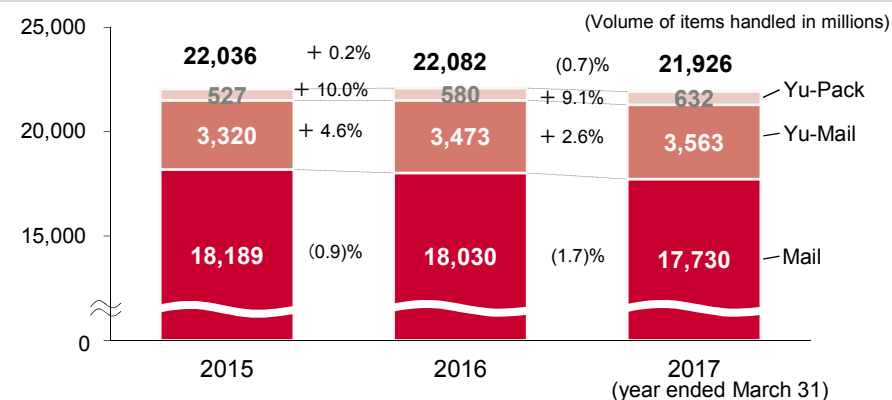


- Operating income remained nearly at the same level as the previous fiscal year due to an increase in income from mails handled as affected by the revision in postage fee discounts, etc., and an increase in income from Yu-Pack and Yu-Mail handled, despite negative factors such as a decline in the volumes of new year's postcards and international mails handled, as well as the impact of the distribution of mails related to the social security and tax number system in the previous fiscal year.
- As for operating expenses, despite a decrease in collection, transport and delivery outsourcing expenses mainly due to a decrease in international mails delivery expenses, other expenses increased due to an increase in depreciation and amortization, along with external factors including a rising business tax associated with an increase in the pro-forma standard tax rate. Meanwhile, a decrease in personnel expenses arising in connection with the decrease in income outweighed the increase in other expenses, and operating expenses decreased by ¥1.2 billion year-on-year.
- As a result, net operating income increased by ¥1.7 billion year-on-year to ¥12.0 billion.

Analysis of Year-on-year Change



Trends in Volume of Items Handled



Results of Operations for the Fiscal Year Ended March 31, 2017

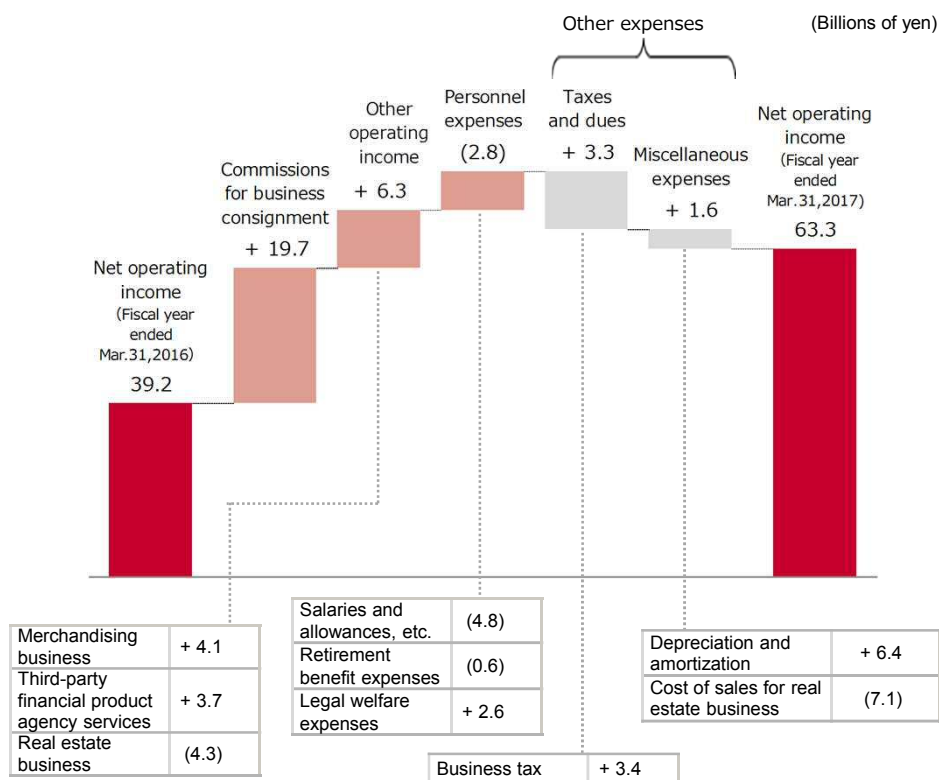
(Billions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2016	Year-on-year change
Operating income	1,929.9	1,929.4	+ 0.4
Operating expenses	1,917.8	1,919.1	(1.2)
Personnel expenses	1,230.9	1,234.0	(3.1)
Other expenses	686.9	685.0	+ 1.8
Net operating income	12.0	10.3	+ 1.7

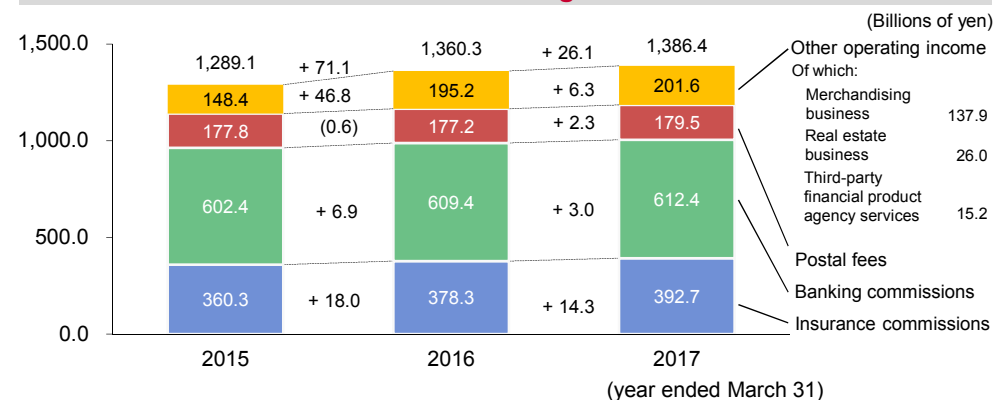
Japan Post Co. (Consolidated) [Post Office Business]: Financial Results

- Commissions for business consignment increased mainly due to an increase in new policy sales at Japan Post Insurance. Furthermore, income from merchandising business increased, resulting in an increase in operating income of ¥26.1 billion year-on-year. In the real estate business, although operating income decreased year-on-year due to a rebound against the recording of income from unit sales of residential real estate in the previous fiscal year, its performance was robust if such factor was excluded.
- Operating expenses increased by ¥2.0 billion year on year due to an increase in other expenses because of an increase in depreciation and amortization, as well as external factors including a rising business tax associated with an increase in the pro-forma standard tax rate, despite a decrease in personnel expenses resulting from various measures to improve efficiency.
- As a result, net operating income increased by ¥24.0 billion year-on-year to ¥63.3 billion.

Analysis of Year-on-year Change



Trends in the Earnings Structure



Results of Operations for the Fiscal Year Ended March 31, 2017

(Billions of yen)

	For the fiscal year ended March 31, 2017	For the fiscal year ended March 31, 2016	Year-on-year change
Operating income	1,386.4	1,360.3	+ 26.1
Operating expenses	1,323.1	1,321.0	+ 2.0
Personnel expenses	924.6	927.5	(2.8)
Other expenses	398.4	393.5	+ 4.9
Net operating income	63.3	39.2	+ 24.0

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

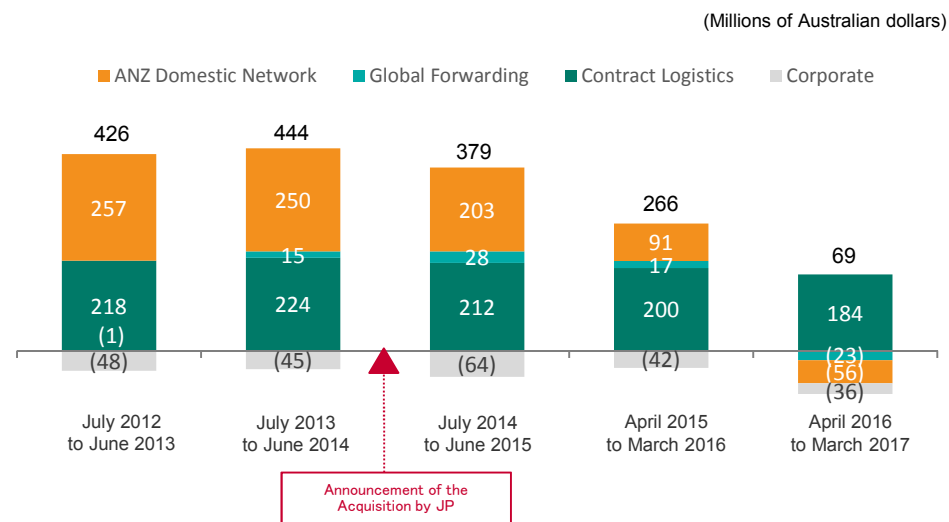
- Toll's business is divided into 1) ANZ Domestic Network, 2) Global Forwarding and 3) Contract Logistics (3 PL).
- The recent decline in profitability is driven by poor performance in ANZ Domestic Network and Global Forwarding.
- As a result of impairment test (calculation of corporate value or business value of Toll) in accordance with accounting standards, impairment losses for all balance of goodwill and trademark rights (goodwill, etc.) and part of tangible fixed assets were recognized under extraordinary losses for the fiscal year ended March 31, 2017. In addition, Toll recognized extraordinary losses including structural reform expenses on its consolidated financial results.

Results of Operations for the Fiscal Year Ended March 31, 2017

(Millions of Australian dollars)
[Billions of yen]

	For the fiscal year ended March 31, 2017 (Note1)	For the nine-month period from July 2015 to March 2016 (Note1)	Year-on-year change (Note1)	Reference (Note2)	
				For the year ended March 31, 2016	Year-on-year change
Operating income (revenue)	7,901 [644.4]	6,291 [544.0]	+ 1,609 [+ 100.3]	8,397 [742.6]	(496) [(98.2)]
Operating expenses	7,831 [638.7]	6,092 [526.8]	+ 1,739 [+ 111.9]	8,132 [719.2]	(300) [(80.4)]
Net operating income (EBIT)	69 [5.6]	199 [17.2]	(130) [(11.5)]	266 [23.5]	(196) [(17.8)]

Trends of Net Operating Income (EBIT) by Business

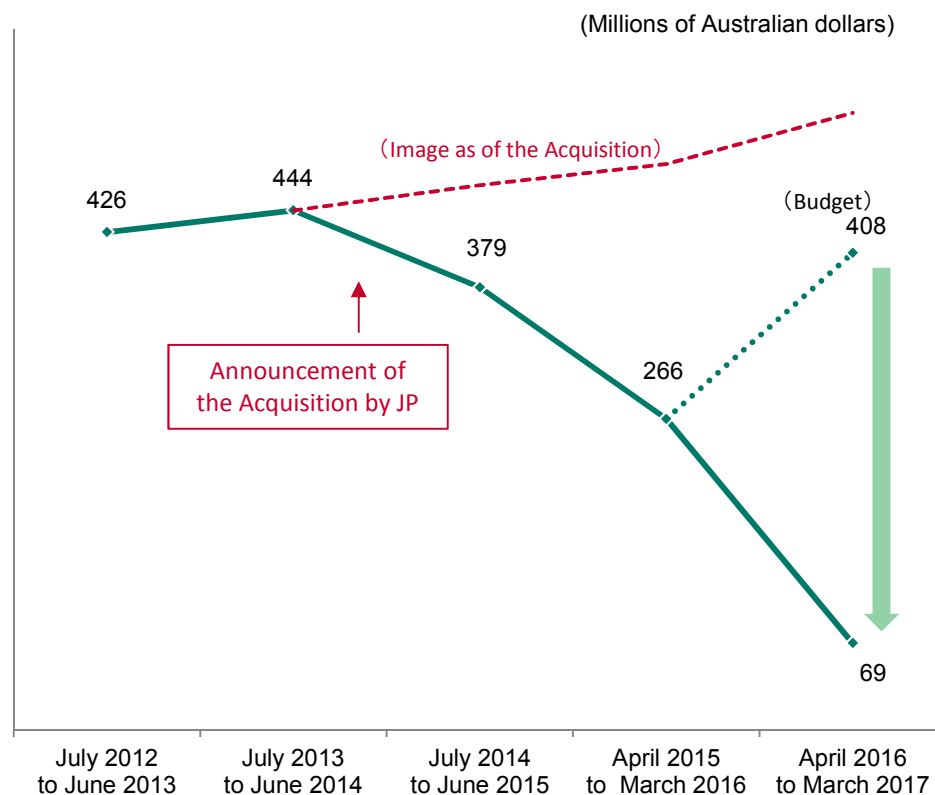


Notes: 1. Net operating income is presented as EBIT. Figures in square brackets are presented in billions of yen (Average exchange rate for the year ended March 31, 2017: ¥81.56 to A\$1.00 and for the nine-month period from July 2015 to March 2016: ¥86.47 to A\$1.00).

2. Figures under "Reference" are indicated for referential purposes only because financial results of Toll has been included in the consolidated figures of Japan Post Group from July 2015 (Average exchange rate for the year ended March 31, 2016: ¥88.44 to A\$1.00).

Japan Post Co.(Consolidated) [International Logistics Business]: Recognition of Goodwill and Impairment Test

Historical Net Operating Income (EBIT) of Toll



Background to the Recognition of Impairment Losses

- Upon JP's acquisition of Toll in May 2015, goodwill etc. amounting to A\$5,276 million (¥504.8 billion) were recognized. Amortization of goodwill etc. of A\$267 million (¥21.8 billion) per year was expected for the next 20 years.
- Toll's net operating income for the year ended March 31, 2017 was significantly lower than the previous fiscal year's, reflecting the sharp fall in commodity prices and the slowdown in the Australian and Chinese economies.
- Toll Group's new management team, effective from January 2017, has been building a sound foundation mainly through cost reduction measures including reducing headcount and unification of divisions for the improvement of Toll's financial results and future growth.
- As a result of an impairment test based on the latest forecasts, impairment losses of ¥392.3 billion for all balance of goodwill etc. and ¥8.0 billion for tangible fixed assets (total ¥400.3 billion) are recorded as an extraordinary loss for the fiscal year ended March 31, 2017.

Item	Amount
Total Impairment Loss	¥400.3 billion [A\$4,908 million]
Goodwill (Total Residual Book Value)	¥368.2 billion [A\$4,514 million]
Trademark Rights (Total Residual Book Value)	¥24.1 billion [A\$295 million]
Tangible Fixed Assets	¥8.0 billion [A\$98 million]

Japan Post Co. (Consolidated): Financial Highlights

Operating income, net operating income and net ordinary income increased for the fiscal year ended March 31, 2017. However, a net loss was posted for the first time since the merger between Japan Post Service Co. and Japan Post Network Co., due to the impairment losses of goodwill, etc. related to Toll.

- In the postal and domestic logistics business, operating income remained nearly at the same level as the previous fiscal year, and net operating income increased by ¥1.7 billion year-on-year to ¥12.0 billion mainly due to a decrease in personnel expenses.
- In the post office business, net operating income increased by ¥24.0 billion year-on-year to ¥63.3 billion, as performance remained strong due to an increase in commissions for business consignment due to an increase in new policy sales at Japan Post Insurance.
- The international logistics business was stagnant mainly due to factors including the impact of a delay in economic recovery in the resource-related sector in Australia. Impairment losses on goodwill, etc. were recognized.

Results of Operations for the Fiscal Year Ended March 31, 2017

(Billions of yen)

Item	Japan Post Co. (Consolidated)	Year-on-year change	Postal and domestic logistics business	Year-on-year change	Post office business	Year-on-year change	International logistics business	(Note3) Year-on-year change
Operating income	3,758.9	+ 120.1	1,929.9	+ 0.4	1,386.4	+ 26.1	644.4	+ 100.3
Operating expenses	3,705.5	+ 105.7	1,917.8	(1.2)	1,323.1	+ 2.0	638.7	+ 111.9
Personnel expenses	2,367.8	+ 34.1	1,230.9	(3.1)	924.6	(2.8)	212.2	+ 40.1
Other expenses	(Note1) 1,337.7	+ 71.6	686.9	+ 1.8	398.4	+ 4.9	426.5	+ 71.7
Net operating income	53.4	+ 14.3	12.0	+ 1.7	63.3	+ 24.0	5.6	(11.5)
Net ordinary income	52.2	+ 9.8						
Extraordinary gains (losses)	(Note2) (437.1)	(449.5)						
Loss before income taxes	(384.8)	(439.6)						
Net loss	(385.2)	(432.4)						

- Notes:
1. Includes amortization of goodwill, etc. in connection with the acquisition of Toll, which is ¥21.8 billion.
 2. Includes impairment losses on all balance of goodwill, etc. of ¥392.3 billion and tangible fixed assets of ¥8.0 billion (Total ¥400.3 billion) related to Toll.
 3. Year-on-year change for the international logistics business is a comparison with the figures for the nine-month period from July 2015 to March 2016 because financial results of Toll has been included in the consolidated figures of Japan Post Group from July 2015.

Japan Post Bank: Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2017

(Billions of yen)

	As of / for the fiscal year ended		Year-on-year change
	Mar. 31, 2017	Mar. 31, 2016	
Gross operating profit	1,410.2	1,452.0	(41.8)
Net interest income	1,223.5	1,361.0	(137.5)
Net fees and commissions	86.6	91.1	(4.5)
Net other operating income	100.0	(0.1)	+ 100.2
General and administrative expenses (Note1)	1,056.1	1,066.1	(10.0)
Provision for general reserve for possible loan losses	(0.0)	-	(0.0)
Net operating profit	354.0	385.8	(31.7)
Non-recurring gains (losses)	87.9	96.1	(8.1)
Net ordinary income	442.0	481.9	(39.9)
Net income	312.2	325.0	(12.8)
Ordinary income	1,897.2	1,968.9	(71.7)
Ordinary expenses	1,455.1	1,486.9	(31.7)
Deposits (Note2)	179,434.6	177,871.9	+ 1,562.6
Capital adequacy ratio (non-consolidated, domestic standard)	22.22%	26.38%	(4.16)%

Overview

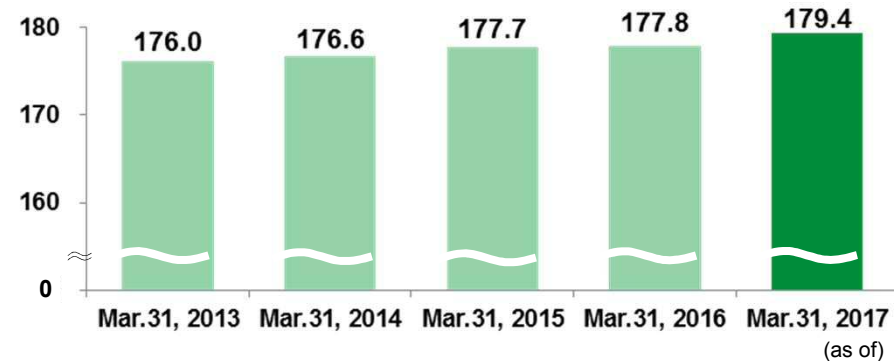
- Gross operating profit for the fiscal year ended March 31, 2017 decreased by ¥41.8 billion year-on-year to ¥1,410.2 billion. Of which, net interest income decreased by ¥137.5 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions decreased by ¥4.5 billion year-on-year. Meanwhile, net other operating income increased by ¥100.2 billion year-on-year mainly due to an increase in gains (losses) on foreign exchange transactions.
- General and administrative expenses decreased by ¥10.0 billion year-on-year to ¥1,056.1 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit decreased by ¥31.7 billion year-on-year to ¥354.0 billion.
- Non-recurring gains (losses) decreased by ¥8.1 billion year-on-year mainly due to a decrease in gains (losses) on money held in trust and net ordinary income decreased by ¥39.9 billion year-on-year to ¥442.0 billion.
- Net income decreased by ¥12.8 billion year-on-year to ¥312.2 billion, which achieved 104.0% of the financial results forecast of ¥300.0 billion for the fiscal year ended March 31, 2017, more or less as planned.
- Deposits as of March 31, 2017 amounted to ¥179,434.6 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of March 31, 2017 was 22.22%.

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

Japan Post Bank: Business Results

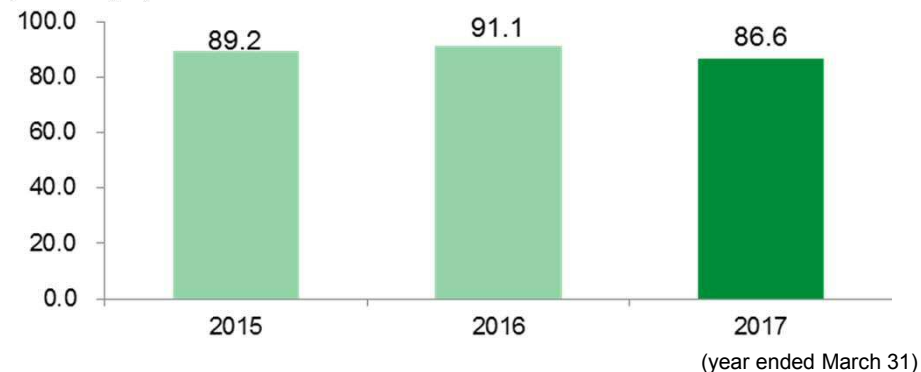
Deposit Balance

(Trillions of yen)



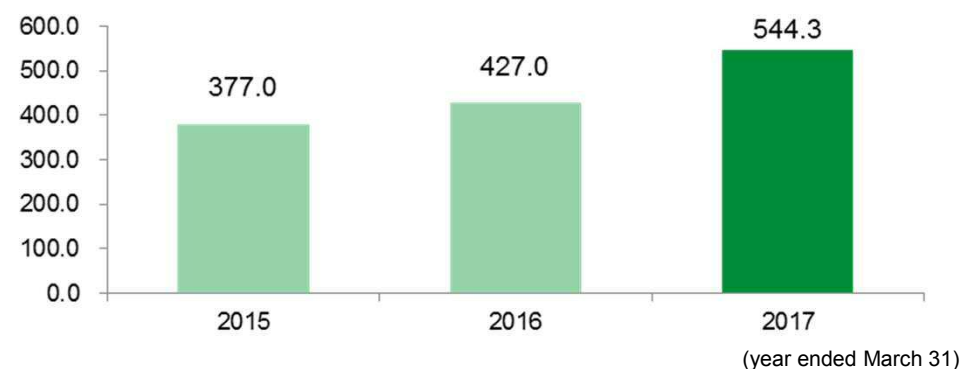
Net Fees and Commissions

(Billions of yen)



Investment Trust Sales

(Billions of yen)



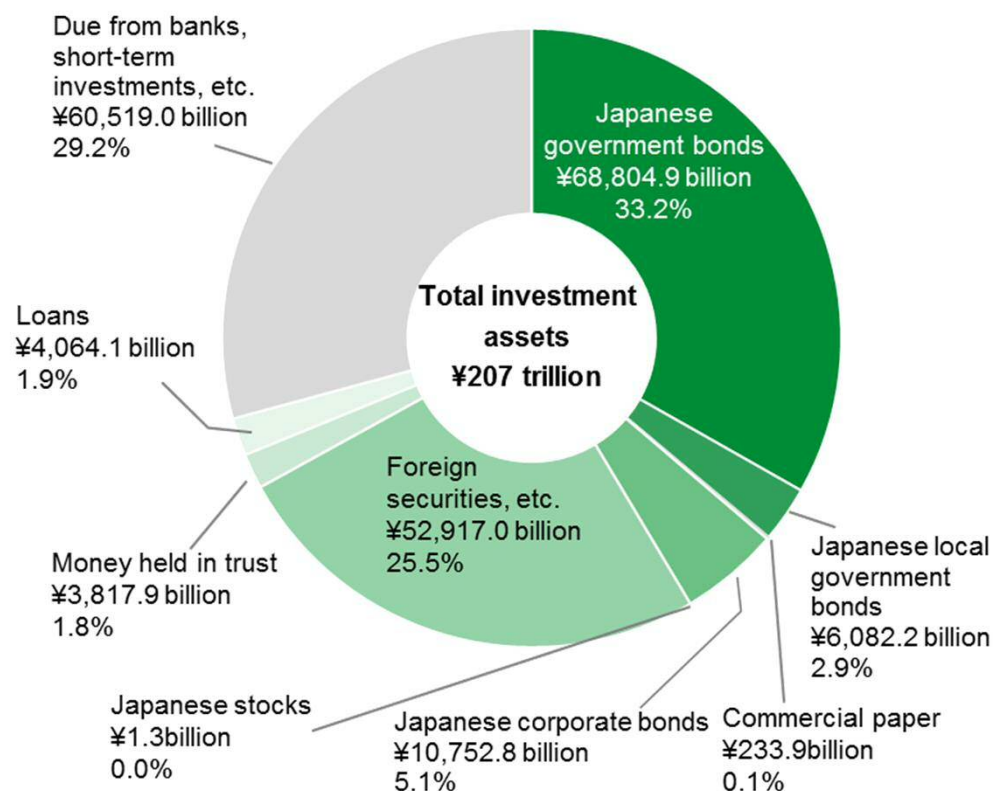
Variable Annuity Insurance Sales

(Billions of yen)



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

Japan Post Bank: Status of Investment Assets



(Billions of yen)

Type	As of Mar. 31, 2017	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	4,064.1	1.9	2,542.0	1.2
Securities	138,792.4	66.9	144,076.8	70.3
Japanese government bonds	68,804.9	33.2	82,255.6	40.1
Japanese local government bonds	6,082.2	2.9	5,856.5	2.8
Commercial paper	233.9	0.1	204.9	0.1
Japanese corporate bonds	10,752.8	5.1	10,362.7	5.0
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	52,917.0	25.5	45,395.5	22.1
Money held in trust	3,817.9	1.8	3,561.1	1.7
Due from banks, short - term investments, etc. (Note)	60,519.0	29.2	54,696.6	26.6
Total investment assets	207,193.4	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.

Japan Post Insurance (Consolidated): Financial Highlights

Results of Operations for the Fiscal Year Ended March 31, 2017

(Billions of yen, number of policies in thousands)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2017	Mar. 31, 2016	
Core profit (non-consolidated)	390.0	464.2	(74.2)
Ordinary income	8,659.4	9,605.7	(946.2)
Ordinary expenses	8,379.6	9,194.2	(814.5)
Ordinary profit	279.7	411.5	(131.7)
Net income	88.5	84.8	+ 3.6
Number of new policies (individual insurance)	2,440	2,390	+ 40
Annualized premiums from new policies (individual insurance)	507.9	485.3	+ 22.6
	As of		Year-on-year change
	Mar. 31, 2017	Mar. 31, 2016	
Number of policies in force (including Postal Life Insurance Policies)	31,560	32,320	(760)
Solvency margin ratio (consolidated)	1,290.6%	1,570.3%	(279.7)%
Real net assets (consolidated)	12,763.1	14,649.5	(1,886.4)

Overview

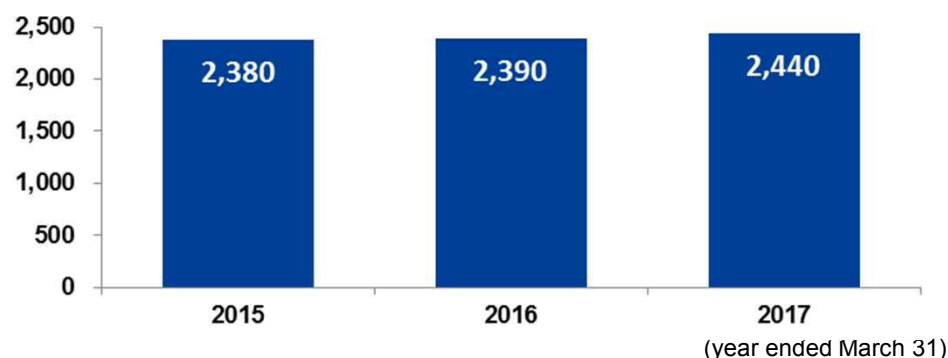
- Core profit (non-consolidated) for the fiscal year ended March 31, 2017 decreased by ¥74.2 billion year-on-year to ¥390.0 billion mainly due to a decrease in the number of policies in force. Net income increased by ¥3.6 billion year-on-year to ¥88.5 billion, and achieved 103.0% of the financial results forecast for the fiscal year ended March 31, 2017.
- Annualized premiums from new policies for individual insurance increased by 4.7% year-on-year to ¥507.9 billion. Annualized premiums from new policies for medical care increased by 12.4% year-on-year to ¥55.7 billion.
- There were 31,560 thousand policies in force (including Postal Life Insurance Policies), a decrease of 760 thousand policies from the end of the previous fiscal year.
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,042.7 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,290.6% and real net assets (consolidated) amounted to ¥12,763.1 billion, continuously maintaining a high level of financial soundness.

Notes: 1. "Postal Life Insurance Policies" shows contracts reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.
2. Number of policies is rounded down to the nearest ten thousand.

Number of Policies

New Policies (Individual Insurance)

(Policies in thousands)



Policies in Force (Individual Insurance)

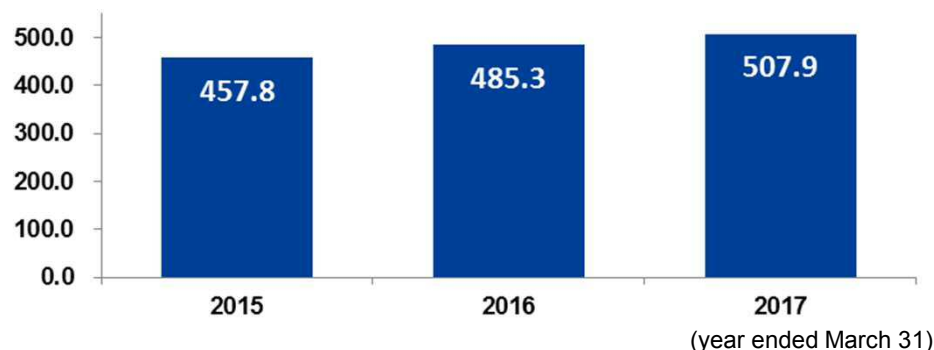
(Policies in thousands)



Annualized Premiums

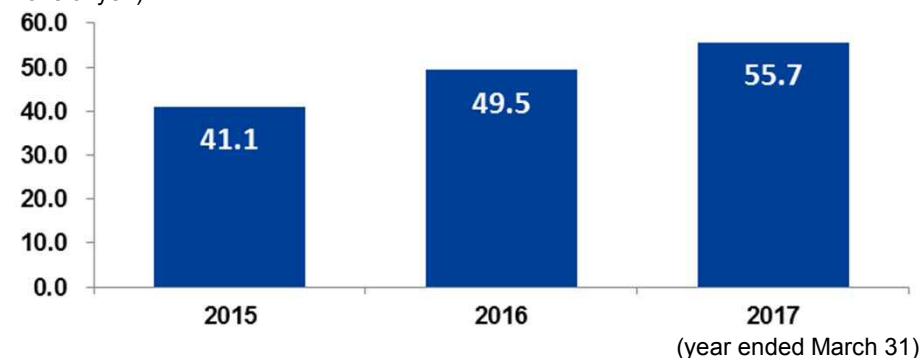
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



Annualized Premiums from New Policies (Medical Care)

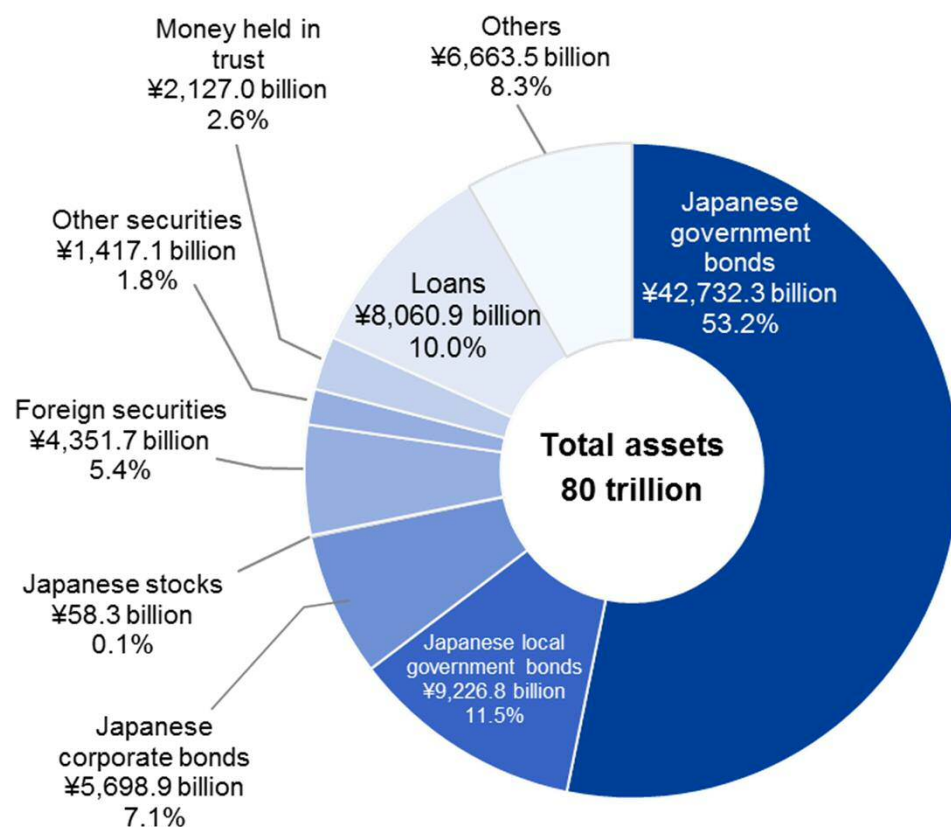
(Billions of yen)



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.

Japan Post Insurance (Consolidated): Status of Investment Assets



(Billions of yen)

Type	As of Mar. 31, 2017	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	8,060.9	10.0	8,978.4	11.0
Securities	63,485.2	79.0	63,609.9	78.0
Japanese government bonds	42,732.3	53.2	44,178.6	54.2
Japanese local government bonds	9,226.8	11.5	9,405.4	11.5
Japanese corporate bonds	5,698.9	7.1	6,236.9	7.6
Japanese stocks	58.3	0.1	-	-
Foreign securities	4,351.7	5.4	3,688.8	4.5
Other securities	1,417.1	1.8	100.0	0.1
Money held in trust	2,127.0	2.6	1,644.5	2.0
Others	6,663.5	8.3	7,312.2	9.0
Total assets	80,336.7	100.0	81,545.1	100.0

Japan Post Holdings:

Financial Results Forecast for the Fiscal Year Ending March 31, 2018



(Billions of yen)

	Net Ordinary Income	Year-on-year change (for the fiscal year ended March 31, 2017)	Net Income	Year-on-year change (for the fiscal year ended March 31, 2017)	Key Initiatives for the Fiscal Year Ending March 31, 2018
Japan Post Holdings (Consolidated)	780.0	(15.2)	400.0 [450.0]	+ 428.9 [+ 434.2]	<ul style="list-style-type: none"> ■ Enhancing Group corporate value
Japan Post Co. (Consolidated)	18.0	(34.2)	13.0	+ 398.2	<ul style="list-style-type: none"> ■ Providing stable services by revising postage fees ■ Increasing income from Yu-Pack, Yu-Packet, etc., such as by promoting highly convenient services for receiving parcels ■ Improving productivity through cost control ■ Strengthening employee sales capabilities in cooperation with Japan Post Bank and Japan Post Insurance ■ Recovering performance at Toll by implementing measures to improve management
Japan Post Bank	490.0	+ 47.9	350.0	+ 37.7	<ul style="list-style-type: none"> ■ Expanding sales of investment trusts and strengthening the commissions businesses by enhancing the settlement business, etc. ■ Pursuing cooperation with regional financial institutions through participating in regional revitalization funds and other measures ■ Promoting internationally diversified investment based on appropriate risk management
Japan Post Insurance (Consolidated)	250.0	(29.7)	86.0	(2.5)	<ul style="list-style-type: none"> ■ Practicing courteous solicitation activities based on customer-first business operations ■ Strengthening sales focusing on security and launching new products (revision of hospitalization rider, etc.) ■ Diversifying investment (investment in new fields, etc.)

	Net Operating Income	Year-on-year change (for the fiscal year ended March 31, 2017)
Japan Post Co. (Consolidated)	19.0	(34.4)
Postal and Domestic Logistics Business	2.0	(10.0)
Post Office Business	12.0	(51.3)
International Logistics Business	7.0	+ 1.3

- Notes: 1. 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.
2. Net income of Japan Post Holdings (consolidated) is calculated based on the current ratio of voting rights to two financial subsidiaries by Japan Post Holdings of approximately 89%. Figures in square brackets below include net income attributable to non-controlling interests.

Japan Post Holdings: Information Concerning Dividends

- Japan Post Holdings aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, until the year ending March 31, 2018, Japan Post Holdings intends to sustain stable dividends per share, while maintaining a consolidated dividend payout ratio of roughly 50% or higher.

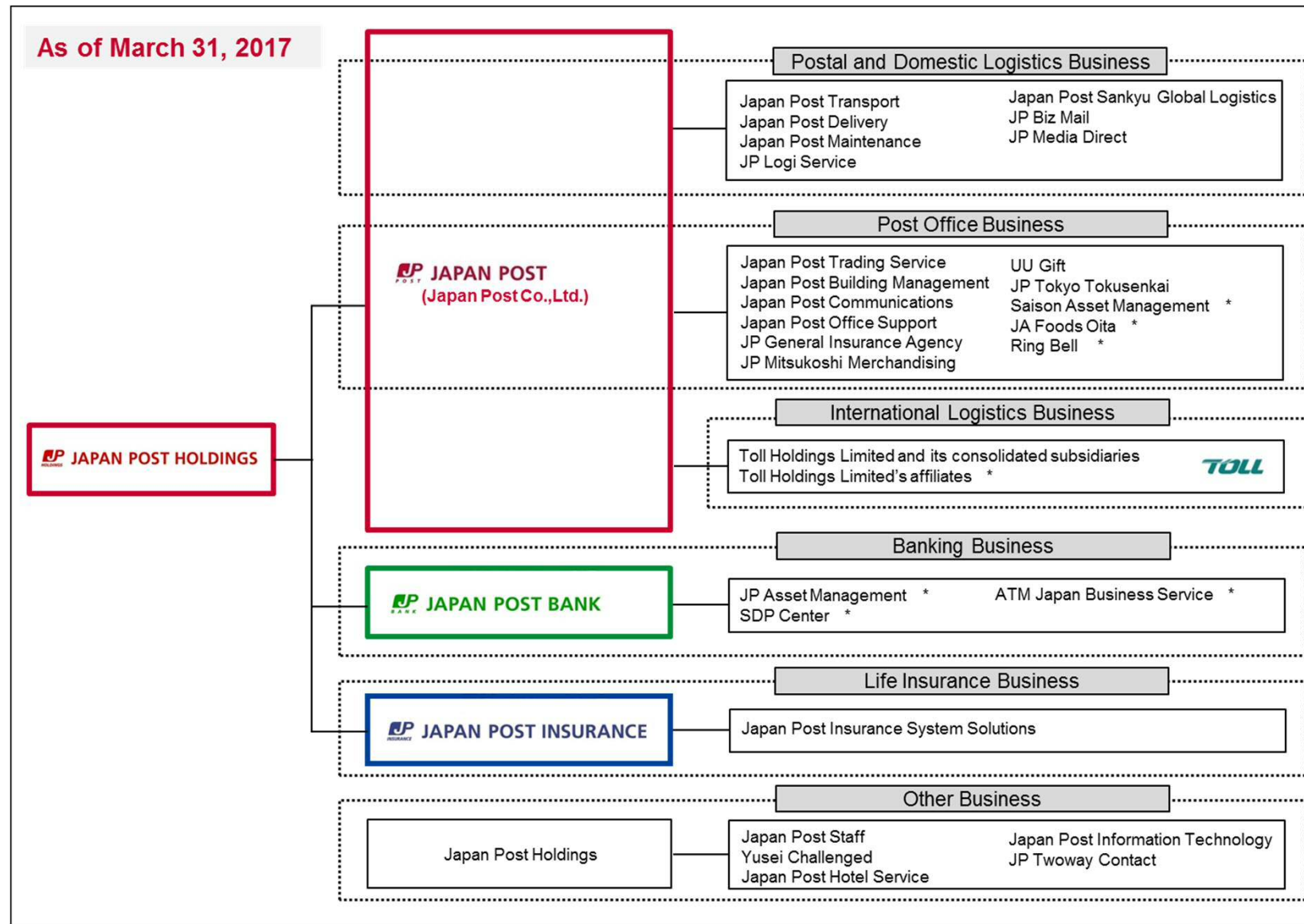
	For the fiscal year ended March 31, 2017					For the fiscal year ending March 31, 2018			
	Dividend per share	Dividend payout ratio	Interim dividends	Year-end dividends		Dividend per share (forecast)	Dividend payout ratio (forecast)	Interim dividends	Year-end dividends
Japan Post Holdings	50 Yen	—	25 Yen	25 Yen		50 Yen	51.5%	25 Yen	25 Yen

(Note) In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from retained earnings or other appropriation of retained earnings (excluding disposition of loss) of Japan Post Holdings shall not be effective without the approval of the Minister for Internal Affairs and Communications.

(Two Financial Subsidiaries)

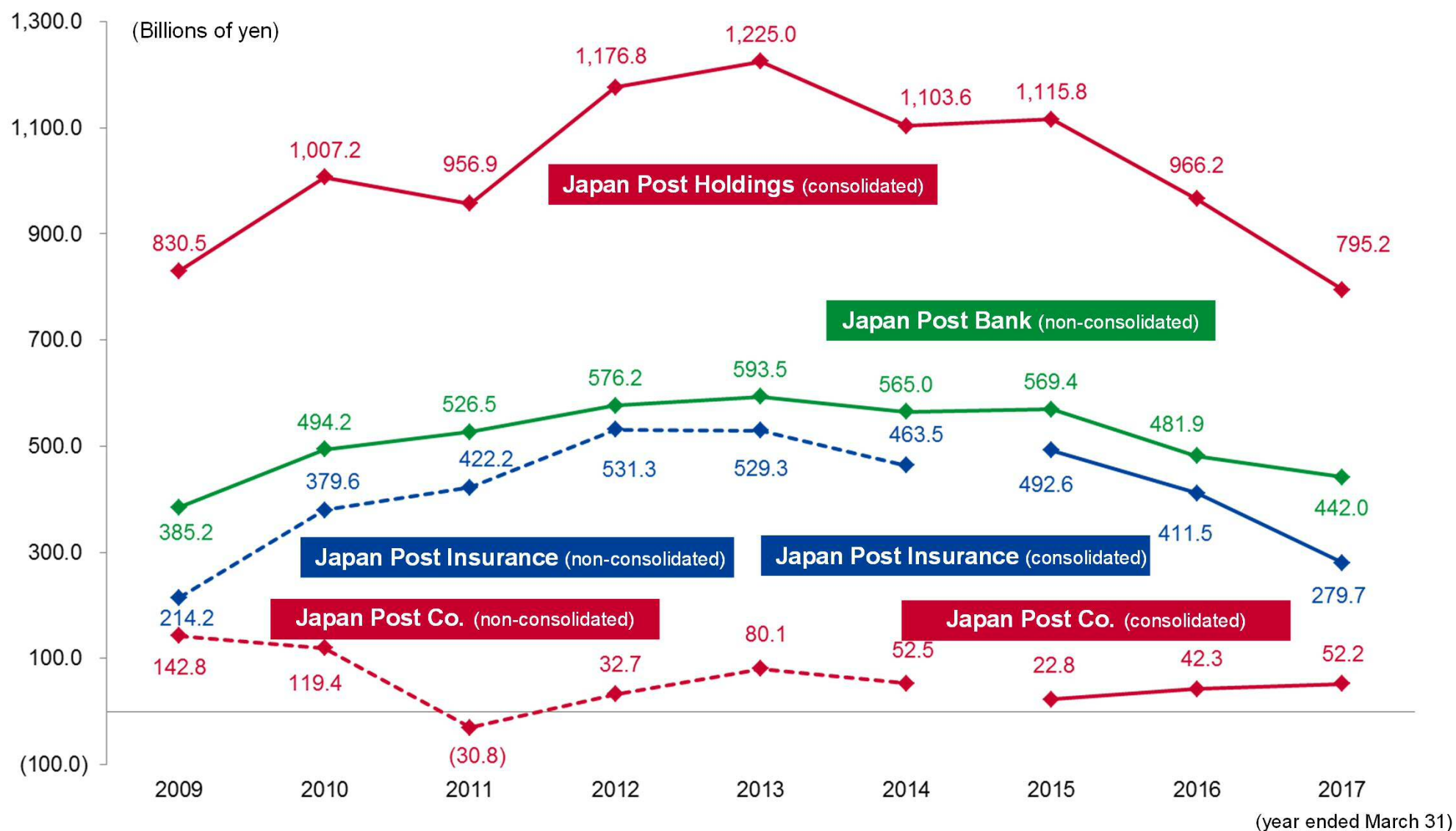
Japan Post Bank	50 Yen	60.0%	25 Yen	25 Yen	50 Yen	53.5%	25 Yen	25 Yen
Japan Post Insurance	60 Yen	40.6%	—	60 Yen	64 Yen	44.6%	—	64 Yen

[Appendix 1] Japan Post Holdings: Organization Chart



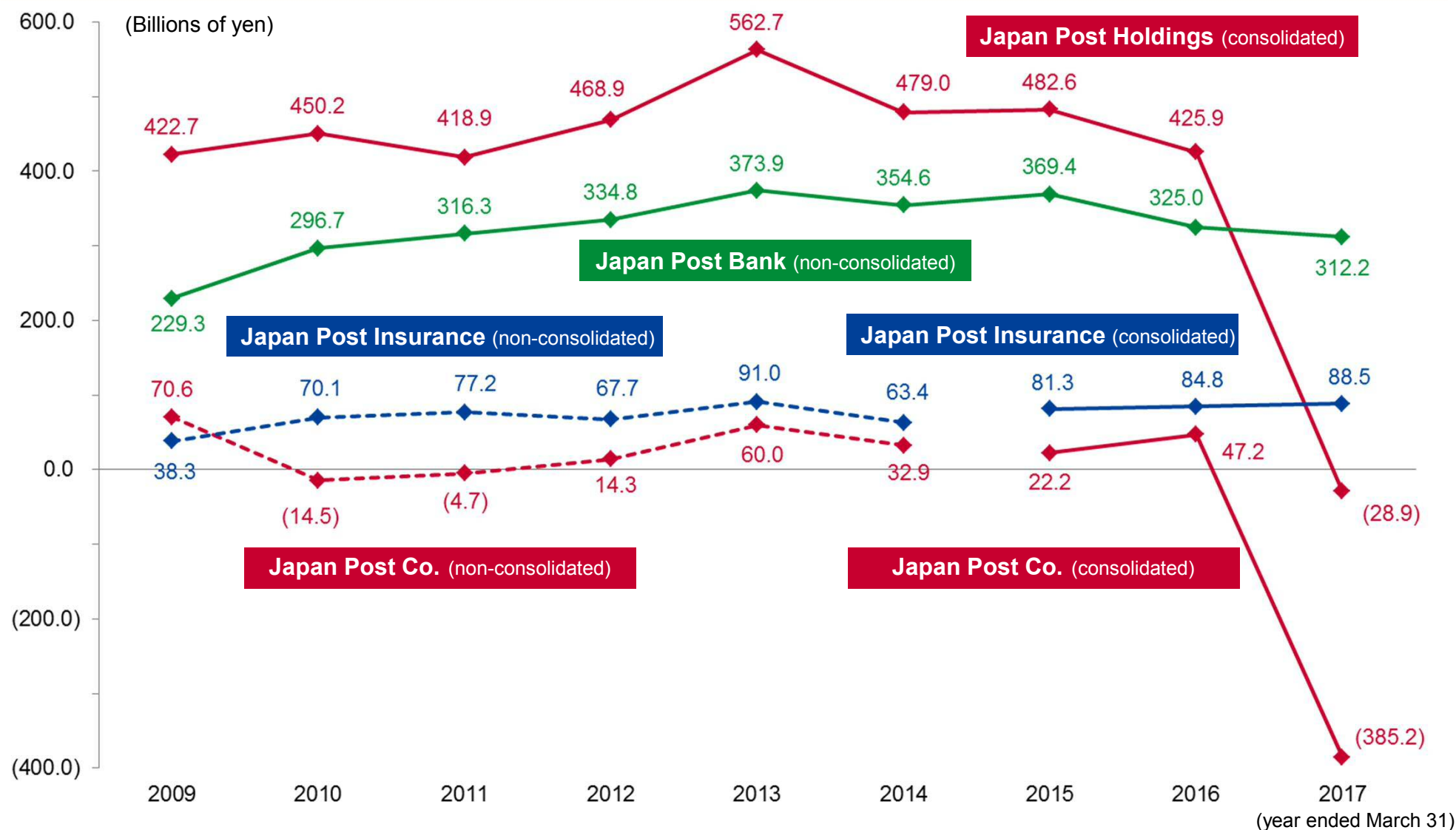
* Affiliates accounted for by the equity method.

[Appendix 2] Trends of Net Ordinary Income (Loss)



Note: Net ordinary income (loss) of Japan Post Co. (non-consolidated) has been derived from net ordinary income (loss) of Japan Post Service Co. and Japan Post Network Co. up to the fiscal year ended March 31, 2013.

[Appendix 3] Trends of Net Income (Loss)



Notes: 1. From the fiscal year ended March 31, 2016, the amount of net income (loss) attributable to Japan Post Holdings, net income (loss) attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

2. Net income (loss) of Japan Post Co. (non-consolidated) has been derived from net income (loss) of Japan Post Service Co. and Japan Post Network Co. up to the fiscal year ended March 31, 2013.

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.