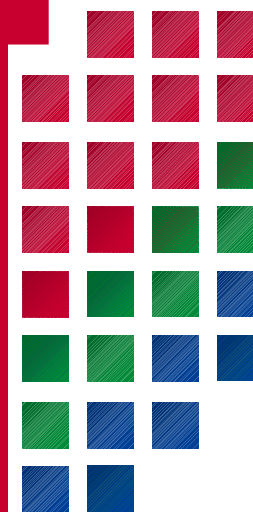


**Financial Highlights  
for the Nine Months Ended December 31, 2017**

**February 14, 2018**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Nine Months Ended December 31, 2017

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>9,736.0</b>	2,930.7	1,537.6	5,995.1
<b>Year-on-year (for the nine months ended Dec. 31, 2016) change</b>	<b>(253.5)</b> <b>(2.5)%</b>	+ 98.6 + 3.5%	+ 131.7 + 9.3%	(502.9) (7.7)%
<b>Net ordinary Income</b>	<b>737.6</b>	73.9	397.9	254.8
<b>Year-on-year (for the nine months ended Dec. 31, 2016) change</b>	<b>+ 156.6</b> <b>+ 27.0%</b>	+ 41.8 + 130.8%	+ 85.4 + 27.3%	+ 34.3 + 15.6%
<b>Net income</b>	<b>375.2</b>	66.5	282.0	75.0
<b>Year-on-year (for the nine months ended Dec. 31, 2016) change</b>	<b>+ 78.5</b> <b>+ 26.5%</b>	+ 35.6 + 115.5%	+ 59.1 + 26.5%	+ 6.9 + 10.3%

## ■ Forecast for the Fiscal Year Ending March 31, 2018 (Announced in May 2017)

<b>Net ordinary income</b>	780.0	18.0	490.0	250.0
[percentage achievement]	[94.6%]	[410.7%]	[81.2%]	[102.0%]
<b>Net income</b>	400.0	13.0	350.0	86.0
[percentage achievement]	[93.8%]	[511.6%]	[80.5%]	[87.2%]

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.

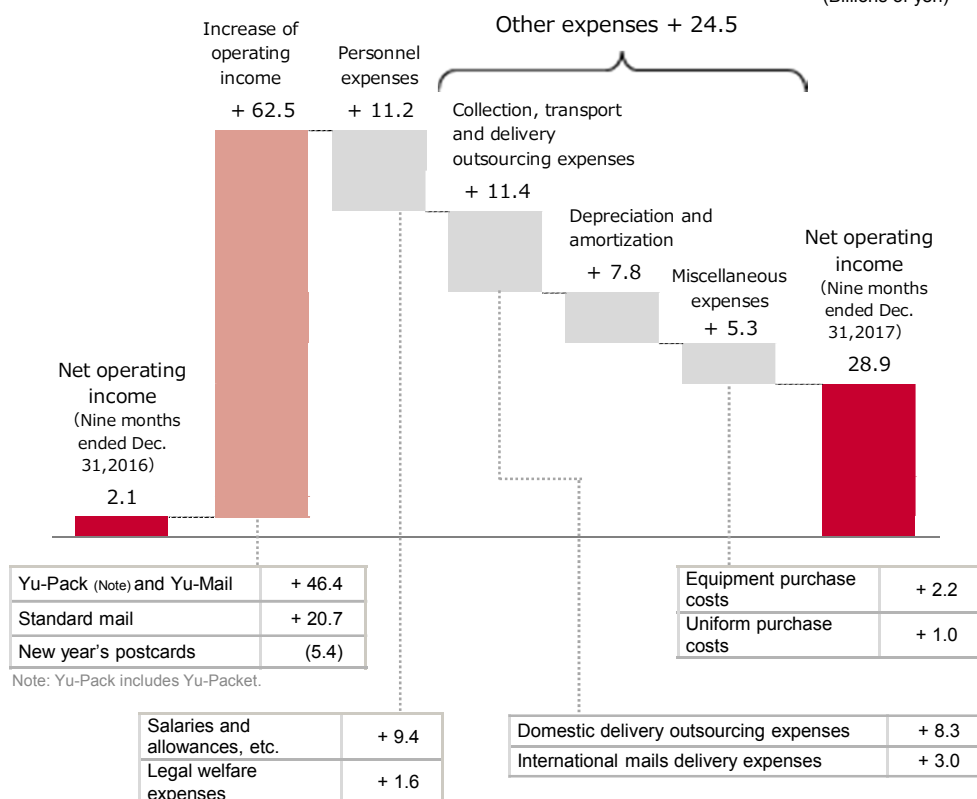
# Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Financial Results



- Revenue growth was driven by a continuous increasing trend in volume of Yu-Pack and Yu-Packet handled (25.0% increase year-on-year) as a result of the vitalization of the Electronic Commerce market.
- Operating income from standard mail increased as affected by the revision in postage fees. Meanwhile, operating income from new year's postcards decreased.
- Net operating income rose by ¥26.7 billion year-on-year to ¥28.9 billion due to a rise in operating income exceeding an increase in expenses such as personnel expenses and collection, transport and delivery outsourcing expenses owing to an increase in volume of Yu-Pack and Yu-Packet handled.

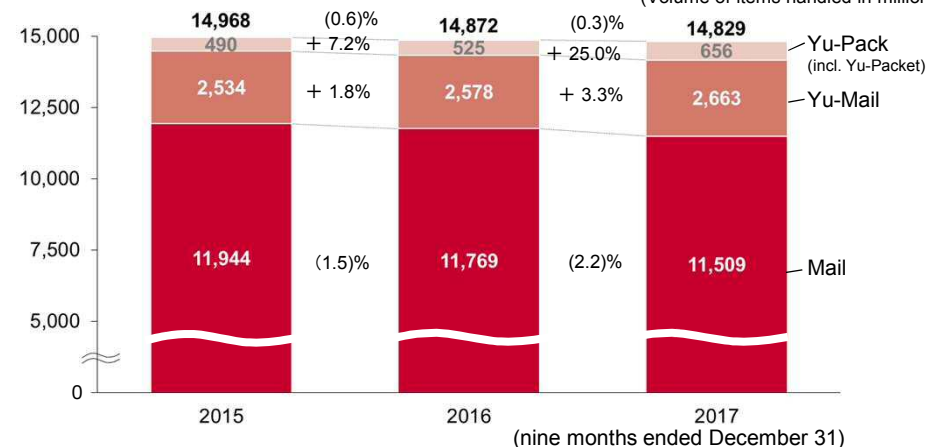
## Analysis of Year-on-year Change

(Billions of yen)



## Trends in Volume of Items Handled

(Volume of items handled in millions)



## Results of Operations for the Nine Months Ended December 31, 2017

(Billions of yen)

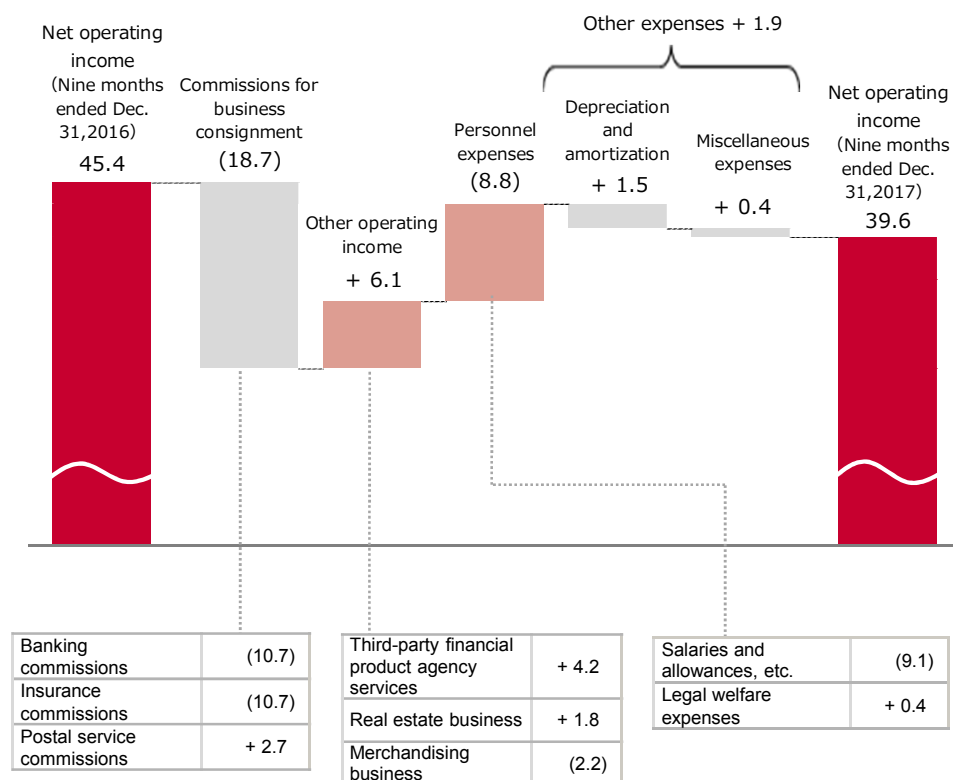
	For the nine months ended Dec. 31, 2017	For the nine months ended Dec. 31, 2016	Year-on-year change
Operating income	1,510.6	1,448.0	+ 62.5
Operating expenses	1,481.6	1,445.8	+ 35.8
Personnel expenses	939.8	928.6	+ 11.2
Other expenses	541.8	517.2	+ 24.5
Net operating income	28.9	2.1	+ 26.7

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

- Both banking and insurance commissions decreased mainly due to a decline in the number of money transfers or settlements and a fall in new policy sales at Japan Post Insurance.
- Operating income from third-party financial product agency services expanded thanks to an increase in sales mainly in medical care. Real estate business is growing steadily mainly due to an increase in operating income from JP TOWER NAGOYA.
- Net operating income fell by ¥5.7 billion year-on-year to ¥39.6 billion despite a drop in personnel expenses resulting from a decrease in new policy sales at Japan Post Insurance and various measures to improve efficiency as well as efforts to reduce other expenses.

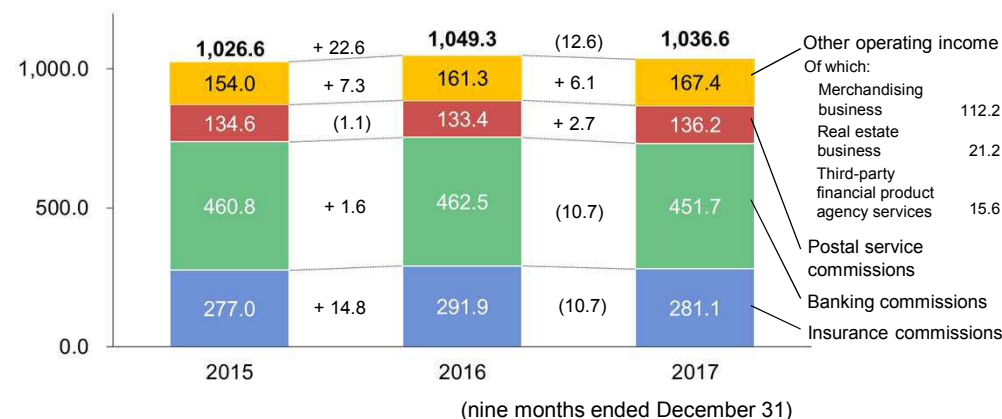
## Analysis of Year-on-year Change

(Billions of yen)



## Trends in the Earnings Structure

(Billions of yen)



## Results of Operations for the Nine Months Ended December 31, 2017

(Billions of yen)

	For the nine months ended Dec. 31, 2017	For the nine months ended Dec. 31, 2016	Year-on-year change
Operating income	1,036.6	1,049.3	(12.6)
Operating expenses	996.9	1,003.8	(6.9)
Personnel expenses	693.3	702.1	(8.8)
Other expenses	303.6	301.6	+ 1.9
Net operating income	39.6	45.4	(5.7)

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

- Operating income increased by A\$218 million year-on-year owing to the increase in operating income mainly in the Global Logistics business. (¥54.3 billion increase in Japanese yen terms, helped by the Japanese yen depreciation)
- Net operating income (EBIT) for the last quarter from October to December 2017 was A\$66 million, exceeding Q3 in the previous fiscal year as well as Q2 in this fiscal year. EBIT for the nine months ended December 31, 2017 was A\$100 million, representing an increase of A\$17 million year-on-year.
- EBIT increased along with operating income year-on-year. We expect to sustain our upward trend and we will continue to exert our efforts on the Transformation plan.

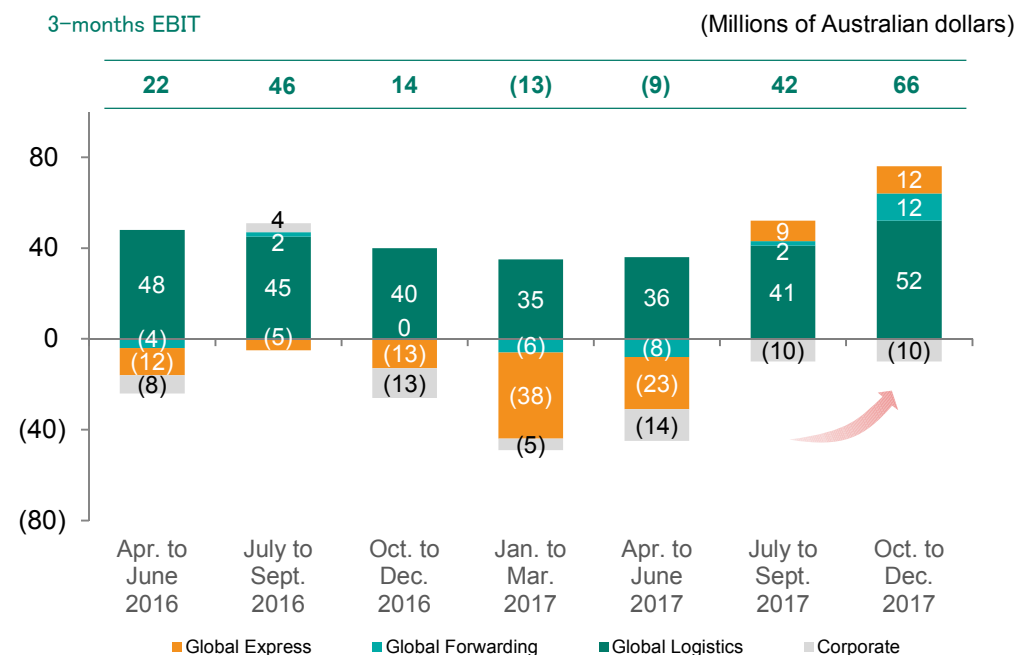
## Results of Operations for the Nine Months Ended December 31, 2017

	(Millions of Australian dollars) [Billions of yen]		
	For the nine months ended Dec. 31, 2017	For the nine months ended Dec. 31, 2016	Year-on-year change
Operating income (revenue)	<b>6,206</b> [533.5]	5,988 [479.1]	+ 218 [+ 54.3]
Operating expenses	<b>6,106</b> [524.8]	5,905 [472.5]	+ 201 [+ 52.3]
Net operating income (EBIT) (Note 1)	<b>100</b> [8.6]	83 [6.6]	+ 17 [+ 1.9]

Notes: 1. Net operating income is presented as EBIT of Toll. Figures in square brackets are presented in billions of yen (Average exchange rate for the nine months ended December 31, 2017: ¥85.96 to A\$1.00 and for the nine months ended December 31, 2016: ¥80.02 to A\$1.00).

2. In line with Toll's re-organization of its divisional structure from July 2017, the figures of each division prior to the re-organization were recalculated according to the current divisional structure. The names of each division were changed accordingly.

## Quarterly Trends in Net Operating Income (Loss) (EBIT)



# Japan Post Co. (Consolidated): Financial Highlights

Operating income increased by ¥99.9 billion year-on-year to ¥2,926.6 billion. Net operating income rose by ¥41.6 billion year-on-year to ¥75.1 billion. Net income increased by ¥35.6 billion year-on-year to ¥66.5 billion.

- In the postal and domestic logistics business, net operating income grew owing to an increase in operating income exceeding a rise in expenses such as personnel expenses and collection, transport and delivery outsourcing expenses driven by a continuous increasing trend in volume of Yu-Pack and Yu-Packet handled.
- In the post office business, operating income and net operating income decreased due to a fall in commissions from Japan Post Bank and Japan Post Insurance. Operating income from third-party financial product agency services expanded thanks to an increase in sales mainly in medical care, and real estate business is growing steadily.
- In the international logistics business, operating income and net operating income increased both for the three months and for the nine months ended December 31, 2017, and upward trend is continuing.

## Results of Operations for the Nine Months Ended December 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	Year-on-year change
Operating income	<b>2,926.6</b>	+ 99.9	1,510.6	+ 62.5	1,036.6	(12.6)	533.5	+ 54.3
Operating expenses	<b>2,851.5</b>	+ 58.3	1,481.6	+ 35.8	996.9	(6.9)	524.8	+ 52.3
Personnel expenses	<b>1,800.7</b>	+ 11.6	939.8	+ 11.2	693.3	(8.8)	167.5	+ 9.2
Other expenses	<b>1,050.8</b>	(Note) + 46.7	541.8	+ 24.5	303.6	+ 1.9	357.3	+ 43.0
Net operating income	<b>75.1</b>	+ 41.6	28.9	+ 26.7	39.6	(5.7)	8.6	+ 1.9
Net ordinary income	<b>73.9</b>	+ 41.8						
Extraordinary gains (losses)	<b>1.3</b>	(3.0)						
Income before income taxes	<b>75.2</b>	+ 38.8						
Net income	<b>66.5</b>	+ 35.6						

Note: Amortization of goodwill, etc. in connection with the acquisition of Toll (¥15.9 billion) was recognized for the nine months ended December 31, 2016.

# Japan Post Bank: Financial Highlights

## Results of Operations for the Nine Months Ended December 31, 2017

(Billions of yen)

	As of / for the nine months ended		Year-on-year change
	Dec. 31, 2017	Dec. 31, 2016	
Gross operating profit	<b>1,162.2</b>	1,069.1	+ 93.1
Net interest income	<b>912.8</b>	961.4	(48.6)
Net fees and commissions	<b>72.5</b>	65.8	+ 6.6
Net other operating income (loss)	<b>176.9</b>	41.8	+ 135.1
General and administrative expenses (Note1)	<b>785.5</b>	796.1	(10.5)
Provision for general reserve for possible loan losses	<b>0.0</b>	0.0	+ 0.0
Net operating profit	<b>376.6</b>	272.9	+ 103.7
Non-recurring gains (losses)	<b>21.2</b>	39.6	(18.3)
Net ordinary income	<b>397.9</b>	312.5	+ 85.4
Net income	<b>282.0</b>	222.9	+ 59.1
Ordinary income	<b>1,537.6</b>	1,405.9	+ 131.7
Ordinary expenses	<b>1,139.7</b>	1,093.3	+ 46.3
Deposits (Note2)	<b>181,060.8</b>	180,082.8	+ 977.9
Capital adequacy ratio (non-consolidated, domestic standard)	<b>18.29%</b>	22.22%	(3.93)%

## Overview

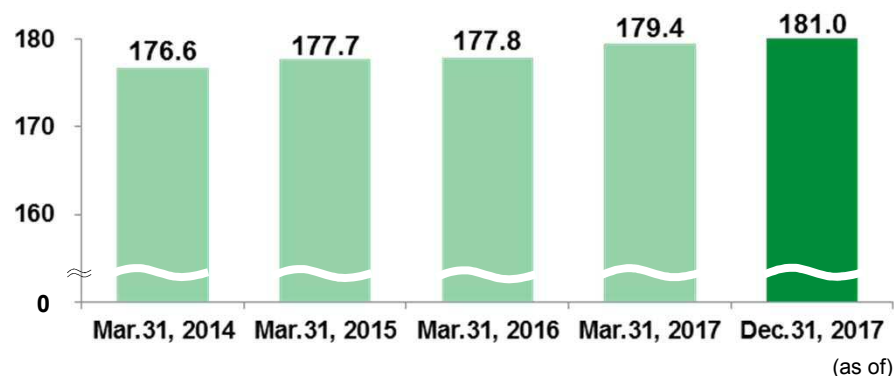
- Gross operating profit for the nine months ended December 31, 2017 increased by ¥93.1 billion year-on-year to ¥1,162.2 billion. Of which, net interest income decreased by ¥48.6 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Meanwhile, net fees and commissions increased by ¥6.6 billion year-on-year. Net other operating income (loss) increased by ¥135.1 billion year-on-year mainly owing to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses decreased by ¥10.5 billion year-on-year to ¥785.5 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit increased by ¥103.7 billion year-on-year to ¥376.6 billion.
- Non-recurring gains (losses) decreased by ¥18.3 billion year-on-year mainly owing to a decrease in gains (losses) on money held in trust and net ordinary income increased by ¥85.4 billion year-on-year to ¥397.9 billion.
- Net income increased by ¥59.1 billion year-on-year to ¥282.0 billion, achieving 80.5% of the financial results forecast of ¥350.0 billion for the fiscal year ending March 31, 2018, more or less as planned.
- Deposits as of December 31, 2017 amounted to ¥181,060.8 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of December 31, 2017 was 18.29%.

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

# Japan Post Bank: Business Results

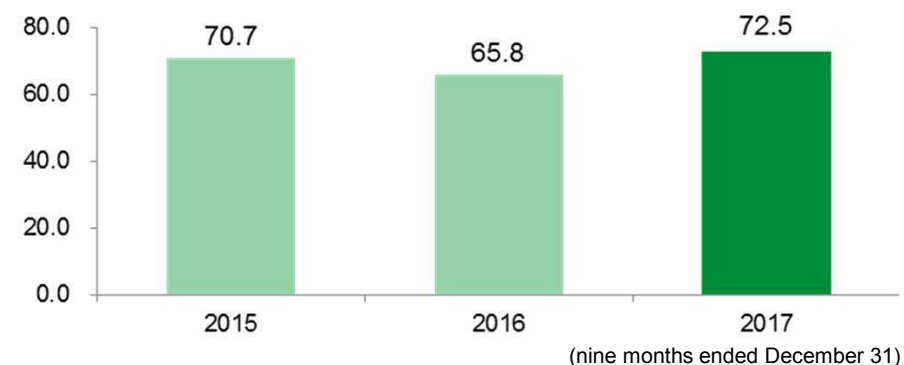
## Deposit Balance

(Trillions of yen)



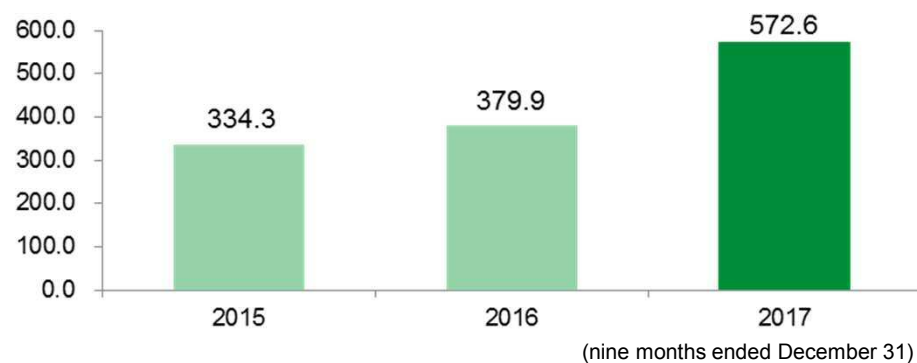
## Net Fees and Commissions

(Billions of yen)



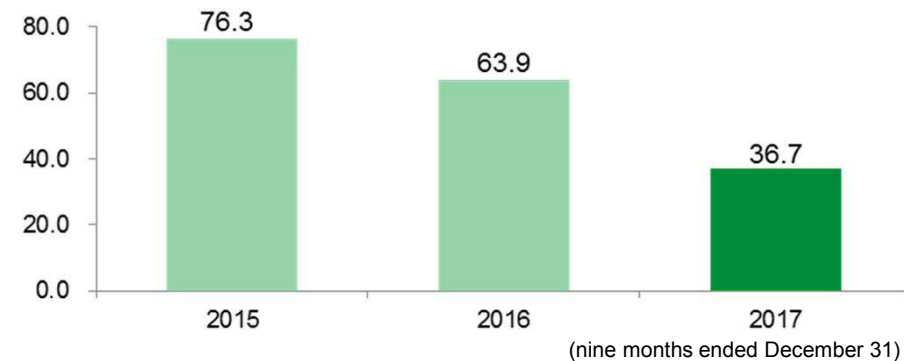
## Investment Trusts Sales

(Billions of yen)



## Variable Annuities Policies Sales

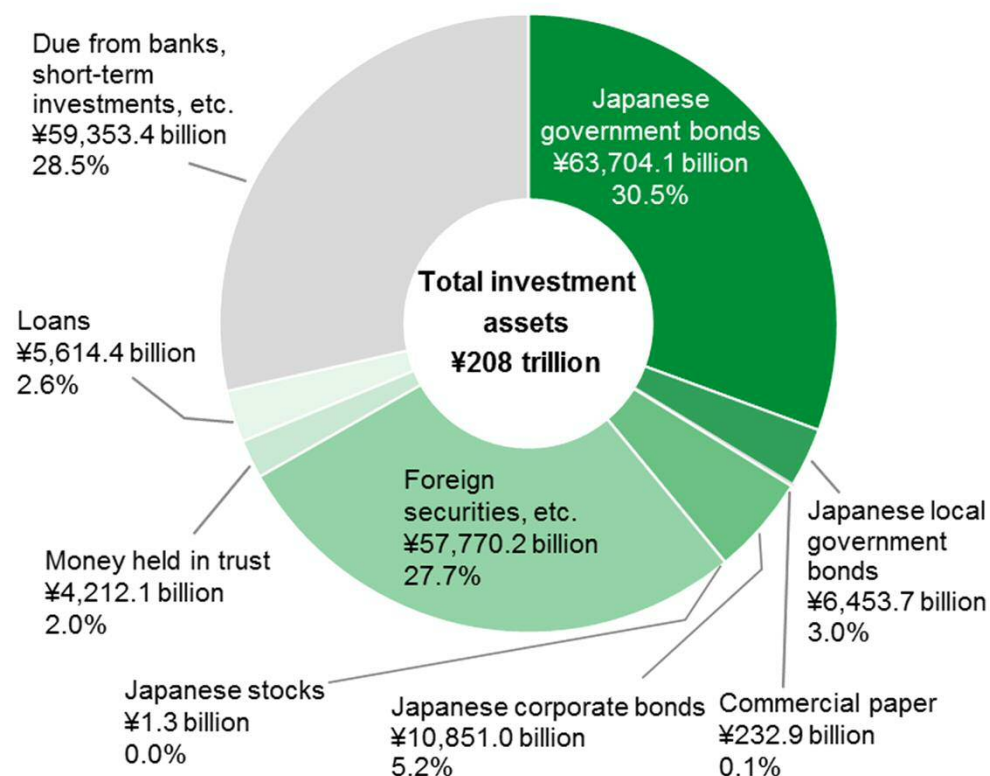
(Billions of yen)



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



# Japan Post Bank: Status of Investment Assets



(Billions of yen)

Type	As of Dec. 31, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	5,614.4	2.6	4,064.1	1.9
Securities	139,013.6	66.7	138,792.4	66.9
Japanese government bonds	63,704.1	30.5	68,804.9	33.2
Japanese local government bonds	6,453.7	3.0	6,082.2	2.9
Commercial paper	232.9	0.1	233.9	0.1
Japanese corporate bonds	10,851.0	5.2	10,752.8	5.1
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	57,770.2	27.7	52,917.0	25.5
Money held in trust	4,212.1	2.0	3,817.9	1.8
Due from banks, short - term investments, etc. (Note)	59,353.4	28.5	60,519.0	29.2
<b>Total investment assets</b>	<b>208,193.7</b>	<b>100.0</b>	<b>207,193.4</b>	<b>100.0</b>

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 Nine Months Ended December 31, 2017

(Billions of yen, number of policies in thousands)

	For the nine months ended		Year-on-year change
	Dec. 31, 2017	Dec. 31, 2016	
Core profit (non-consolidated)	<b>287.3</b>	302.5	(15.1)
Ordinary income	<b>5,995.1</b>	6,498.1	(502.9)
Ordinary expenses	<b>5,740.2</b>	6,277.5	(537.2)
Ordinary profit	<b>254.8</b>	220.5	+ 34.3
Net income	<b>75.0</b>	68.0	+ 6.9
Annualized premiums from new policies (individual insurance)	<b>294.5</b>	383.7	(89.2)
Number of new policies (individual insurance)	<b>1,340</b>	1,820	(470)
	As of		Change
	Dec. 31, 2017	Mar. 31, 2017	
Annualized premiums from policies in force (Note 1)	<b>4,899.5</b>	4,979.6	(80.0)
Number of policies in force (Note 1)	<b>30,740</b>	31,560	(810)
Solvency margin ratio (consolidated)	<b>1,207.8%</b>	1,290.6%	(82.8)%
Real net assets (consolidated)	<b>13,048.5</b>	12,763.1	+ 285.4

## Overview

- Core profit (non-consolidated) for the nine months ended December 31, 2017 decreased by ¥15.1 billion year-on-year to ¥287.3 billion mainly due to a decrease in the number of policies in force. Net income increased by ¥6.9 billion year-on-year to ¥75.0 billion, and achieved 87.2% of the financial results forecast for the fiscal year ending March 31, 2018.
- Annualized premiums from new policies for individual insurance decreased by 23.2% year-on-year to ¥294.5 billion due to a revision of insurance premium rate in April 2017. Annualized premiums from new policies for medical care increased by 9.7% year-on-year to ¥43.6 billion.
- Annualized premiums from policies in force (including Postal Life Insurance Policies) decreased by 1.6% from the end of the previous fiscal year to ¥4,899.5 billion.
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,986.8 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,207.8% and real net assets (consolidated) amounted to ¥13,048.5 billion, continuously maintaining a high level of financial soundness.

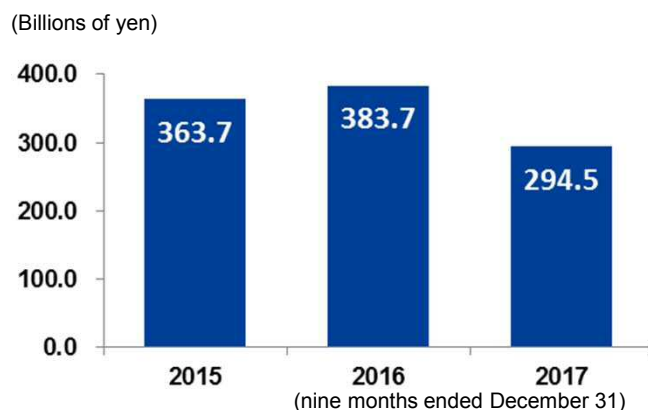
Notes: 1. Including Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life insurance.

2. Figures are rounded down to the first decimal place, and number of policies is rounded down to the nearest ten thousand.

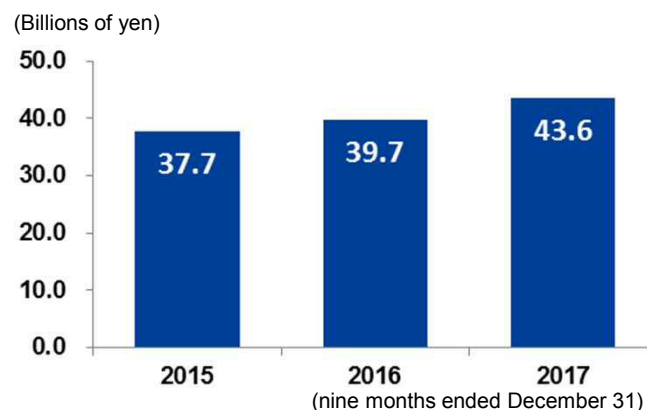
# Japan Post Insurance (Consolidated): Status of Insurance Policies

## New Policies

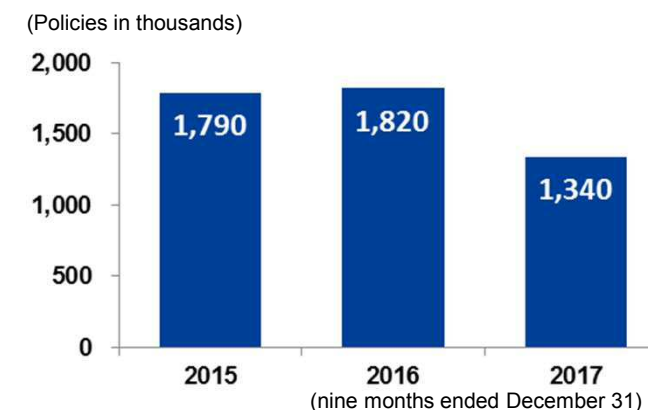
**Annualized Premiums from New Policies  
(Individual Insurance)**



**Annualized Premiums from New Policies  
(Medical Care)**

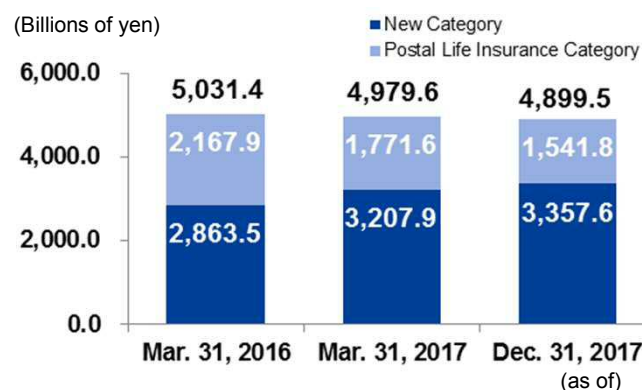


**Number of New Policies  
(Individual Insurance)**

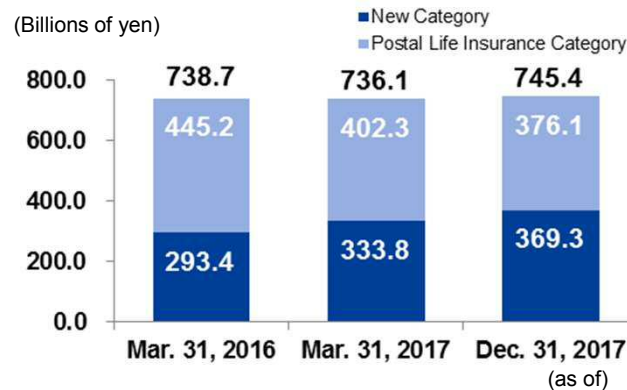


## Policies in Force

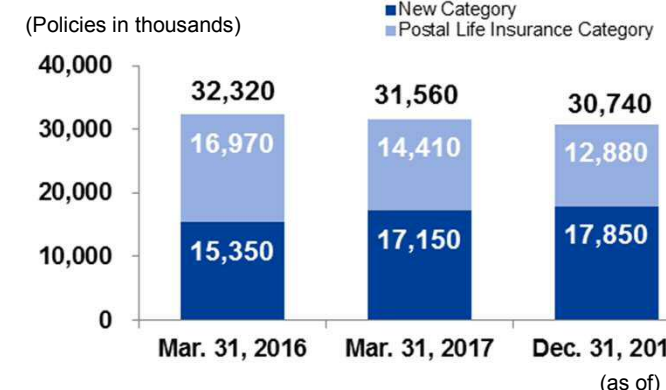
**Annualized Premiums from Policies in Force  
(Individual Insurance)**



**Annualized Premiums from Policies in Force  
(Medical Care)**



**Number of Policies in Force  
(Individual Insurance)**

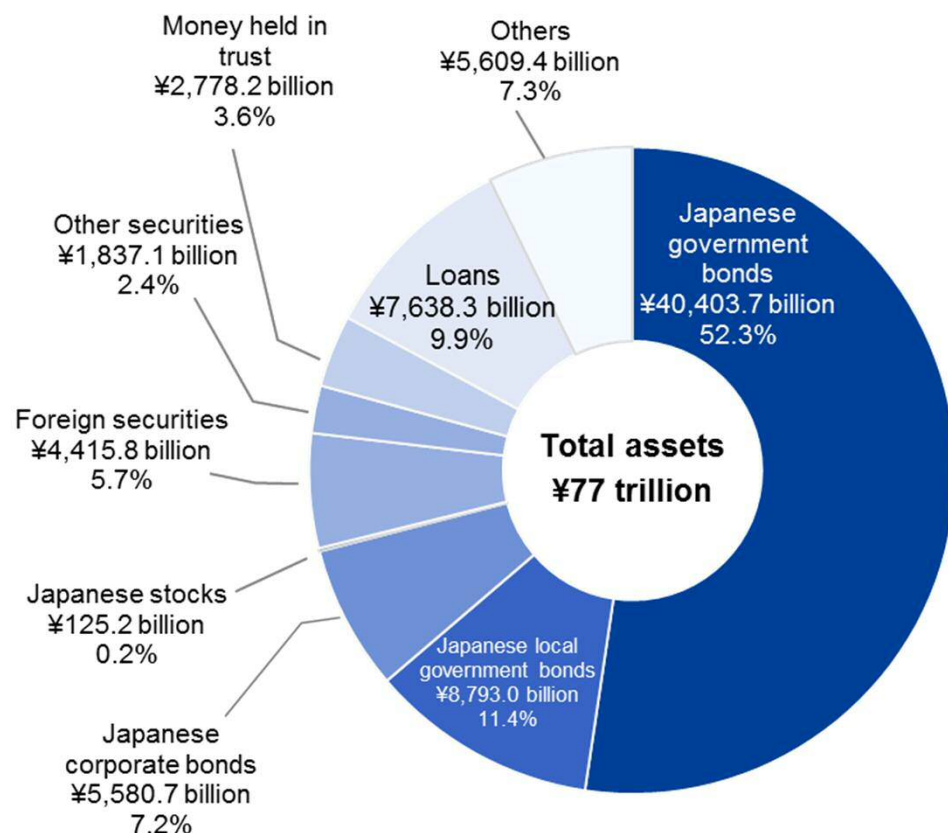


Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium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

Annualized premiums for individual insurance include those for medical care. Annualized premiums for medical care are the total of those for individual insurance and individual annuity insurance.

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.

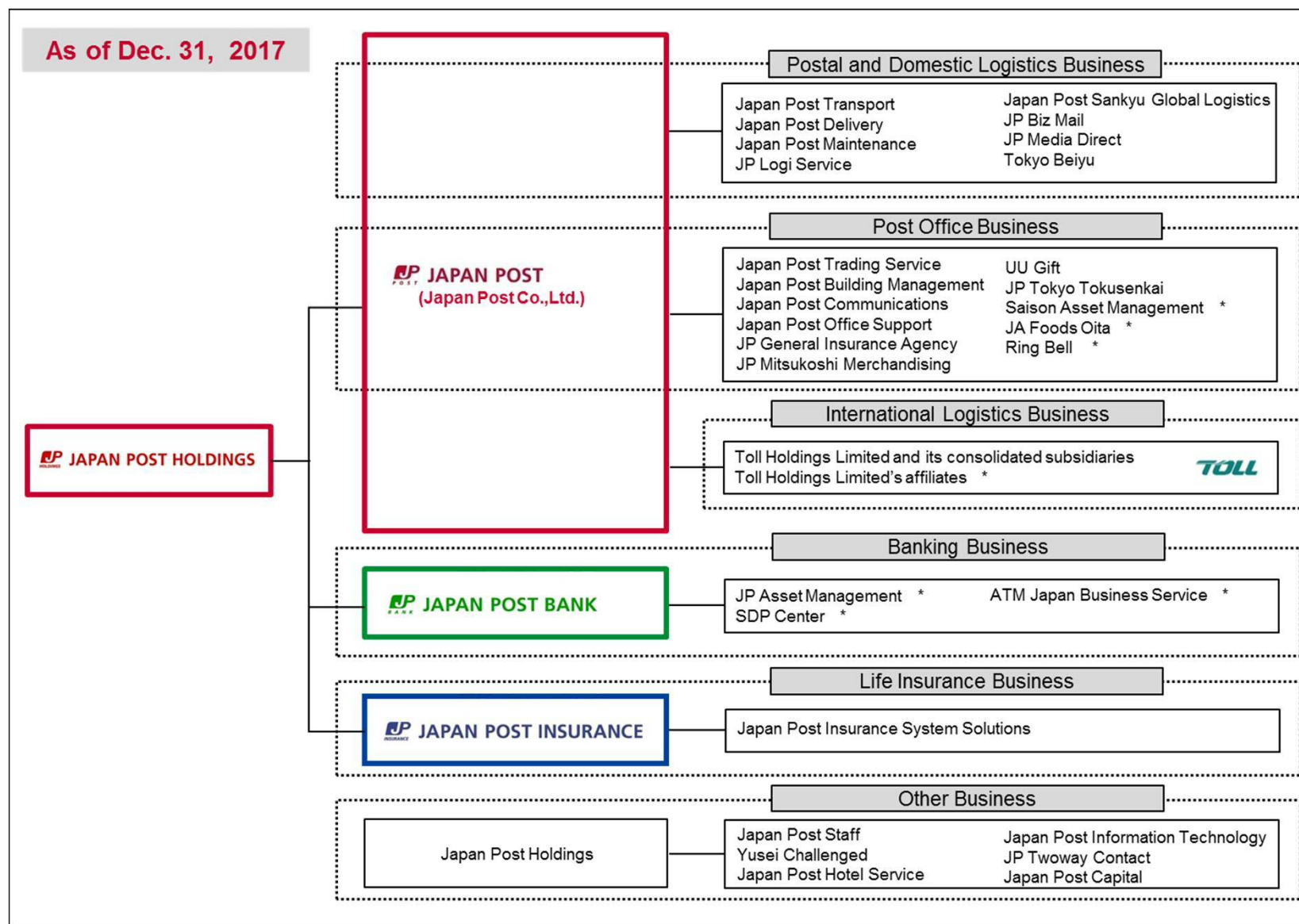
# Japan Post Insurance (Consolidated): Status of Investment Assets



(Billions of yen)

Type	As of Dec. 31, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	7,638.3	9.9	8,060.9	10.0
Securities	61,155.6	79.2	63,485.2	79.0
Japanese government bonds	40,403.7	52.3	42,732.3	53.2
Japanese local government bonds	8,793.0	11.4	9,226.8	11.5
Japanese corporate bonds	5,580.7	7.2	5,698.9	7.1
Japanese stocks	125.2	0.2	58.3	0.1
Foreign securities	4,415.8	5.7	4,351.7	5.4
Other securities	1,837.1	2.4	1,417.1	1.8
Money held in trust	2,778.2	3.6	2,127.0	2.6
Others	5,609.4	7.3	6,663.5	8.3
Total assets	77,181.7	100.0	80,336.7	100.0

# [Appendix 1] Japan Post Holdings: Organization Chart



\* Affiliates accounted for by the equity method.



# [Appendix 2] Japan Post Co. (Consolidated): Quarterly Consolidated Statements of Income

(Billions of yen)

	For the three month period from Apr. to June 2017	For the three month period from Apr. to June 2016	Year-on- year change	For the three month period from July to Sept. 2017	For the three month period from July to Sept. 2016	Year-on- year change	For the three month period from Oct. to Dec. 2017	For the three month period from Oct. to Dec. 2016	Year-on- year change
<b>Japan Post Co. (Consolidated)</b>									
Operating income	911.3	898.2	+ 13.0	920.4	887.0	+ 33.4	1,094.8	1,041.4	+ 53.4
Operating expenses	903.8	895.0	+ 8.8	940.1	917.2	+ 22.8	1,007.5	980.8	+ 26.6
Personnel expenses	582.4	583.1	(0.7)	598.3	592.4	+ 5.8	619.9	613.4	+ 6.4
Other expenses	321.3	311.8	+ 9.5	341.8	324.7	+ 17.0	387.5	367.4	+ 20.1
Net operating income (loss)	7.4	3.2	+ 4.2	(19.6)	(30.2)	+ 10.5	87.3	60.5	+ 26.8
<b>Postal and Domestic Logistics Business</b>									
Operating income	461.6	452.5	+ 9.1	447.3	431.9	+ 15.3	601.6	563.4	+ 38.1
Operating expenses	468.1	458.3	+ 9.7	478.7	469.1	+ 9.6	534.7	518.3	+ 16.4
Personnel expenses	300.0	298.5	+ 1.5	308.0	305.7	+ 2.2	331.7	324.3	+ 7.4
Other expenses	168.1	159.8	+ 8.2	170.6	163.3	+ 7.3	203.0	194.0	+ 8.9
Net operating income (loss)	(6.4)	(5.8)	(0.6)	(31.4)	(37.1)	+ 5.7	66.8	45.0	+ 21.7
<b>Post Office Business</b>									
Operating income	335.6	338.6	(2.9)	341.4	347.5	(6.0)	359.5	363.2	(3.6)
Operating expenses	320.8	324.1	(3.2)	332.4	337.1	(4.6)	343.5	342.5	+ 1.0
Personnel expenses	228.0	231.9	(3.9)	233.1	236.3	(3.2)	232.1	233.8	(1.6)
Other expenses	92.8	92.1	+ 0.6	99.3	100.7	(1.4)	111.4	108.7	+ 2.7
Net operating income	14.7	14.4	+ 0.3	8.9	10.3	(1.4)	15.9	20.6	(4.6)
<b>International Logistics Business</b>									
Operating income	162.7	154.3	+ 8.3	179.7	154.2	+ 25.4	191.0	170.5	+ 20.5
Operating expenses	163.5	152.5	+ 10.9	176.0	150.6	+ 25.4	185.2	169.3	+ 15.9
Personnel expenses	54.3	52.6	+ 1.7	57.1	50.3	+ 6.8	56.0	55.2	+ 0.7
Other expenses	109.1	99.9	+ 9.2	118.9	100.2	+ 18.6	129.2	114.0	+ 15.2
Net operating income (loss)	(0.7)	1.7	(2.5)	3.6	3.6	(0.0)	5.7	1.2	+ 4.5

Note: Figures for the international logistics business for the three month period from July to September and from October to December were calculated by subtracting the accumulated figures in billions of yen until each previous quarter's end (translated by the average exchange rate for the corresponding period) from the accumulated figures in billions of yen until each quarter's end (translated by the average exchange rate for the corresponding period).

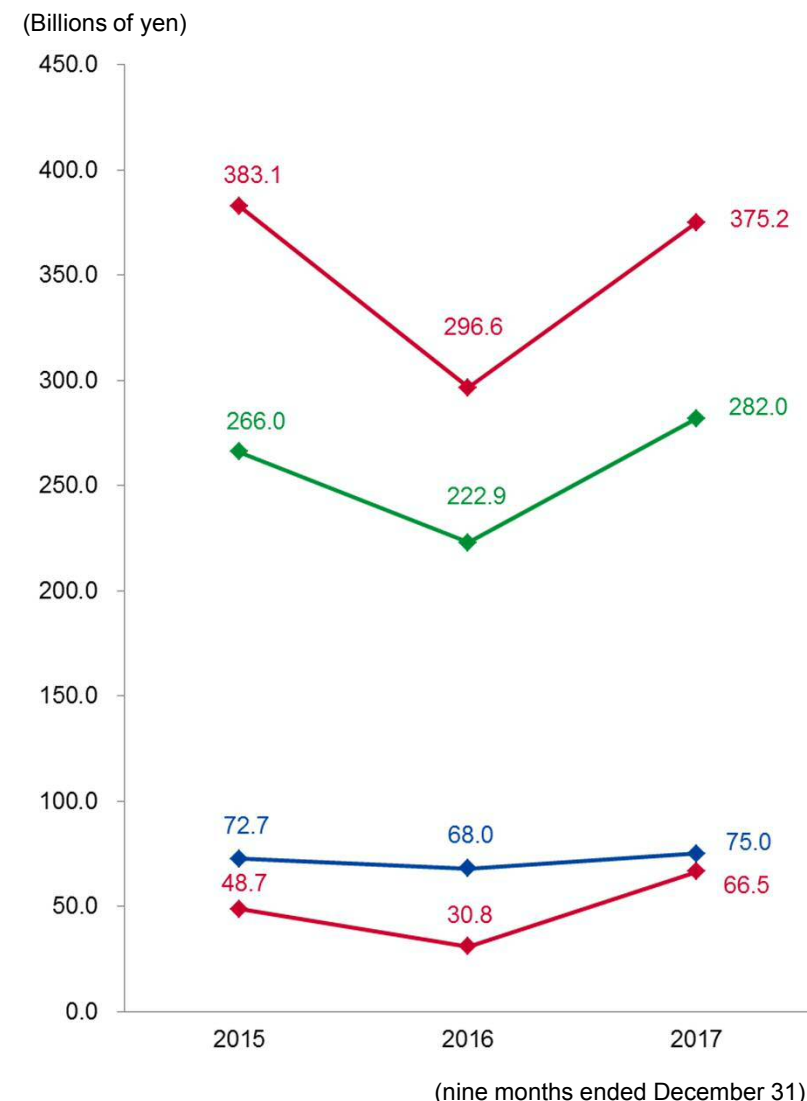
# [Appendix 3]

## Trends in Net Ordinary Income and Net Income

### Trends in Net Ordinary Income



### Trends in Net Income



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.