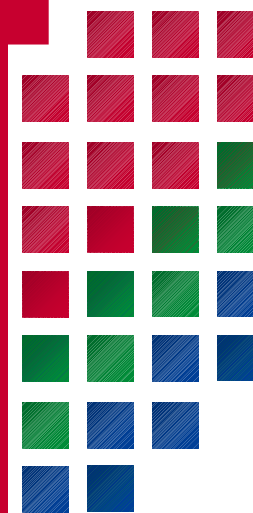


**Financial Highlights  
for the Fiscal Year Ended March 31, 2020**

**May 15, 2020**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Fiscal Year Ended March 31, 2020

(Billions of yen)

	Japan Post Holdings (Consolidated)	Subsidiaries		
		Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>11,950.1</b>	3,843.3	1,799.5	7,211.4
Year-on-year (for the fiscal year ended Mar. 31, 2019) Change	(824.8) (6.5)%	(123.3) (3.1)%	(45.8) (2.4)%	(705.2) (8.9)%
<b>Net ordinary income</b>	<b>864.4</b>	168.1	379.1	286.6
Year-on-year (for the fiscal year ended Mar. 31, 2019) Change	+ 33.7 + 4.1%	(11.7) (6.5)%	+ 5.1 + 1.3%	+ 21.7 + 8.2%
<b>Net income</b>	<b>483.7</b>	87.1	273.4	150.6
Year-on-year (for the fiscal year ended Mar. 31, 2019) Change	+ 4.3 + 0.9%	(39.4) (31.2)%	+ 7.2 + 2.7%	+ 30.2 + 25.1%

## ■ Forecast for the Fiscal Year Ended March 31, 2020

<b>Net ordinary income</b>	<b>710.0</b>	125.0	375.0	270.0
[percentage achievement]	[121.8%]	[134.5%]	[101.1%]	[106.1%]
<b>Net income</b>	<b>420.0</b>	100.0	270.0	134.0
[percentage achievement]	[115.2%]	[87.2%]	[101.2%]	[112.5%]

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, etc.

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

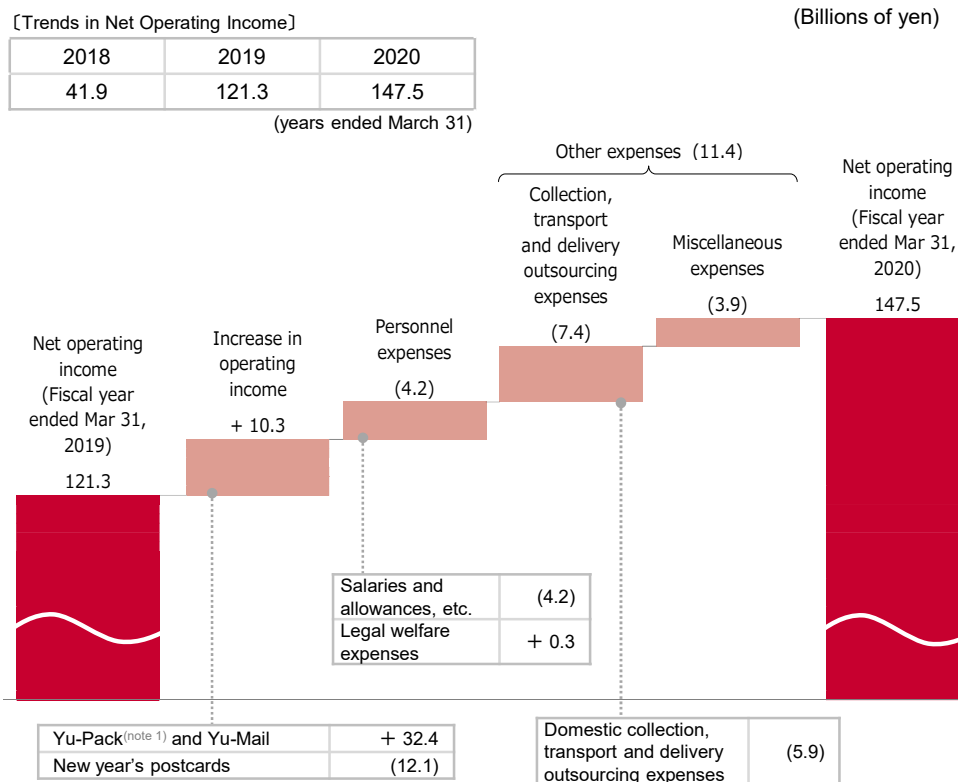
3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated),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

4. The forecast for the fiscal year ended March 31, 2020 of Japan Post Insurance (consolidated) refers to the revised forecast announced in November 2019.

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

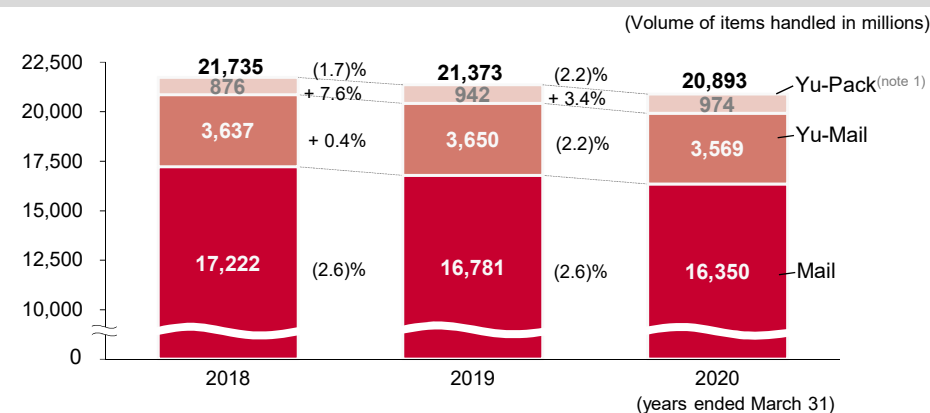
- The volume of Yu-Pack<sup>(note 1)</sup> handled increased by 3.4% year-on-year for the fiscal year ended March 31, 2020 (including an increase of 19.7% for Yu-Packet). The volume of Yu-Mail handled decreased by 2.2%, and the volume of Mail handled decreased by 2.6%.
- Operating income increased by ¥10.3 billion year-on-year (an increase of 0.5% year-on-year) due to an increase in the volume of Yu-Packet handled and a rise in income from parcel field resulting from the revision of price per unit, as well as the effect of a temporary rise in the volume of mail sent.
- Net operating income increased by ¥26.1 billion year-on-year (an increase of 21.5% year-on-year) due to a decrease in operating expenses mainly owing to cost control initiatives.

## Analysis of Year-on-year Change in Net Operating Income



Notes: 1. Yu-Pack includes Yu-Packet.  
2. Includes impact of transfer of subsidiary (operating income of ¥(12.8) billion and operating expenses of ¥(12.3) billion).

## Trends in Volume of Items Handled



## Results of Operations for the Fiscal Year Ended March 31, 2020

(Billions of yen)

	For the fiscal year ended Mar. 31, 2020	For the fiscal year ended Mar. 31, 2019	Year-on-year change
Operating income	<b>2,125.3</b>	2,114.9	+ 10.3
Operating expenses	<b>1,977.8</b>	1,993.5	(15.7)
Personnel expenses	<b>1,257.5</b>	1,261.8	(4.2)
Other expenses	<b>720.2</b>	731.6	(11.4)
Net operating income	<b>147.5</b>	121.3	+ 26.1

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

- Operating income decreased by ¥63.8 billion year-on-year (a decrease of 4.7% year-on-year), with a decrease in insurance commissions due to refraining from making proactive sales proposals for Japan Post Insurance products from July 2019 and the suspension of solicitations from January 2020 in accordance with applicable administrative dispositions, as well as a decrease in the merchandising business due to factors such as the contraction of certain businesses.
- Net operating income decreased by ¥15.0 billion year-on-year (a decrease of 25.2% year-on-year), despite a decrease (a decrease of ¥48.7 billion or 3.7% year-on-year) in operating expenses including personnel expenses.

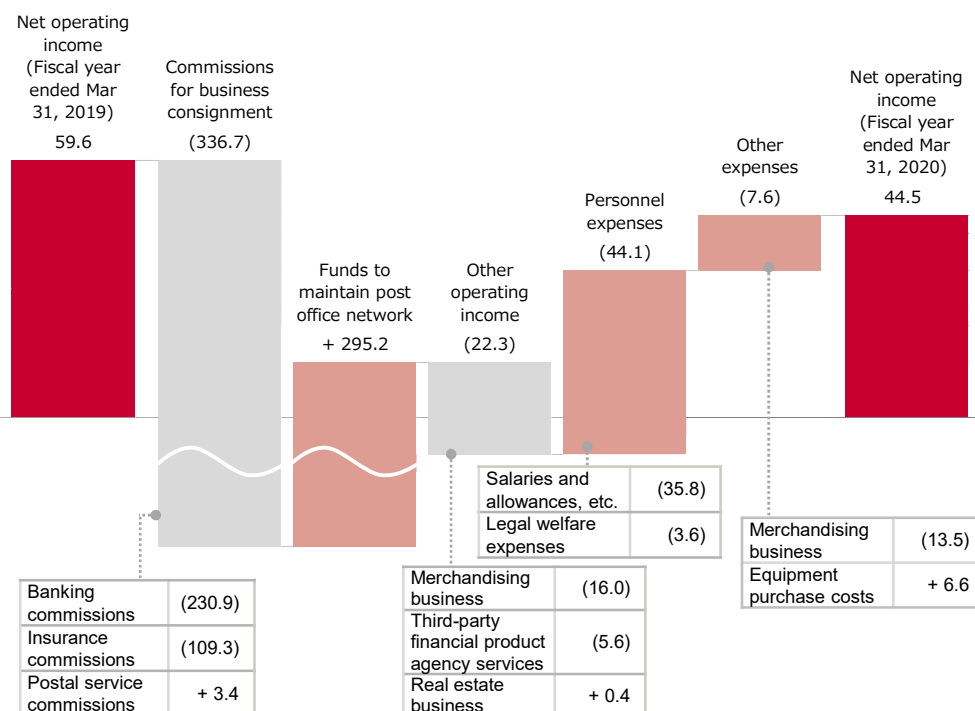
## Analysis of Year-on-Year Change in Net Operating Income

[Trends in Net Operating Income]

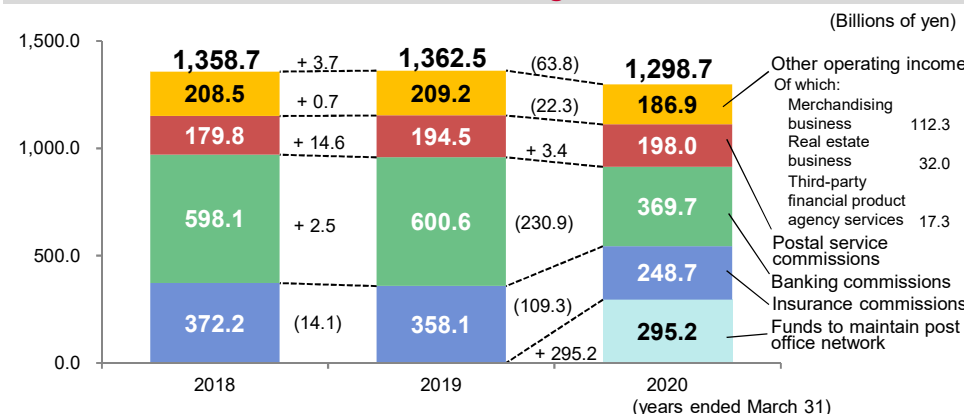
2018	2019	2020
39.7	59.6	44.5

(years ended March 31)

(Billions of yen)



## Trends in the Earnings Structure



## Results of Operations for the Fiscal Year Ended March 31, 2020

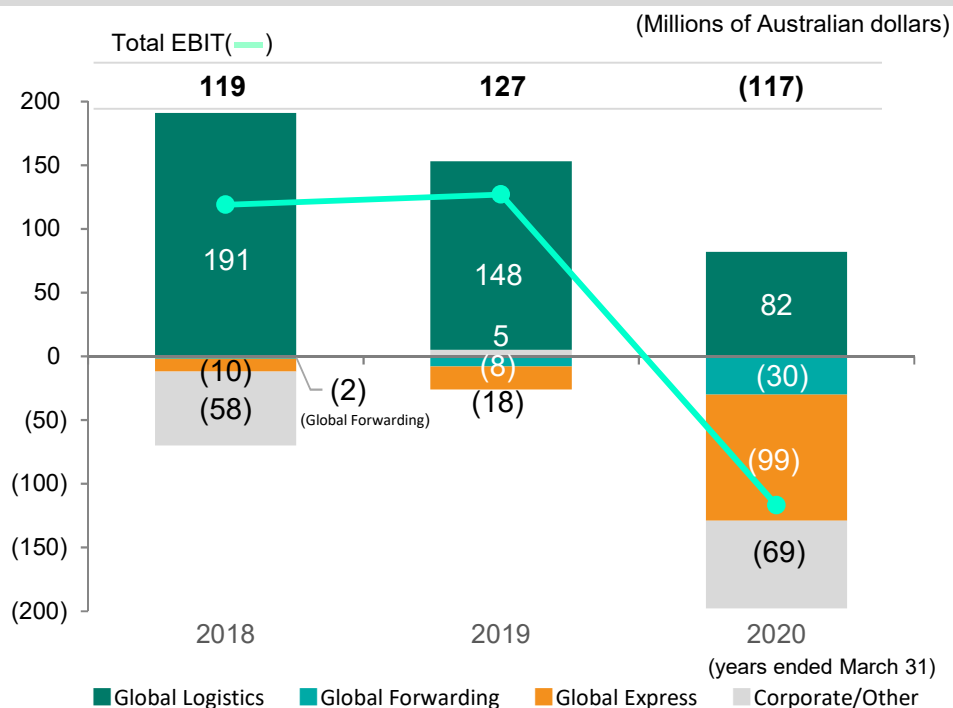
(Billions of yen)

	For the fiscal year ended Mar. 31, 2020	For the fiscal year ended Mar. 31, 2019	Year-on-year change
Operating income	1,298.7	1,362.5	(63.8)
Operating expenses	1,254.1	1,302.9	(48.7)
Personnel expenses	870.3	911.4	(41.1)
Other expenses	383.8	391.4	(7.6)
Net operating income	44.5	59.6	(15.0)

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

- Operating income decreased, affected by a decrease in the volume handled due to the spread of COVID-19, as well as targeted cyber attacks suffered by Toll in January 2020, amid persistently slow growth in the Australian economy.
- Fixed costs such as personnel expenses weighed on income, resulting in a net operating loss (EBIT) of A\$117 million. Extraordinary losses were also recorded, including losses on impairment of fixed assets.
- Transformation plan is being undertaken in the fiscal year ending March 31, 2021, including comprehensive cost reductions and operational improvements, with the aim of materially improving net operating income (EBIT).

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



## Results of Operations for the Fiscal Year Ended March 31, 2020

(Millions of Australian dollars)  
[Billions of yen]

	For the fiscal year ended Mar. 31, 2020	For the fiscal year ended Mar. 31, 2019	Year-on-year change
Operating income (revenue)	8,564 [634.9]	8,658 [700.6]	(94) [(65.6)]
Operating expenses	8,681 [643.6]	8,531 [690.3]	+ 150 [(46.7)]
Personnel expenses	2,737 [202.9]	2,649 [214.3]	+ 88 [(11.4)]
Other expenses	5,943 [440.6]	5,881 [475.9]	+ 61 [(35.3)]
Net operating income (loss) (EBIT)	(117) [(8.6)]	127 [10.3]	(244) [(18.9)]

Notes: 1. Operating income (revenue), operating expenses and net operating income (loss) (EBIT) are the total amount of Toll, JP Toll Logistics and Toll Express Japan, respectively.  
 2. IFRS16 (Leases) has been adopted from April 1, 2019. Figures for the fiscal year ended March 31, 2020 in the above graph and table are calculated on the basis of IFRS16 (Leases).  
 3. Figures in square brackets are presented in billions of yen (Average exchange rate for the fiscal year ended March 31, 2020: ¥74.14 to A\$1.00 and for the fiscal year ended March 31, 2019: ¥80.92 to A\$1.00).

# Japan Post Co. (Consolidated): Financial Highlights

- Operating income decreased by ¥121.3 billion year-on-year (a decrease of 3.1% year-on-year) to ¥3,839.3 billion, due to a decrease in income from the post office business and international logistics business, despite an increase in income from the postal and domestic logistics business.
- Net operating income decreased by ¥2.9 billion year-on-year (a decrease of 1.6% year-on-year) to ¥179.0 billion, and net ordinary income decreased by ¥11.7 billion year-on-year (a decrease of 6.5% year-on-year) to ¥168.1 billion.
- Extraordinary gains (losses) of ¥36.2 billion were recorded, mainly due to extraordinary losses at Toll, and net income decreased by ¥39.4 billion year-on-year (a decrease of 31.2% year-on-year) to ¥87.1 billion.

## Analysis of Year-on-year Change in Net Income

## Results of Operations for the Fiscal Year Ended March 31, 2020

(Billions of yen)

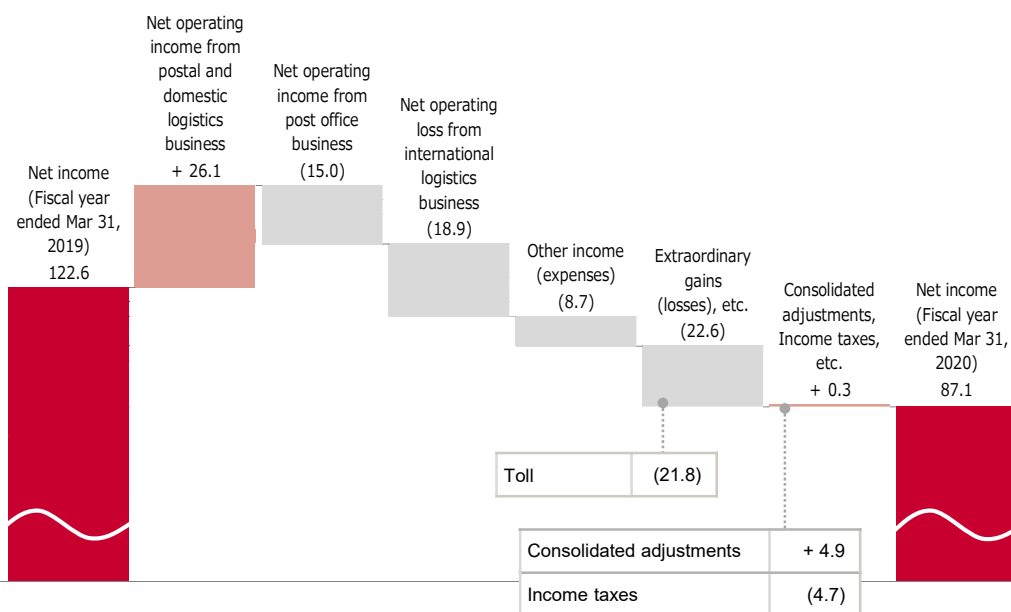
[Trends in Net Operating Income]			[Trends in Net Income]		
2018	2019	2020	2018	2019	2020
86.5	182.0	179.0	58.4	126.6	87.1

(years ended March 31)

(Billions of yen)

	For the fiscal year ended Mar. 31, 2020	For the fiscal year ended Mar. 31, 2019	Year-on-year change
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Operating income	<b>3,839.3</b>	3,960.6	(121.3)
Operating expenses	<b>3,660.2</b>	3,778.6	(118.3)
Personnel expenses	<b>2,330.8</b>	2,387.7	(56.8)
Other expenses	<b>1,329.3</b>	1,390.9	(61.5)
<b>Net operating income</b>	<b>179.0</b>	182.0	(2.9)
<b>Net ordinary income</b>	<b>168.1</b>	179.8	(11.7)
<b>Extraordinary gains (losses)</b>	<b>(36.2)</b>	(13.5)	(22.6)
<b>Income before income taxes</b>	<b>131.8</b>	166.3	(34.4)
<b>Net income</b>	<b>87.1</b>	126.6	(39.4)



# Japan Post Bank (Non-consolidated): Financial Highlights

## Results of Operations for the Fiscal Year Ended March 31, 2020

(Billions of yen)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Gross operating profit	<b>1,314.2</b>	1,327.0	(12.8)
Net interest income	<b>976.8</b>	1,016.1	(39.3)
Net fees and commissions	<b>128.8</b>	106.7	+ 22.1
Net other operating income	<b>208.4</b>	204.1	+ 4.3
Gains (losses) on foreign exchanges	<b>202.1</b>	219.4	(17.3)
Gains (losses) on Japanese government bonds, etc.	<b>8.0</b>	(12.2)	+ 20.3
General and administrative expenses <small>(Note 1)</small>	<b>1,020.2</b>	1,037.5	(17.2)
Provision for general reserve for possible loan losses	<b>0</b>	-	+ 0
<b>Net operating profit</b>	<b>293.9</b>	289.4	+ 4.4
Non-recurring gains (losses)	<b>85.1</b>	84.8	+ 0.3
Net ordinary income	<b>379.0</b>	374.2	+ 4.7
<b>Net income</b>	<b>273.0</b>	266.1	+ 6.8

(Reference) Consolidated Financial Highlights

	Mar. 31, 2020	Mar. 31, 2019	Change
Ordinary income	<b>1,799.5</b>	1,845.4	(45.8)
Net ordinary income	<b>379.1</b>	373.9	+ 5.1
Net income <small>(Note 2)</small>	<b>273.4</b>	266.1	+ 7.2

Notes: 1. Excludes non-recurring losses.

2. The amount of net income attributable to Japan Post Bank is used for net income of Japan Post Bank (consolidated).

3. Excludes accrued interest.

## Overview

- In the extremely adverse business environment from factors such as the persistence of a low interest rate environment and deterioration of the market environment due to the spread of COVID-19, gross operating profit (non-consolidated) for the fiscal year ended March 31, 2020 decreased by ¥12.8 billion year-on-year to ¥1,314.2 billion. Of which, net interest income decreased by ¥39.3 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Net fees and commissions increased by ¥22.1 billion year-on-year. Net other operating income increased by ¥4.3 billion year-on-year.
- General and administrative expenses (non-consolidated) decreased by ¥17.2 billion year-on-year to ¥1,020.2 billion.
- Net operating profit (non-consolidated) increased by ¥4.4 billion year-on-year to ¥293.9 billion.
- Net ordinary income (non-consolidated) increased by ¥4.7 billion year-on-year to ¥379.0 billion.
- Net income (non-consolidated) increased by ¥6.8 billion year-on-year to ¥273.0 billion.

(Billions of yen, %)

	As of		Change
	Mar. 31, 2020	Mar. 31, 2019	
Deposits <small>(Note 3)</small>	<b>183,004.7</b>	180,999.1	+ 2,005.5
Capital adequacy ratio (non-consolidated, domestic standard)	<b>15.55</b>	15.78	(0.22)

## Net Interest Income

(Billions of yen)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Net interest income to	<b>976.8</b>	1,016.1	(39.3)
Interest income	<b>1,318.0</b>	1,357.9	(39.9)
Interest income on Japanese government bonds	<b>428.1</b>	523.3	(95.1)
Interest income on foreign securities	<b>787.4</b>	698.7	+ 88.7
Interest expenses	<b>341.1</b>	341.8	(0.6)

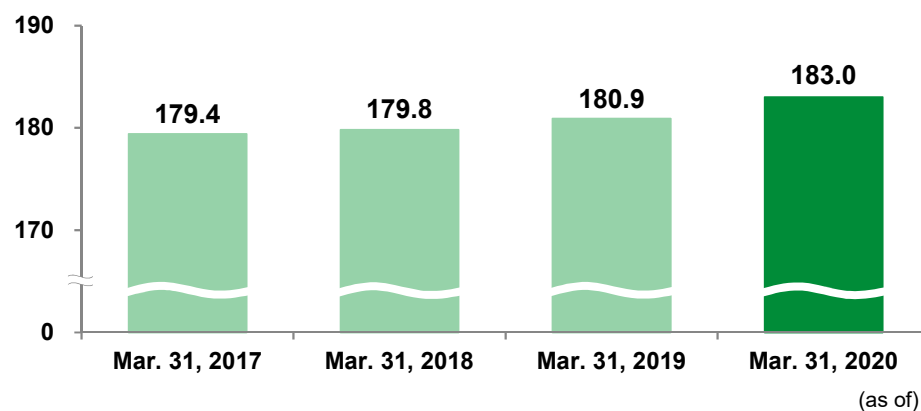
## Net Fees and Commissions

(Billions of yen)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Net fees and commissions relating to	<b>128.8</b>	106.7	+ 22.1
Exchange and settlement transactions	<b>79.4</b>	61.2	+ 18.2
ATMs	<b>19.0</b>	14.5	+ 4.5
Investment trusts	<b>21.7</b>	22.2	(0.4)
Others	<b>8.5</b>	8.7	(0.1)

## Deposit Balance

(Trillions of yen)



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

## Results of Investment Trusts Sales (Contract Basis)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Number of contracts (thousands)	<b>3,170</b>	2,303	+ 866
Sales amount (billions of yen)	<b>691.4</b>	891.0	(199.5)

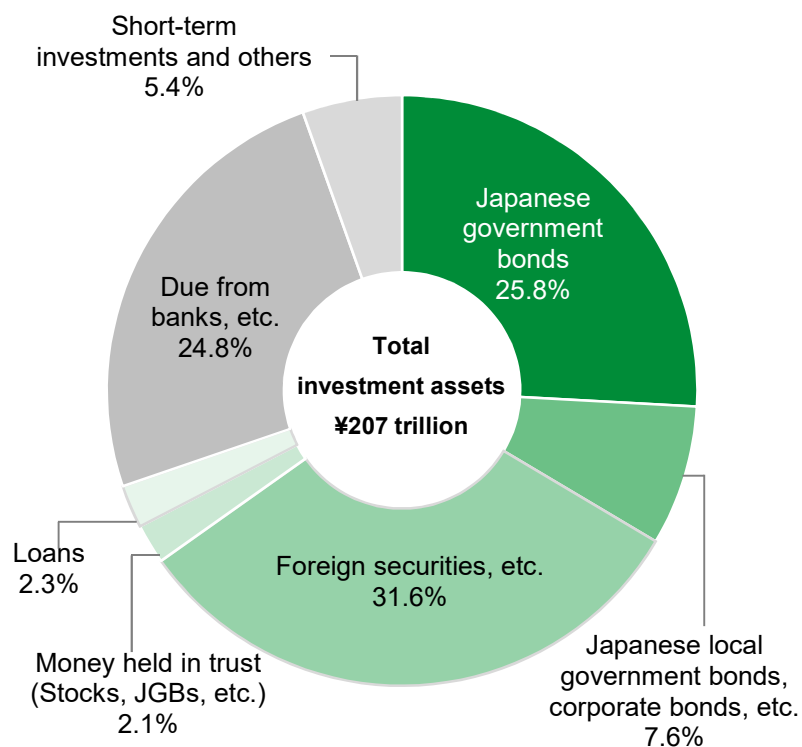
  

	As of		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Number of investment trust accounts (thousands)	<b>1,185</b>	1,062	+ 123
Net assets (billions of yen)	<b>2,301.7</b>	2,285.9	+ 15.8



# Japan Post Bank (Non-consolidated): Status of Investment Assets

(Billions of yen)



	As of Mar. 31, 2020	Composition ratio (%)	As of Mar. 31, 2019	Composition ratio (%)	Change
Securities	<b>135,198.4</b>	<b>65.1</b>	137,135.2	66.5	(1,936.8)
Japanese government bonds	<b>53,636.1</b>	<b>25.8</b>	58,356.5	28.3	(4,720.4)
Japanese local government bonds, corporate bonds, etc. <sup>(Note 1)</sup>	<b>15,904.8</b>	<b>7.6</b>	16,279.1	7.9	(374.2)
Foreign securities, etc.	<b>65,657.5</b>	<b>31.6</b>	62,499.5	30.3	+ 3,157.9
Foreign bonds	<b>23,706.8</b>	<b>11.4</b>	22,035.5	10.6	+ 1,671.3
Investment trusts <sup>(Note 2)</sup>	<b>41,901.0</b>	<b>20.1</b>	40,433.9	19.6	+ 1,467.0
Money held in trust (Stocks, JGBs, etc.)	<b>4,549.7</b>	<b>2.1</b>	3,990.7	1.9	+ 558.9
Domestic stocks	<b>1,859.6</b>	<b>0.8</b>	2,141.7	1.0	(282.1)
Loans	<b>4,961.7</b>	<b>2.3</b>	5,297.4	2.5	(335.6)
Due from banks, etc. <sup>(Note 3)</sup>	<b>51,485.4</b>	<b>24.8</b>	50,674.2	24.6	+ 811.1
Short-term investments and others <sup>(Note 4)</sup>	<b>11,324.2</b>	<b>5.4</b>	8,877.5	4.3	+ 2,446.7
<b>Total investment assets</b>	<b>207,519.6</b>	<b>100.0</b>	205,975.2	100.0	+ 1,544.3

Notes: 1. "Japanese local government bonds, corporate bonds, etc." consists of Japanese local government bonds, commercial paper, Japanese corporate bonds and Japanese stocks.

2. The major investment target in "Investment trusts" is foreign bonds.

3. "Due from banks, etc." consists of negotiable certificates of deposit, Bank of Japan deposits and monetary claims bought.

4. "Short-term investments and others" consists of call loans and receivables under resale agreements, etc.

# Japan Post Insurance (Consolidated): Financial Highlights

## Results of Operations for the Fiscal Year Ended March 31, 2020

(Billions of yen, %)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2020	Mar. 31, 2019	
Ordinary income	<b>7,211.4</b>	7,916.6	(705.2)
Ordinary expenses	<b>6,924.8</b>	7,651.7	(726.9)
Ordinary profit	<b>286.6</b>	264.8	+ 21.7
Net income	<b>150.6</b>	120.4	+ 30.2
(Reference) Non-consolidated Financial Highlights			
Core profit	<b>400.6</b>	377.1	+ 23.4
Net capital gains (losses)	<b>(102.4)</b>	(83.7)	(18.6)
Non-recurring gains (losses)	<b>(11.3)</b>	(28.2)	+ 16.9
Ordinary profit	<b>286.8</b>	265.1	+ 21.6
Annualized premiums from new policies (individual insurance)	<b>146.9</b>	351.3	(204.4)
	As of		Change
	Mar. 31, 2020	Mar. 31, 2019	
Annualized premiums from policies in force (individual insurance) <sup>(Note 1)</sup>	<b>4,318.6</b>	4,677.1	(358.4)
Solvency margin ratio (consolidated)	<b>1,070.9</b>	1,189.8	(118.9)
Real net assets (consolidated)	<b>12,350.9</b>	13,535.7	(1,184.7)

## Overview

- Core profit for the fiscal year ended March 31, 2020 increased by ¥23.4 billion year-on-year to ¥400.6 billion, mainly due to a decrease in operating expenses reflecting the impact of refraining from making proactive sales proposals of Japan Post Insurance products since the middle of July 2019 and the suspension of operations since January 2020, as well as an increase in positive spread, despite a decrease in the number of policies in force.
- Ordinary profit (consolidated) increased by ¥21.7 billion year-on-year to ¥286.6 billion, mainly due to an increase in core profit, in addition to a decrease in non-recurring losses, despite an increase in capital losses from stock market declines.
- Net income (consolidated) increased by ¥30.2 billion year-on-year to ¥150.6 billion, mainly due to an increase in ordinary profit (consolidated), in addition to a reversal of reserve for price fluctuations in response to capital losses, and achieved 112.5% of the financial results forecast for the fiscal year ended March 31, 2020.
- Annualized premiums from new policies for individual insurance and medical care each decreased significantly compared with the previous fiscal year. Annualized premiums from policies in force for individual insurance and medical care each decreased compared with the end of the previous fiscal year.<sup>(Notes 1 and 3)</sup>
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,655.7 billion. Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,070.9% and real net assets (consolidated) amounted to ¥12,350.9 billion, reflecting a continuously maintained high level of financial soundness.

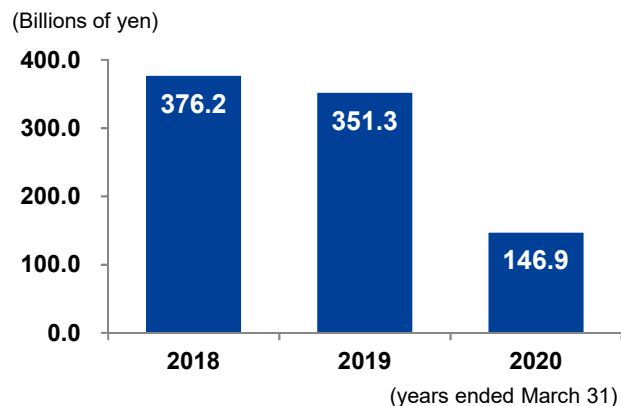
Notes: 1. Policies in force for individual insurance include those for Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Organization for Postal Savings, Postal Life insurance and Post Office Network.

2. Figures less than ¥0.1 billion are rounded down.

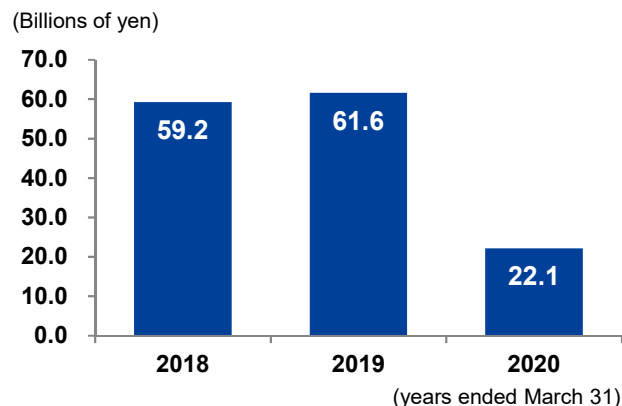
3. Please refer to "Status of Insurance Policies" on page 10 for annualized premiums from new policies and policies in force for medical care.

## New Policies

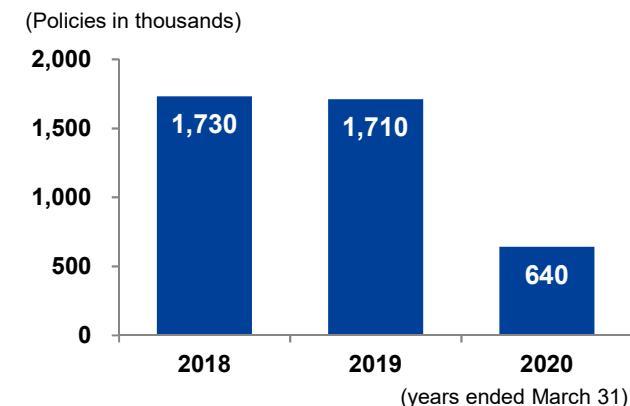
### Annualized Premiums from New Policies (Individual Insurance)



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

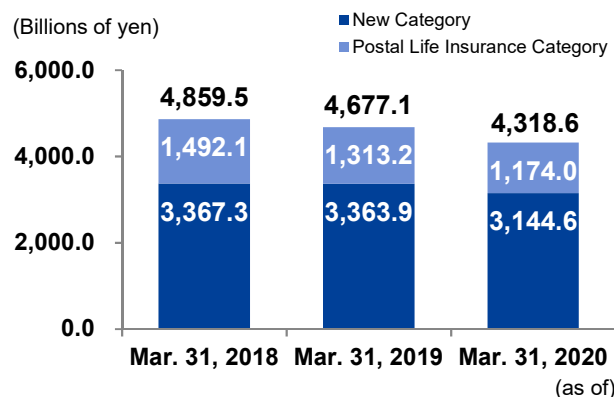


### Number of New Policies (Individual Insurance)

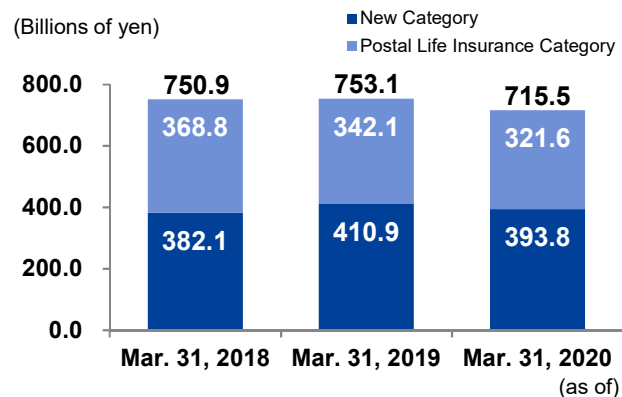


## Policies in Force

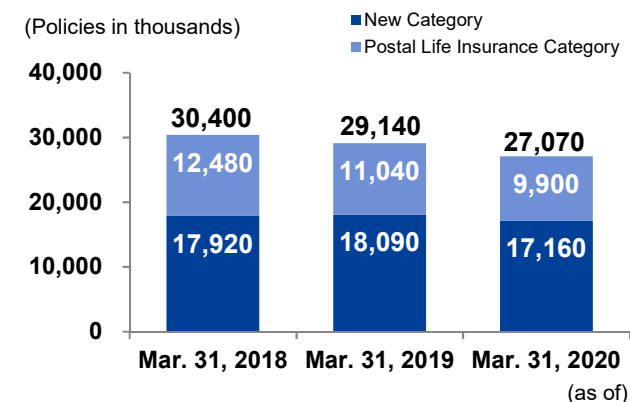
### Annualized Premiums from Policies in Force (Individual Insurance)



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



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



Notes: 1. Figures less than ¥0.1 billion are rounded down, and number of policies is rounded down to the nearest ten thousand.

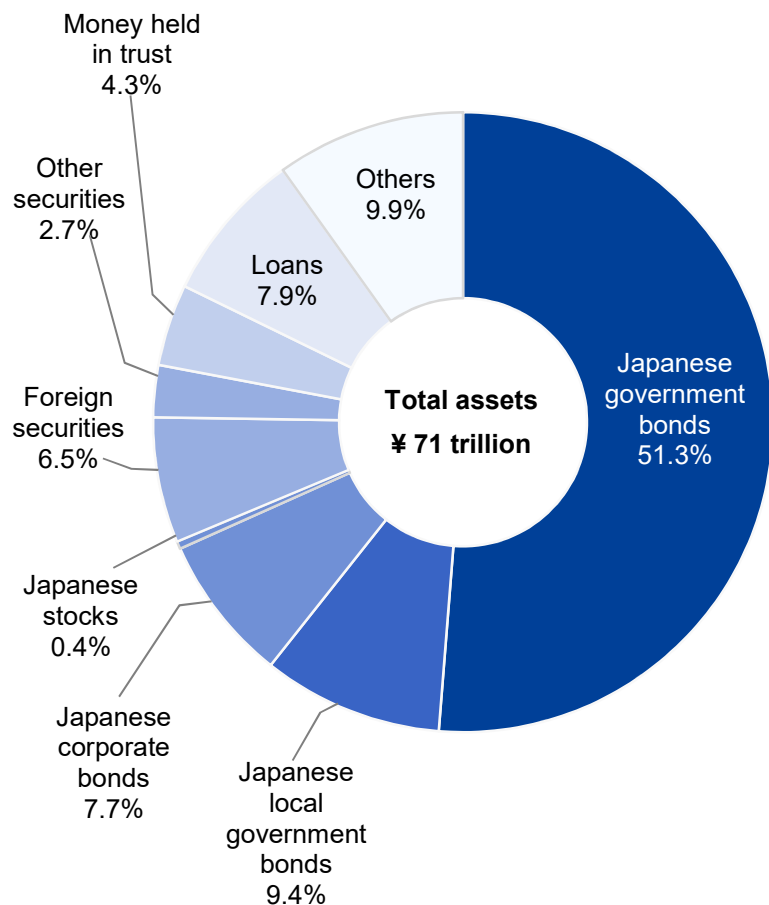
2. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium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

3. "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 Organization for Postal Savings, Postal Life Insurance and Post Office Network.

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

(Billions of yen)



	As of Mar. 31, 2020	Composition ratio (%)	As of Mar. 31, 2019	Composition ratio (%)	Change
Securities	<b>55,870.5</b>	<b>78.0</b>	58,451.5	79.1	(2,581.0)
Japanese government bonds	<b>36,730.7</b>	<b>51.3</b>	38,041.4	51.5	(1,310.6)
Japanese local government bonds	<b>6,737.3</b>	<b>9.4</b>	7,524.4	10.2	(787.0)
Japanese corporate bonds	<b>5,486.3</b>	<b>7.7</b>	5,562.9	7.5	(76.5)
Japanese stocks	<b>285.9</b>	<b>0.4</b>	205.5	0.3	+ 80.4
Foreign securities	<b>4,687.3</b>	<b>6.5</b>	5,284.9	7.2	(597.5)
Other securities	<b>1,942.7</b>	<b>2.7</b>	1,832.3	2.5	+ 110.4
Money held in trust	<b>3,056.0</b>	<b>4.3</b>	2,787.5	3.8	+ 268.5
Loans	<b>5,662.7</b>	<b>7.9</b>	6,786.0	9.2	(1,123.3)
Others	<b>7,075.4</b>	<b>9.9</b>	5,879.8	8.0	+ 1,195.5
<b>Total assets</b>	<b>71,664.7</b>	<b>100.0</b>	73,905.0	100.0	(2,240.2)

# Japan Post Holdings:

## Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021



- The financial results forecast has been calculated based on information on the impact of the spread of COVID-19 available to the Company as of March 31, 2020, using certain assumptions. The actual future results may vary considerably depending upon various factors such as when the spread of COVID-19 is brought under control.

(Billions of yen)

	Net ordinary income		Net income		Background on the consolidated financial results forecast and key initiatives for the fiscal year ending March 31, 2021
		Year-on-year change		Year-on-year change	
Japan Post Holdings (Consolidated)	520.0	(344.4)	280.0	(203.7)	-
Japan Post Co. (Consolidated)	40.0	(128.1)	0.0	(87.1)	<ul style="list-style-type: none"> <li>Japan Post Co. forecasts decreases in ordinary income and net income, mainly owing to large decreases in commission income from Japan Post Insurance and a decrease in the volume of mail handled</li> <li>Key initiatives to accomplish the financial results goal for the fiscal year ending March 31, 2021                             <ul style="list-style-type: none"> <li>Continued implementation of initiatives aimed at customer-first business operation</li> <li>Enhancement of measures to expand revenue in the postal and domestic logistics business, particularly from Yu-Packet and other small parcels, and initiatives to increase productivity (cost control, etc.)</li> <li>Management reform of Toll, through cost reductions, etc.</li> </ul> </li> </ul>
Japan Post Bank (Consolidated)	275.0	(104.1)	200.0	(73.4)	<ul style="list-style-type: none"> <li>Japan Post Bank forecasts decreases in net ordinary income and net income, mainly owing to factors such as large increases in special distributions not recognized as income compared to the fiscal year ended March 31, 2020, among distributions from investment trusts held as securities by Japan Post Bank, due to the assumption of persistently high credit spreads overseas (Overseas credit spreads are expected to remain high during the first half of the fiscal year ending March 31, 2021, then gradually shrink thereafter as the spread of COVID-19 is brought under control)</li> </ul>
Japan Post Insurance (Consolidated)	200.0	(86.6)	124.0	(26.6)	<ul style="list-style-type: none"> <li>Japan Post Insurance forecasts decreases in net ordinary income and net income, mainly owing to a decrease in the number of policies in force, as well as a decrease in income from interest and stock dividends due to a deterioration in the market environment with the spread of COVID-19</li> <li>Key initiatives to accomplish the financial results goal for the fiscal year ending March 31, 2021                             <ul style="list-style-type: none"> <li>Engage in initiatives to recover customer trust and thoroughly implement the business improvement plan</li> <li>Fulfill the social mission and function of a life insurance company amid the emergency spread of COVID-19</li> </ul> </li> </ul>

Notes: 1. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (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 Japan Post Bank (approximately 89%) and Japan Post Insurance (approximately 64%), etc. by Japan Post Holdings.

	Net operating income	
		Year-on-year change
Japan Post Co. (Consolidated)	55.0	(124.0)
Postal and Domestic Logistics Business	85.0	(62.5)
Post Office Business	(35.0)	(79.5)
International Logistics Business	0.0	+ 8.6

### Returns to shareholders

- In view of the uncertain outlook for the business environment, and the current amount available for distribution, there will be no interim dividend for the fiscal year ending March 31, 2021. The year-end dividend for the fiscal year then ending, which is left undecided at this time, will be deliberated in due consideration of future financial results.

#### Information Concerning Dividends (Japan Post Holdings)

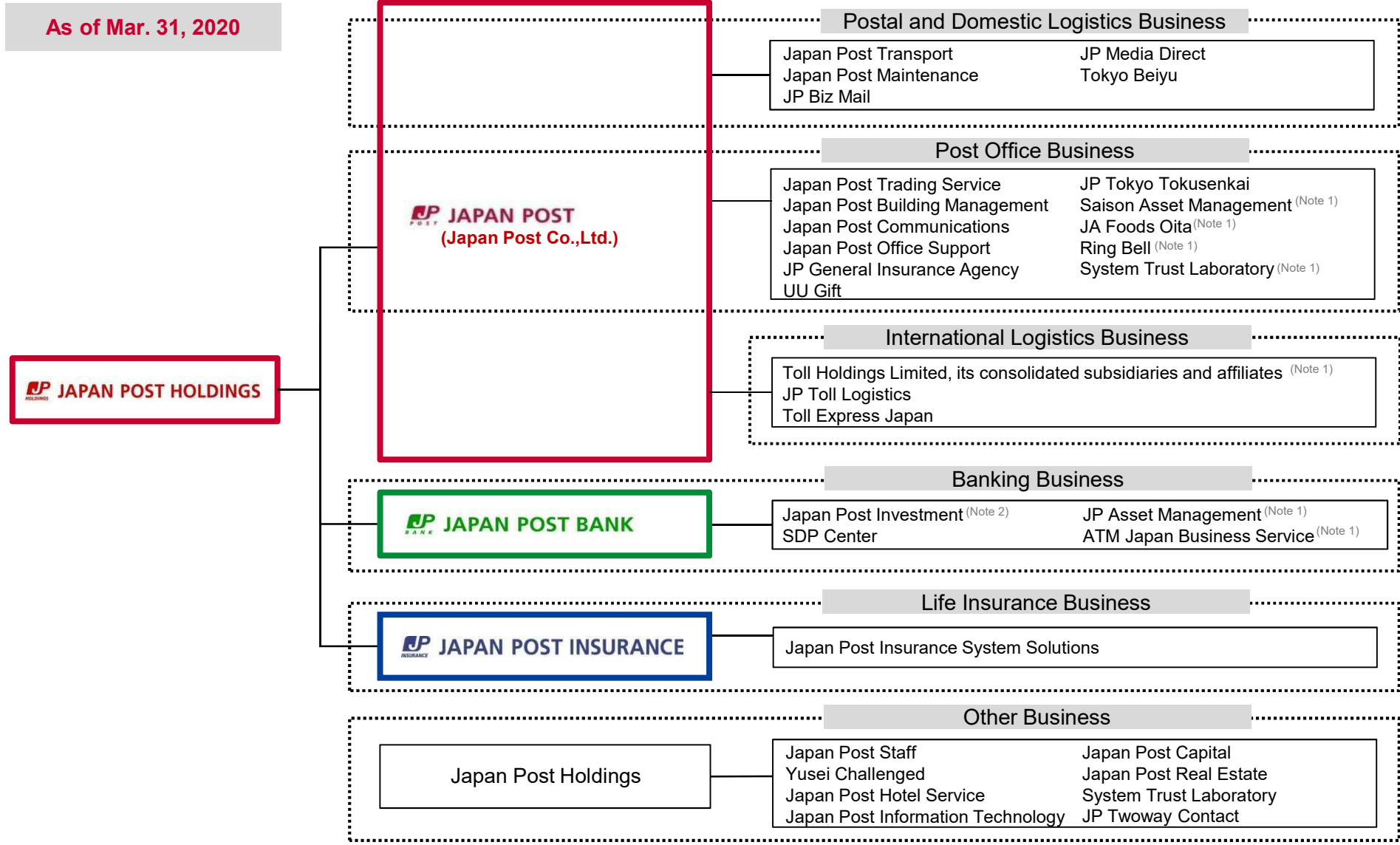
##### For the fiscal year ended March 31, 2020

##### For the fiscal year ending March 31, 2021 (Forecast)

Dividend per share	Dividend payout ratio (consolidated)	Interim dividend	Year-end dividend	Dividend per share	Dividend payout ratio (consolidated)	Interim dividend	Year-end dividend
50 Yen	41.8%	25 Yen	25 Yen	-	-	0 Yen	Undecided

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.

# [Appendix 1] Japan Post Holdings: Organization Chart



Notes: 1. Affiliates accounted for by the equity method  
2. Including its consolidated subsidiaries

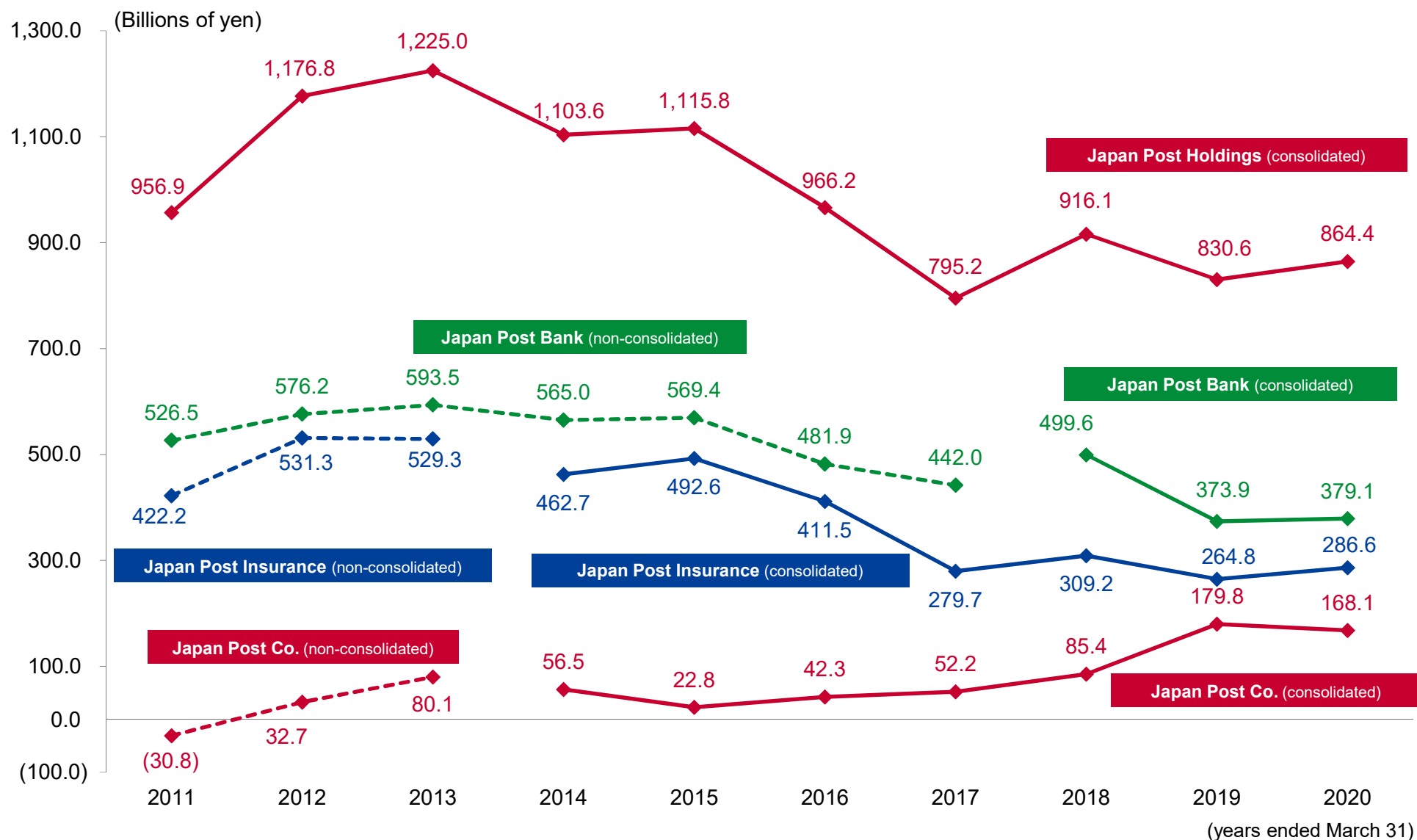
# [Appendix 2] Japan Post Co. (Consolidated): Quarterly Consolidated Statements of Income

(Billions of yen)

	For the three-month period from Apr. to June 2019			For the three-month period from Apr. to June 2018			Year-on-year change			For the three-month period from July to Sept. 2019			For the three-month period from July to Sept. 2018			Year-on-year change			For the three-month period from Oct. to Dec. 2019			For the three-month period from Oct. to Dec. 2018			Year-on-year change			For the three-month period from Jan. to Mar. 2020			For the three-month period from Jan. to Mar. 2019			Year-on-year change		
<b>Japan Post Co. (Consolidated)</b>	Operating income	944.3	948.4	(4.1)	925.6	939.0	(13.3)	1,059.3	1,111.1	(51.7)	909.9	962.0	(52.0)																							
	Operating expenses	904.0	923.3	(19.2)	909.1	938.6	(29.4)	954.4	999.0	(44.6)	892.6	917.6	(24.9)																							
	Personnel expenses	587.4	595.0	(7.6)	579.1	591.6	(12.5)	594.0	612.6	(18.6)	570.2	588.3	(18.0)																							
	Other expenses	316.6	328.3	(11.6)	330.0	346.9	(16.9)	360.3	386.3	(26.0)	322.3	329.2	(6.8)																							
	Net operating income	40.2	25.1	+ 15.1	16.5	0.4	+ 16.1	104.9	112.0	(7.1)	17.3	44.4	(27.0)																							
<b>Postal and Domestic Logistics Business</b>	Operating income	501.5	497.7	+ 3.7	489.1	468.7	+ 20.3	610.9	622.6	(11.6)	523.6	525.7	(2.0)																							
	Operating expenses	480.0	482.9	(2.9)	482.2	488.4	(6.1)	520.0	530.9	(10.9)	495.4	491.2	+ 4.1																							
	Personnel expenses	310.5	311.1	(0.5)	309.0	310.3	(1.3)	323.2	325.7	(2.5)	314.7	314.7	+ 0.0																							
	Other expenses	169.4	171.8	(2.3)	173.2	178.1	(4.8)	196.7	205.1	(8.4)	180.6	176.5	+ 4.1																							
	Net operating income (loss)	21.5	14.8	+ 6.6	6.8	(19.6)	+ 26.4	90.9	91.7	(0.7)	28.1	34.4	(6.2)																							
<b>Post Office Business</b>	Operating income	334.9	331.6	+ 3.2	330.5	345.0	(14.4)	339.2	362.2	(23.0)	293.9	323.6	(29.6)																							
	Operating expenses	313.0	320.7	(7.6)	316.3	327.8	(11.5)	323.5	342.5	(18.9)	301.1	311.7	(10.6)																							
	Personnel expenses	224.2	230.3	(6.0)	218.7	228.5	(9.8)	216.8	230.8	(13.9)	210.5	221.7	(11.2)																							
	Other expenses	88.8	90.4	(1.6)	97.6	99.3	(1.6)	106.7	111.7	(4.9)	90.6	89.9	+ 0.6																							
	Net operating income	21.8	10.8	+ 10.9	14.1	17.1	(2.9)	15.7	19.7	(4.0)	(7.1)	11.8	(19.0)																							
<b>International Logistics Business</b>	Operating income	160.1	169.0	(8.9)	158.1	177.5	(19.4)	168.2	188.2	(19.9)	148.4	165.8	(17.4)																							
	Operating expenses	162.0	168.3	(6.3)	160.9	174.2	(13.3)	169.3	185.5	(16.1)	151.2	162.1	(10.8)																							
	Personnel expenses	52.6	53.6	(1.0)	51.3	52.7	(1.3)	54.0	56.1	(2.1)	44.9	51.8	(6.8)																							
	Other expenses	109.4	114.7	(5.3)	109.5	121.5	(11.9)	115.3	129.4	(14.0)	106.3	110.3	(3.9)																							
	Net operating income (loss)	(1.9)	0.6	(2.5)	(2.8)	3.2	(6.0)	(1.1)	2.6	(3.7)	(2.7)	3.7	(6.5)																							

Note: Figures for the international logistics business for the three-month period from July to September, from October to December and from January to March 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).

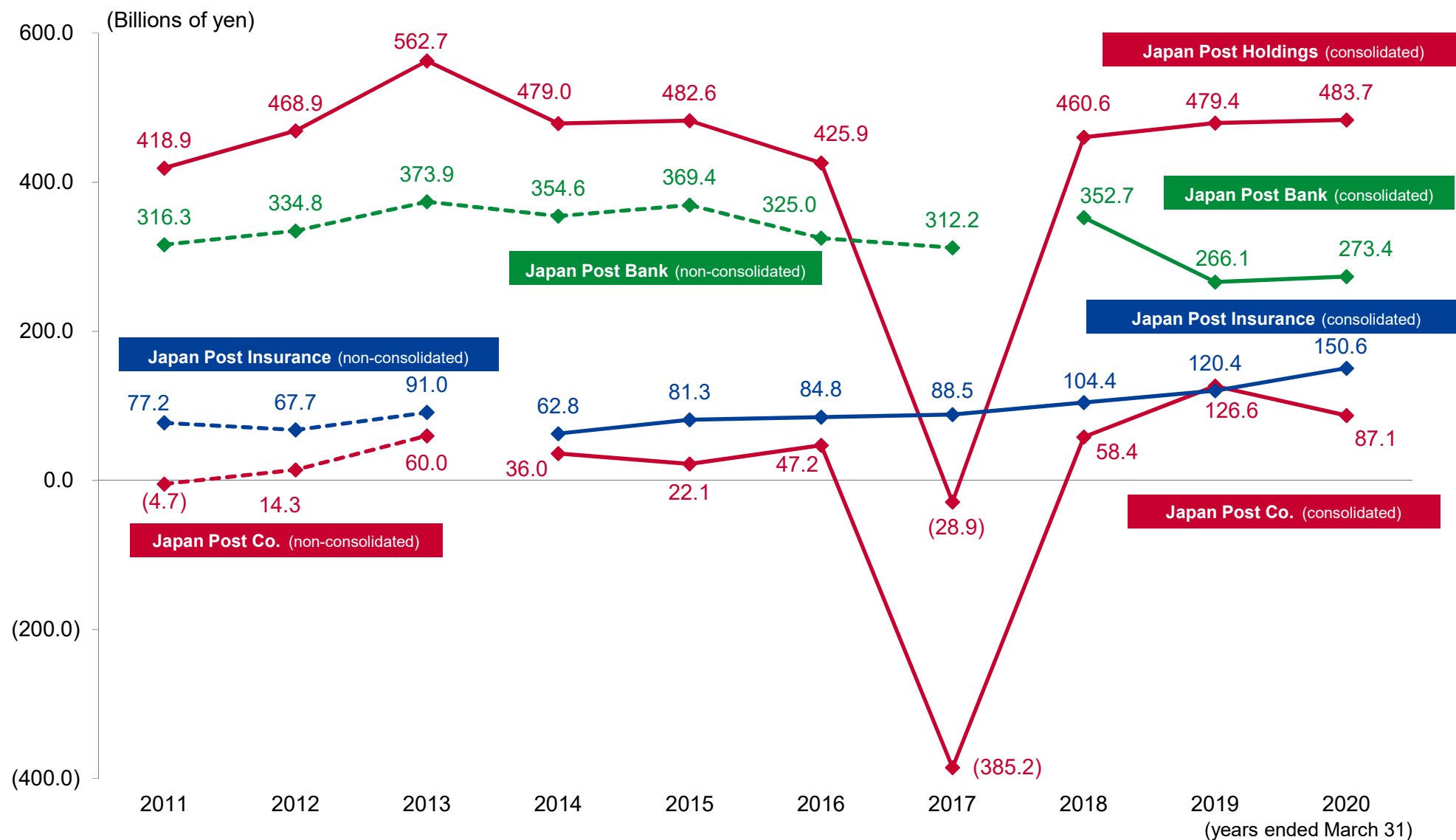
# [Appendix 3] Trends in Net Ordinary Income (Loss)



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 4] Trends in 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 that Japan Post Holdings Co., Ltd (the “Company”) is aware of as of March 31, 2020 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 the impact of the spread of COVID-19, interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in the economic and financial environment, changes in the competitive environment, the occurrence of large-scale disasters, etc. and changes in laws and regulations. The Company disclaims any responsibility to update any forward-looking statements contained herein to the extent permitted by law or stock exchange rule.