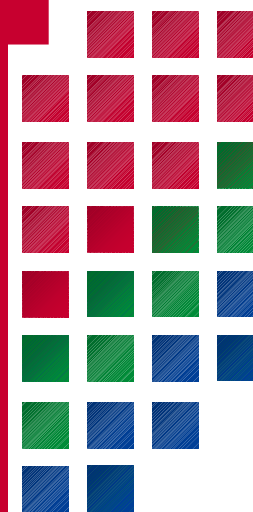


**Financial Highlights  
for the Three Months Ended June 30, 2020**

**August 7, 2020**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Three Months Ended June 30, 2020

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Holdings (Consolidated)		
		Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>2,793.0</b>	927.9	387.6	1,696.3
Year-on-year (for the three months ended June 30, 2019) Change	(192.0) (6.4)%	(17.6) (1.9)%	(76.2) (16.4)%	(122.5) (6.7)%
<b>Net ordinary income</b>	<b>133.2</b>	19.2	42.0	69.9
Year-on-year (for the three months ended June 30, 2019) Change	(69.0) (34.1)%	(18.4) (49.0)%	(63.6) (60.2)%	+ 13.9 + 24.9%
<b>Net income</b>	<b>78.7</b>	16.6	33.2	46.7
Year-on-year (for the three months ended June 30, 2019) Change	(56.2) (41.7)%	(18.7) (52.9)%	(44.6) (57.3)%	+ 12.9 + 38.3%

## ■ Forecast for the Fiscal Year Ending March 31, 2021 (Announced in May 2020)

<b>Net ordinary income</b>	<b>520.0</b>	40.0	275.0	200.0
[percentage achievement]	[25.6%]	[48.0%]	[15.2%]	[35.0%]
<b>Net income</b>	<b>280.0</b>	0.0	200.0	124.0
[percentage achievement]	[28.1%]	[ -%]	[16.6%]	[37.7%]

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.

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

- The overall volume of items handled decreased by 6.2% year-on-year (including a 7.5% decrease for Mail, and a 9.0% decrease for Yu-Mail), with a slowdown in economic activity due to the impact of the spread of COVID-19. Of this, the volume of Yu-Pack (note 1) increased by 26.4% year-on-year (Yu-Packet increased by 41.8%), due to expanded use of e-commerce with increased stay-at-home consumption.
- Operating income decreased by ¥11.3 billion year-on-year (a decrease of 2.3% year-on-year) due mainly to the effects of a decrease in volume of items handled and the suspension of international mail services, despite higher income from parcels associated with an increase in Yu-Pack volumes.
- Net operating income decreased by ¥6.1 billion year-on-year (a decrease of 28.4% year-on-year), despite a decrease in operating expenses mainly owing to cost control initiatives.

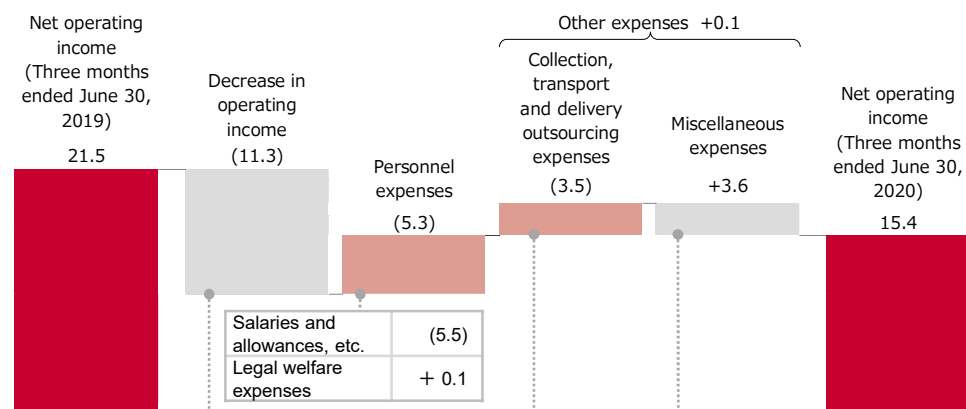
## Analysis of Year-on-year Change in Net Operating Income

[Trends in Net Operating Income]

(Billions of yen)

2018	2019	2020
14.8	21.5	15.4

(three months ended June 30)



International mails	(10.9)
International mail remuneration (terminal dues, etc.) <sup>(note 2)</sup>	(8.1)
Standard mail	(4.8)
Parcels (Yu-Pack (note 1) and Yu-Mail)	+ 12.6

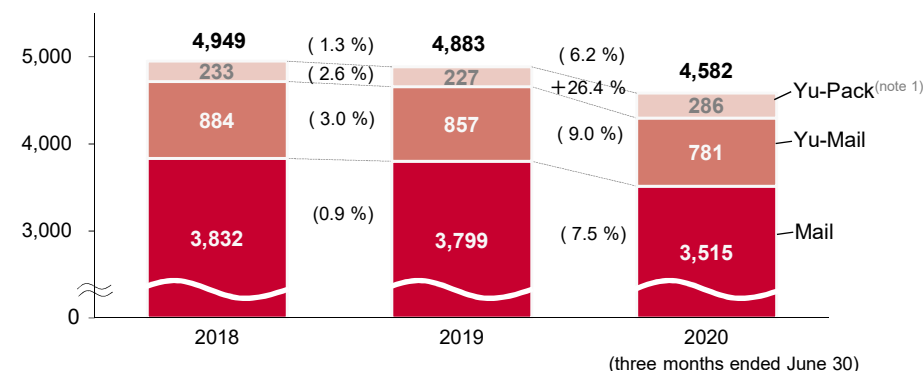
Postal service commissions	+ 1.9
International mails delivery expenses	(6.1)
Domestic collection, transport and delivery outsourcing expenses	+ 2.6

Notes: 1. Yu-Pack includes Yu-Packet.

2. Includes a lump-sum correction of ¥(7.0) billion for overstatements in previous fiscal years related to International ePacket Light, etc.

## Trends in Volume of Items Handled

(Volume of items handled in millions)



## Results of Operations for the Three Months Ended June 30, 2020

(Billions of yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	Year-on-year change
Operating income	490.1	501.5	(11.3)
Operating expenses	474.7	480.0	(5.2)
Personnel expenses	305.1	310.5	(5.3)
Other expenses	169.6	169.4	+ 0.1
Net operating income	15.4	21.5	(6.1)

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

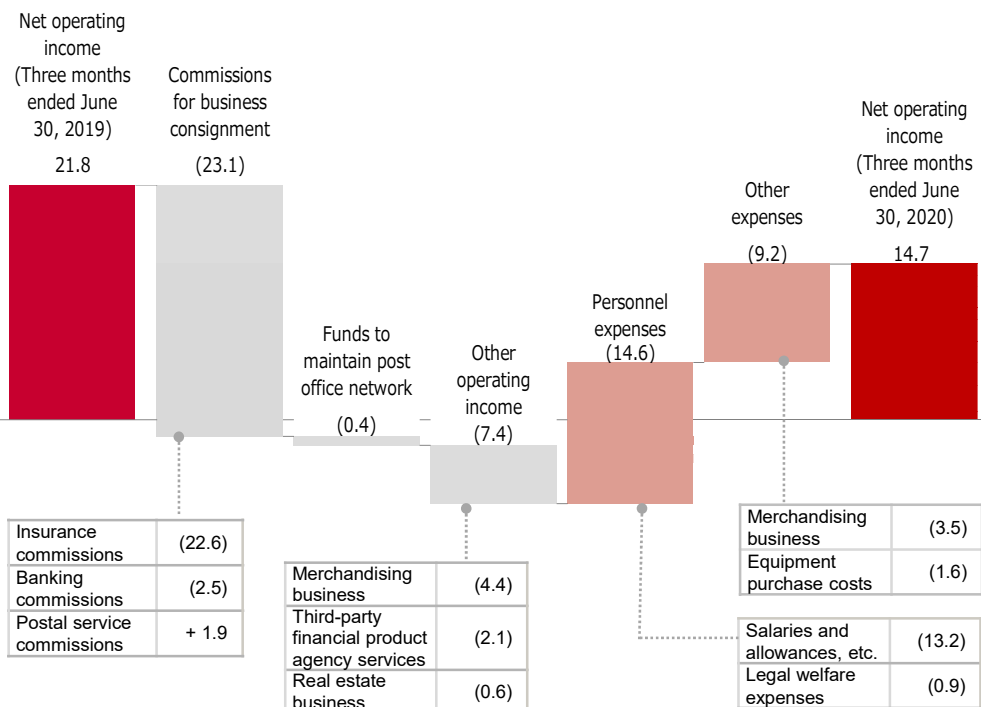
- Operating income decreased by ¥31.0 billion year-on-year (a decrease of 9.3% year-on-year), resulting mainly from a significant decrease in insurance commissions due to refraining from making proactive sales proposals of Japan Post Insurance products, and a decrease in other operating income, primarily due to a decrease in the merchandising business because of factors such as the impact of the spread of COVID-19.
- Net operating income decreased by ¥7.1 billion year-on-year (a decrease of 32.6% year-on-year), despite a decrease of ¥23.9 billion year-on-year (a decrease of 7.6% year-on-year) in operating expenses, due to factors such as a decrease in sales allowances for the sale of Japan Post Insurance products.

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

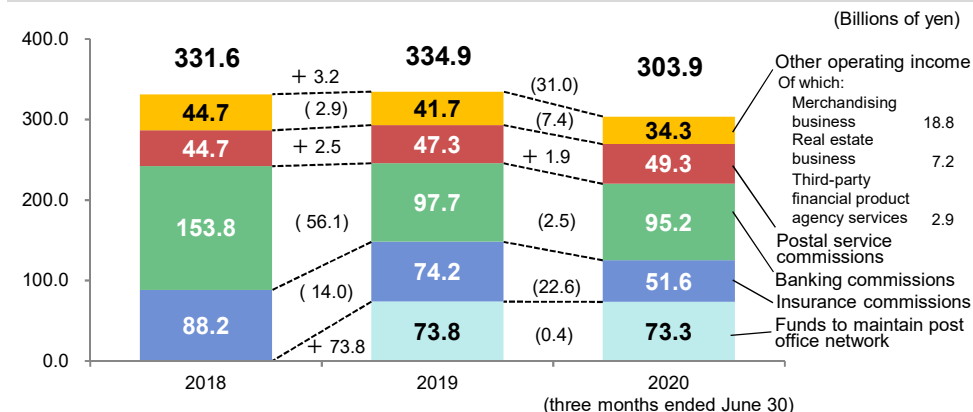
[Trends in Net Operating Income]

2018	2019	2020
10.8	21.8	14.7

(three months ended June 30)



## Trends in the Earnings Structure



## Results of Operations for the Three Months Ended June 30, 2020

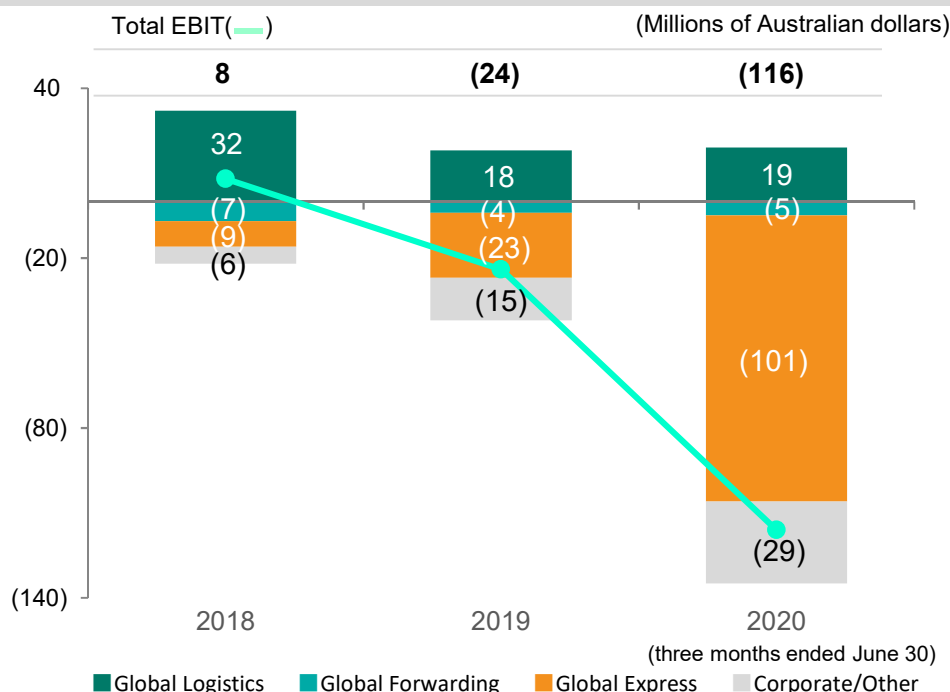
(Billions of yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	Year-on-year change
Operating income	303.9	334.9	(31.0)
Operating expenses	289.1	313.0	(23.9)
Personnel expenses	209.6	224.2	(14.6)
Other expenses	79.5	88.8	(9.2)
Net operating income	14.7	21.8	(7.1)

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

- Operating income increased by A\$546 million (an increase of 26.2% year-on-year) overall, due to large-scale handling of COVID-19 prevention supplies by the Global Logistics Asia division, despite a decrease in revenue with lower volumes handled in Global Express, due to the impact of COVID-19 and targeted cyber attacks.
- Other expenses increased significantly with the large-scale handling of COVID-19 prevention supplies, while cost reductions in Global Express were not enough to compensate for the decline in revenue, resulting in a net operating loss (EBIT) of A\$116 million (a year-on-year increase in the net operating loss).

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



## Results of Operations for the Three Months Ended June 30, 2020

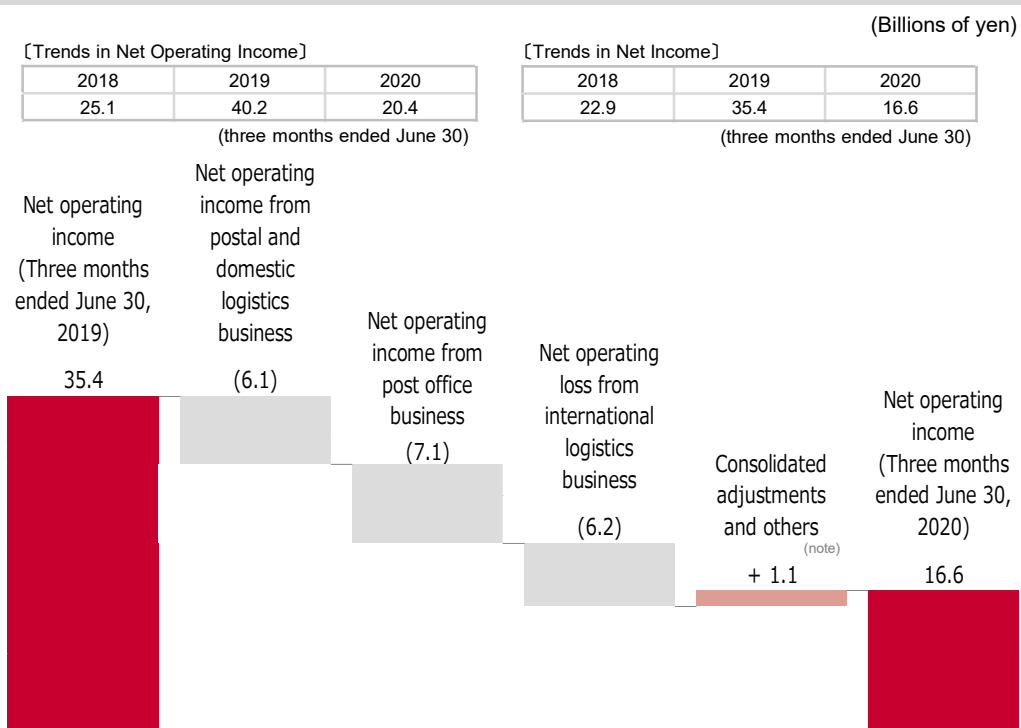
(Millions of Australian dollars)  
[Billions of yen]

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	Year-on-year change
Operating income (revenue)	2,627 [185.6]	2,080 [160.1]	+ 546 [+ 25.4]
Operating expenses	2,743 [193.8]	2,105 [162.0]	+ 637 [+ 31.7]
Personnel expenses	656 [46.3]	683 [52.6]	(27) [(6.2)]
Other expenses	2,086 [147.4]	1,422 [109.4]	+ 664 [+ 38.0]
Net operating loss (EBIT)	(116) [(8.2)]	(24) [(1.9)]	(91) [(6.2)]

- 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 three months ended June 30, 2020 and 2019 in the above graph and table are calculated on the basis of IFRS16 (Leases).  
 3. Figures for the three months ended June 30, 2020 and 2019 in the above graph have been reclassified due to a partial reclassification of businesses between segments from April 1, 2020 (total amounts are unchanged).  
 4. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2020: ¥70.65 to A\$1.00 and for the three months ended June 30, 2019: ¥76.94 to A\$1.00).

- Operating income decreased by ¥18.5 billion year-on-year (a decrease of 2.0% year-on-year, of which ¥11.9 billion was attributable to the effect of exchange rate fluctuations), due to a decrease in income from the postal and domestic logistics business and the post office business, despite an increase in income from the international logistics business due to large-scale handling of COVID-19 prevention supplies.
- Operating expenses were roughly unchanged year-on-year, with an increase in the international logistics business offsetting decreases in the postal and domestic logistics business and the post office business (a decrease of ¥12.2 billion in operating expenses was attributable to the effect of exchange rate fluctuations). As a result, net operating income decreased by ¥19.7 billion year-on-year (a decrease of 49.2% year-on-year) to ¥20.4 billion, net ordinary income decreased by ¥18.4 billion year-on-year (a decrease of 49.0% year-on-year) to ¥19.2 billion, and net income decreased by ¥18.7 billion year-on-year (a decrease of 52.9% year-on-year) to ¥16.6 billion.

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



Note: "Consolidated adjustments and others" includes consolidated adjustments, other income (expenses), extraordinary gains (losses), income taxes and net income attributable to non-controlling interests.

## Results of Operations for the Three Months Ended June 30, 2020

(Billions of yen)

	For the three months ended June 30, 2020	For the three months ended June 30, 2019	Year-on-year change
Operating income	<b>925.8</b>	944.3	(18.5)
Operating expenses	<b>905.3</b>	904.0	+ 1.2
Personnel expenses	<b>561.2</b>	587.4	(26.2)
Other expenses	<b>344.1</b>	316.6	+ 27.4
<b>Net operating income</b>	<b>20.4</b>	40.2	(19.7)
<b>Net ordinary income</b>	<b>19.2</b>	37.6	(18.4)
Extraordinary gains (losses)	<b>(0.0)</b>	0.4	(0.5)
Income before income taxes	<b>19.1</b>	38.1	(19.0)
<b>Net income</b>	<b>16.6</b>	35.4	(18.7)

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

## Results of Operations for the Three Months Ended June 30, 2020

(Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2020	June 30, 2019	
Gross operating profit	<b>305.7</b>	364.4	(58.7)
Net interest income	<b>193.3</b>	256.6	(63.2)
Net fees and commissions	<b>31.8</b>	33.1	(1.3)
Net other operating income	<b>80.5</b>	74.6	+ 5.8
Gains (losses) on foreign exchanges	<b>79.8</b>	73.4	+ 6.3
Gains (losses) on Japanese government bonds, etc.	<b>0.6</b>	1.8	(1.2)
General and administrative expenses <small>(Note 1)</small>	<b>252.8</b>	263.0	(10.1)
Provision for general reserve for possible loan losses	-	0.0	(0.0)
<b>Net operating profit</b>	<b>52.8</b>	101.3	(48.5)
Non-recurring gains (losses)	<b>(10.9)</b>	4.3	(15.2)
Net ordinary income	<b>41.9</b>	105.7	(63.8)
<b>Net income</b>	<b>33.0</b>	77.7	(44.7)

(Reference) Consolidated Financial Highlights

Ordinary income	<b>387.6</b>	463.8	(76.2)
Net ordinary income	<b>42.0</b>	105.7	(63.6)
Net income <small>(Note 2)</small>	<b>33.2</b>	77.8	(44.6)

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 because of factors such as the impact of the spread of COVID-19 and the persistence of a low interest rate environment, gross operating profit (non-consolidated) for the three months ended June 30, 2020 decreased by ¥58.7 billion year-on-year to ¥305.7 billion. Net interest income decreased by ¥63.2 billion year-on-year mainly as a result of a decrease in interest on securities. Net fees and commissions decreased by ¥1.3 billion year-on-year. Net other operating income increased by ¥5.8 billion year-on-year.
- General and administrative expenses (non-consolidated) decreased by ¥10.1 billion year-on-year to ¥252.8 billion.
- Net operating profit (non-consolidated) decreased by ¥48.5 billion year-on-year to ¥52.8 billion.
- Net ordinary income (non-consolidated) decreased by ¥63.8 billion year-on-year to ¥41.9 billion.
- Net income (non-consolidated) decreased by ¥44.7 billion year-on-year to ¥33.0 billion.

(Billions of yen)

	As of		Change
	June 30, 2020	March 31, 2020	
Deposits <small>(Note 3)</small>	<b>187,480.0</b>	183,004.7	+ 4,475.2



## Net Interest Income

(Billions of yen)

	For the three months ended		Year-on-year change
	Jun. 30, 2020	Jun. 30, 2019	
Net interest income to	<b>193.3</b>	256.6	(63.2)
Interest income	<b>255.5</b>	335.5	(80.0)
Interest income on Japanese government bonds	<b>96.2</b>	117.0	(20.8)
Interest income on foreign securities	<b>137.0</b>	190.7	(53.7)
Interest expenses	<b>62.1</b>	78.9	(16.7)

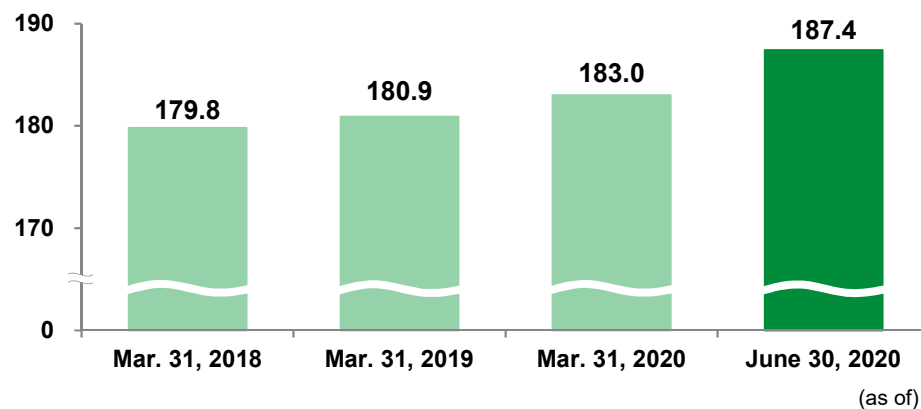
## Net Fees and Commissions

(Billions of yen)

	For the three months ended		Year-on-year change
	Jun. 30, 2020	Jun. 30, 2019	
Net fees and commissions relating to	<b>31.8</b>	33.1	(1.3)
Exchange and settlement transactions	<b>20.9</b>	19.9	+ 0.9
ATMs	<b>4.8</b>	4.4	+ 0.3
Investment trusts	<b>3.4</b>	6.3	(2.9)
Others	<b>2.6</b>	2.3	+ 0.2

## Deposit Balance

(Trillions of yen)



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

## Results of Investment Trusts Sales (Contract Basis)

	For the three months ended		Year-on-year change
	Jun. 30, 2020	Jun. 30, 2019	
Number of contracts (thousands)	<b>835</b>	689	+ 145
Sales amount (billions of yen)	<b>48.0</b>	246.2	(198.1)

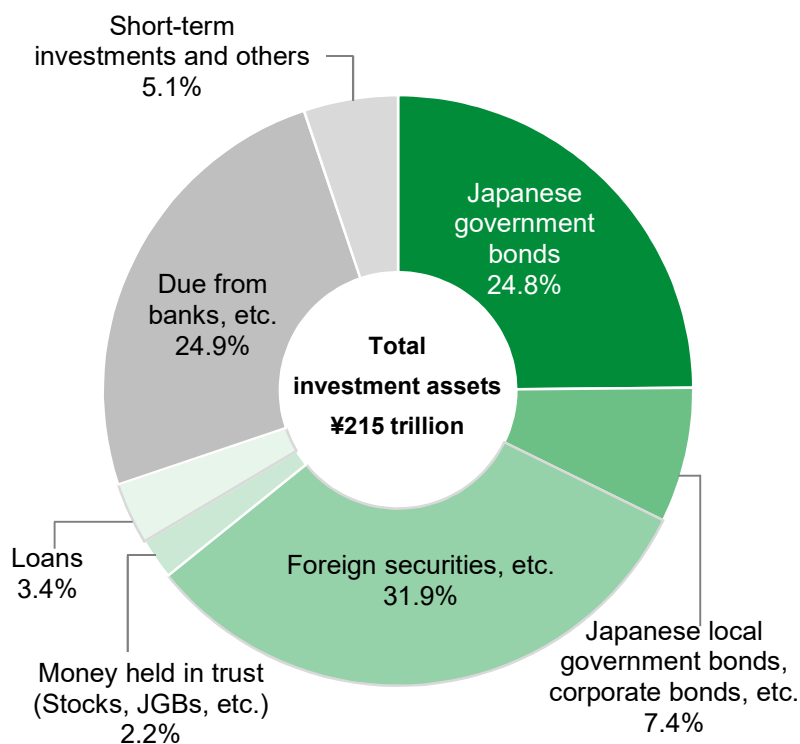
  

	As of		Year-on-year change
	Jun. 30, 2020	Jun. 30, 2019	
Number of investment trust accounts (thousands)	<b>1,189</b>	1,129	+ 60
Net assets (billions of yen)	<b>2,374.6</b>	2,420.1	+ 45.5



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

(Billions of yen)



	As of June 30, 2020	Composition ratio (%)	As of March 31, 2020	Composition ratio (%)	Change
Securities	<b>138,406.2</b>	<b>64.1</b>	135,198.4	65.1	+ 3,207.7
Japanese government bonds	<b>53,579.1</b>	<b>24.8</b>	53,636.1	25.8	(56.9)
Japanese local government bonds, corporate bonds, etc. <sup>(Note 1)</sup>	<b>15,992.7</b>	<b>7.4</b>	15,904.8	7.6	+ 87.9
Foreign securities, etc.	<b>68,834.3</b>	<b>31.9</b>	65,657.5	31.6	+ 3,176.8
Foreign bonds	<b>23,613.1</b>	<b>10.9</b>	23,706.8	11.4	(93.7)
Investment trusts <sup>(Note 2)</sup>	<b>45,169.2</b>	<b>20.9</b>	41,901.0	20.1	+3,268.2
Money held in trust (Stocks, JGBs, etc.)	<b>4,808.4</b>	<b>2.2</b>	4,549.7	2.1	+ 258.7
Domestic stocks	<b>2,116.0</b>	<b>0.9</b>	1,859.6	0.8	+ 256.3
Loans	<b>7,335.1</b>	<b>3.4</b>	4,961.7	2.3	+ 2,373.3
Due from banks, etc. <sup>(Note 3)</sup>	<b>53,879.4</b>	<b>24.9</b>	51,485.4	24.8	+ 2,394.0
Short-term investments and others <sup>(Note 4)</sup>	<b>11,178.9</b>	<b>5.1</b>	11,324.2	5.4	(145.3)
<b>Total investment assets</b>	<b>215,608.2</b>	<b>100.0</b>	207,519.6	100.0	+ 8,088.6

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 Three Months Ended June 30, 2020

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2020	June 30, 2019	
Ordinary income	<b>1,696.3</b>	1,818.9	(122.5)
Ordinary expenses	<b>1,626.4</b>	1,762.9	(136.5)
Ordinary profit	<b>69.9</b>	56.0	+ 13.9
Net income	<b>46.7</b>	33.7	+ 12.9
(Reference) Non-consolidated Financial Highlights			
Core profit	<b>110.4</b>	90.8	+ 19.5
Net capital gains (losses)	<b>(38.2)</b>	(31.6)	(6.5)
Non-recurring gains (losses)	<b>(2.6)</b>	(3.3)	+ 0.7
Ordinary profit	<b>69.5</b>	55.8	+ 13.7
Annualized premiums from new policies (individual insurance)	<b>6.0</b>	93.5	(87.5)
	As of		Change
	June 30, 2020	March 31, 2020	
Annualized premiums from policies in force (individual insurance) <sup>(Note 1)</sup>	<b>4,203.8</b>	4,318.6	(114.7)
Solvency margin ratio (consolidated)	<b>1,121.5</b>	1,070.9	+ 50.6
Real net assets (consolidated)	<b>12,332.7</b>	12,350.9	(18.2)

## Overview

- Core profit (non-consolidated) for the three months ended June 30, 2020 increased by ¥19.5 billion year-on-year to ¥110.4 billion, mainly due to a decrease in operating expenses reflecting the impact of continuing to refrain from making proactive sales proposals of Japan Post Insurance products since April 2020.
- Ordinary profit (consolidated) increased by ¥13.9 billion year-on-year to ¥69.9 billion, mainly due to an increase in core profit, despite an increase in capital losses from losses on money held in trust, etc.
- Net income (consolidated) increased by ¥12.9 billion year-on-year to ¥46.7 billion, mainly due to an increase in core profit, and we achieved 37.7% of the financial results forecast for the fiscal year ending March 31, 2021.
- Annualized premiums from new policies for individual insurance and medical care each decreased significantly compared with the same period of 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 ¥2,635.9 billion. Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,121.5% and real net assets (consolidated) amounted to ¥12,332.7 billion, reflecting a continuously maintained high level of financial soundness.

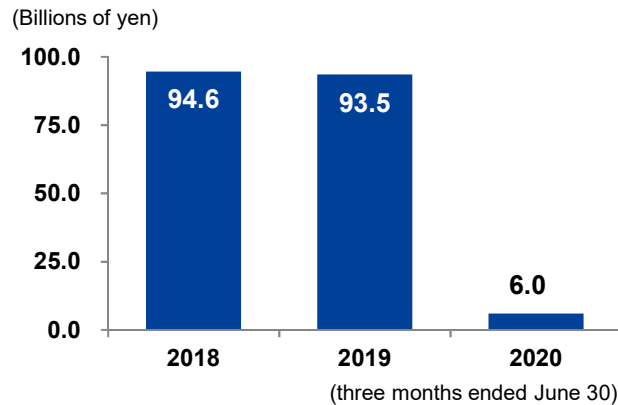
Notes: 1. Policies in force for individual insurance include those for Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Organization for Postal Savings, Postal Life insurance and Post Office Network.

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

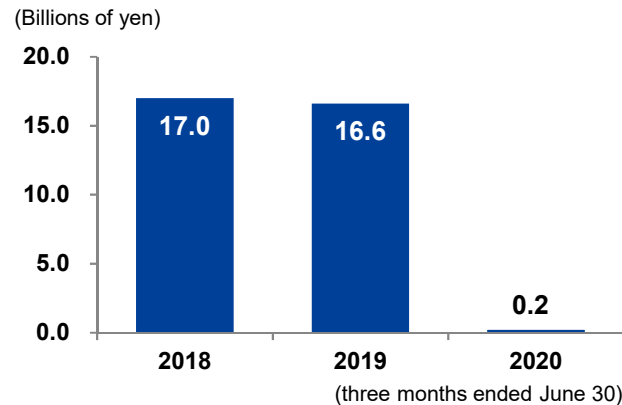
3. Please refer to "Status of Insurance Policies" on page 10 for annualized premiums from new policies and policies in force for medical care.

## New Policies

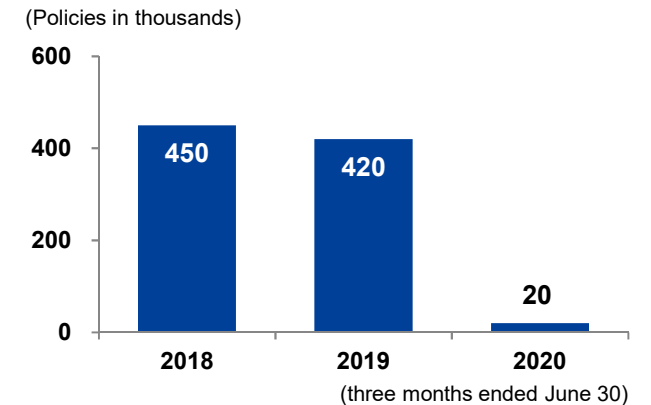
### Annualized Premiums from New Policies (Individual Insurance)



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

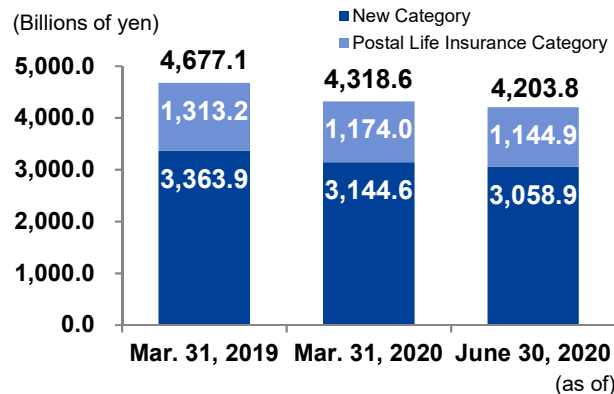


### Number of New Policies (Individual Insurance)

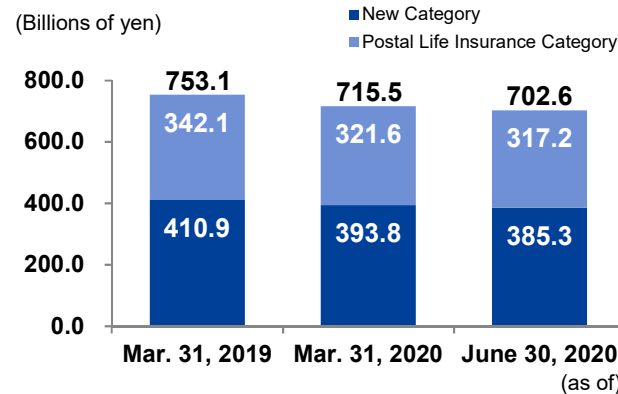


## Policies in Force

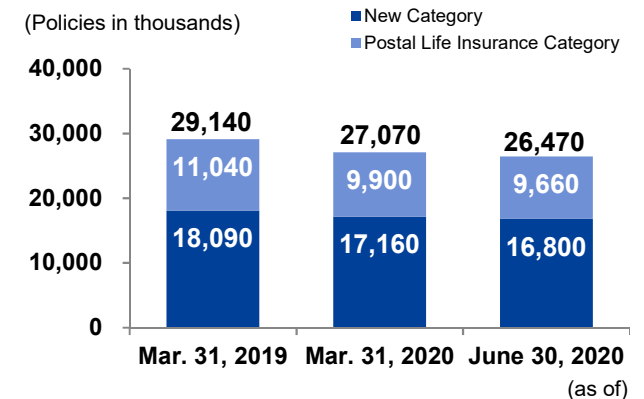
### Annualized Premiums from Policies in Force (Individual Insurance)



### 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.

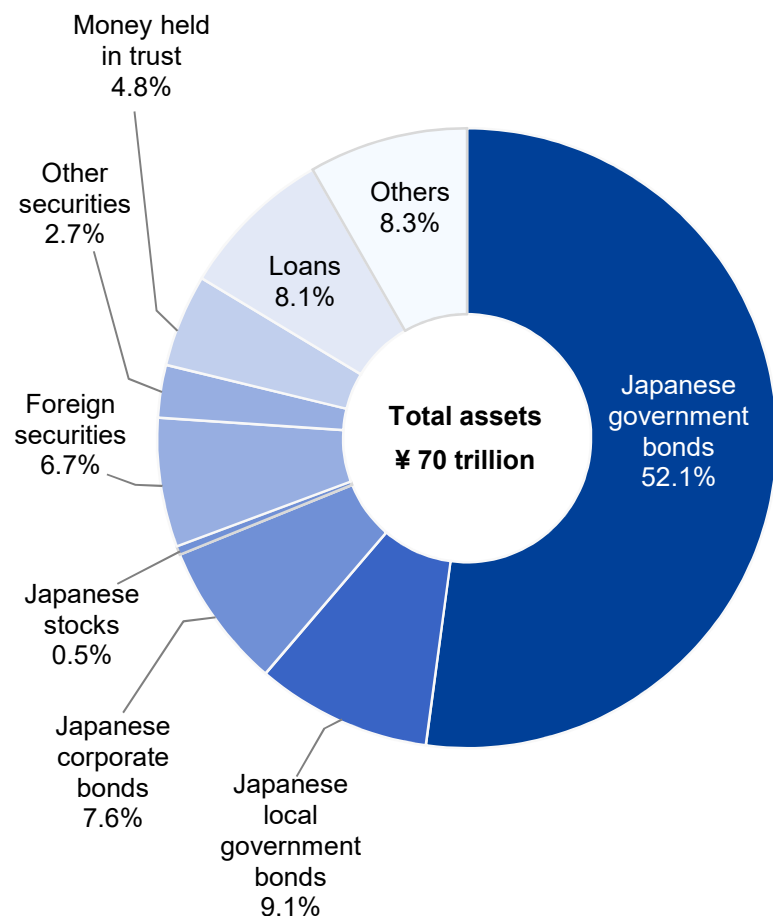
Annualized premiums for individual insurance include those for medical care. Annualized premiums for medical care are the total of those for individual insurance and individual annuity insurance.

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.

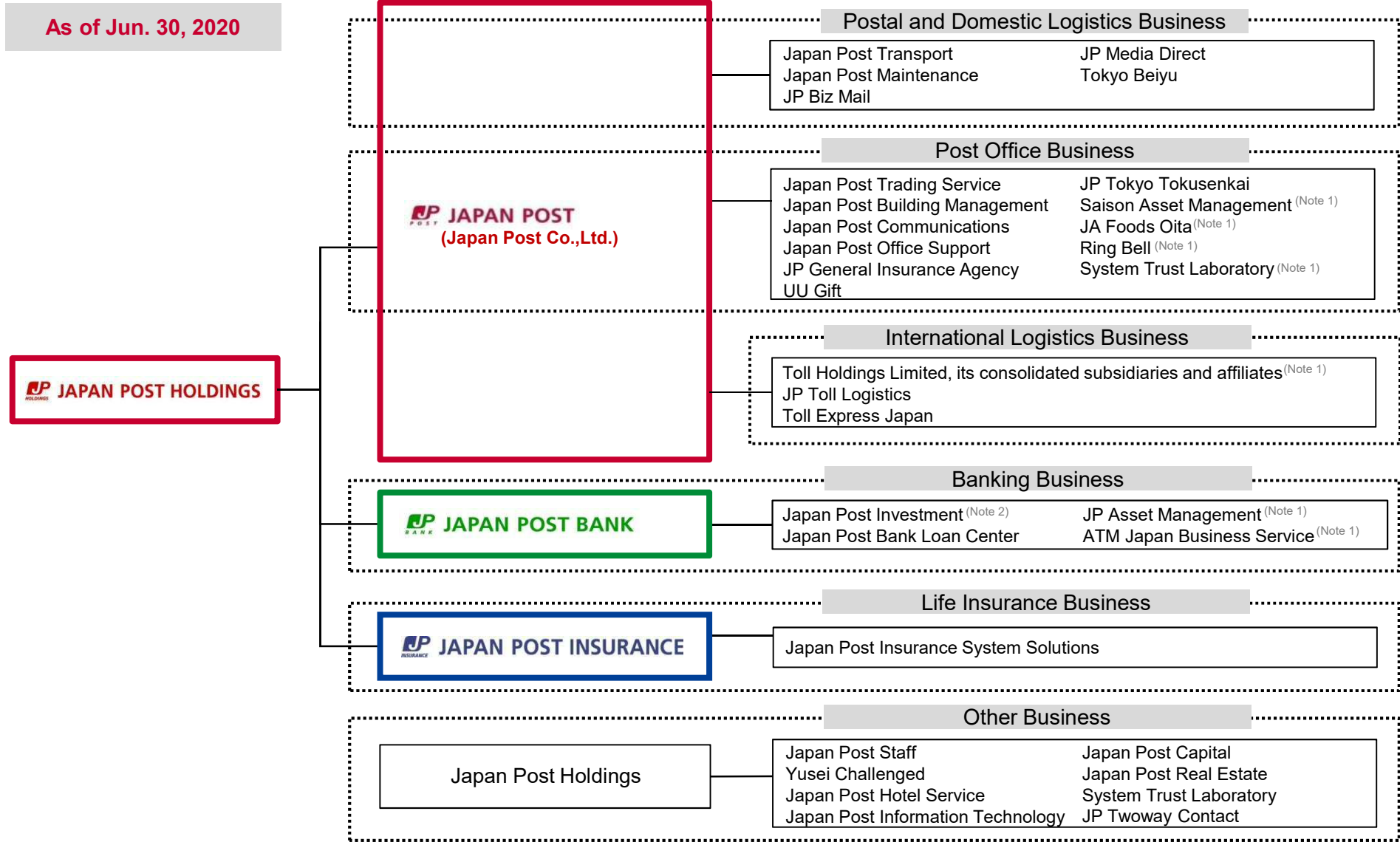
# Japan Post Insurance (Consolidated): Status of Investment Assets

(Billions of yen)

	As of Jun. 30, 2020	Composition ratio (%)	As of Mar. 31, 2020	Composition ratio (%)	Change
Securities	<b>55,801.4</b>	<b>78.8</b>	55,870.5	78.0	(69.1)
Japanese government bonds	<b>36,906.6</b>	<b>52.1</b>	36,730.7	51.3	+ 175.9
Japanese local government bonds	<b>6,473.0</b>	<b>9.1</b>	6,737.3	9.4	(264.3)
Japanese corporate bonds	<b>5,379.0</b>	<b>7.6</b>	5,486.3	7.7	(107.3)
Japanese stocks	<b>325.0</b>	<b>0.5</b>	285.9	0.4	+ 39.0
Foreign securities	<b>4,772.8</b>	<b>6.7</b>	4,687.3	6.5	+ 85.5
Other securities	<b>1,944.7</b>	<b>2.7</b>	1,942.7	2.7	+ 2.0
Money held in trust	<b>3,408.1</b>	<b>4.8</b>	3,056.0	4.3	+ 352.1
Loans	<b>5,708.7</b>	<b>8.1</b>	5,662.7	7.9	+ 45.9
Others	<b>5,883.4</b>	<b>8.3</b>	7,075.4	9.9	(1,191.9)
<b>Total assets</b>	<b>70,801.8</b>	<b>100.0</b>	71,664.7	100.0	(862.9)



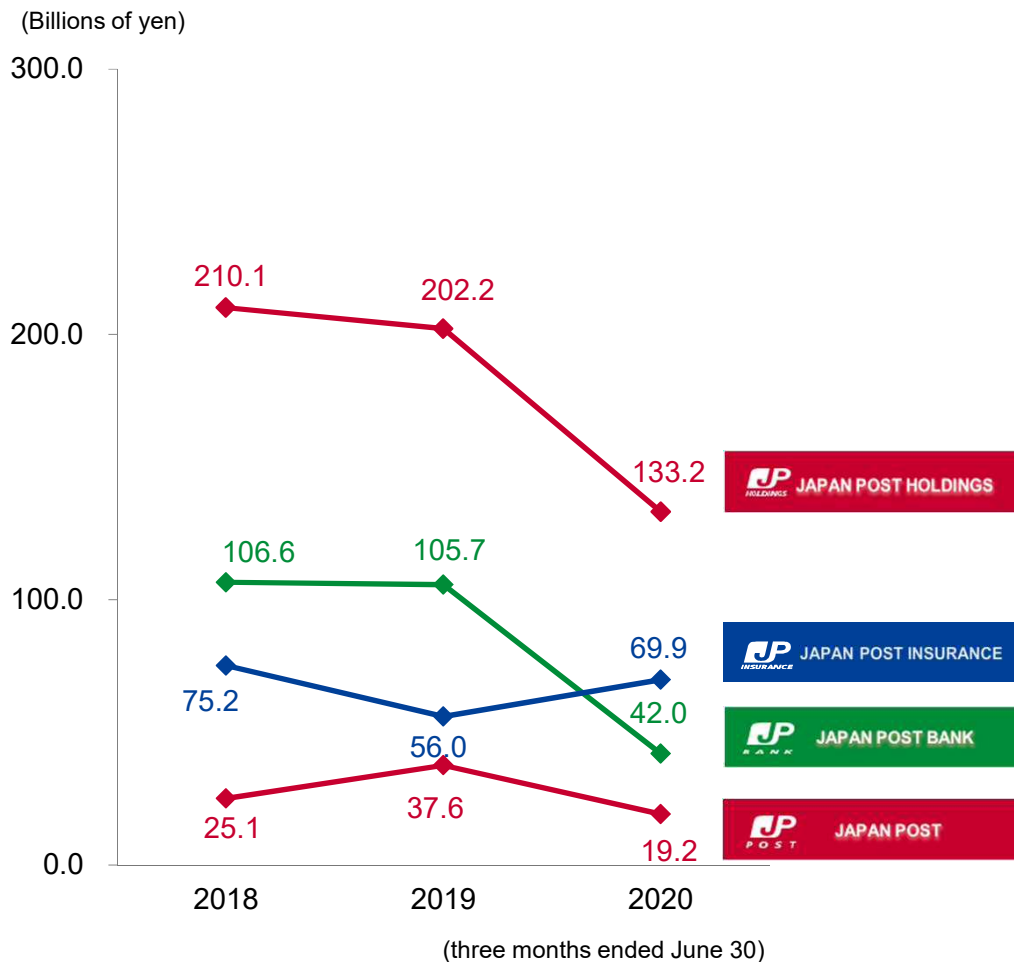
# [Appendix 1] Japan Post Holdings: Organization Chart



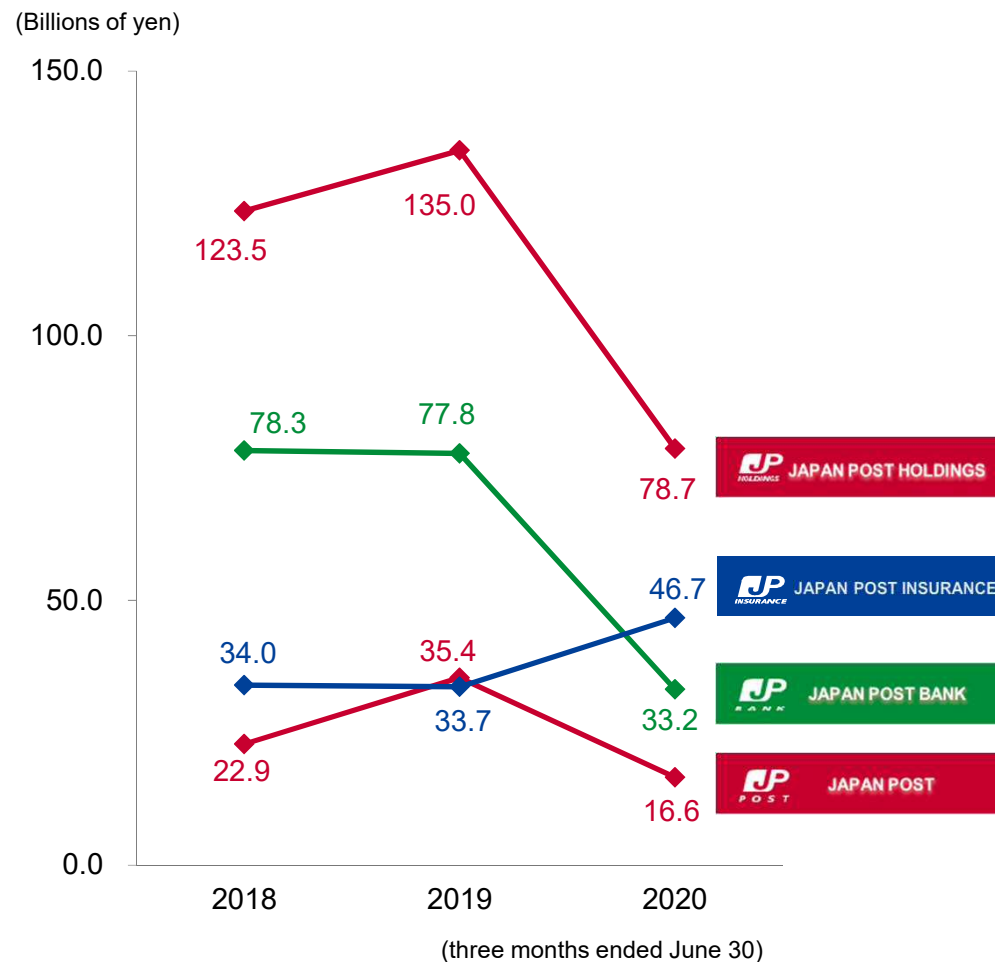
Notes: 1. Affiliates accounted for by the equity method.  
2. Including its consolidated subsidiaries.

# [Appendix 2] 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 that Japan Post Holdings Co., Ltd (the “Company”) is aware of as of June 30, 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.