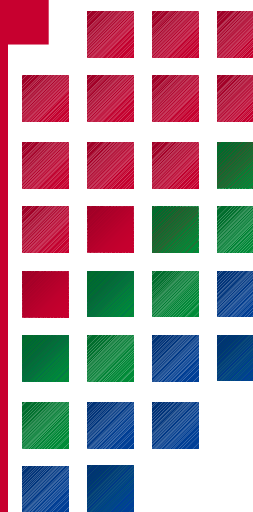


**Financial Highlights
for the Six Months Ended September 30, 2017**

November 14, 2017



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Six Months Ended September 30, 2017

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	6,379.6	1,834.7	977.2	4,054.8
Year-on-year (for the six months ended Sept. 30, 2016) change	(178.1) (2.7)%	+ 44.4 + 2.5%	+ 43.0 + 4.6%	(279.0) (6.4)%
Net ordinary income (loss)	420.6	(12.8)	257.1	168.8
Year-on-year (for the six months ended Sept. 30, 2016) change	+ 117.4 + 38.7%	+ 14.7 -	+ 44.7 + 21.0%	+ 61.0 + 56.6%
Net income (loss)	180.1	(17.1)	181.5	51.2
Year-on-year (for the six months ended Sept. 30, 2016) change	+ 30.3 + 20.3%	+ 11.6 -	+ 30.5 + 20.2%	+ 8.7 + 20.6%

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

Net ordinary income	780.0	18.0	490.0	250.0
[percentage achievement]	[53.9%]	-	[52.4%]	[67.5%]
Net income	400.0	13.0	350.0	86.0
[percentage achievement]	[45.0%]	-	[51.8%]	[59.6%]

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

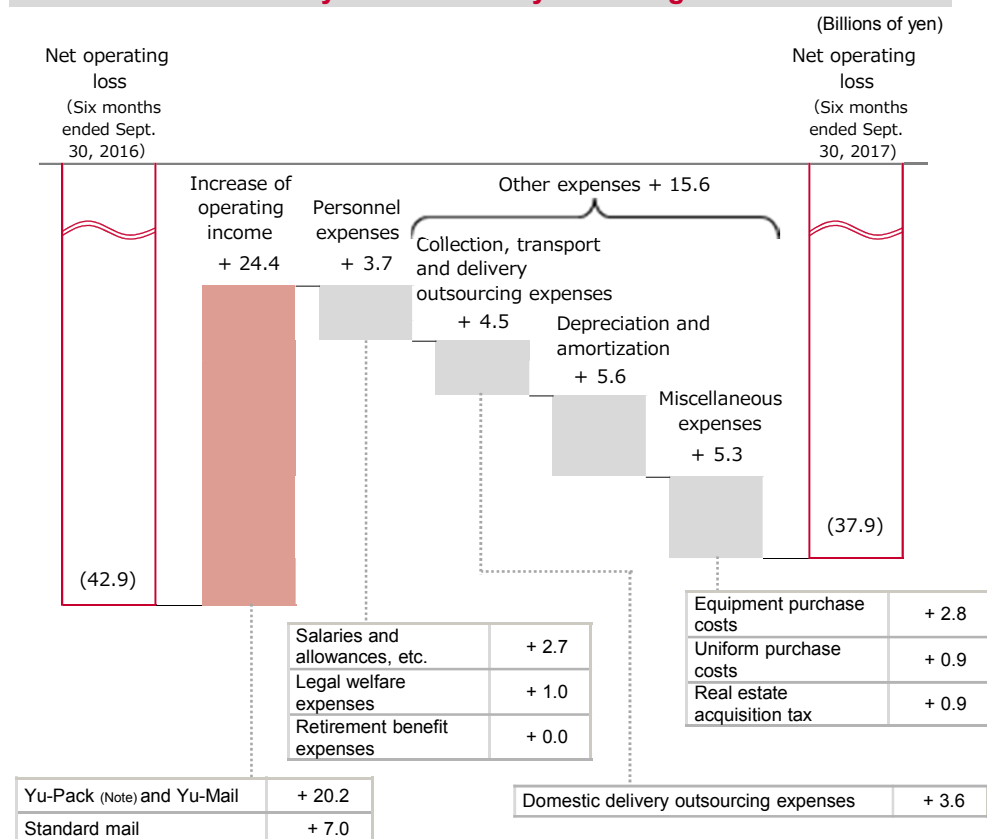
2. The amount of ordinary profit on the consolidated financial statements of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

3. The amounts of net income attributable to Japan Post Holdings, net 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

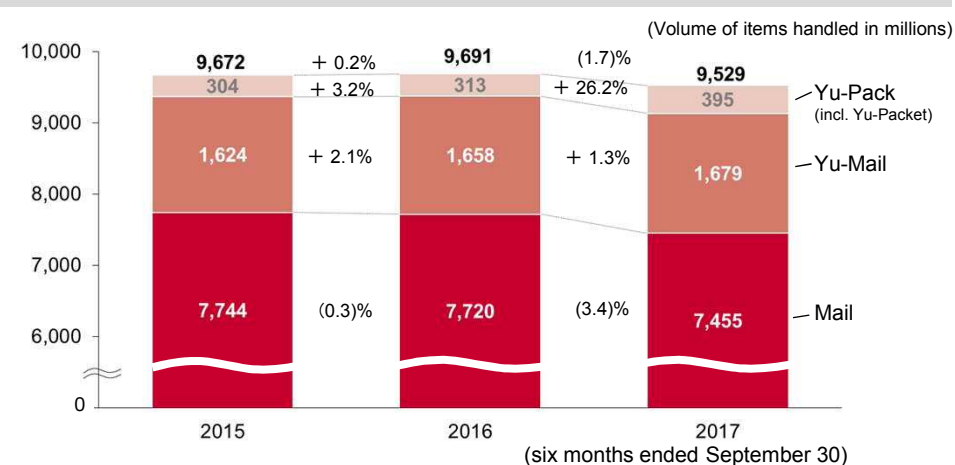
- Operating income increased by ¥24.4 billion year-on-year owing to an increase in volume of Yu-Pack and Yu-Packet handled, and the effects of the revision of fees.
- Operating expenses increased by ¥19.4 billion year-on-year as a result of a rise in expenses associated with the increase in volume of Yu-Pack, etc. handled, rising wage rates and an increase in depreciation and amortization. Nevertheless, the increase in operating expenses was kept within the growth of operating income through efforts to control costs.
- As a result, net operating loss decreased by ¥5.0 billion year-on-year to ¥37.9 billion.

Analysis of Year-on-year Change



Note: Yu-Pack includes Yu-Packet.

Trends in Volume of Items Handled



Results of Operations for the Six Months Ended September 30, 2017

(Billions of yen)

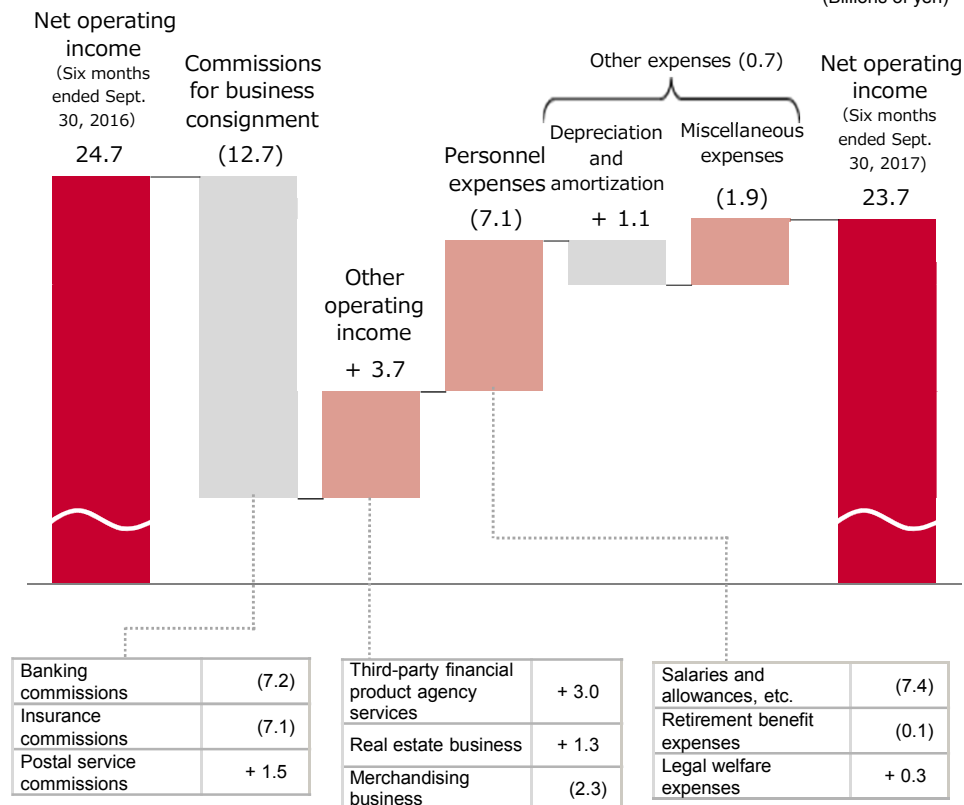
	For the six months ended Sept. 30, 2017	For the six months ended Sept. 30, 2016	Year-on-year change
Operating income	908.9	884.5	+ 24.4
Operating expenses	946.9	927.5	+ 19.4
Personnel expenses	608.0	604.2	+ 3.7
Other expenses	338.8	323.2	+ 15.6
Net operating loss	(37.9)	(42.9)	+ 5.0

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

- Operating income decreased by ¥9.0 billion year-on-year owing to a fall in banking and insurance commissions, despite the increase in business income from third-party financial product agency services and real estate business.
- Operating expenses decreased by ¥7.9 billion year-on-year due to a reduction in personnel expenses resulting from a fall in new policy sales at Japan Post Insurance and various measures to improve efficiency.
- As a result, net operating income decreased by ¥1.0 billion year-on-year to ¥23.7 billion.

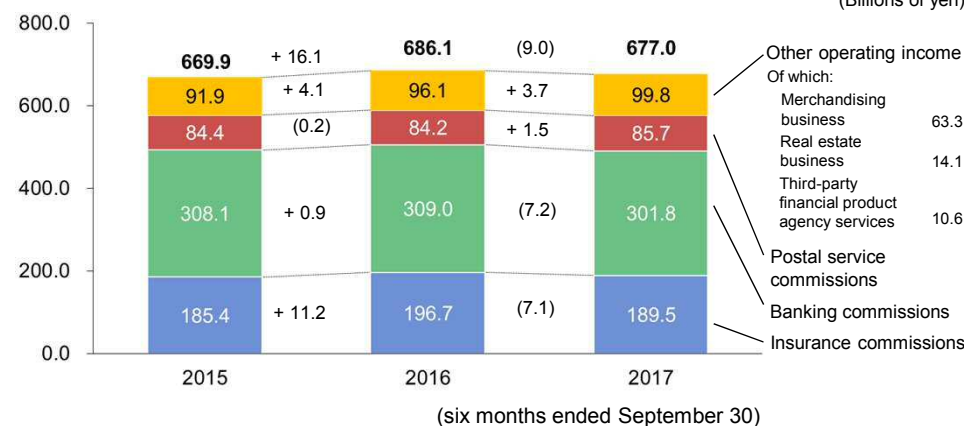
Analysis of Year-on-year Change

(Billions of yen)



Trends in the Earnings Structure

(Billions of yen)



Results of Operations for the Six Months Ended September 30, 2017

(Billions of yen)

	For the six months ended Sept. 30, 2017	For the six months ended Sept. 30, 2016	Year-on-year change
Operating income	677.0	686.1	(9.0)
Operating expenses	653.3	661.3	(7.9)
Personnel expenses	461.1	468.3	(7.1)
Other expenses	192.1	192.9	(0.7)
Net operating income	23.7	24.7	(1.0)

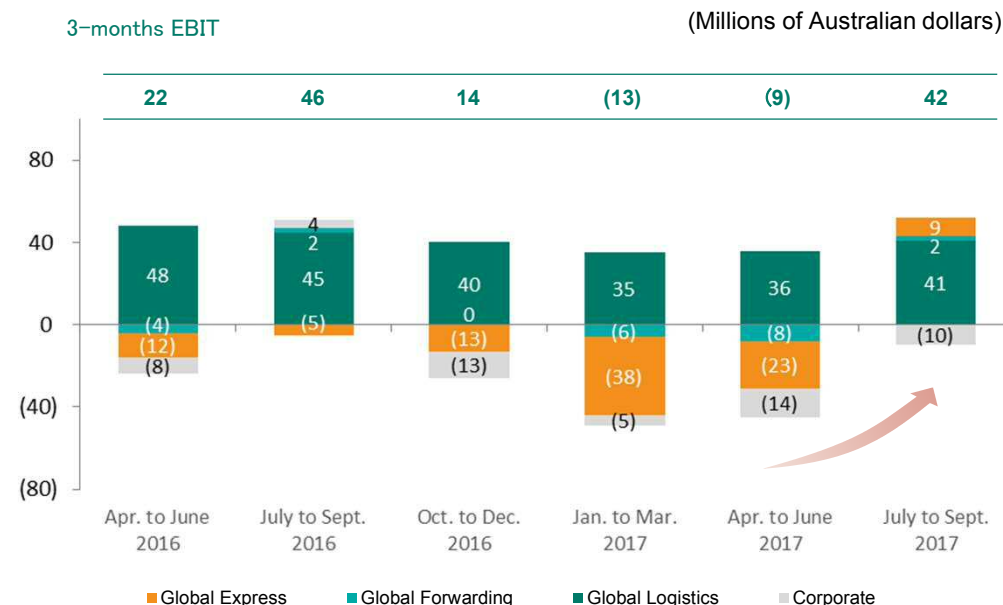
Japan Post Co. (Consolidated) [International Logistics Business]: Financial Results of Toll

- Operating income increased by A\$101 million year-on-year owing to the increase in operating income in the Global Logistics business. (¥33.8 billion increase in Japanese yen terms, helped by the Japanese yen depreciation)
- Net operating income (EBIT) for the six months ended September 30, 2017 was A\$33 million, representing a decrease of A\$35 million year-on-year. EBIT for the latest quarter from July to September 2017 turned positive and reached A\$42 million. Since bottoming out in Q4 in the previous fiscal year at (A\$13 million), performance has improved quarter on quarter in Q1 and in Q2.
- We expect to sustain our upward trend in Q3 and we will continue to exert our efforts on the Transformation plan to achieve our annual budget plan.

Results of Operations for the Six Months Ended September 30, 2017

	(Millions of Australian dollars) [Billions of yen]		
	For the six months ended Sept. 30, 2017 (Note 1)	For the six months ended Sept. 30, 2016 (Note 1)	Year-on-year change (Note 1)
Operating income (revenue)	4,004 [342.5]	3,903 [308.6]	+ 101 [+ 33.8]
Operating expenses	3,971 [339.6]	3,834 [303.2]	+ 136 [+ 36.4]
Net operating income (EBIT)	33 [2.8]	68 [5.4]	(35) [(2.5)]

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



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 six months ended September 30, 2017: ¥85.52 to A\$1.00 and for the six months ended September 30, 2016: ¥79.08 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.

Japan Post Co. (Consolidated): Financial Highlights

Operating income increased by ¥46.5 billion year-on-year to ¥1,831.7 billion. Net loss decreased by ¥11.6 billion year-on-year to ¥17.1 billion.

- In the postal and domestic logistics business, operating income increased owing to an increase in volume of Yu-Pack and Yu-Packet handled. Net operating loss decreased through efforts to control costs, despite a rise in expenses associated with the increase in volume of Yu-Pack, etc. handled, rising wage rates and an increase in depreciation and amortization.
- In the post office business, net operating income decreased due to a fall in commissions from Japan Post Bank and Japan Post Insurance, despite a reduction in personnel expenses.
- In the international logistics business, net operating income decreased year-on-year. Though net operating income for the three months ended June 30, 2017 was negative, it turned positive in the six months ended September 30, 2017.

Results of Operations for the Six Months Ended September 30, 2017

(Billions of yen)

Item	Japan Post Co. (Consolidated)	Year-on-year change	Postal and domestic logistics business		Post office business		International logistics business	
				Year-on-year change		Year-on-year change		Year-on-year change
Operating income	1,831.7	+ 46.5	908.9	+ 24.4	677.0	(9.0)	342.5	+ 33.8
Operating expenses	1,844.0	+ 31.7	946.9	+ 19.4	653.3	(7.9)	339.6	+ 36.4
Personnel expenses	1,180.7	+ 5.1	608.0	+ 3.7	461.1	(7.1)	111.5	+ 8.5
Other expenses	663.2	(Note) + 26.5	338.8	+ 15.6	192.1	(0.7)	228.0	+ 27.8
Net operating income (loss)	(12.2)	+ 14.7	(37.9)	+ 5.0	23.7	(1.0)	2.8	(2.5)
Net ordinary loss	(12.8)	+ 14.7						
Extraordinary gains (losses)	1.3	(3.3)						
Loss before income taxes	(11.5)	+ 11.3						
Net loss	(17.1)	+ 11.6						

Note: Amortization of goodwill, etc. in connection with the acquisition of Toll (¥10.5 billion) was recognized for the six months ended September 30, 2016.

Results of Operations for the Six Months Ended September 30, 2017

(Billions of yen)

	As of / for the six months ended		Year-on-year change
	Sept. 30, 2017	Sept. 30, 2016	
Gross operating profit	757.7	716.3	+ 41.4
Net interest income	618.0	629.3	(11.2)
Net fees and commissions	47.1	42.9	+ 4.1
Net other operating income (loss)	92.5	44.0	+ 48.5
General and administrative expenses ^(Note1)	522.2	530.9	(8.7)
Provision for general reserve for possible loan losses	0.0	(0.0)	+ 0.0
Net operating profit	235.4	185.3	+ 50.1
Non-recurring gains (losses)	21.6	27.1	(5.4)
Net ordinary income	257.1	212.4	+ 44.7
Net income	181.5	150.9	+ 30.5
Ordinary income	977.2	934.2	+ 43.0
Ordinary expenses	720.0	721.7	(1.6)
Deposits ^(Note2)	179,419.3	178,456.5	+ 962.8
Capital adequacy ratio (non-consolidated, domestic standard)	19.64%	23.15%	(3.50)%

Overview

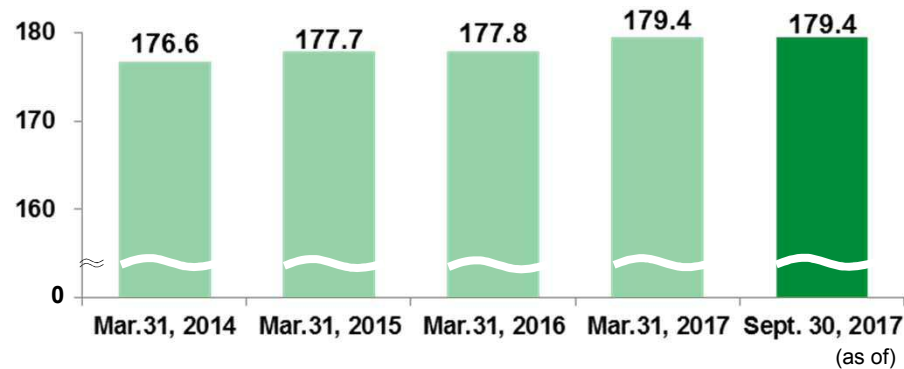
- Gross operating profit for the six months ended September 30, 2017 increased by ¥41.4 billion year-on-year to ¥757.7 billion. Of which, net interest income decreased by ¥11.2 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Meanwhile, net fees and commissions increased by ¥4.1 billion year-on-year. Net other operating income (loss) increased by ¥48.5 billion year-on-year mainly owing to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses decreased by ¥8.7 billion year-on-year to ¥522.2 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit increased by ¥50.1 billion year-on-year to ¥235.4 billion.
- Non-recurring gains (losses) decreased by ¥5.4 billion year-on-year mainly owing to a decrease in gains (losses) on money held in trust and net ordinary income increased by ¥44.7 billion year-on-year to ¥257.1 billion.
- Net income increased by ¥30.5 billion year-on-year to ¥181.5 billion, achieving 51.8% 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 September 30, 2017 amounted to ¥179,419.3 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of September 30, 2017 was 19.64%.

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

Japan Post Bank: Business Results

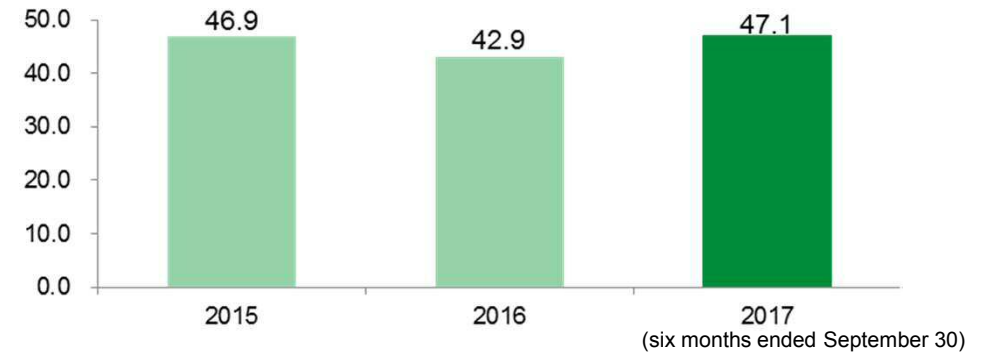
Deposit Balance

(Trillions of yen)



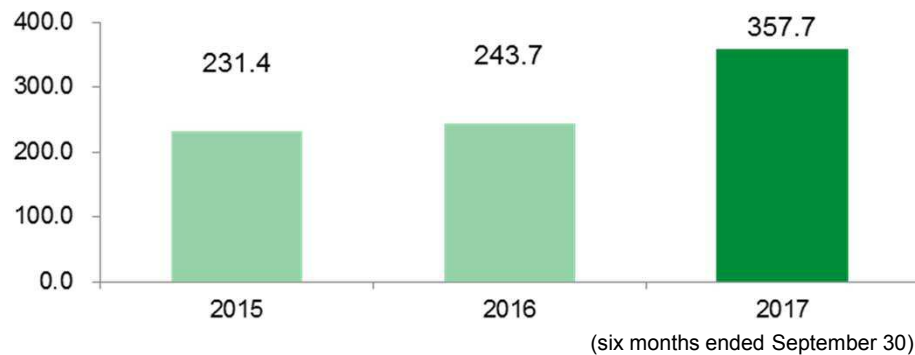
Net Fees and Commissions

(Billions of yen)



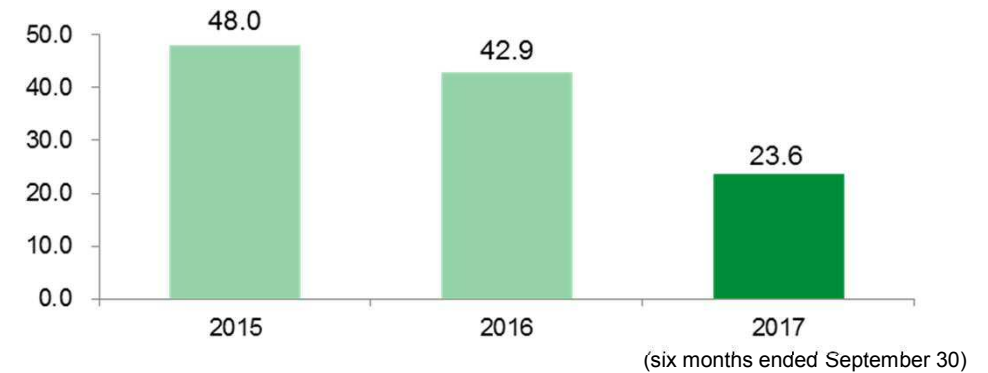
Investment Trusts Sales

(Billions of yen)



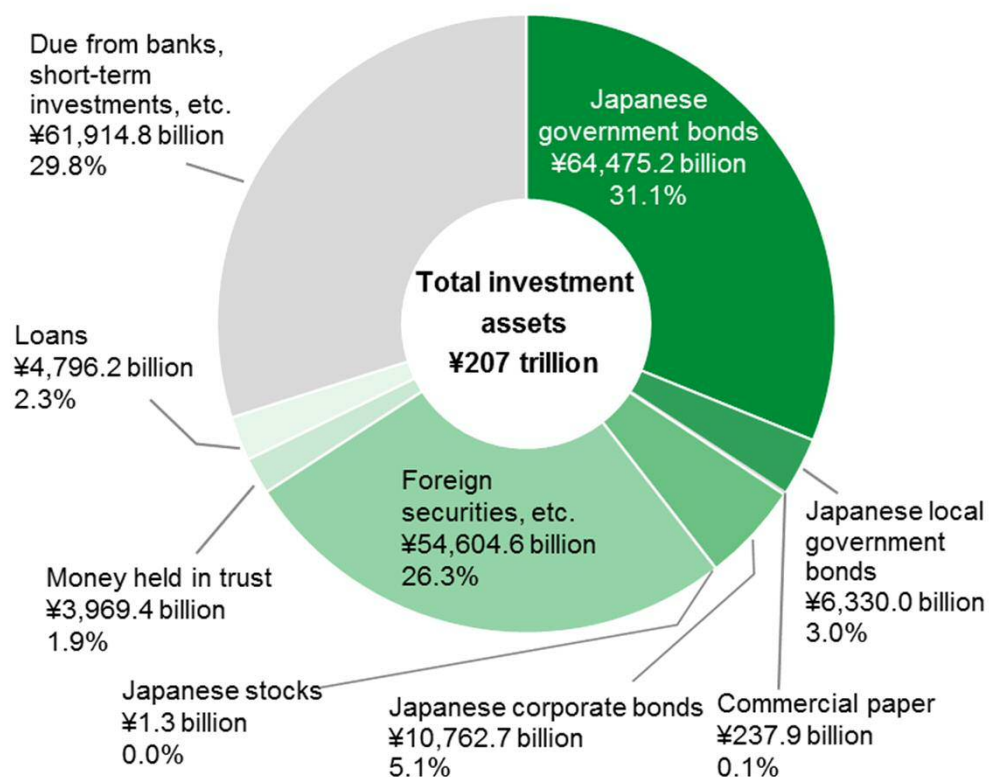
Variable Annuities Policies Sales

(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 Sept. 30, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	4,796.2	2.3	4,064.1	1.9
Securities	136,412.0	65.8	138,792.4	66.9
Japanese government bonds	64,475.2	31.1	68,804.9	33.2
Japanese local government bonds	6,330.0	3.0	6,082.2	2.9
Commercial paper	237.9	0.1	233.9	0.1
Japanese corporate bonds	10,762.7	5.1	10,752.8	5.1
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	54,604.6	26.3	52,917.0	25.5
Money held in trust	3,969.4	1.9	3,817.9	1.8
Due from banks, short-term investments, etc. (Note)	61,914.8	29.8	60,519.0	29.2
Total investment assets	207,092.6	100.0	207,193.4	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 Six Months Ended September 30, 2017

(Billions of yen, number of policies in thousands)

	For the six months ended		Year-on-year change
	Sept. 30, 2017	Sept. 30, 2016	
Core profit (non-consolidated)	194.4	194.4	(0.0)
Ordinary income	4,054.8	4,333.8	(279.0)
Ordinary expenses	3,885.9	4,226.0	(340.0)
Ordinary profit	168.8	107.8	+ 61.0
Net income	51.2	42.5	+ 8.7
Annualized premiums from new policies (individual insurance)	208.9	282.3	(73.4)
Number of new policies (individual insurance)	940	1,350	(400)
	As of		Change
	Sept. 30, 2017	Mar. 31, 2017	
Annualized premiums from policies in force (Note 1)	4,924.4	4,979.6	(55.1)
Number of policies in force (Note 1)	31,020	31,560	(540)
Solvency margin ratio (consolidated)	1,207.7%	1,290.6%	(82.9)%
Real net assets (consolidated)	12,764.3	12,763.1	+ 1.2

Overview

- Core profit (non-consolidated) for the six months ended September 30, 2017 was ¥194.4 billion and remained nearly at the same level as the previous corresponding period. Net income increased by ¥8.7 billion year-on-year to ¥51.2 billion, and achieved 59.6% of the financial results forecast for the fiscal year ending March 31, 2018.
- Annualized premiums from new policies for individual insurance decreased by 26.0% year-on-year to ¥208.9 billion due to a revision of insurance premium rate in April 2017. Annualized premiums from new policies for medical care increased by 7.4% year-on-year to ¥27.9 billion.
- Annualized premiums from policies in force (including Postal Life Insurance Policies) was ¥4,924.4 billion, slightly decreased from the end of the previous fiscal year.
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,003.9 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,207.7% and real net assets (consolidated) amounted to ¥12,764.3 billion, continuously maintaining a high level of financial soundness.

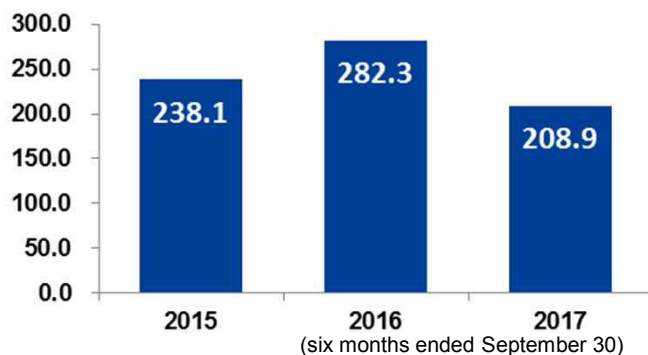
Notes: 1. Including Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life insurance.

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

New Policies

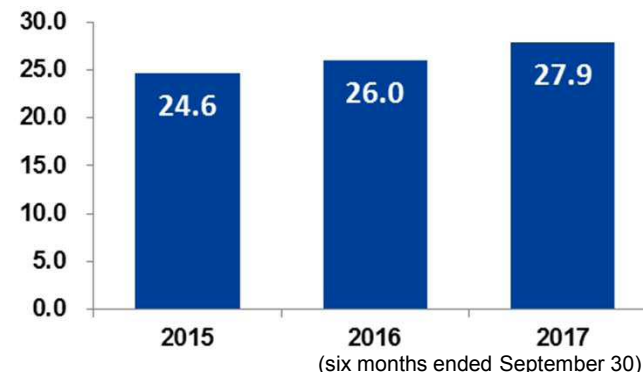
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



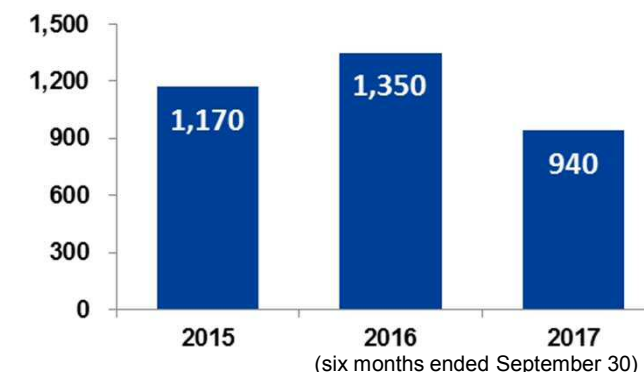
Annualized Premiums from New Policies (Medical Care)

(Billions of yen)



Number of New Policies (Individual Insurance)

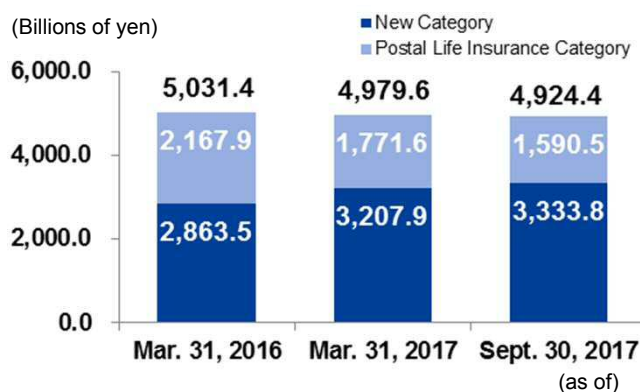
(Policies in thousands)



Policies in Force

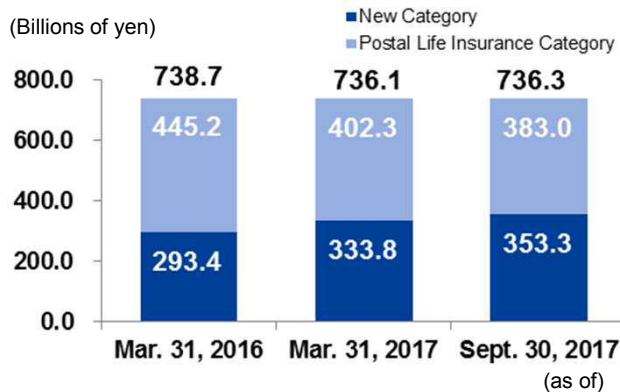
Annualized Premiums from Policies in Force (Individual Insurance)

(Billions of yen)



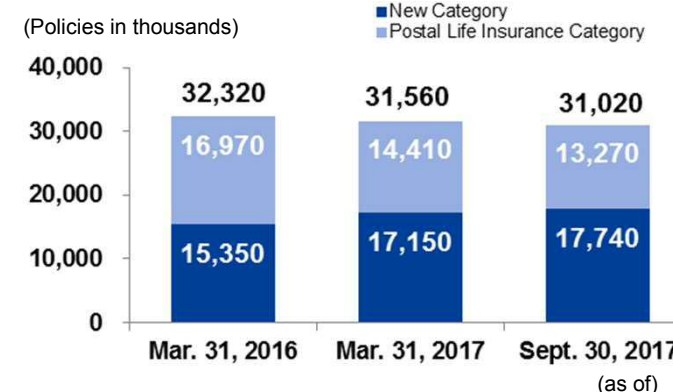
Annualized Premiums from Policies in Force (Medical Care)

(Billions of yen)



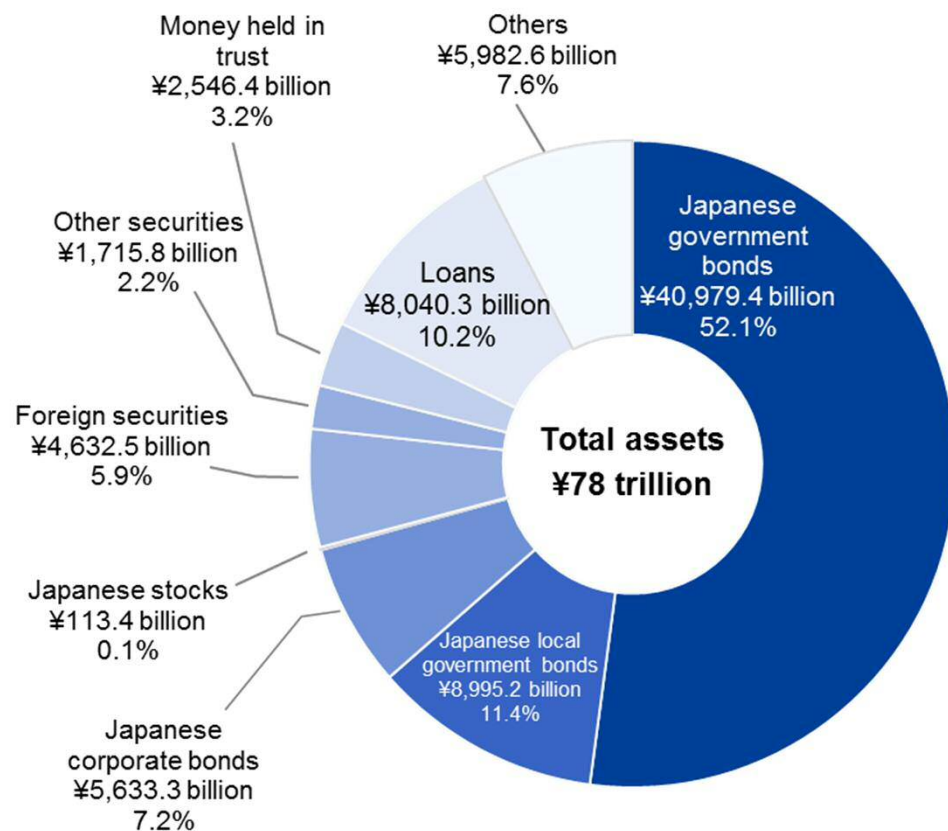
Number of Policies in Force (Individual Insurance)

(Policies in thousands)



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

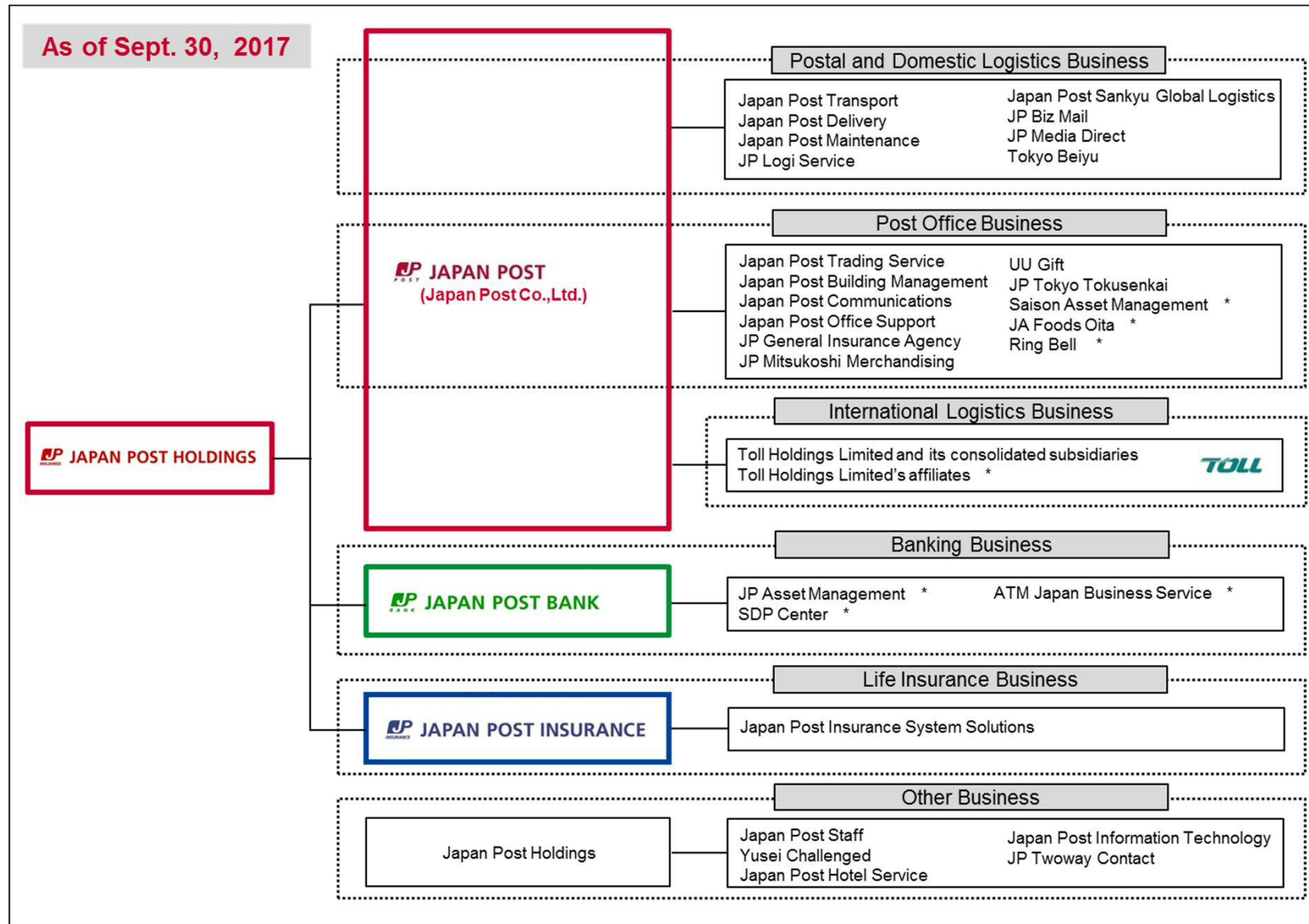
2. "New Category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance Category" shows postal life insurance policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.



(Billions of yen)

Type	As of Sept. 30, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	8,040.3	10.2	8,060.9	10.0
Securities	62,069.9	78.9	63,485.2	79.0
Japanese government bonds	40,979.4	52.1	42,732.3	53.2
Japanese local government bonds	8,995.2	11.4	9,226.8	11.5
Japanese corporate bonds	5,633.3	7.2	5,698.9	7.1
Japanese stocks	113.4	0.1	58.3	0.1
Foreign securities	4,632.5	5.9	4,351.7	5.4
Other securities	1,715.8	2.2	1,417.1	1.8
Money held in trust	2,546.4	3.2	2,127.0	2.6
Others	5,982.6	7.6	6,663.5	8.3
Total assets	78,639.3	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

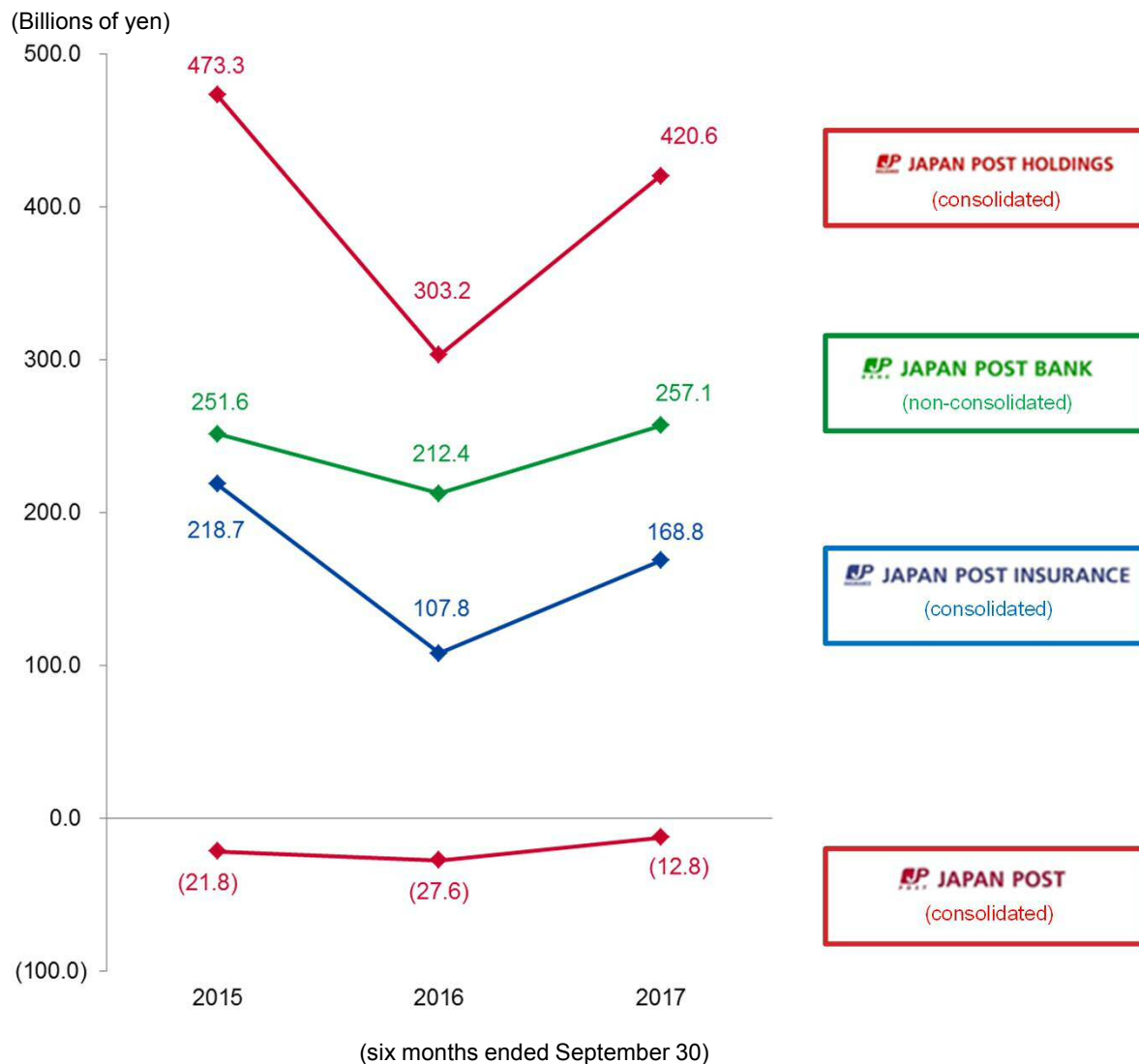
(Billions of yen)

	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	
Japan Post Co. (Consolidated)	Operating income	911.3	898.2	+ 13.0	920.4	887.0	+ 33.4
	Operating expenses	903.8	895.0	+ 8.8	940.1	917.2	+ 22.8
	Personnel expenses	582.4	583.1	(0.7)	598.3	592.4	+ 5.8
	Other expenses	321.3	311.8	+ 9.5	341.8	324.7	+ 17.0
	Net operating income (loss)	7.4	3.2	+ 4.2	(19.6)	(30.2)	+ 10.5
Postal and Domestic Logistics Business	Operating income	461.6	452.5	+ 9.1	447.3	431.9	+ 15.3
	Operating expenses	468.1	458.3	+ 9.7	478.7	469.1	+ 9.6
	Personnel expenses	300.0	298.5	+ 1.5	308.0	305.7	+ 2.2
	Other expenses	168.1	159.8	+ 8.2	170.6	163.3	+ 7.3
	Net operating loss	(6.4)	(5.8)	(0.6)	(31.4)	(37.1)	+ 5.7
Post Office Business	Operating income	335.6	338.6	(2.9)	341.4	347.5	(6.0)
	Operating expenses	320.8	324.1	(3.2)	332.4	337.1	(4.6)
	Personnel expenses	228.0	231.9	(3.9)	233.1	236.3	(3.2)
	Other expenses	92.8	92.1	+ 0.6	99.3	100.7	(1.4)
	Net operating income	14.7	14.4	+ 0.3	8.9	10.3	(1.4)
International Logistics Business	Operating income	162.7	154.3	+ 8.3	179.7	154.2	+ 25.4
	Operating expenses	163.5	152.5	+ 10.9	176.0	150.6	+ 25.4
	Personnel expenses	54.3	52.6	+ 1.7	57.1	50.3	+ 6.8
	Other expenses	109.1	99.9	+ 9.2	118.9	100.2	+ 18.6
	Net operating income (loss)	(0.7)	1.7	(2.5)	3.6	3.6	(0.0)

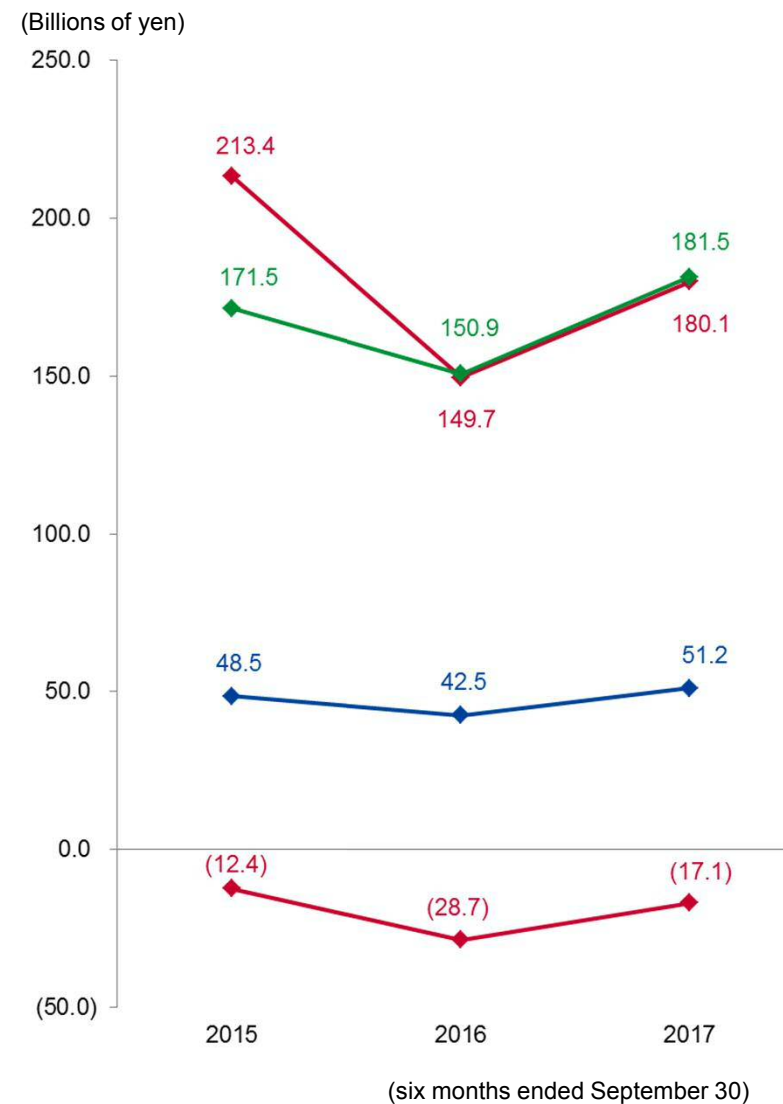
Note: Figures for the international logistics business for the three month period from July to September 2017 and 2016 were calculated by subtracting the figures in billions of yen for the three months ended June 2017 and 2016 (translated by the average exchange rate for the corresponding three months) from the figures in billions of yen for the six months ended September 2017 and 2016 (translated by the average exchange rate for the corresponding six months).

[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.