



For the Fiscal Year Ended March 31, 2017 Results Briefing

May 23, 2017

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Summary of the Fiscal Year Ended March 31, 2017 Results

- Japan Post Holdings (consolidated) posted a net loss of ¥28.9 billion for the fiscal year ended March 31, 2017. Impairment losses of ¥400.3 billion were posted representing the entire balance of goodwill and trademark rights as well as part of tangible fixed assets related to the international logistics business (Australia-based Toll) of Japan Post Co. (consolidated). However, increases in revenue and profit were secured on a net operating income basis in the postal and domestic logistics business and the post office business (excluding the international logistics business). In addition, results were mostly in line with the full-year forecast for Japan Post Bank and Japan Post Insurance (consolidated) due to diversification of investment and other measures amid the impact of low interest rates.
- Japan Post Holdings resolved to pay a year-end dividend of ¥25 per share for the fiscal year ended March 31, 2017 (in line with the dividend forecast). For the fiscal year ending March 31, 2018, Japan Post Holdings (consolidated) forecasts net income of ¥400.0 billion and a dividend of ¥50 per share on a full-year basis, which is the same amount as the previous fiscal year.

(Billions of yen)							
	For the fiscal year ended March 31, 2017 Net income(loss) ①	Forecast (announced in May 2016) change *percentage achievement	Year-on-year (for the fiscal year ended March 31, 2016) change	Forecast (for the fiscal year ending March 31, 2018) Net Income ②	Year-on-year change (for the fiscal year ended March 31, 2017) ②-①	Major factors	(Reference) Medium-term Management Plan Net Income Target (Announced in April 2015)
Japan Post Holdings (Consolidated)	(28.9)	(348.9) —	(454.9)	400.0 [450.0]	+428.9 [+434.2]	—	— [Approx.450.0]
Japan Post Co. (Consolidated)	(385.2)	(397.2) —	(432.4)	13.0	+398.2	<ul style="list-style-type: none"> ■ Impairment losses of goodwill, etc. related to Toll in the previous fiscal year are temporary losses ■ Decrease in commissions for business consignment from Japan Post Bank and Japan Post Insurance 	Approx.30.0 (excluding Toll)
Japan Post Bank	312.2	+12.2 104.0%	(12.8)	350.0	+37.7	<ul style="list-style-type: none"> ■ Diversification and Sophistication of investment strategy ■ Increase in Fees and commissions by further strengthening of Fee business ■ Cost reduction 	Approx.330.0
Japan Post Insurance (Consolidated)	88.5	+2.5 103.0%	+3.6	86.0	(2.5)	<ul style="list-style-type: none"> ■ Strengthening of sales focusing on security ■ Diversification and Sophistication of investment strategy 	Approx.80.0
Japan Post Holdings Dividend per share	Year-end dividend of ¥25 (Full-year dividend of ¥50)	In line with the dividend forecast	—	Full-year dividend of ¥50	—	—	Dividend payout ratio of roughly 50% or higher

Notes: 1. The amounts of net loss attributable to Japan Post Holdings, net loss attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

2. 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.

3. Figures in brackets “[]” under “Forecast (for the fiscal year ending March 31, 2018) Net Income” and “(Reference) Medium-term Management Plan Net Income Target (for the fiscal year ending March 31, 2018)” of Japan Post Holdings (consolidated) include net income attributable to non-controlling interests.

Financial Results Overview for the Fiscal Year Ended March 31, 2017

Japan Post Holdings: Financial Highlights

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

(Billions of yen)

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

■ Forecast for the Fiscal Year Ended March 31, 2017

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

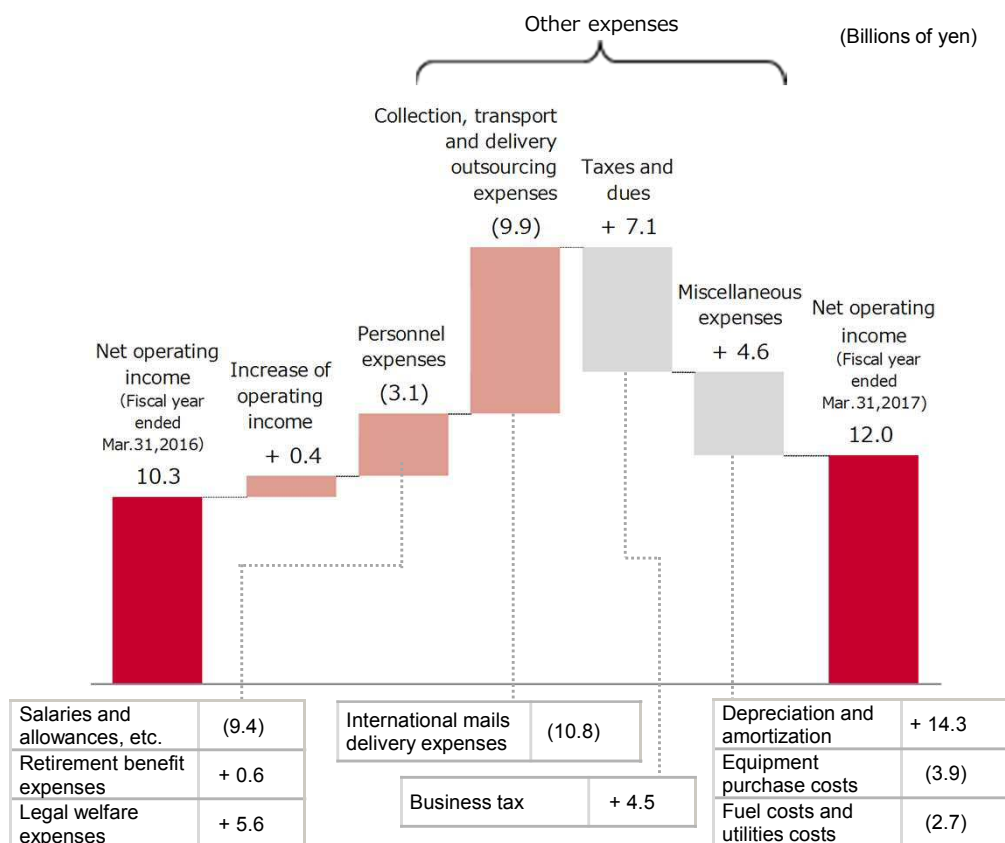
Notes: 1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Holdings (consolidated) and the combined figures of each subsidiary do not correspond because of other consolidated accounting procedures.
2. The amount of ordinary profit on the consolidated financial statements of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.
3. The amounts of net loss attributable to Japan Post Holdings, net loss attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

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

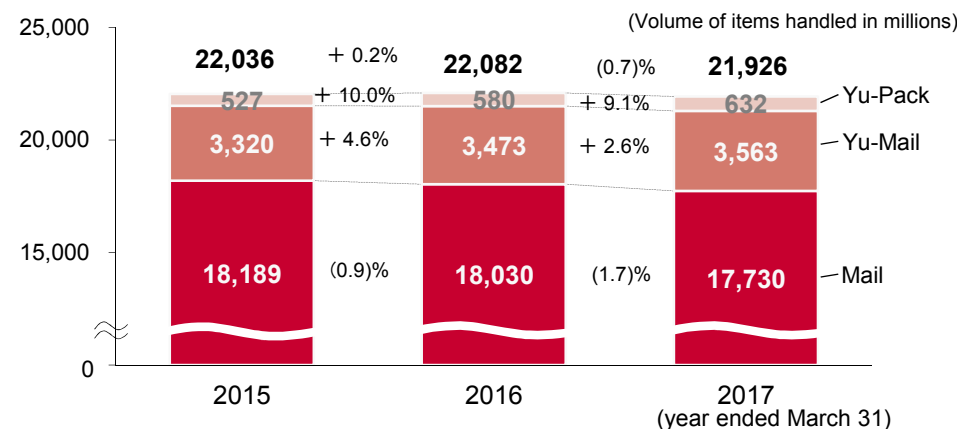
Financial Results

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

Analysis of Year-on-year Change



Trends in Volume of Items Handled



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

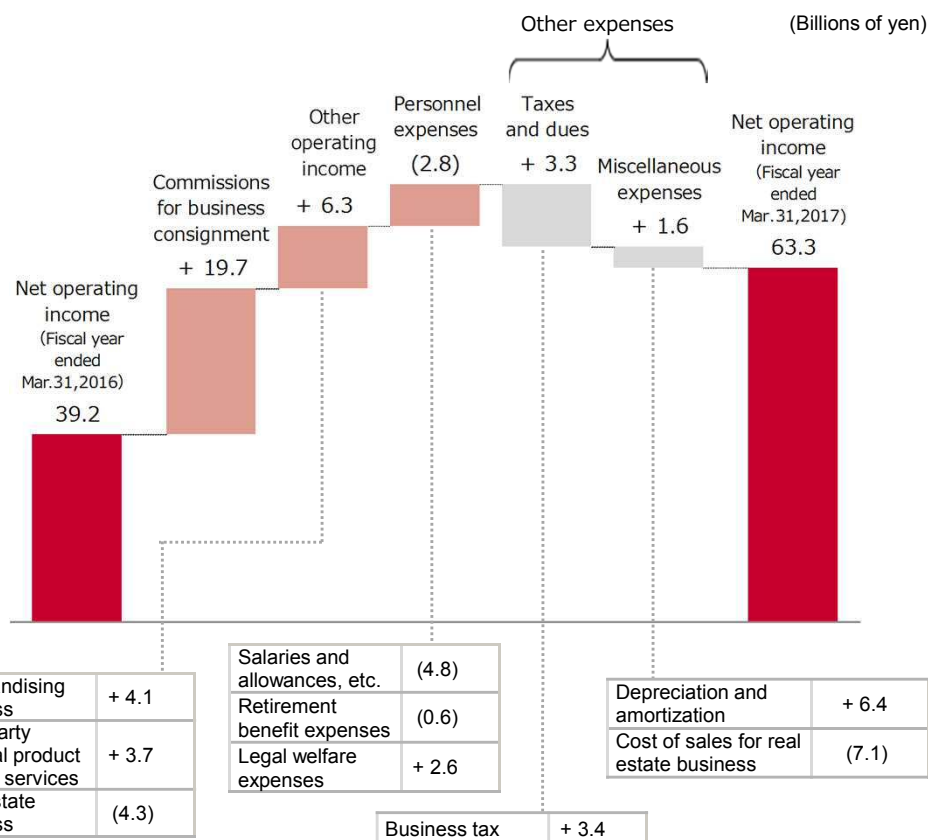
(Billions of yen)

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

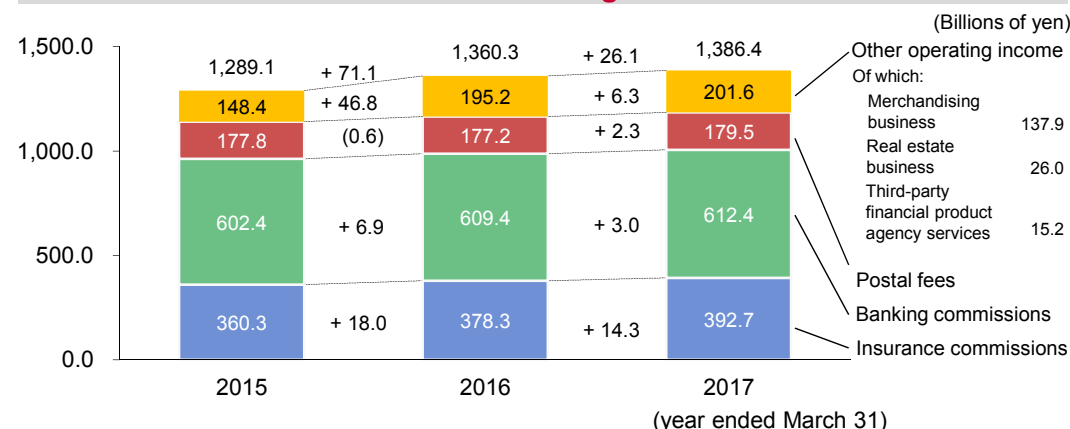
Japan Post Co. (Consolidated) [Post Office Business]: Financial Results

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

Analysis of Year-on-year Change



Trends in the Earnings Structure



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

(Billions of yen)

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

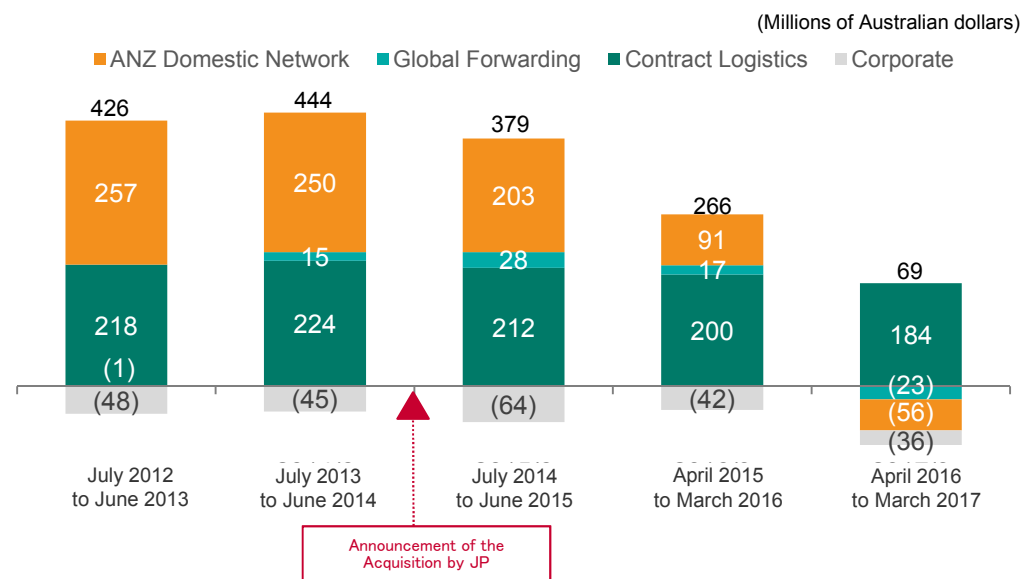
Japan Post Co.(Consolidated) [International Logistics Business]: Financial Results of Toll

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

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

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

Trends of Net Operating Income (EBIT) by Business

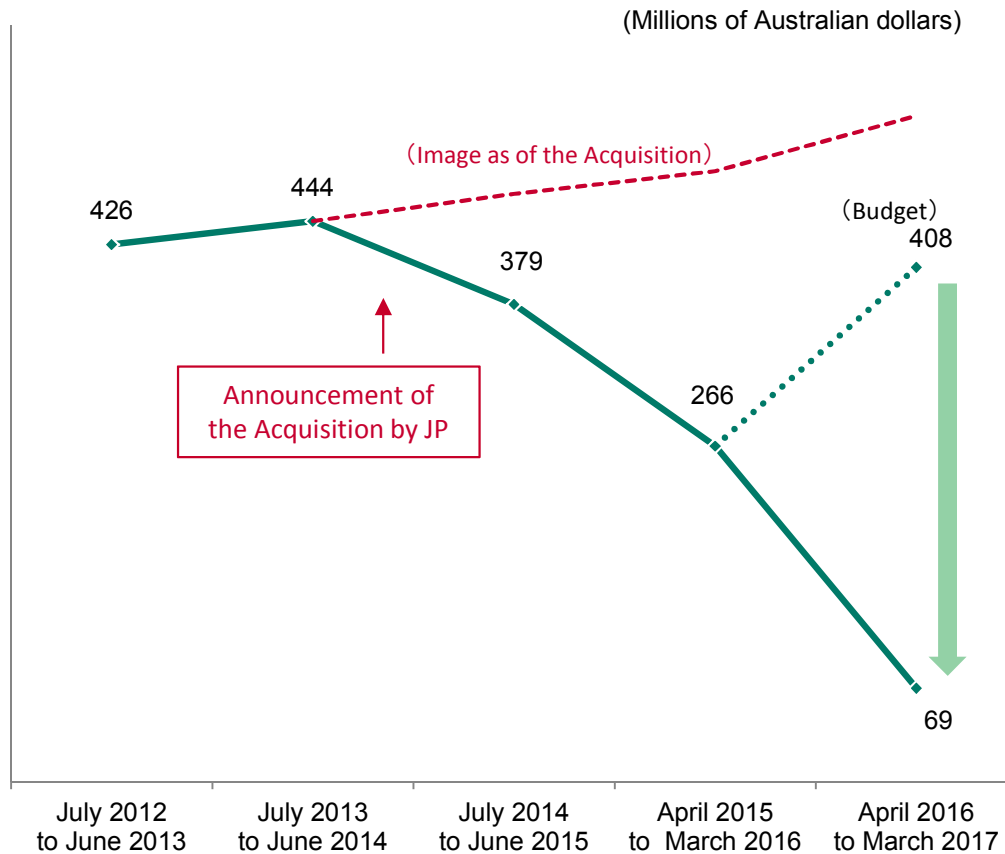


Notes: 1. Net operating income is presented as EBIT. Figures in square brackets are presented in billions of yen (Average exchange rate for the year ended March 31, 2017: ¥81.56 to A\$1.00 and for the nine-month period from July 2015 to March 2016: ¥86.47 to A\$1.00).

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

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

Historical Net Operating Income (EBIT) of Toll



Background to the Recognition of Impairment Losses

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

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

Japan Post Co. (Consolidated): Financial Highlights

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

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

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

(Billions of yen)

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

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

Japan Post Bank: Financial Highlights

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

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

Overview

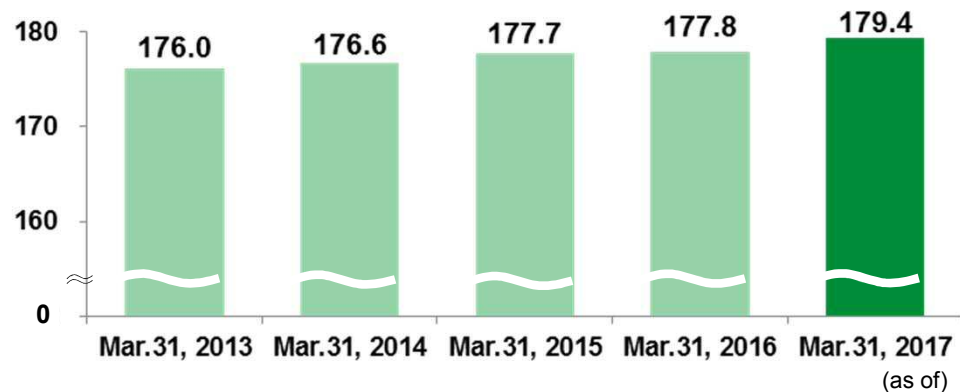
- Gross operating profit for the fiscal year ended March 31, 2017 decreased by ¥41.8 billion year-on-year to ¥1,410.2 billion. Of which, net interest income decreased by ¥137.5 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions decreased by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

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

Japan Post Bank: Business Results

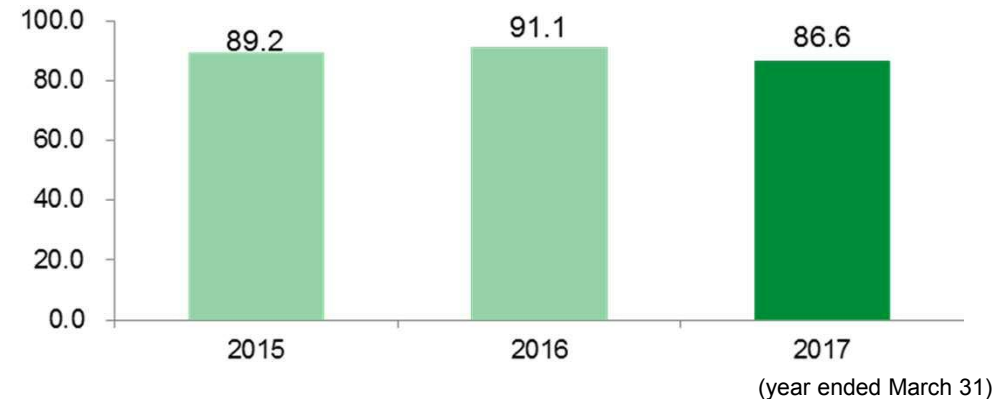
Deposit Balance

(Trillions of yen)



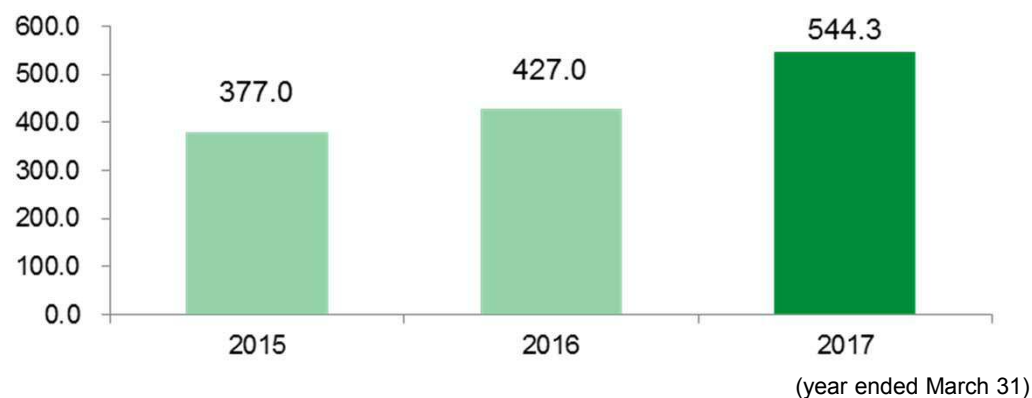
Net Fees and Commissions

(Billions of yen)



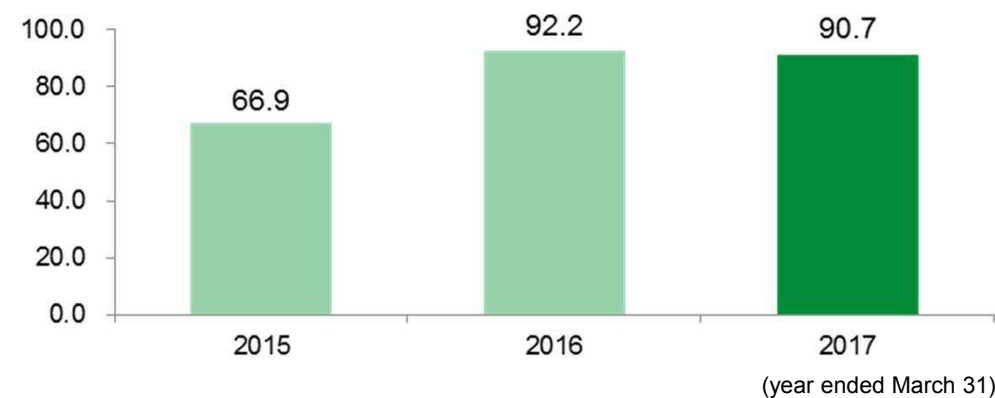
Investment Trust Sales

(Billions of yen)



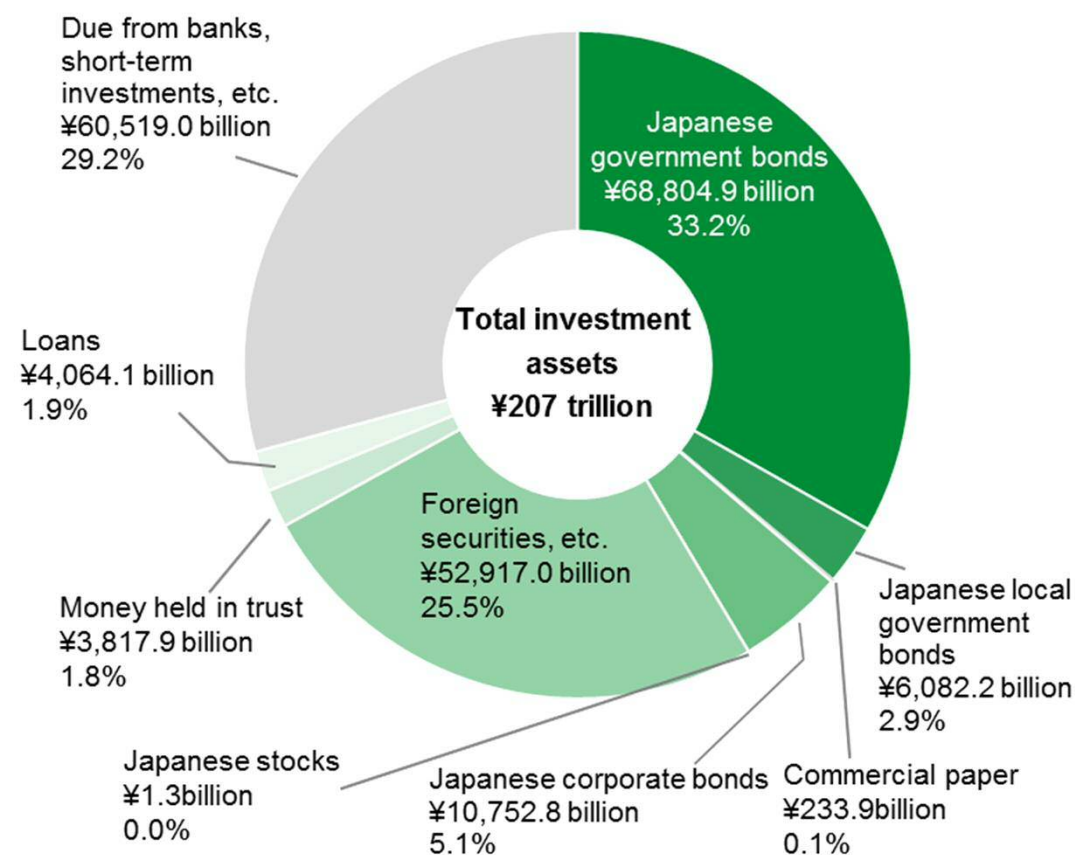
Variable Annuity Insurance Sales

(Billions of yen)



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

Japan Post Bank: Status of Investment Assets



(Billions of yen)

Type	As of Mar. 31, 2017	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	4,064.1	1.9	2,542.0	1.2
Securities	138,792.4	66.9	144,076.8	70.3
Japanese government bonds	68,804.9	33.2	82,255.6	40.1
Japanese local government bonds	6,082.2	2.9	5,856.5	2.8
Commercial paper	233.9	0.1	204.9	0.1
Japanese corporate bonds	10,752.8	5.1	10,362.7	5.0
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	52,917.0	25.5	45,395.5	22.1
Money held in trust	3,817.9	1.8	3,561.1	1.7
Due from banks, short - term investments, etc. ^(Note)	60,519.0	29.2	54,696.6	26.6
Total investment assets	207,193.4	100.0	204,876.6	100.0

Note: "Due from banks, short-term investments, etc." consists of negotiable certificates of deposit, Bank of Japan deposits, call loans, receivables under securities borrowing transactions, and monetary claims bought, etc.

Japan Post Insurance (Consolidated): Financial Highlights

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

(Billions of yen, number of policies in thousands)

	For the fiscal year ended		Year-on-year change
	Mar. 31, 2017	Mar. 31, 2016	
Core profit (non-consolidated)	390.0	464.2	(74.2)
Ordinary income	8,659.4	9,605.7	(946.2)
Ordinary expenses	8,379.6	9,194.2	(814.5)
Ordinary profit	279.7	411.5	(131.7)
Net income	88.5	84.8	+ 3.6
Number of new policies (individual insurance)	2,440	2,390	+ 40
Annualized premiums from new policies (individual insurance)	507.9	485.3	+ 22.6

	As of		Year-on-year change
	Mar. 31, 2017	Mar. 31, 2016	
Number of policies in force (including Postal Life Insurance Policies)	31,560	32,320	(760)
Solvency margin ratio (consolidated)	1,290.6%	1,570.3%	(279.7)%
Real net assets (consolidated)	12,763.1	14,649.5	(1,886.4)

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

Overview

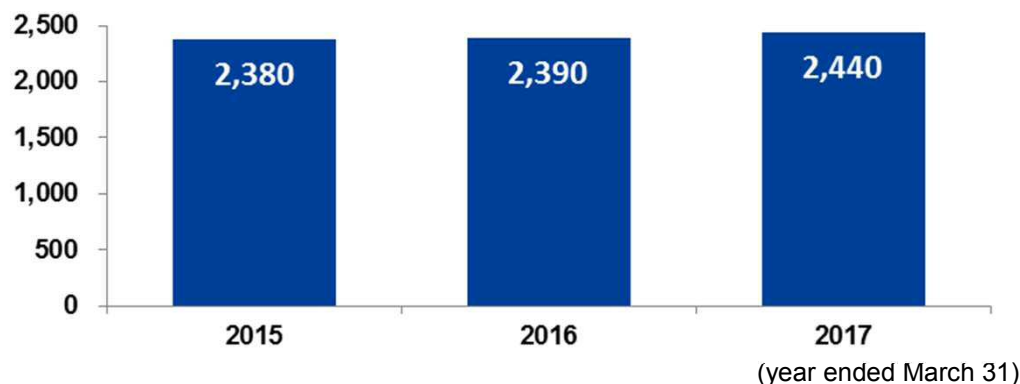
- Core profit (non-consolidated) for the fiscal year ended March 31, 2017 decreased by ¥74.2 billion year-on-year to ¥390.0 billion mainly due to a decrease in the number of policies in force. Net income increased by ¥3.6 billion year-on-year to ¥88.5 billion, and achieved 103.0% of the financial results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

Japan Post Insurance (Consolidated): Status of Insurance Policies

Number of Policies

New Policies (Individual Insurance)

(Policies in thousands)



Policies in Force (Individual Insurance)

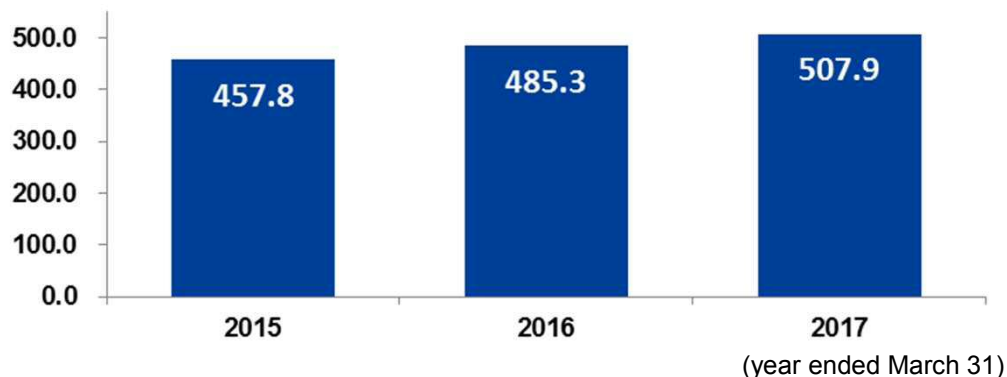
(Policies in thousands)



Annualized Premiums

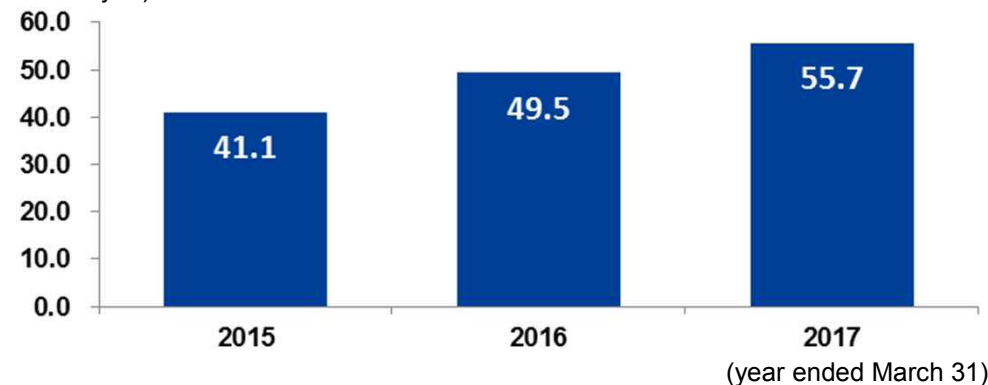
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



Annualized Premiums from New Policies (Medical Care)

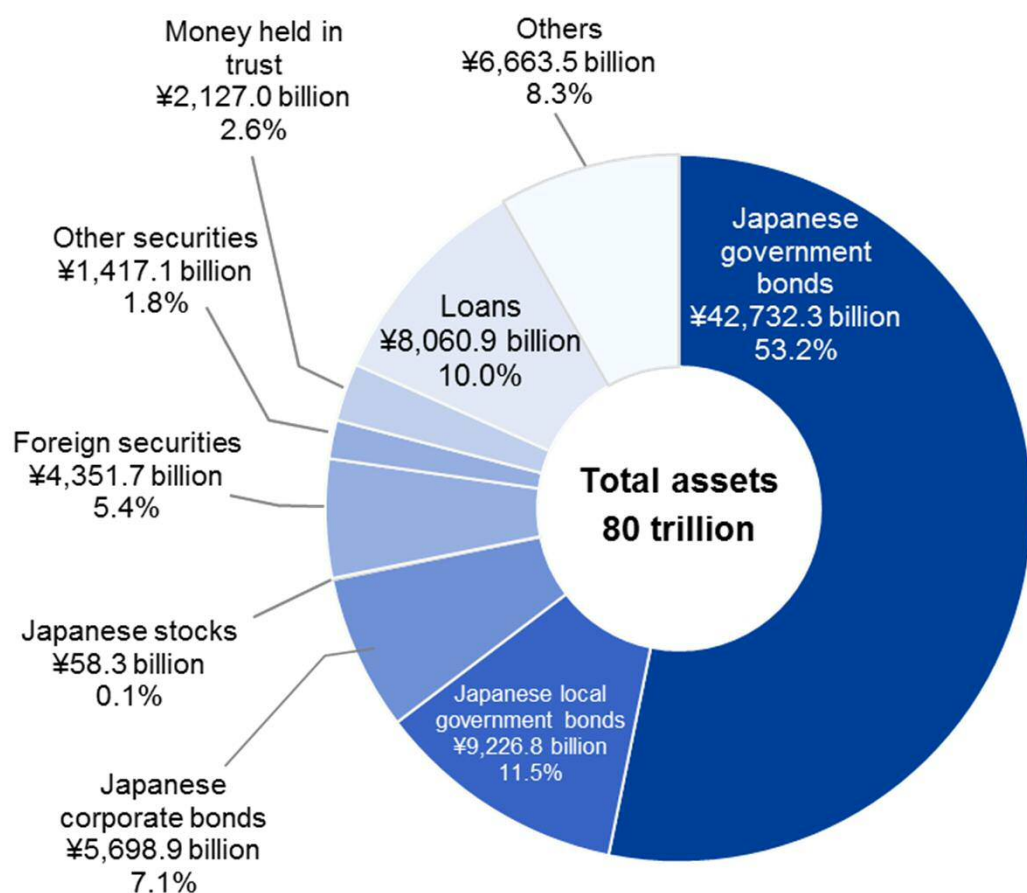
(Billions of yen)



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

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

Japan Post Insurance (Consolidated): Status of Investment Assets



(Billions of yen)

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

Japan Post Holdings:

Information Concerning Dividends for the fiscal year ended March 31, 2016

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

	For the fiscal year ended March 31, 2017			
	Dividend per share	Dividend payout ratio	Interim dividends	Year-end dividends
Japan Post Holdings	50 Yen	—	25 Yen	25 Yen

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

(Two Financial Subsidiaries)

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

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

Japan Post Holdings:

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

(Billions of yen)

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

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

- Notes: 1. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.
2. Net income of Japan Post Holdings (consolidated) is calculated based on the current ratio of voting rights to two financial subsidiaries by Japan Post Holdings of approximately 89%. Figures in square brackets below include net income attributable to non-controlling interests.

Japan Post Holdings:

Information Concerning Dividends for the fiscal year ended March 31, 2016

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

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

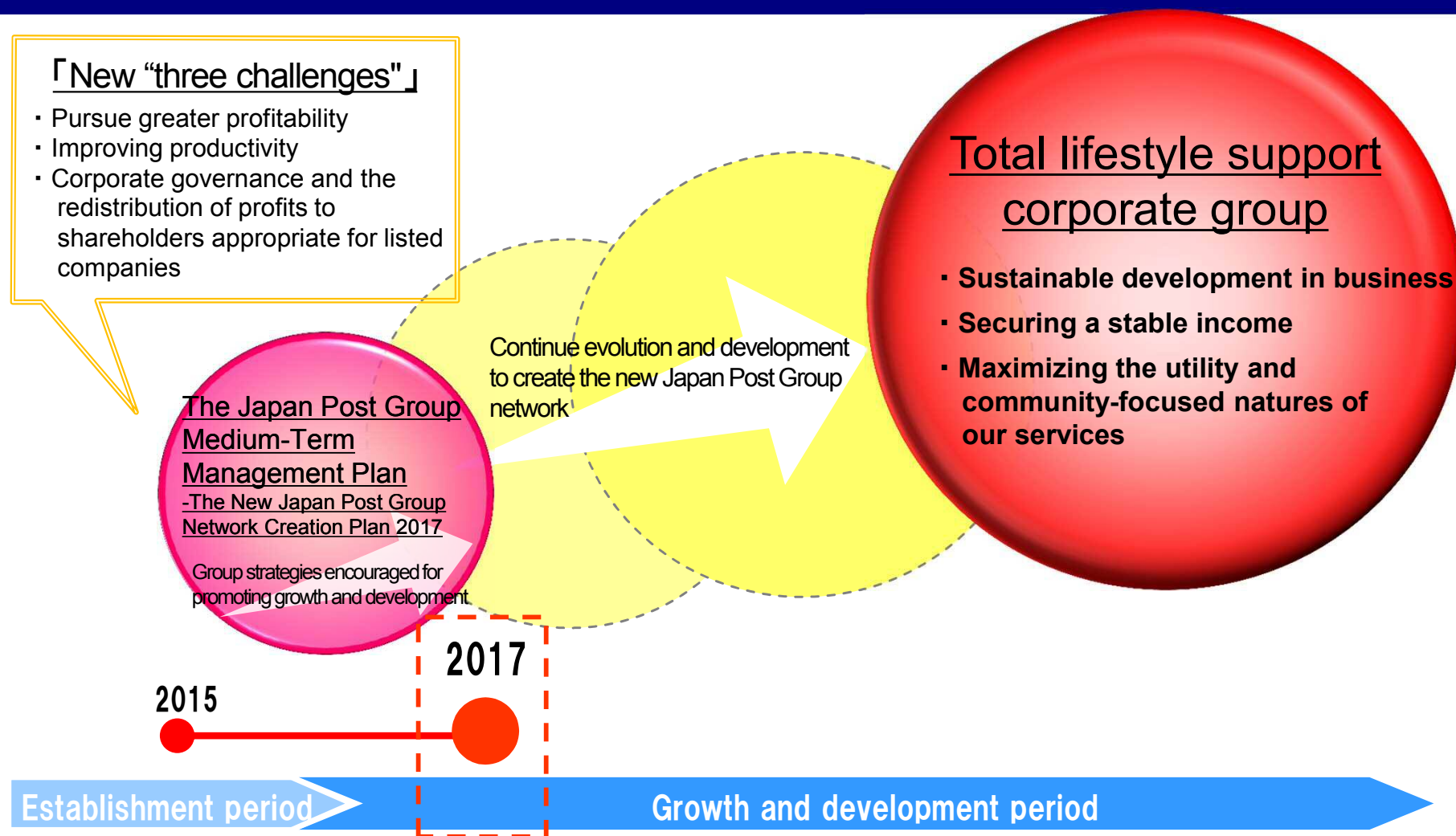
(Note) In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from retained earnings or other appropriation of retained earnings (excluding disposition of loss) of Japan Post Holdings shall not be effective without the approval of the Minister for Internal Affairs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

(Two Financial Subsidiaries)

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

Policy for Initiatives in the Fiscal Year Ending March 31, 2018

The final stage of the Group Medium-Term Management Plan



- Aiming to be “Total lifestyle support corporate group”
“Laying a foundation for the next stage of sustainable growth and development”

Overview of Group Strategy (Medium-term Management Plan (Announced on April 1, 2015))

Growth and development of business	Business targets for the year ending March 31, 2018	Results for the year ended March 31, 2017
<ul style="list-style-type: none"> Revival of postal and domestic logistics business (Regain profitability in the Yu-Pack business) 	<ul style="list-style-type: none"> Yu-Pack items : Approx. 680mm Yu-Mail and Yu-Packet items : Approx. 4.1bn Reorganization of the postal and logistics network 	<ul style="list-style-type: none"> Yu-Pack items : 630mm Yu-Mail items : 3.56bn Established four new regional sorting post offices <p><small>*Including Yu-Packet under Yu-Pack since October 2016</small></p>
<ul style="list-style-type: none"> Vitalization of the post office network 	<ul style="list-style-type: none"> Merchandise business : ¥150bn Real estate business : ¥25bn Third-party financial product agency services : ¥20bn 	<ul style="list-style-type: none"> Merchandise business : ¥137.9bn Real estate business : ¥26.0bn Third-party financial product agency services : ¥15.2bn
<ul style="list-style-type: none"> Further increase in Japan Post Bank's revenues 	<ul style="list-style-type: none"> Deposits : +¥3tn Investment products : +¥1tn <p><small>* total for the three fiscal years</small></p>	<ul style="list-style-type: none"> Deposits : +¥2.3tn^{*1} Investment products : +¥0.7tn^{*2} <p><small>*1 Including accrued interest and excluding deposits relating to funds paid by us to acquire shares of our common stock held by Japan Post Holdings</small> <small>*2 Excluding market value fluctuation</small></p>
<ul style="list-style-type: none"> Recovering from bottoming out of Japan Post Insurance's in force 	<ul style="list-style-type: none"> Increase contracted monthly insurance premiums from new policies to over ¥50bn for the year ending March 31, 2017 and aim to further growth in the future 	<ul style="list-style-type: none"> Achieved ahead of schedule in the fiscal year ended March 31, 2016 Contracted monthly insurance premiums from new policies : ¥55.3bn
<ul style="list-style-type: none"> Sophisticated asset management for revenue growth 	<ul style="list-style-type: none"> Japan Post Bank : Increase the satellite portfolio balance to ¥60tn Japan Post Insurance : Increase risk assets 	<ul style="list-style-type: none"> Japan Post Bank – Satellite portfolio balance : ¥70tn Japan Post Insurance – Risk assets : 9.9% of total assets

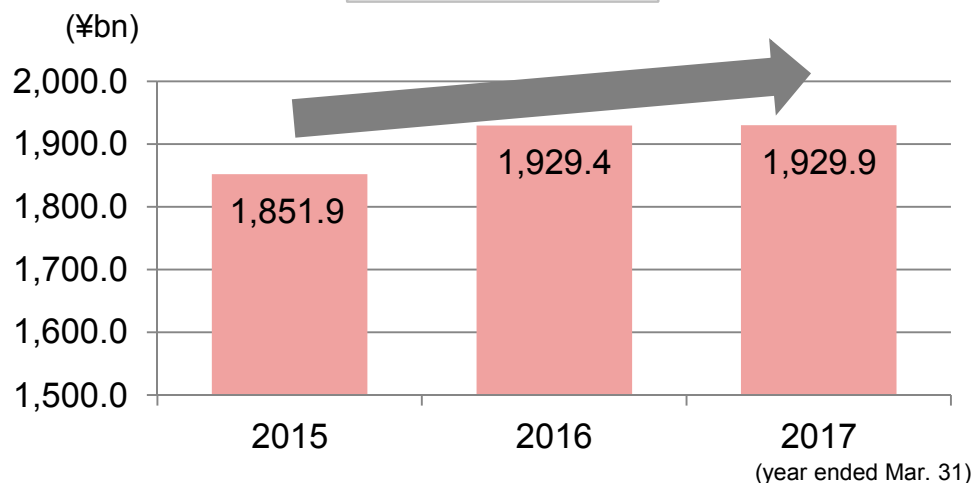
< Consolidated business target > Consolidated net income Approx. ¥450bn

* Net income after the adoption of Accounting Standards for Business Combination (ASBJ, amended in 2013) ; includes net income attributable to non-controlling interest, excludes impact of M&As after announcement of medium-term management plan (Toll and other companies).

Strategy by Segment — Postal and Domestic Logistics Business

(1) Strategic Approach to the E-Commerce Market

Operating income



【Improving convenience of receiving parcels】



Increase of "HAKO POST" receiving lockers

- A service enabling customers to pick up goods purchased through e-commerce websites and Yu-Pack parcels brought back upon absence
- Installed at a total of 105 locations including outside post offices (available even after counter service hours), stations, and commercial facilities (as of April 30, 2017)

Expansion of packages receiving availability at convenience stores and post offices

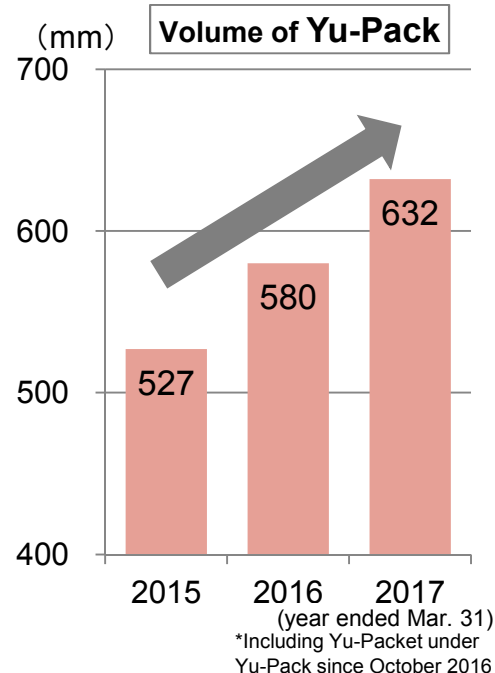
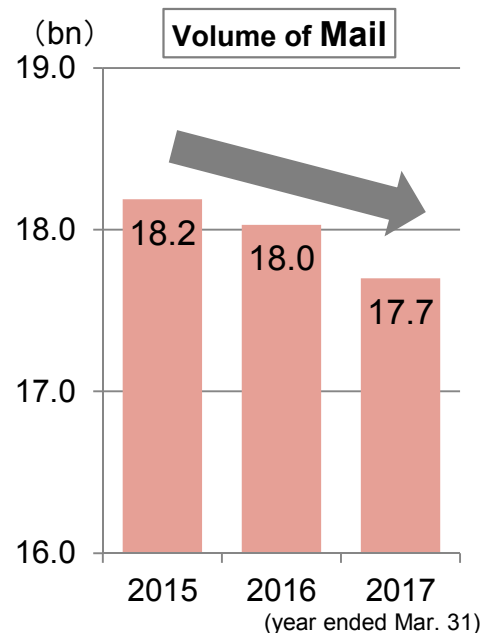
- Merchandise purchased online may be received at post office counters and major convenience stores

At 47,600 locations across the country
(as of April 30, 2017)

Campaign to promote parcel pick-up at post offices, convenience stores, and "HAKO POST"

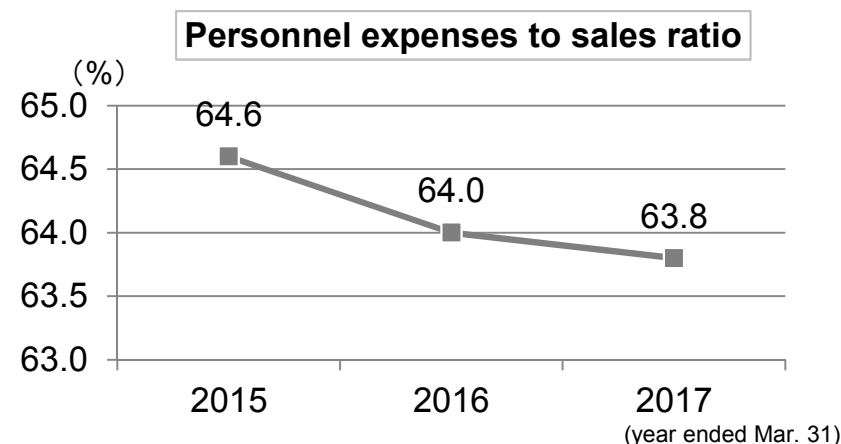
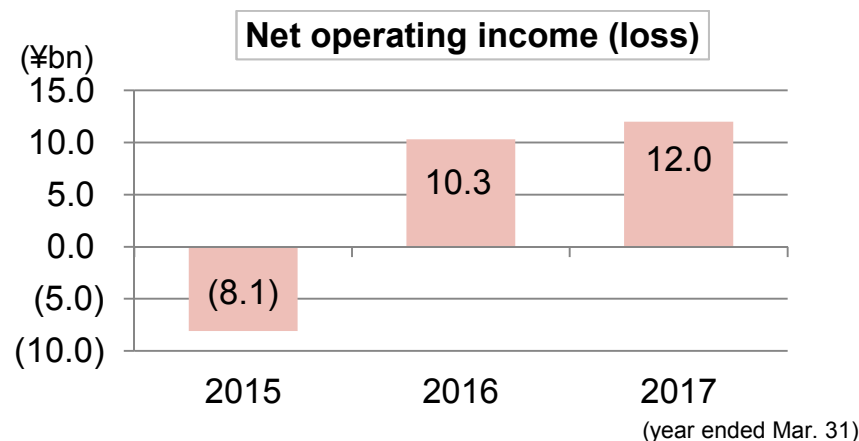


- Participating in the "COOL CHOICE – Try to receive your parcel without redelivery requests!" campaign, a project led by the Ministry of the Environment and others to prevent repeated home delivery attempts
- Customers who purchase products online receive points when they pick up the item at a post office or other locations



Strategy by Segment — Postal and Domestic Logistics Business

(2) Measures to Improve Profit Structure

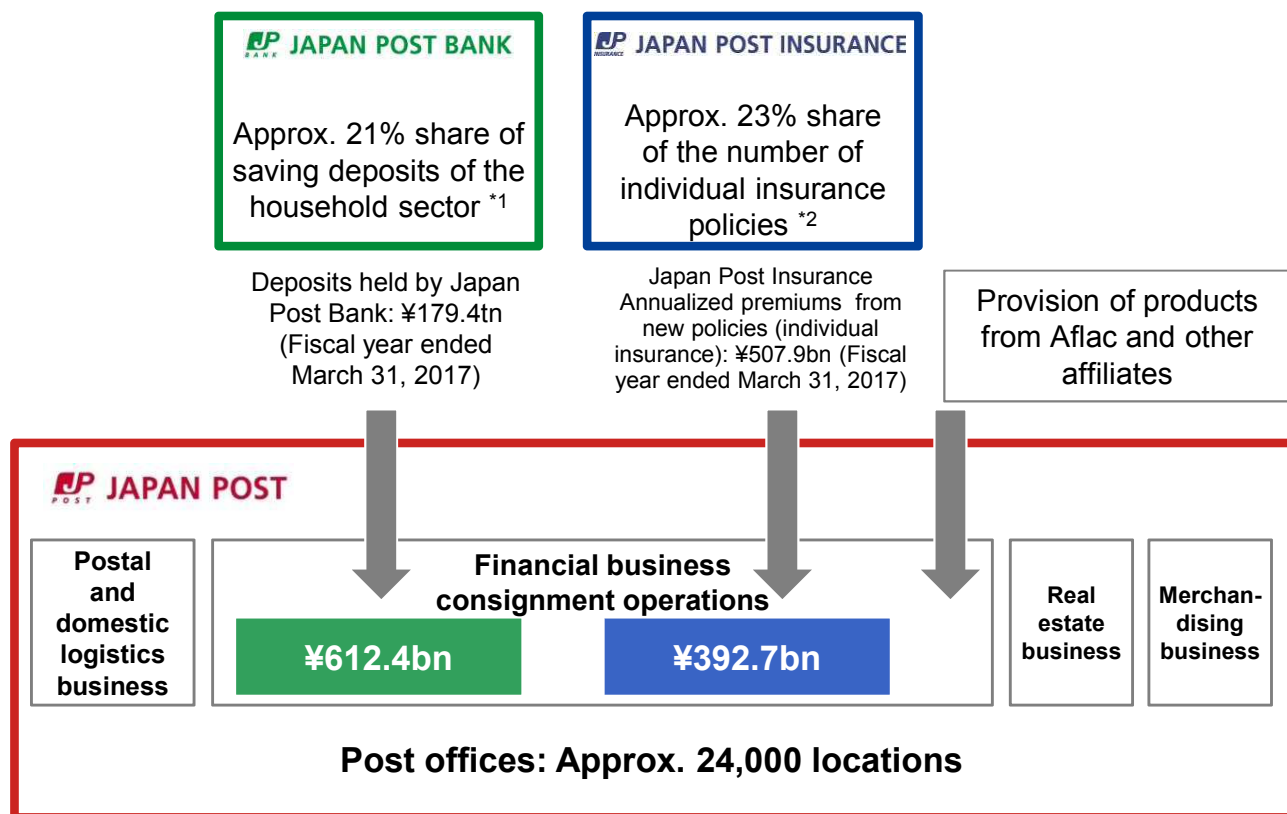
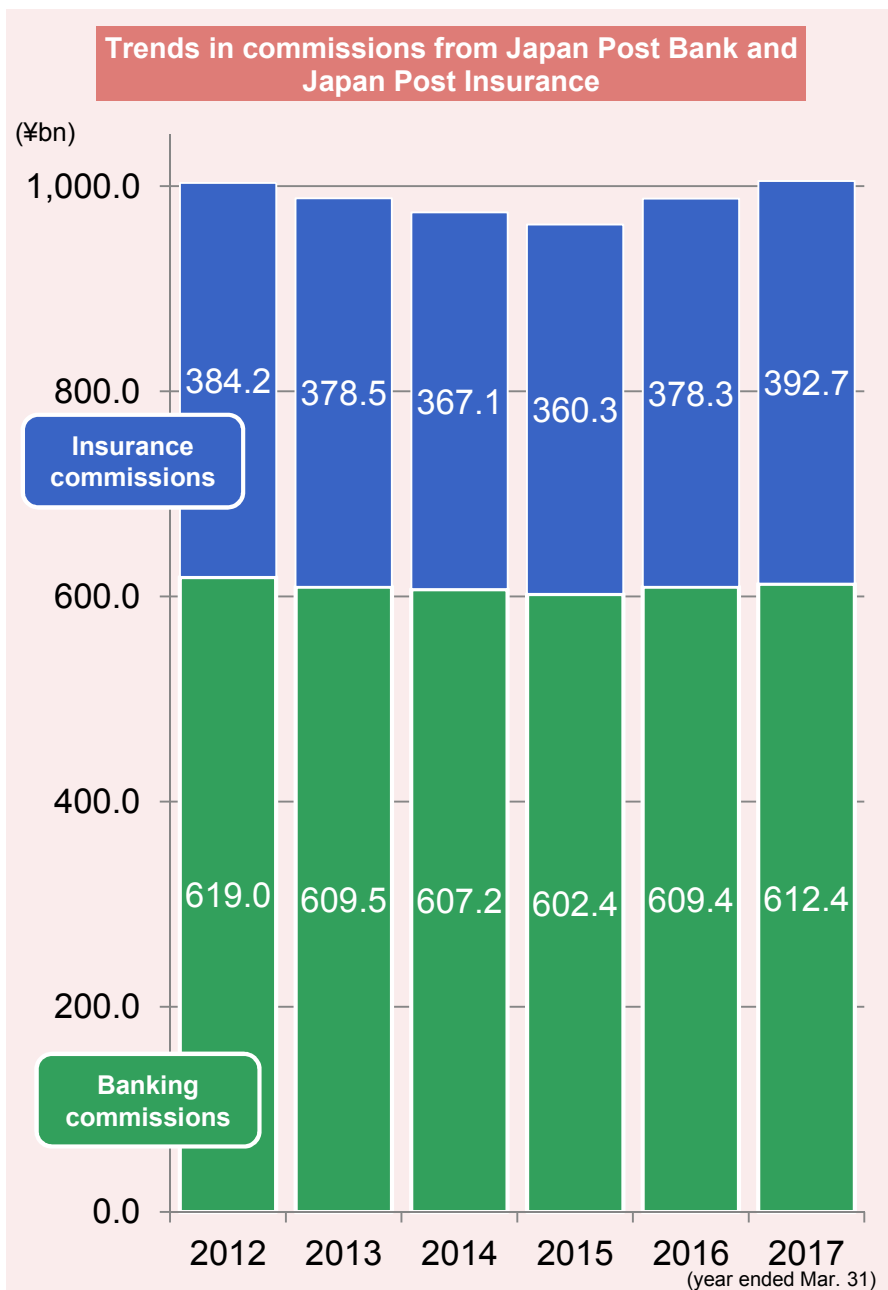


Revision to postages and shipping fees

Timing of implementation	Applicable volume of items	General description	Benefits
June 2017	Approx. 6.4bn items (second-class: approx. 6.3bn items) (nonstandard size: approx. 0.1bn items) (Yu-Mail: approx. 0.01bn items)	<ul style="list-style-type: none"> ➤ Rise in second-class mail postages (excluding New Year's postcards) ➤ Partial revision to nonstandard size mail postages ➤ Partial revision to Yu-Mail shipping fees 	Forecast for the fiscal year ending March 31, 2018: increase in revenue by approx. ¥30.0bn
June 2016	Approx. 8.7bn items	<ul style="list-style-type: none"> ➤ Revision to discount on domestic mail postages (advertising mail, sorted mail, special mail within the same postal area, etc.) ➤ Partial revision to international mail postages 	Forecast for the fiscal year ending March 31, 2017: Increase in revenue by approx. ¥20.0bn
August 2015	Approx. 70mm items	<ul style="list-style-type: none"> ➤ Rise in Yu-pack basic shipping fees 	Increase in revenue by approx. ¥2.8bn
April 2012	Approx. 1.9bn items	<ul style="list-style-type: none"> ➤ Revision to discount on domestic mail postages (second-class advertising mail) 	Increase in revenue by approx. ¥1.0 to 2.0bn
January 1994	Approx. 18.0bn items (first-class, second-class)	<ul style="list-style-type: none"> ➤ Rise in domestic mail basic postages 	Increase in revenue by approx. ¥200.0bn in first- and second-class mail

Strategy by Segment — Post Office Business

(1) Securing Stable Income from Japan Post Bank and Japan Post Insurance

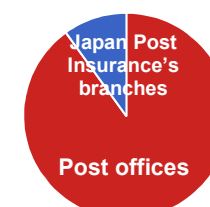


Deposits breakdown (by source)



Number of offices
Post offices:
Approx. 24,000 locations
Japan Post Bank's directly-managed offices: 234 offices

New policies mix (by distribution channel)



Number of field sales personnel
Post offices: Approx. 18,000 locations
Japan Post Insurance's branches: Approx. 1,100 persons

Source: Bank of Japan "Flow of Funds Accounts," The Life Insurance Association of Japan "Summary of Life Insurance Business"

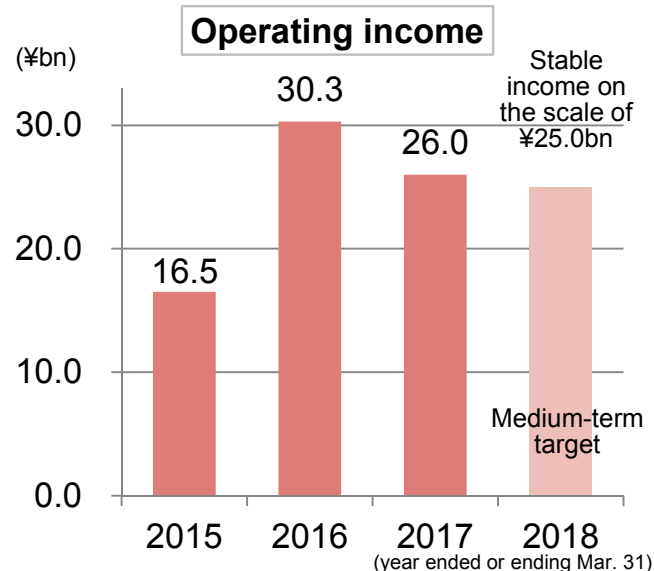
*1 Retail deposits of Japan Post Bank as of March 31, 2016 (¥177.8tn) divided by the sum of "transferable deposits" and "time and saving deposits" of households from Bank of Japan "Flow of Funds Accounts" (as of March 31, 2016).

*2 Annualized premiums from policies in force (individual insurance) held by Japan Post Insurance (as of March 31, 2016, including Postal Life Insurance Policies) (¥485.3bn) divided by the sum of the total Annualized premiums from policies in force (individual insurance) based on the "Summary of Life Insurance Business" and annualized premiums from policies in force of Postal Life Insurance Policies.

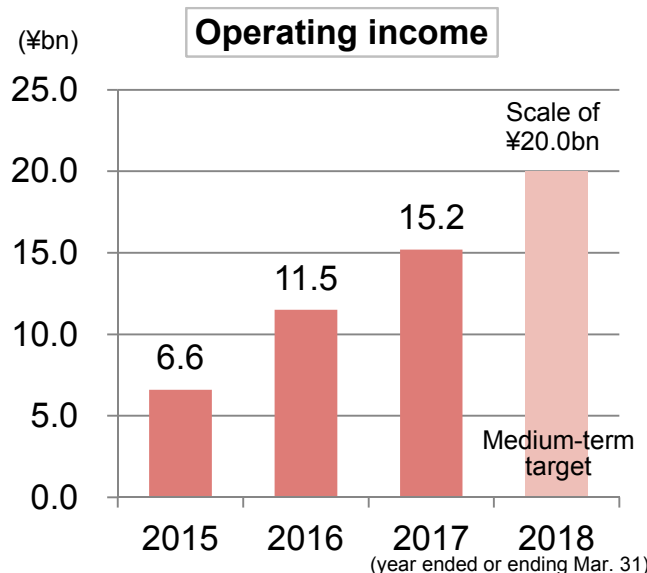
Strategy by Segment — Post Office Business

(2) Expanding Businesses as a Total Lifestyle Support Corporate Group

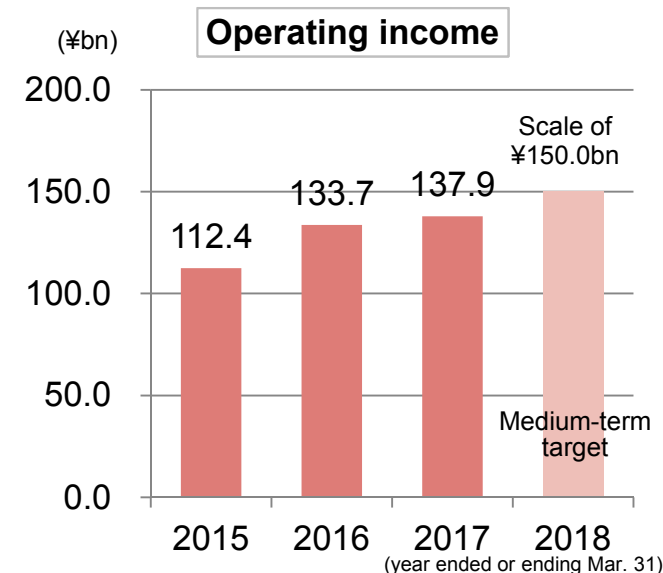
Real estate business



Third-party financial product agency service business



Merchandising business



Real estate financial information

(as of March 31, 2017)

Tangible fixed assets (Japan Post Group consolidated)

Buildings ¥1,178.2bn

Land ¥1,567.2bn











【Third-party financial product agency service】

	Number of post offices handling products	Number of companies supplying products
Cancer insurance	20,063	1
Medical insurance with eased underwriting conditions	1,467	1
Life insurance for corporate (for management-level personnel)	200	7
Automobile insurance	1,495	5
Variable annuity	1,079	1
(Reference)		
Investment trust*	1,315	-

*Commissions earned from sale of investment trusts are included in bank agency transaction commissions

Strategy by Segment — International Logistics Business

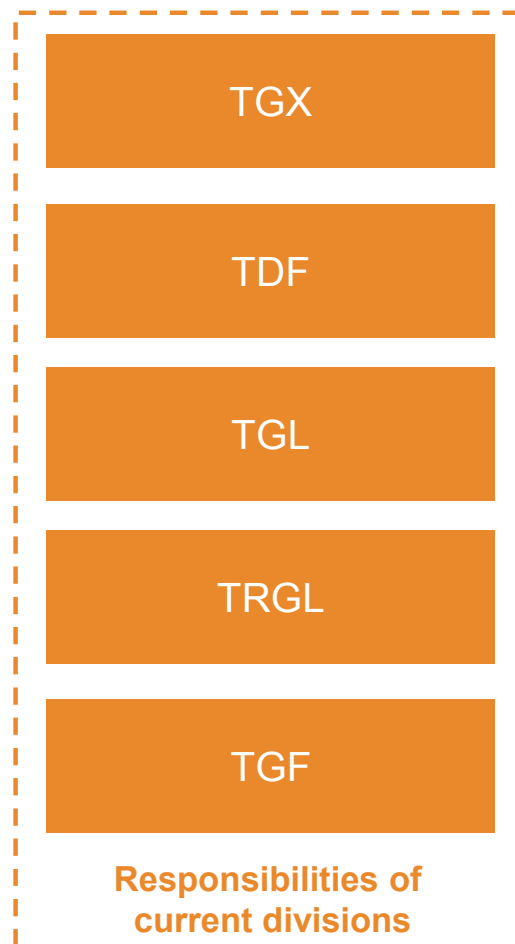
(1) Direction of Recovery Plans

Steps to Improve		Contents
1  Establishing Foundation to be Competitive		Reorganization targeting at realizing “One Toll”
2  Cost Reduction / Review		Extensive cost reduction
3  Differentiation		Customer-centricity, improvement of quality of service, differentiation
4  Synergy		Fostering an integrated sales-force
5  Selection and Concentration		Concentration in priority regions and businesses and withdrawal from unprofitable operations

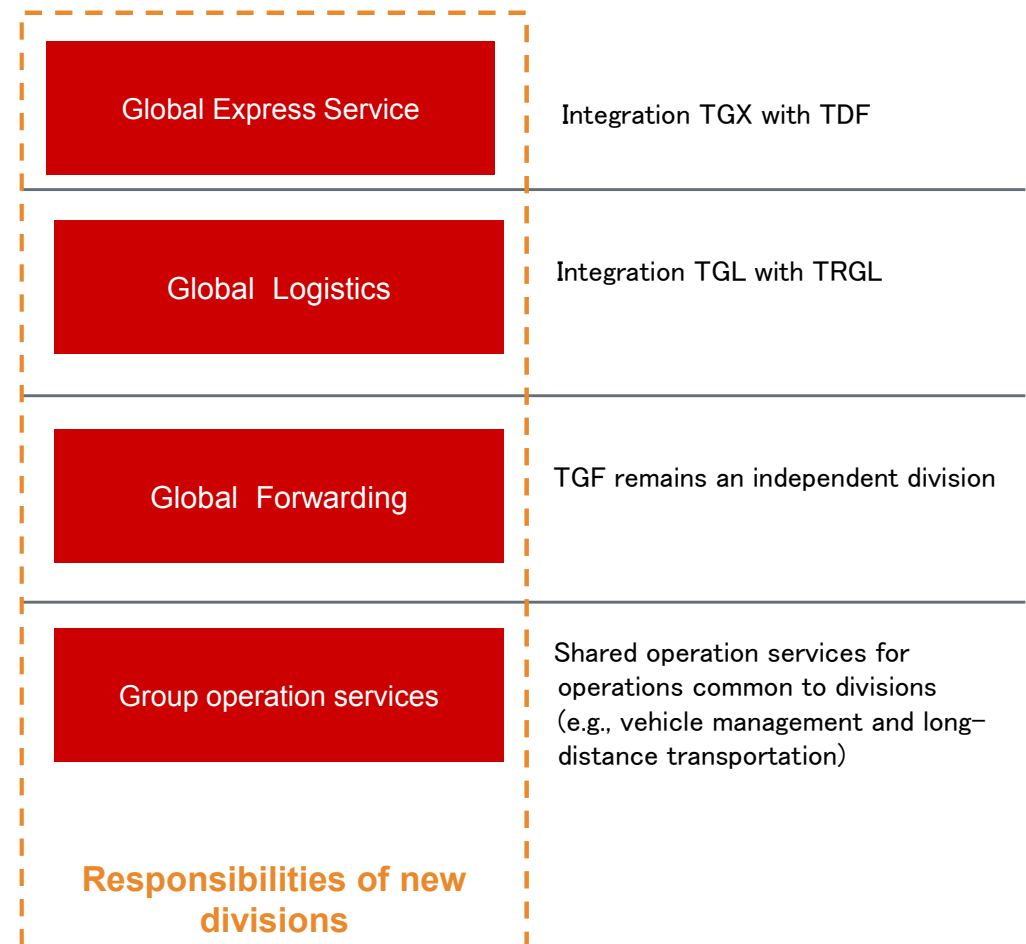
Strategy by Segment — International Logistics Business

(2) Measures to Improve Profit Structure

Now: 5 divisions

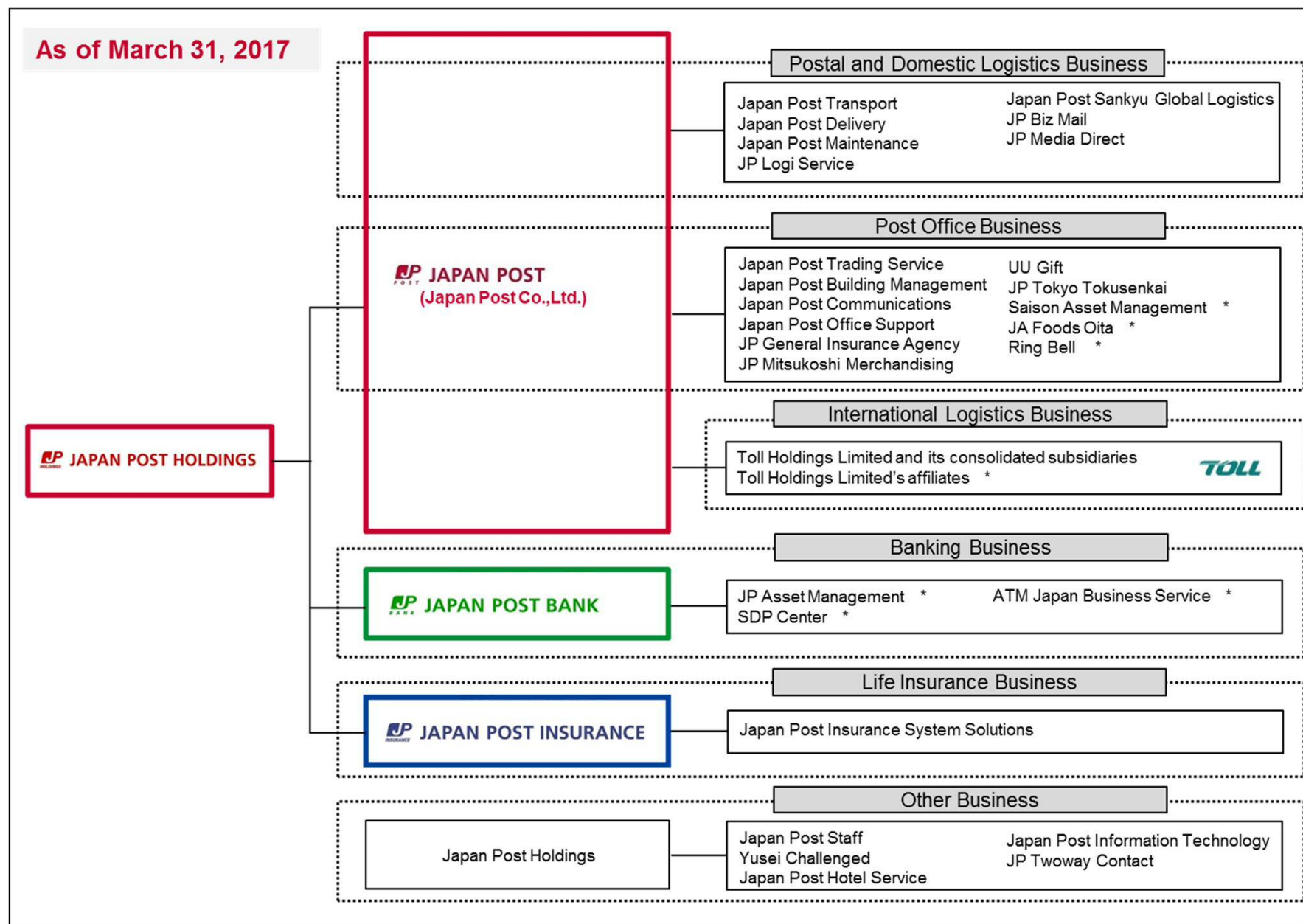


Change: 3 divisions + 1 Group operation services



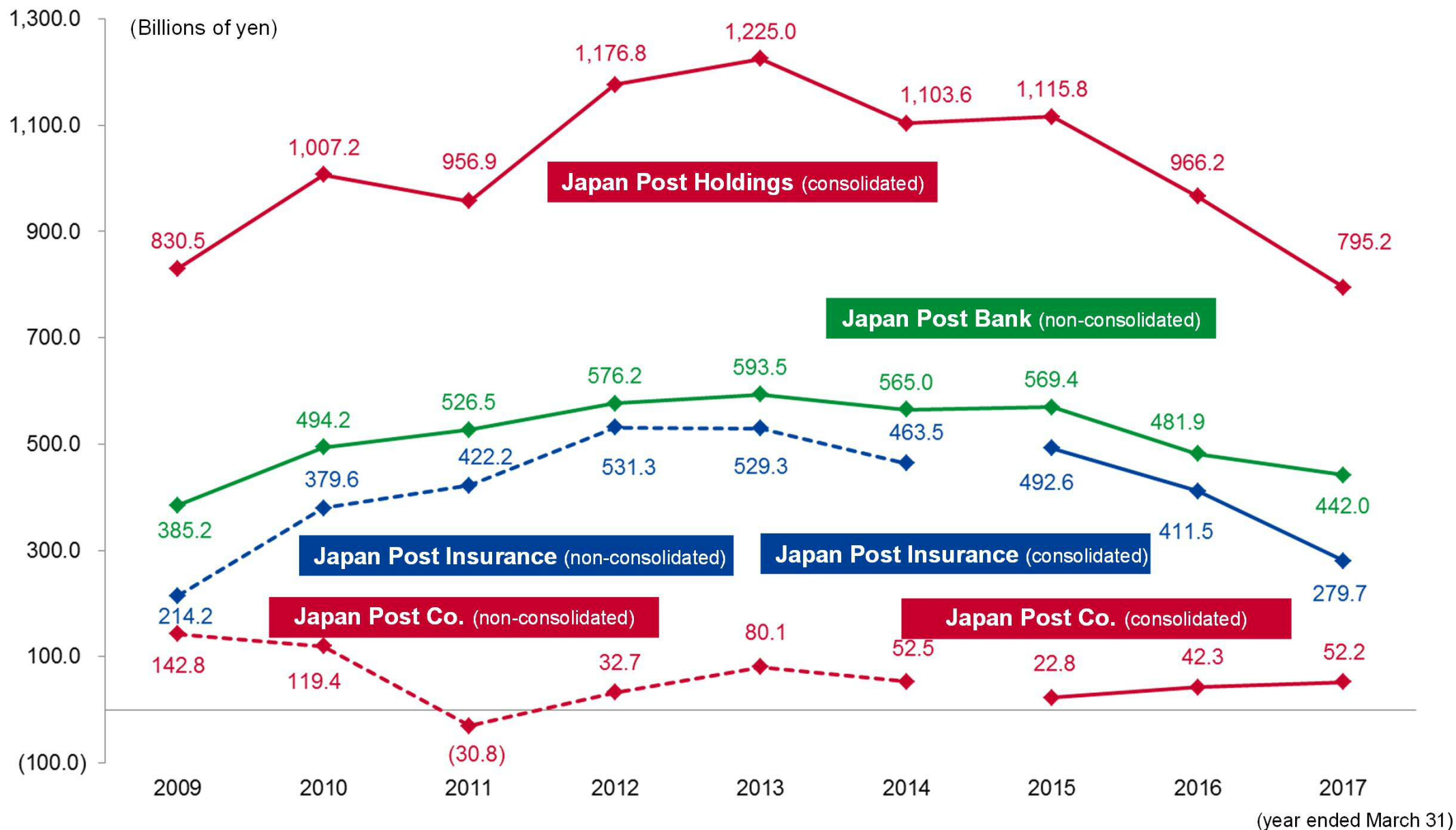
APPENDIX

[Appendix 1] Japan Post Holdings: Organization Chart



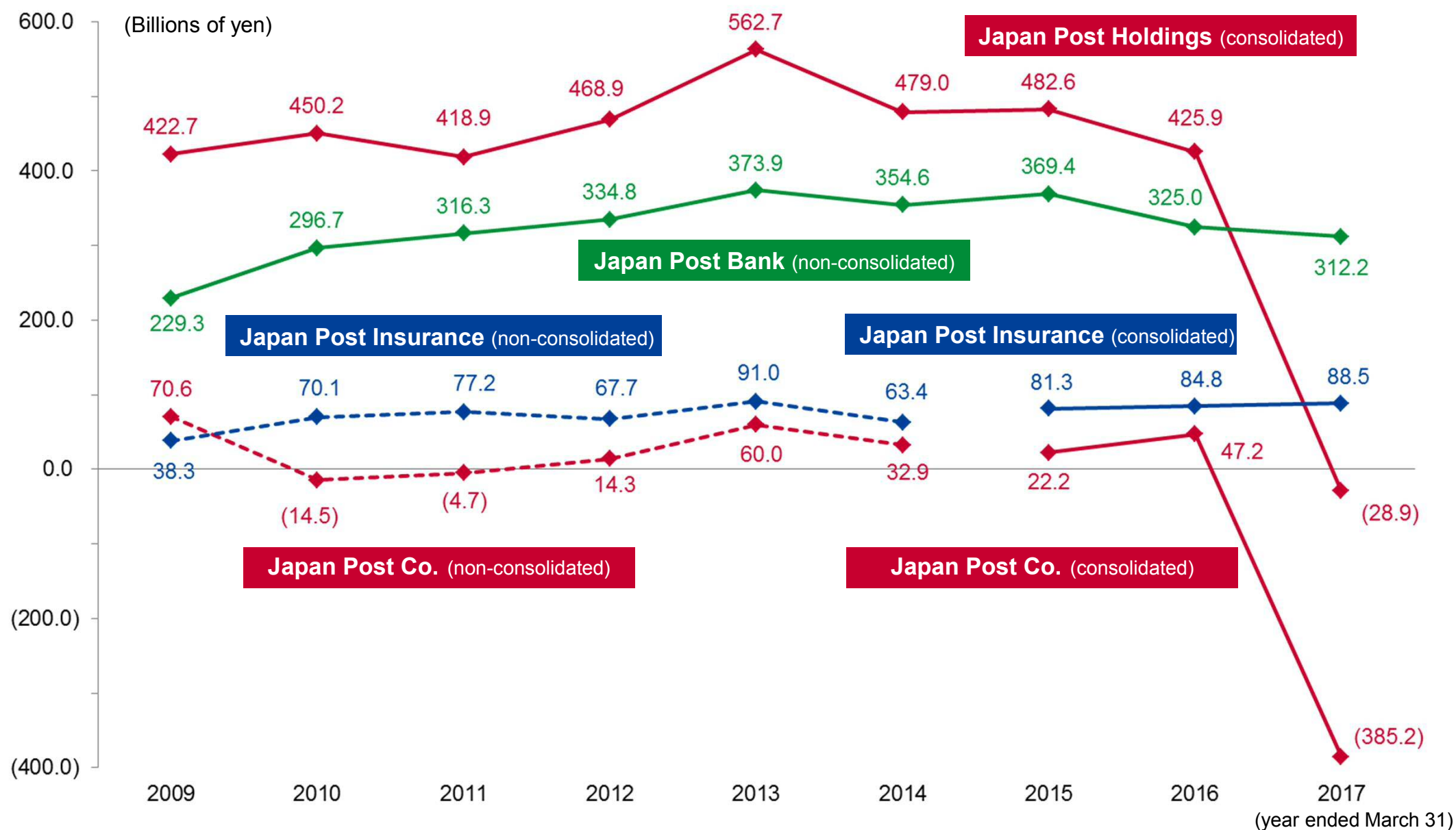
* Affiliates accounted for by the equity method.

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



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

[Appendix 3] Trends of Net Income (Loss)



Notes: 1. From the fiscal year ended March 31, 2016, the amount of net income (loss) attributable to Japan Post Holdings, net income (loss) attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.
 2. Net income (loss) of Japan Post Co. (non-consolidated) has been derived from net income (loss) of Japan Post Service Co. and Japan Post Network Co. up to the fiscal year ended March 31, 2013.

Japan Post Holdings Performance(Consolidated)

	For the year ended Mar. 31, 2013	For the year ended Mar. 31, 2014	For the year ended Mar. 31, 2015	For the year ended Mar. 31, 2016	For the year ended Mar. 31, 2017
Ordinary income (¥bn)	15,849.1	15,240.1	14,258.8	14,257.5	13,326.5
Net ordinary income (¥bn)	1,225.0	1,103.6	1,115.8	966.2	795.2
Net income attributable to Japan Post Holdings (¥bn)	562.7	479.0	482.6	425.9	(28.9)
Comprehensive income (loss) (¥bn)	1,551.7	717.1	2,212.0	(177.9)	8.8
Total net assets (¥bn)	12,448.1	13,388.6	15,301.5	15,176.0	14,954.5
Total assets (¥bn)	292,892.9	292,246.4	295,849.7	291,947.0	293,162.5
Net assets per share (¥) ¹	2,765	2,974	3,399	3,327	3,268
Net income attributable to Japan Post Holdings per share (¥) ¹	125.06	106.46	107.26	97.26	(7.04)
Equity ratio (%)	4.2	4.6	5.2	4.7	4.6
Return on equity (%)	4.8	3.7	3.4	2.9	(0.2)

*Figures less than ¥100mm are rounded down.

1. A 30-for-1 stock split was executed effective August 1, 2015. Net assets per share and net income per share are calculated assuming that the stock split had been executed at the beginning of the fiscal year ended March 31, 2013.

Japan Post Co. Performance (Consolidated)

	For the year ended Mar. 31, 2014	For the year ended Mar. 31, 2015	For the year ended Mar. 31, 2016	For the year ended Mar. 31, 2017
Operating income				
Postal and domestic logistic business (¥bn)	1,805.4	1,851.9	1,924.8	1,929.9
Post office business (¥bn)	1,253.3	1,281.9	1,353.0	1,386.4
International logistics business (¥bn)	—	—	544.0	644.4
Eliminations of intersegment transactions (¥bn)	(188.8)	(192.8)	(194.9)	(201.8)
Total operating income (¥bn)	2,869.9	2,940.9	3,627.0	3,758.9
Gross operating income (¥bn)	248.9	227.9	274.7	317.8
Sales, general and administrative costs (¥bn)	198.1	215.4	242.1	264.4
Net operating income (¥bn)	50.7	12.5	32.6	53.4
Net income attributable to Japan Post Co. (¥bn)	36.0	22.1	47.2	(385.2)
Total assets (¥bn)	4,864.4	5,525.4	5,651.3	5,091.3
Total net assets (¥bn)	701.1	1,287.1	1,244.9	794.2

*Figures less than ¥100mm are rounded down.

Japan Post Bank Performance

	For the year ended Mar. 31, 2013	For the year ended Mar. 31, 2014	For the year ended Mar. 31, 2015	For the year ended Mar. 31, 2016	For the year ended Mar. 31, 2017
Gross operating profit (¥bn)	1,624.3	1,568.7	1,634.7	1,452.0	1,410.2
Net interest income (¥bn) ¹	1,532.1	1,470.2	1,540.7	1,361.0	1,223.5
Net fees and commissions (¥bn)	88.1	92.6	89.2	91.1	86.6
General and administrative expenses (¥bn) ²	(1,111.5)	(1,096.0)	(1,114.7)	(1,066.1)	(1,056.1)
Provisions for general reserve for possible loan losses (¥bn)	-	-	-	-	(0)
Net operating profit (¥bn)	512.8	472.6	519.9	385.8	354.0
Non-recurring gains (losses) (¥bn)	80.7	92.4	49.4	96.1	87.9
Net ordinary income (¥bn)	593.5	565.0	569.4	481.9	442.0
Extraordinary income (losses) (¥bn)	(1.9)	(0.6)	1.5	(1.1)	(1.4)
Net income (¥bn)	373.9	354.6	369.4	325.0	312.2
Total net assets (¥bn)	10,997.5	11,464.5	11,630.2	11,508.1	11,780.0
Total assets (¥bn)	199,840.6	202,512.8	208,179.3	207,056.0	209,568.8
Capital adequacy ratio (%) ³ (domestic standard)	66.04%	56.81%	38.42%	26.38%	22.22%

1. Net interest income is calculated by deducting interest expenses (excluding the expenses related to money held in trust) from interest income

2. General and administrative expenses exclude non-recurring losses

3. New domestic standards (Basel III) have been applied from FY2013 (year ended March 31, 2014)

*Figures less than ¥100mm are rounded down.

Japan Post Insurance Performance (Consolidated)

	For the year ended Mar. 31, 2013	For the year ended Mar. 31, 2014	For the year ended Mar. 31, 2015	For the year ended Mar. 31, 2016	For the year ended Mar. 31, 2017
Insurance premium and others (¥bn)	6,481.7	5,911.6	5,956.7	5,413.8	5,041.8
Ordinary profit (¥bn)	528.9	462.7	492.6	411.5	279.7
Net income (¥bn)	90.6	62.8	81.3	84.8	88.5
Net assets (¥bn)	1,466.7	1,538.1	1,975.7	1,882.9	1,853.2
Return on equity (%) ¹	6.6	4.2	4.6	4.4	4.7
Dividend to shareholders (¥bn)	22.7	16.8	24.5	33.6	36.0
Total assets (¥bn)	90,463.5	87,092.8	84,915.0	81,545.1	80,336.7

*Figures less than ¥100mm are rounded down.

1. Return on equity is the ratio of net income to average total equity during the term.

[Notes]

[Notes]

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<Disclaimer>

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These statements are based on the information available when this document was produced, or our expectations derived from projections or assumptions made at the time of producing this document.

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