



**Interim Financial Results Briefing Session
for the Six Months Ended September 30, 2018**

November 22, 2018

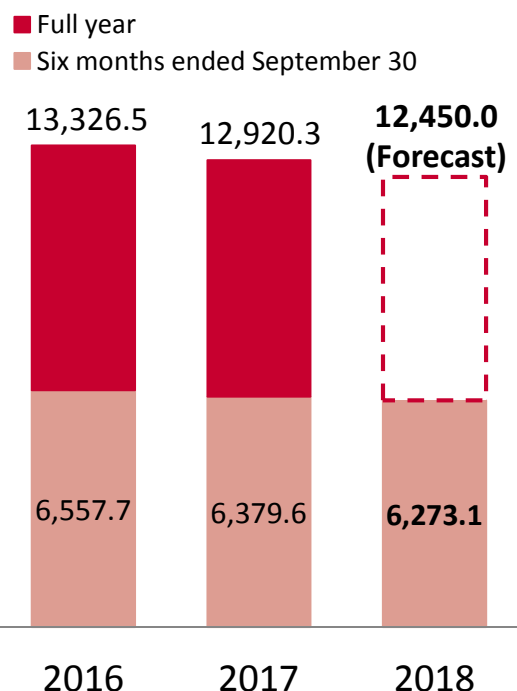
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Interim Financial Results Summary

- Performance was steady as Japan Post Holdings recorded consolidated net income for the six months ended September 30, 2018, of ¥223.7 billion (up 24.2% year on year), compared to the initial forecast of ¥330.0 billion for the fiscal year ending March 31, 2019
- Japan Post Holdings has revised the consolidated financial results forecasts to ¥380.0 billion mainly due to the expansion in operating income from Yu-Pack and Yu-Packet at Japan Post Co. and a steady performance in investment income at Japan Post Insurance for the 1st half of the fiscal year, and taking into consideration the prospects for the 2nd half of the fiscal year
- The Group paid interim dividends of ¥25 as planned, and expects to pay year-end dividends of ¥25 also as planned

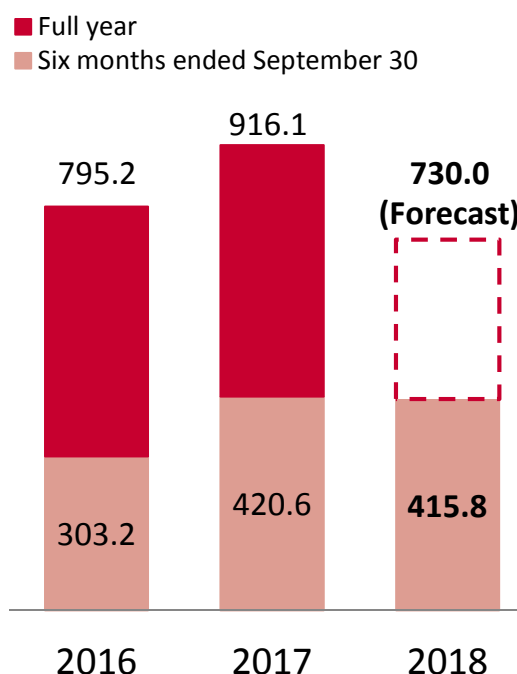
Ordinary Income

¥ 6,273.1 billion
(Down 1.7% year on year)



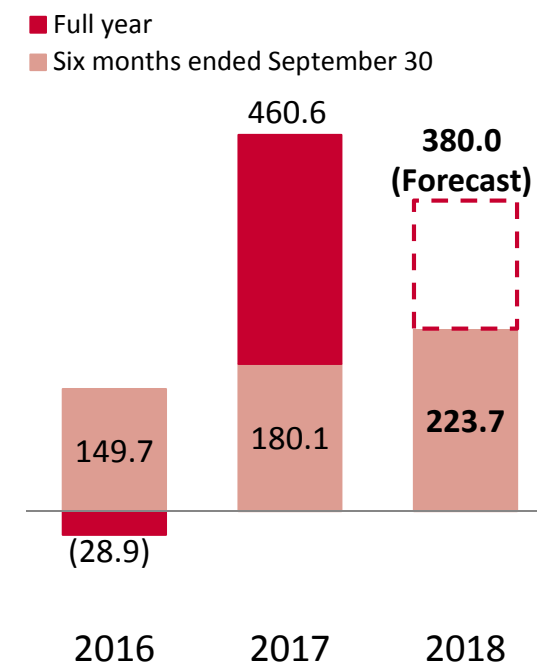
Net Ordinary Income

¥ 415.8 billion
(Down 1.1% year on year)



Net income attributable to Japan Post Holdings

¥ 223.7 billion
(Up 24.2% year on year)



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.

Interim Financial Results Overview for the Six Months Ended September 30, 2018

■ Results of Operations for the Six Months Ended September 30, 2018

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
Ordinary income	6,273.1	1,890.8	965.3	3,898.3
Year-on-year (for the six months ended Sept. 30, 2017) change	(106.4) (1.7)%	+ 56.0 + 3.1%	- -	(156.5) (3.9)%
Net ordinary income	415.8	24.6	223.3	161.6
Year-on-year (for the six months ended Sept. 30, 2017) change	(4.8) (1.1)%	+ 37.5 -	- -	(7.2) (4.3)%
Net income	223.7	19.1	159.2	68.7
Year-on-year (for the six months ended Sept. 30, 2017) change	+ 43.5 + 24.2%	+ 36.2 -	- -	+ 17.4 + 34.1%

■ Forecast for the Fiscal Year Ending March 31, 2019 (Announced in May 2018)

Net ordinary income	660.0	57.0	370.0	220.0
[percentage achievement]	[63.0%]	[43.3%]	[60.3%]	[73.5%]
Net income	330.0	45.0	260.0	88.0
[percentage achievement]	[67.8%]	[42.5%]	[61.2%]	[78.1%]

Notes: 1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Holdings (consolidated) and the combined figures of each subsidiary do not correspond because of other consolidated accounting procedures, etc.
 2. The amount of ordinary profit on the consolidated statements of income of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.
 3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.
 4. Year-on-year changes for Japan Post Bank are not shown because Japan Post Bank did not prepare its consolidated financial results until the third quarter of the fiscal year ended March 31, 2018. Figures for Japan Post Bank shown from page 9 to 11 on this material are based on the non-consolidated financial results.

Financial Results

- The volume of Yu-Pack and Yu-Packet handled increased by 18.1% year-on-year for the six months ended September 30, 2018, while the pace of increase has slowed down recently. The volume of Yu-Mail handled increased slightly, and the volume of Mail handled decreased by a small margin.
- Operating income increased by ¥57.5 billion year-on-year (an increase of 6.3% year-on-year) driven by the continuous expansion in operating income from Yu-Pack and Yu-Packet, etc.
- Net operating loss decreased by ¥33.1 billion year-on-year due to a rise in operating income exceeding increases in personnel expenses and other expenses in operating expenses.

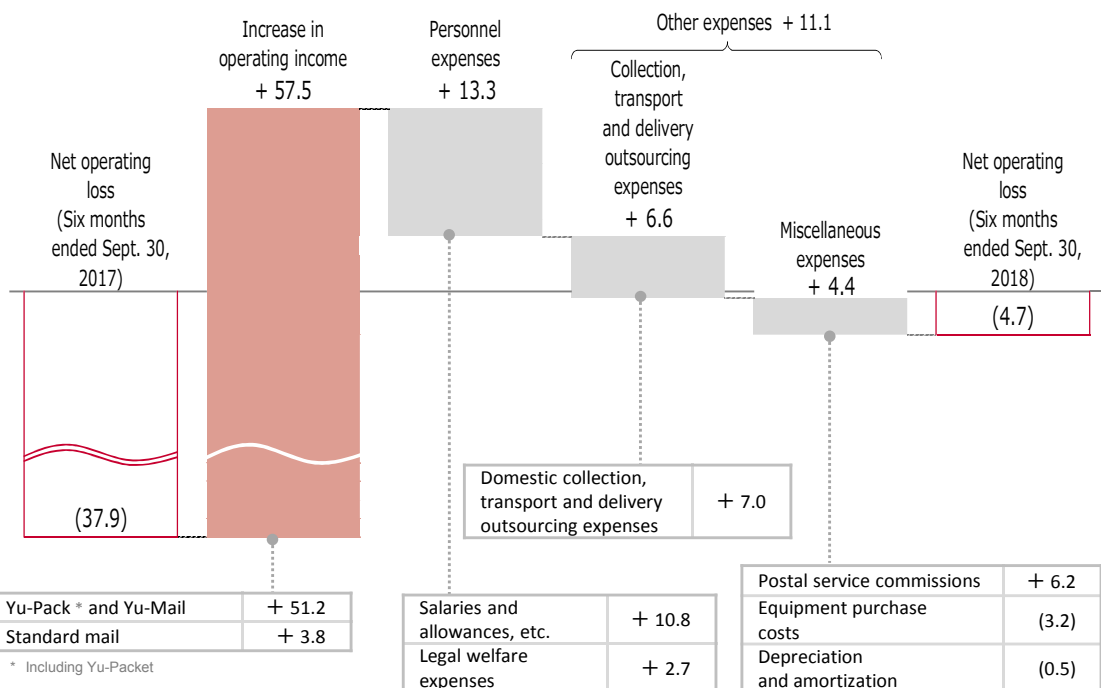
Analysis of Year-on-year Change in Net Operating Loss

[Trends in Net Operating Loss]

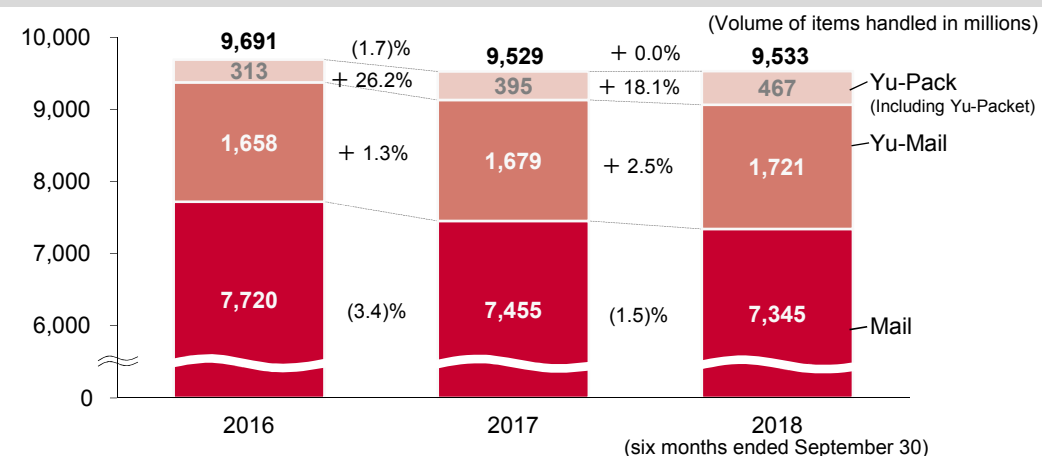
2016	2017	2018
(42.9)	(37.9)	(4.7)

(six months ended September 30)

(Billions of yen)



Trends in Volume of Items Handled



Results of Operations for the Six Months Ended September 30, 2018

(Billions of yen)

	For the six months ended Sept. 30, 2018	For the six months ended Sept. 30, 2017	Year-on-year change
Operating income	966.5	908.9	+ 57.5
Operating expenses	971.3	946.9	+ 24.4
Personnel expenses	621.4	608.0	+ 13.3
Other expenses	349.9	338.8	+ 11.1
Net operating loss	(4.7)	(37.9)	+ 33.1

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

- Operating income remained nearly at the same level as the previous corresponding period thanks to increases in postal service commissions and banking commissions as a result of increases in sales and the volume handled, and a steady growth of third-party financial product agency services and the real estate business, while insurance commissions decreased mainly as a result of a fall in new policy sales for Japan Post Insurance, and a continuous decrease in the merchandising business due to the contraction of certain businesses.
- Net operating income increased by ¥4.3 billion year-on-year (an increase of 18.2% year-on-year) due to decreases in personnel expenses and other expenses in operating expenses.

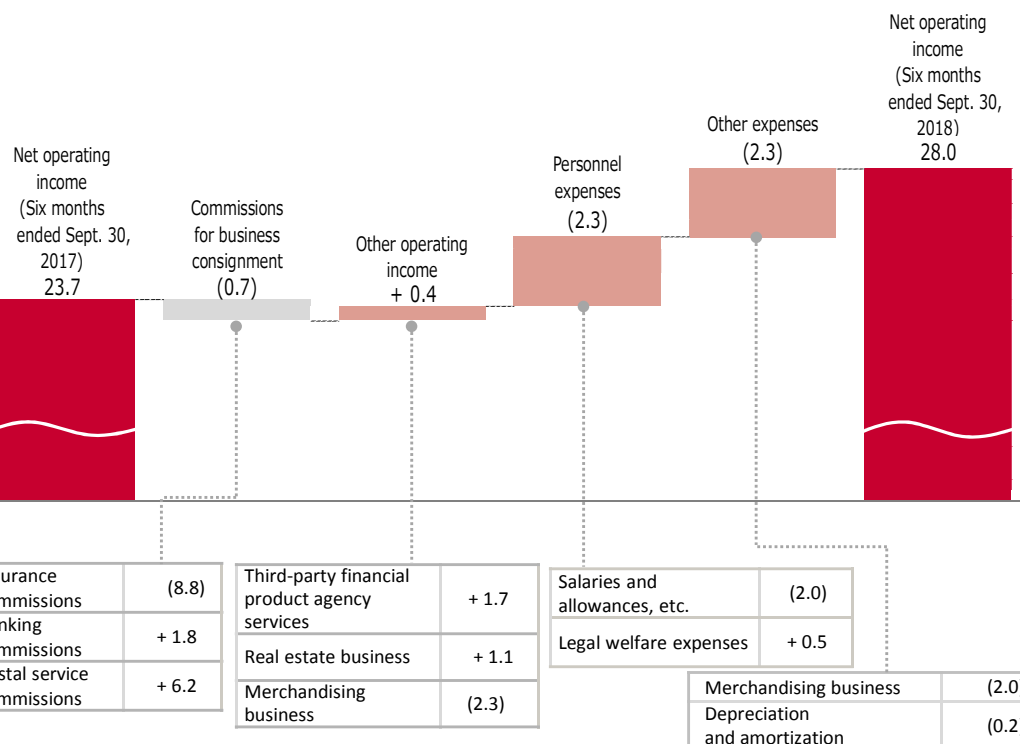
Analysis of Year-on-year Change in Net Operating Income

[Trends in Net Operating Income]

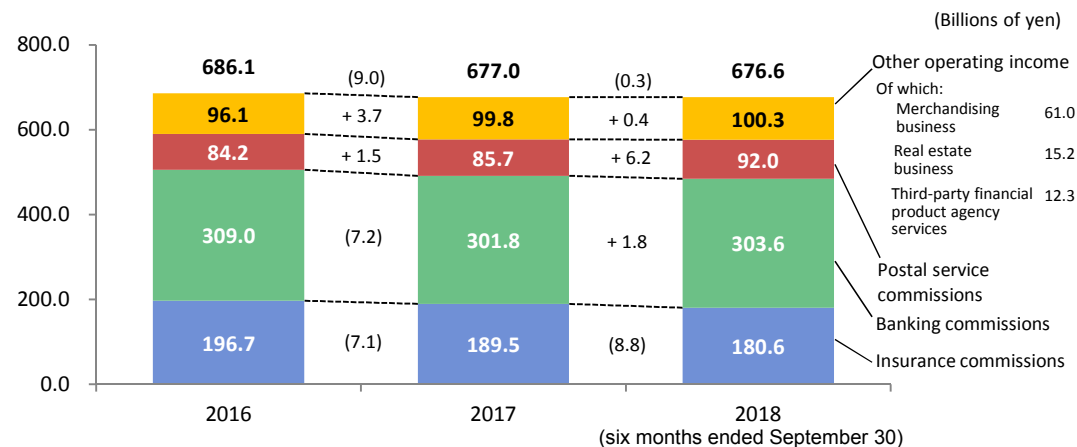
2016	2017	2018
24.7	23.7	28.0

(six months ended September 30)

(Billions of yen)



Trends in the Earnings Structure



Results of Operations for the Six Months Ended September 30, 2018

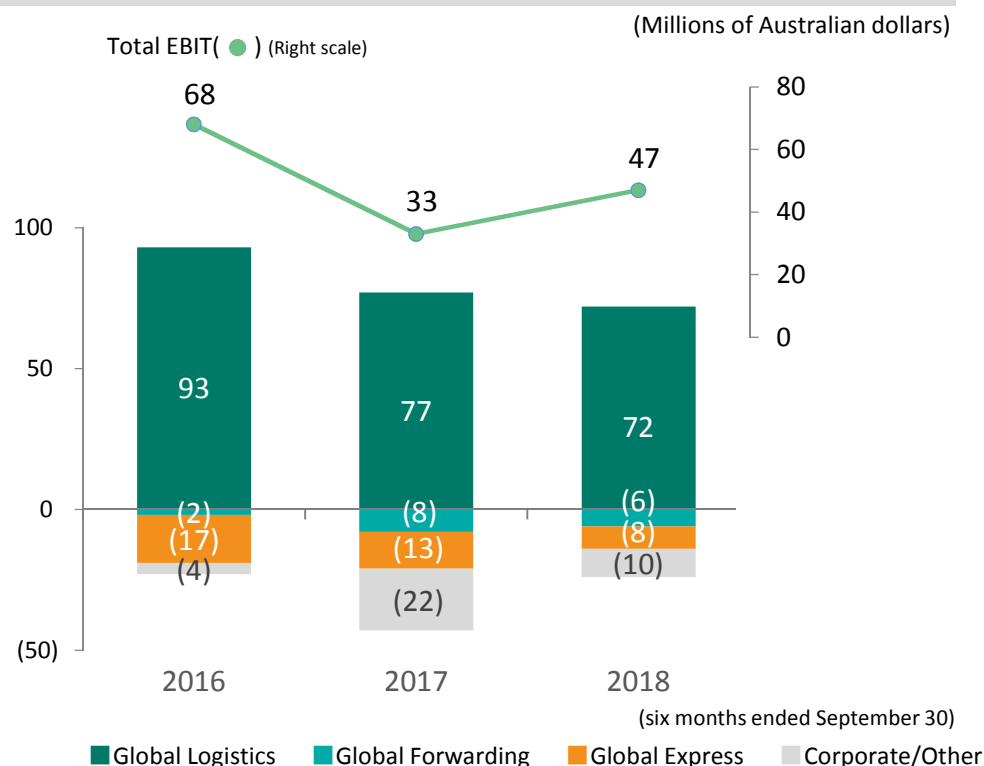
(Billions of yen)

	For the six months ended Sept. 30, 2018	For the six months ended Sept. 30, 2017	Year-on-year change
Operating income	676.6	677.0	(0.3)
Operating expenses	648.6	653.3	(4.6)
Personnel expenses	458.8	461.1	(2.3)
Other expenses	189.7	192.1	(2.3)
Net operating income	28.0	23.7	+ 4.3

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

- Operating income increased by A\$219 million year-on-year (an increase of 5.5% year-on-year) owing to a continuous increase in operating income in the Global Logistics business.
- Net operating income (EBIT) increased by A\$13 million year-on-year (an increase of 41.3% year-on-year) due to a decrease in net operating loss mainly in the Global Express business.
- We will continue to exert our efforts on the improvement in productivity and expect to expand our business performance in the 2nd half of the fiscal year, including the peak season.

Trends in Net Operating Income (EBIT)



Results of Operations for the Six Months Ended September 30, 2018

(Millions of Australian dollars)
(Billions of yen)

	For the six months ended Sept. 30, 2018	For the six months ended Sept. 30, 2017	Year-on-year change
Operating income (revenue)	4,224 [346.5]	4,004 [342.5]	+ 219 [+ 4.0]
Operating expenses	4,177 [342.6]	3,971 [339.6]	+ 205 [+ 3.0]
Personnel expenses	1,296 [106.3]	1,304 [111.5]	(7) [(5.1)]
Other expenses	2,880 [236.2]	2,667 [228.0]	+ 212 [+ 8.1]
Net operating income (EBIT)	47 [3.8]	33 [2.8]	+ 13 [+ 1.0]

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, 2018: ¥82.03 to A\$1.00 and for the six months ended September 30, 2017: ¥85.52 to A\$1.00).

2. Figures for the six months ended September 30, 2017 were recalculated because of reclassification of certain businesses between segments from the six months ended September 30, 2018. (Total amount for the six months ended September 30, 2017 was unchanged.)

- Operating income increased by ¥55.7 billion year-on-year (an increase of 3.0% year-on-year) to ¥1,887.5 billion due to a continuous favorable performance in the postal and domestic logistics business.
- Net operating income was ¥25.5 billion (net operating loss of ¥12.2 billion for the same period of the previous fiscal year) and net income was ¥19.1 billion (net loss of ¥17.1 billion for the same period of the previous fiscal year). As a result, both of them turned to profit for the first time in the 1st half of the fiscal year.

Analysis of Year-on-year Change in Net Income (Loss)

[Trends in Net Operating Income (Loss)]

2016	2017	2018
(27.0)	(12.2)	25.5

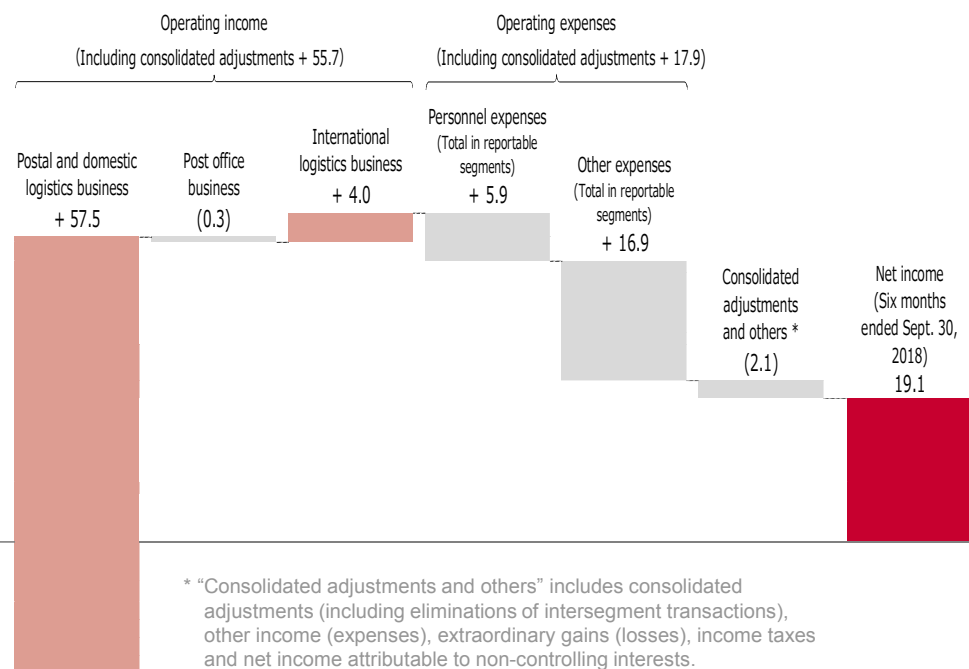
(six months ended September 30)

[Trends in Net Income (Loss)]

2016	2017	2018
(28.7)	(17.1)	19.1

(six months ended September 30)

(Billions of yen)



Results of Operations for the Six Months Ended September 30, 2018

(Billions of yen)

	For the six months ended Sept. 30, 2018	For the six months ended Sept. 30, 2017	Year-on-year change
Operating income	1,887.5	1,831.7	+ 55.7
Operating expenses	1,861.9	1,844.0	+ 17.9
Personnel expenses	1,186.6	1,180.7	+ 5.9
Other expenses	675.2	663.2	+ 12.0
Net operating income (loss)	25.5	(12.2)	+ 37.7
Net ordinary income (loss)	24.6	(12.8)	+ 37.5
Extraordinary gains (losses)	(1.4)	1.3	(2.8)
Income (loss) before income taxes	23.1	(11.5)	+ 34.6
Net income (loss)	19.1	(17.1)	+ 36.2

Results of Operations for the Six Months Ended September 30, 2018

(Billions of yen, %)

	For the six months ended		Year-on-year change
	Sept. 30, 2018	Sept. 30, 2017	
Gross operating profit	720.2	757.7	(37.4)
Net interest income	549.1	618.0	(68.9)
Net fees and commissions	52.9	47.1	+ 5.8
Net other operating income (loss)	118.1	92.5	+ 25.5
General and administrative expenses ^(Note1)	521.9	522.2	(0.2)
Provision for general reserve for possible loan losses	-	0.0	(0.0)
Net operating profit	198.3	235.4	(37.1)
Non-recurring gains (losses)	25.1	21.6	+ 3.4
Net ordinary income	223.4	257.1	(33.7)
Net income	159.2	181.5	(22.2)

(Reference) Consolidated Financial Highlights

Ordinary income	965.3	-	-
Net ordinary income	223.3	-	-
Net income ^(Note2)	159.2	-	-

	As of		Change
	Sept. 30, 2018	Mar. 31, 2018	
Deposits ^(Note3)	180,374.9	179,882.7	+ 492.2
Capital adequacy ratio (non-consolidated, domestic standard)	15.44	17.42	(1.98)

Overview

- Gross operating profit (non-consolidated) for the six months ended September 30, 2018 decreased by ¥37.4 billion year-on-year to ¥720.2 billion. Of which, net interest income decreased by ¥68.9 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Meanwhile, net fees and commissions increased by ¥5.8 billion year-on-year. Net other operating income (loss) increased by ¥25.5 billion year-on-year mainly owing to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses (non-consolidated) decreased by ¥0.2 billion year-on-year to ¥521.9 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit (non-consolidated) decreased by ¥37.1 billion year-on-year to ¥198.3 billion.
- Net ordinary income (non-consolidated) decreased by ¥33.7 billion year-on-year to ¥223.4 billion.
- Net income (non-consolidated) decreased by ¥22.2 billion year-on-year to ¥159.2 billion.
- Net income (consolidated) was ¥159.2 billion, achieving 61.2% of the financial results forecast for the fiscal year ending March 31, 2019.
- Deposits as of September 30, 2018 amounted to ¥180,374.9 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) was 15.44%.

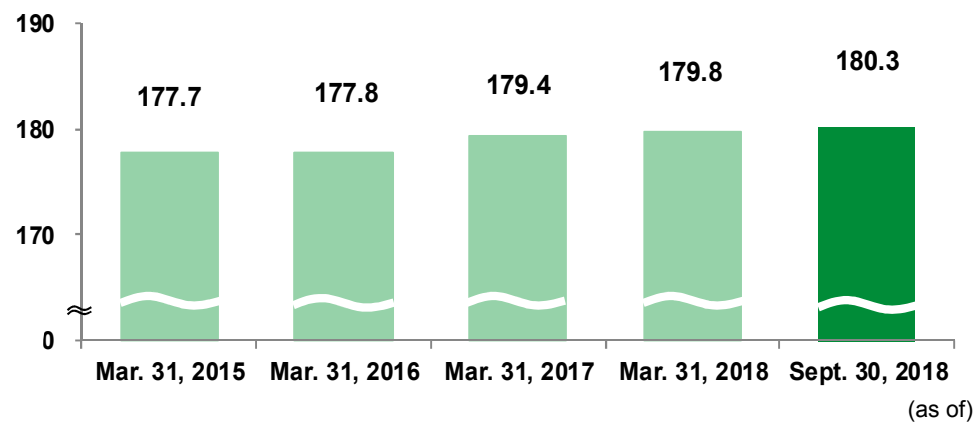
Notes: 1. Excludes non-recurring losses.

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.

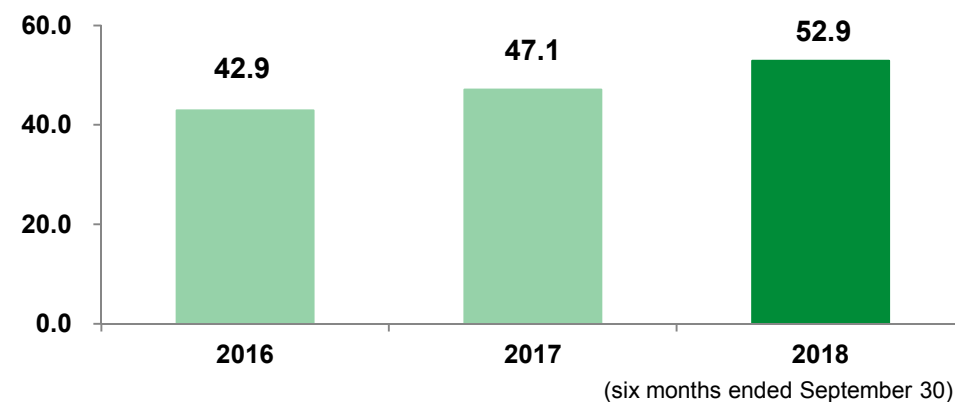
Deposit Balance

(Trillions of yen)



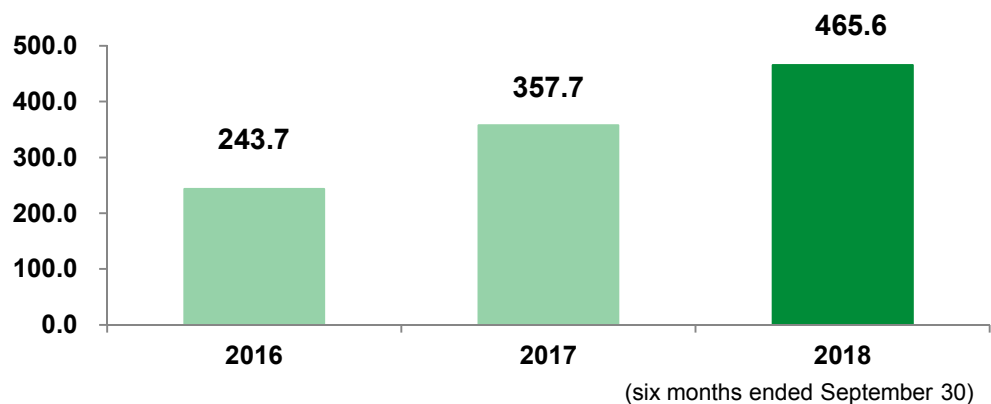
Net Fees and Commissions

(Billions of yen)



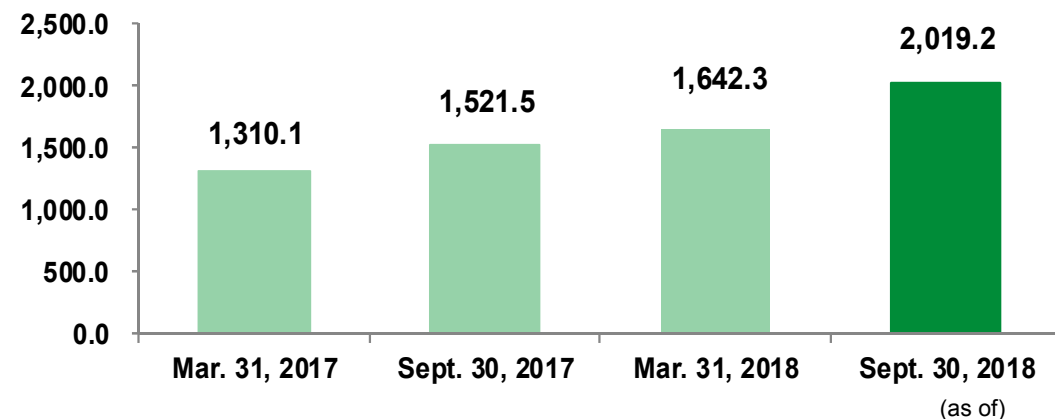
Investment Trusts Sales

(Billions of yen)



Net Assets of Investment Trusts

(Billions of yen)



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

(Billions of yen)

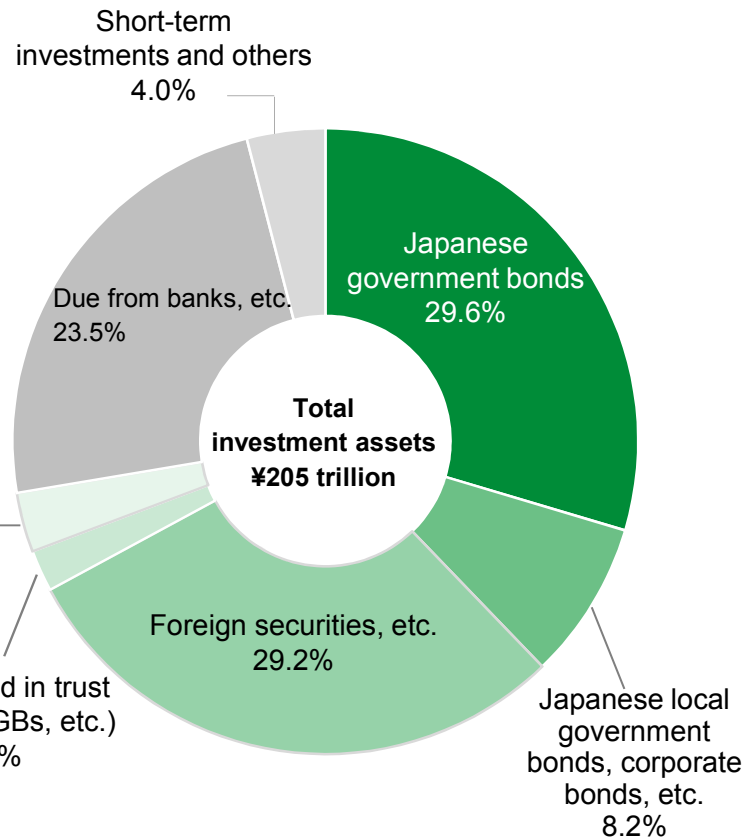
	As of Sept. 30, 2018	Composition ratio (%)	As of Mar. 31, 2018	Composition ratio (%)	Change
Securities	137,759.7	67.0	139,201.2	67.0	(1,441.4)
Japanese government bonds	60,799.9	29.6	62,749.7	30.2	(1,949.7)
Japanese local government bonds, corporate bonds, etc. ^(Note1)	16,853.8	8.2	17,152.6	8.2	(298.8)
Foreign securities, etc.	60,105.9	29.2	59,298.8	28.5	+ 807.1
Foreign bonds	21,550.8	10.4	20,244.3	9.7	+ 1,306.4
Investment trusts ^(Note2)	38,530.9	18.7	39,042.6	18.7	(511.6)
Money held in trust (Stocks, JGBs, etc.)	4,448.9	2.1	4,241.5	2.0	+ 207.4
Domestic stocks	2,335.1	1.1	2,286.1	1.1	+ 48.9
Loans	6,380.2	3.1	6,145.5	2.9	+ 234.6
Due from banks, etc. ^(Note3)	48,426.2	23.5	49,314.6	23.7	(888.3)
Short-term investments and others ^(Note4)	8,327.2	4.0	8,830.6	4.2	(503.3)
Total investment assets	205,342.5	100.0	207,733.5	100.0	(2,391.0)

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

2. Major investment target in "Investment trusts" are 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 securities borrowing transactions, etc.



Results of Operations for the Six Months Ended September 30, 2018

(Billions of yen, %)

	For the six months ended		Year-on-year change
	Sept. 30, 2018	Sept. 30, 2017	
Ordinary income	3,898.3	4,054.8	(156.5)
Ordinary expenses	3,736.7	3,885.9	(149.2)
Ordinary profit	161.6	168.8	(7.2)
Net income	68.7	51.2	+ 17.4
(Reference) Non-consolidated Financial Highlights			
Core profit	207.1	194.4	+ 12.7
Net capital gains (losses)	(30.2)	(2.4)	(27.8)
Non-recurring gains (losses)	(15.3)	(23.3)	+ 7.9
Ordinary profit	161.5	168.6	(7.1)
Annualized premiums from new policies (individual insurance)	184.5	208.9	(24.3)
	As of		Change
	Sept. 30, 2018	Mar. 31, 2018	
Annualized premiums from policies in force (individual insurance) ^(Note 1)	4,783.3	4,859.5	(76.1)
Solvency margin ratio (consolidated)	1,107.4	1,131.8	(24.4)
Real net assets (consolidated)	11,891.2	12,904.8	(1,013.6)

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 Management Organization for Postal Savings and Postal Life Insurance.

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

3. Please refer to "Status of Insurance Policies" on page 13 for annualized premiums from new policies and policies in force for medical care.

Overview

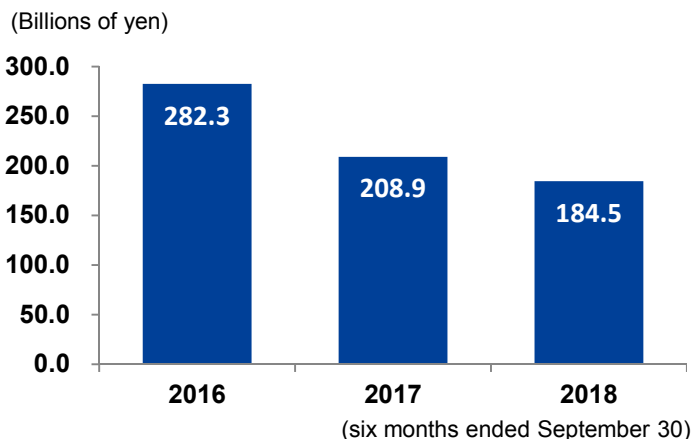
- Ordinary profit (consolidated) for the six months ended September 30, 2018 decreased by ¥7.2 billion year-on-year to ¥161.6 billion mainly due to an increase in net capital losses including losses on derivative financial instruments, despite an increase in core profit year-on-year.

Net income (consolidated) increased by ¥17.4 billion year-on-year to ¥68.7 billion primarily due to an increase in core profit, as well as a decrease in provision for reserve for policyholder dividends as a result of an increase in the number of policies with non-participating riders, achieving 78.1% of the financial results forecast for the fiscal year ending March 31, 2019.

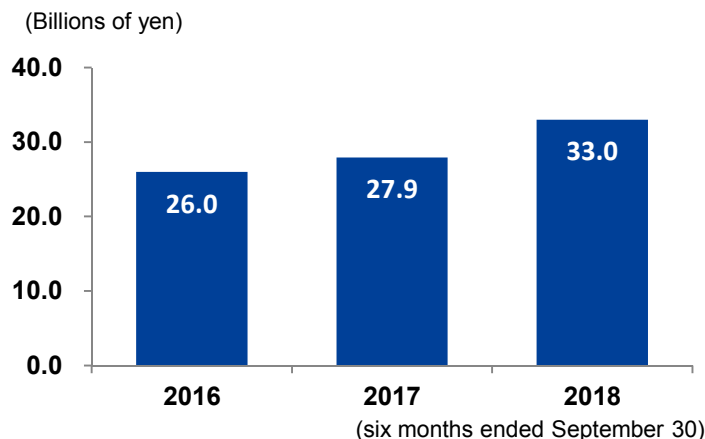
- Annualized premiums from new policies and policies in force for individual insurance decreased compared with the same period of the previous fiscal year and the end of the previous fiscal year, respectively. On the other hand, annualized premiums from new policies and policies in force for medical care are growing steadily compared with the same period of the previous fiscal year and the end of the previous fiscal year, respectively. ^(Notes 1 and 3)
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,957.8 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,107.4% and real net assets (consolidated) amounted to ¥11,891.2 billion, continuously maintaining a high level of financial soundness.

New Policies

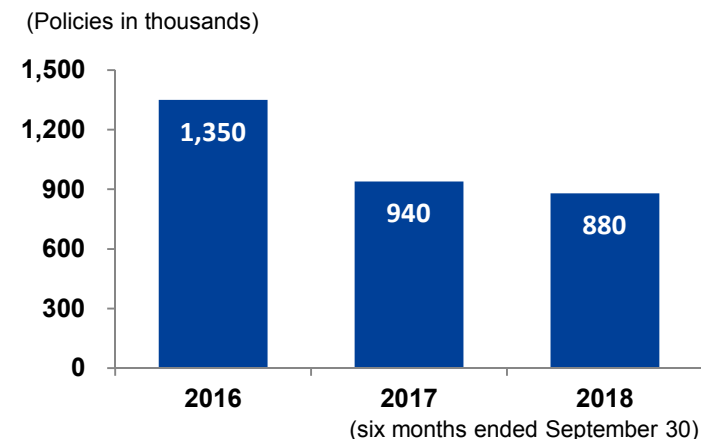
Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)

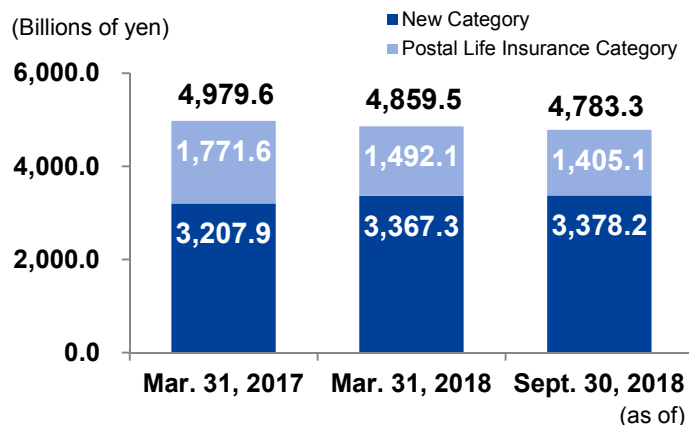


Number of New Policies (Individual Insurance)

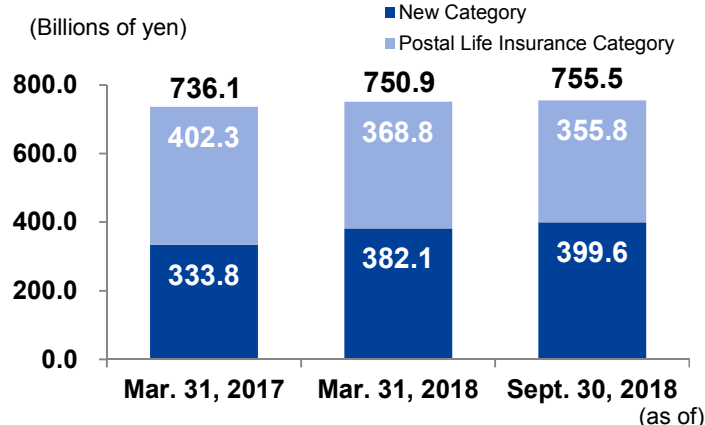


Policies in Force

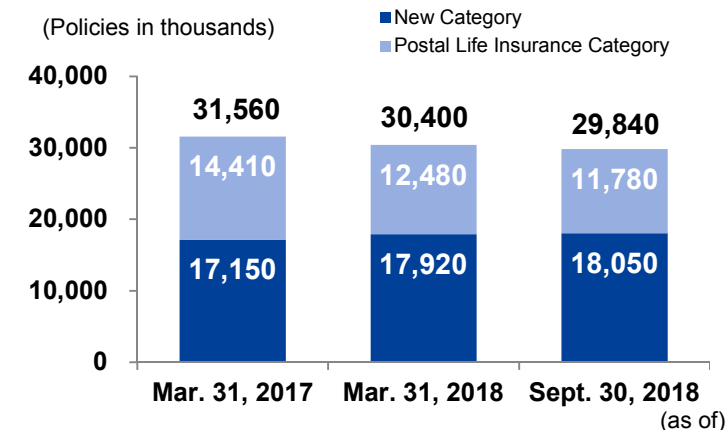
Annualized Premiums from Policies in Force (Individual Insurance)



Annualized Premiums from Policies in Force (Medical Care)



Number of Policies in Force (Individual Insurance)



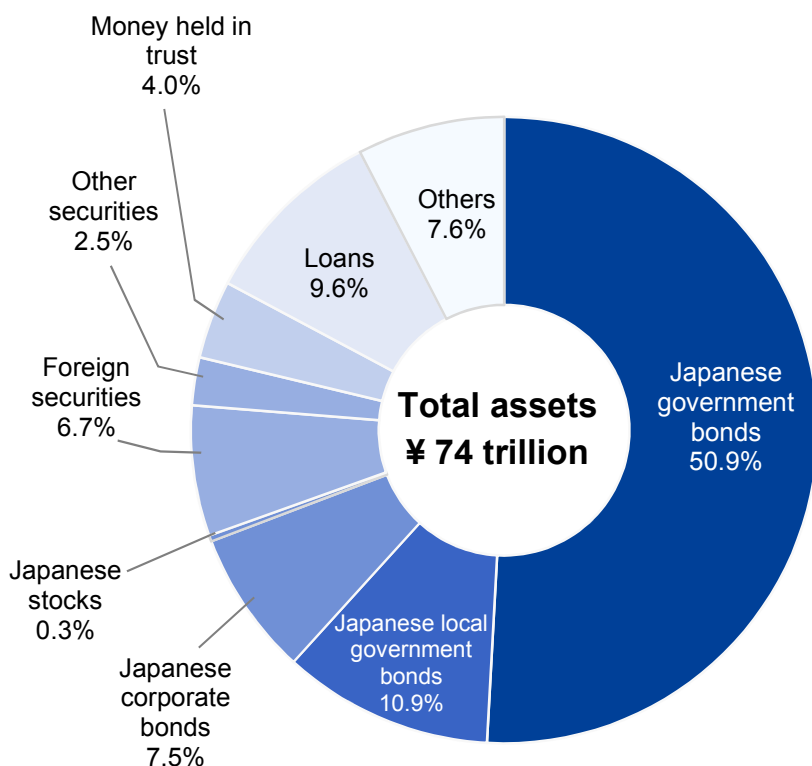
Notes: 1. Figures less than ¥0.1 billion are rounded down, and number of policies is rounded down to the nearest ten thousand.

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 Management Organization for Postal Savings and Postal Life Insurance.

(Billions of yen)



	As of Sept. 30, 2018	Composition ratio (%)	As of Mar. 31, 2018	Composition ratio (%)	Change
Securities	58,869.0	78.7	60,130.9	78.3	(1,261.8)
Japanese government bonds	38,032.9	50.9	39,589.8	51.5	(1,556.9)
Japanese local government bonds	8,128.5	10.9	8,513.5	11.1	(384.9)
Japanese corporate bonds	5,590.4	7.5	5,472.9	7.1	+ 117.4
Japanese stocks	235.9	0.3	195.3	0.3	+ 40.5
Foreign securities	5,031.9	6.7	4,347.5	5.7	+ 684.3
Other securities	1,849.1	2.5	2,011.5	2.6	(162.3)
Money held in trust	3,022.0	4.0	2,814.8	3.7	+ 207.2
Loans	7,180.7	9.6	7,627.1	9.9	(446.3)
Others	5,692.0	7.6	6,258.3	8.1	(566.2)
Total assets	74,763.9	100.0	76,831.2	100.0	(2,067.3)

Financial Results Forecast for the Fiscal Year Ending March 31, 2019

■ Consolidated Financial Results Forecast

Japan Post Holdings, Japan Post Co. and Japan Post Insurance have revised the consolidated financial results forecasts for the fiscal year ending March 31, 2019 mainly due to the expansion in operating income from Yu-Pack and Yu-Packet at Japan Post Co. and a steady performance in investment income at Japan Post Insurance for the six months ended September 30, 2018, and taking into consideration the prospects for the 2nd half of the fiscal year. The details are as follows:

(Billions of yen)

	Net ordinary income	Change from the full-year forecast announced in May 2018	Net income	Change from the full-year forecast announced in May 2018
Japan Post Holdings (Consolidated)	730.0	+ 70.0	380.0	+ 50.0
Japan Post Co. (Consolidated)	90.0	+ 33.0	75.0	+ 30.0
Japan Post Bank (Consolidated)	370.0	—	260.0	—
Japan Post Insurance (Consolidated)	260.0	+ 40.0	111.0	+ 23.0

Notes: 1. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.
2. Net income of Japan Post Holdings (consolidated) is calculated based on the current ratio of voting rights to Japan Post Bank and Japan Post Insurance by Japan Post Holdings of approximately 89%.

■ Dividends Forecast (Japan Post Holdings)

The dividends forecast for the fiscal year ending March 31, 2019 remains unchanged from the full-year forecast announced in May 2018.

Dividend per share	Dividend payout ratio (consolidated)	Interim dividend	Year-end dividend
50 Yen	53.2%	25 Yen	25 Yen

Notes: 1. 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.
2. Dividend payout ratio (consolidated) is calculated based on the revised consolidated financial results forecast for the fiscal year ending March 31, 2019.

Japan Post Co. Business Initiatives

Implementation of Yu-Pack service improvements
in pursuit of easier parcel drop off and pick up for each and every person

Accessible drop off

– Easy drop off service using the Internet –

■ **Yu-Pack Smartphone Discount**
(available from September 2018)

- Advance payment by credit card
- Shipping label easily issued online
- Discount from basic shipping fees

■ **App for Yu-Pack address labeling available** (available from March 2018)

Accessible pick up services

■ **Established access points for pick up within 5-minute walking distance**
(Expanding the services)

- Establishment of pick up facilities mainly in post offices and convenience stores, but also in station coin lockers, commercial facilities, etc.

Services to ensure safe receipt at home

■ **Expansion of desired delivery time frame**
(available from September 2018)

- Addition of 19:00 to 21:00

■ **Implementation of designated location delivery service**
(scheduled to be available from March 2019)

- Delivery to locations designated by recipients (delivery lockers, mailboxes, etc.)

■ **Expansion of services where pick up time and location can be designated**

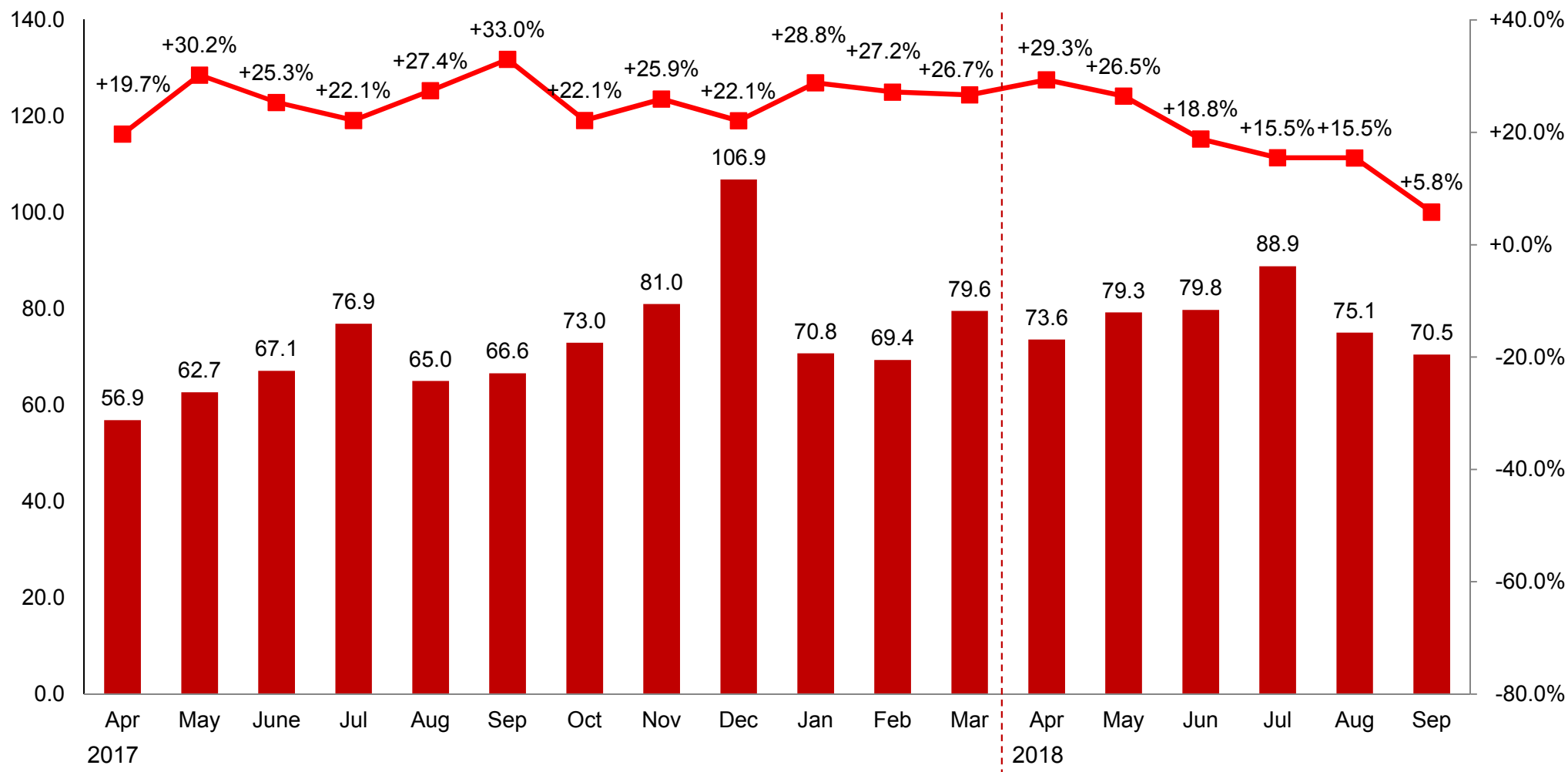
- Implementation of a service enabling recipients to change the pick-up point for first-time delivery to their workplaces or post offices (available from March 2018)
- Addition of convenience stores and “HAKO POST” receiving lockers to the list of available pick-up points for first-time delivery and re-delivery (available from September 2018)
- Enhancement of delivery notification e-mail services enabling recipients to receive notifications of delivery schedules at their registered e-mail addresses, and to change pick-up date, time and location (scheduled to be available from March 2019)



“Accessible drop off, accessible pick up”

Millions of Items

Trend of Monthly Yu-Pack Volumes and Year-on-year Changes



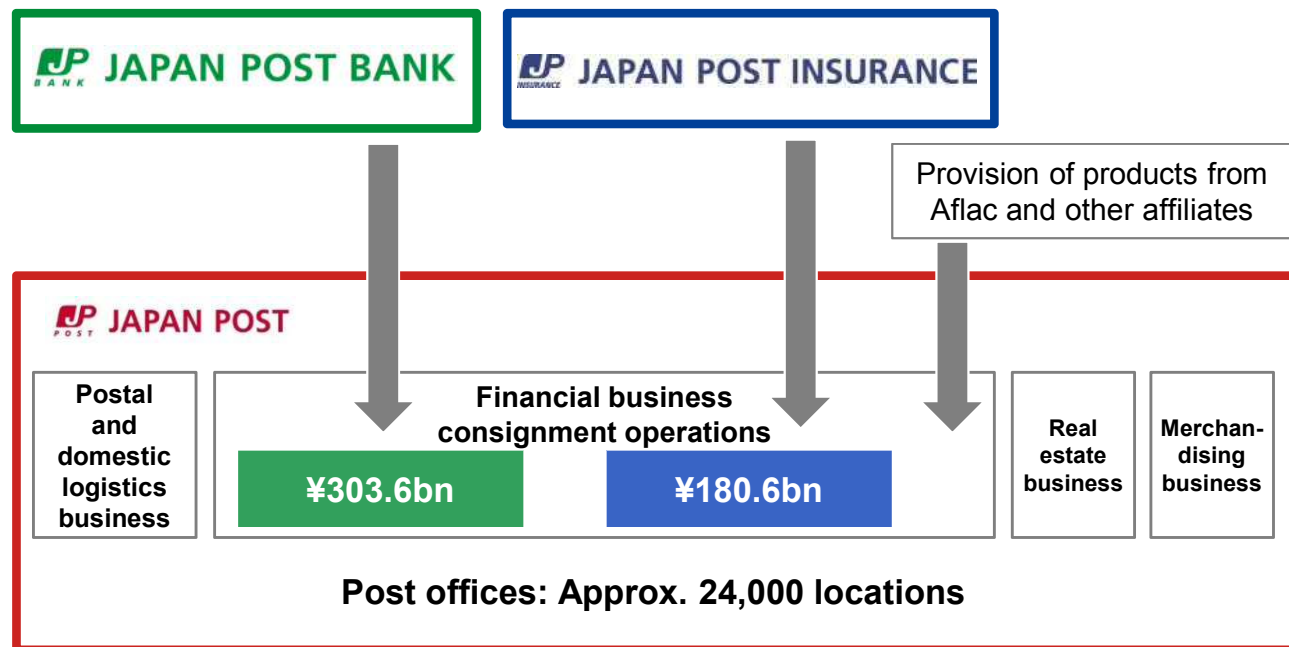
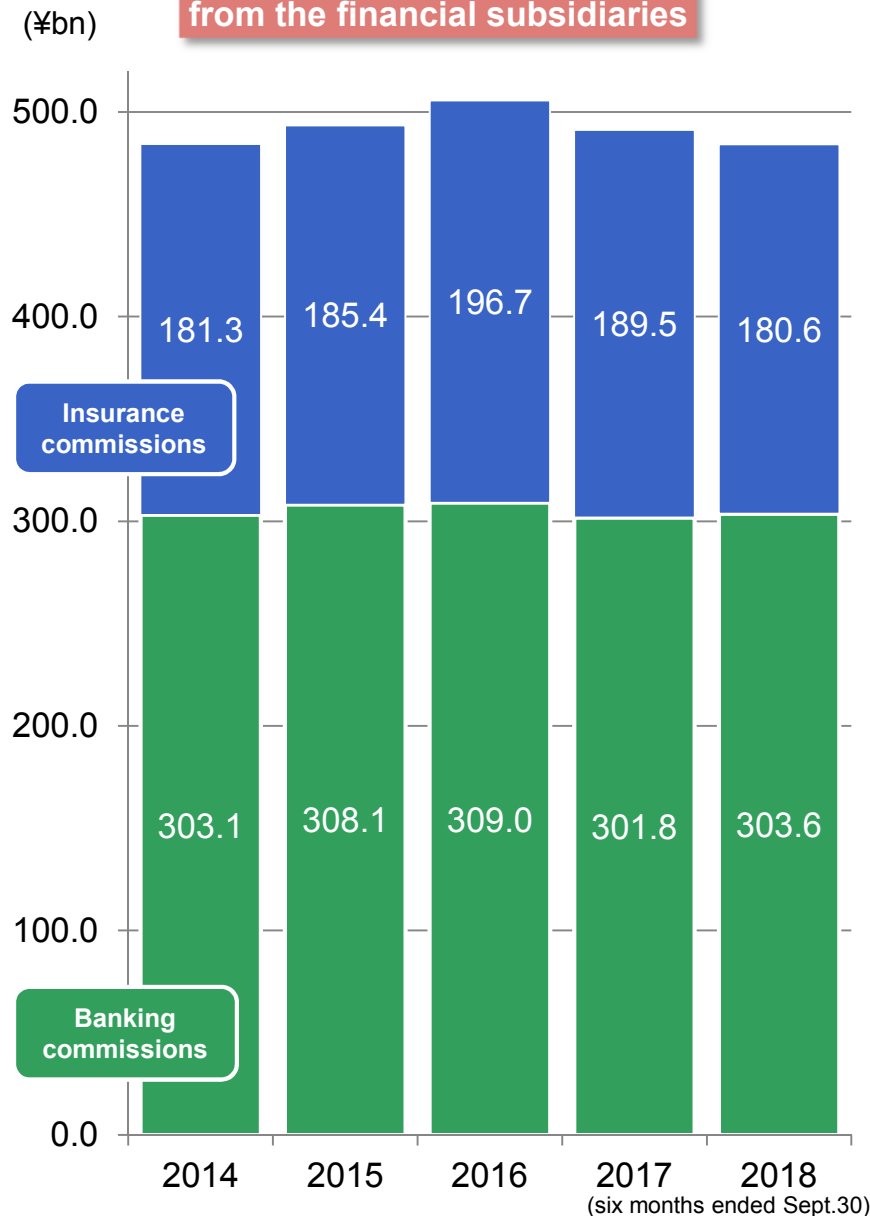
Yu-Pack Unit Price

6 months ended Sep-2017	6 months ended Sep-2018
¥ 389	¥ 423

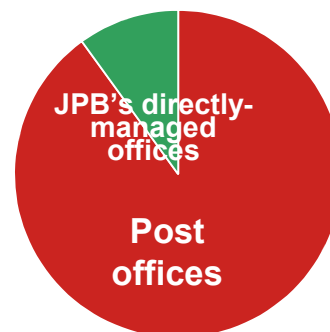
Japan Post Co. – Post Office Business (1)

Stable Income from Japan Post Bank and Japan Post Insurance

Trends in commissions from the financial subsidiaries

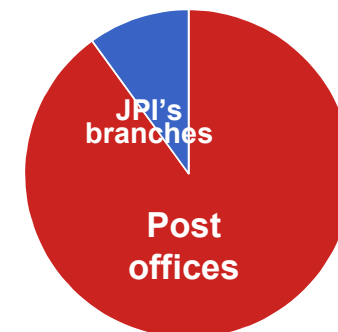


Deposits breakdown (by source)



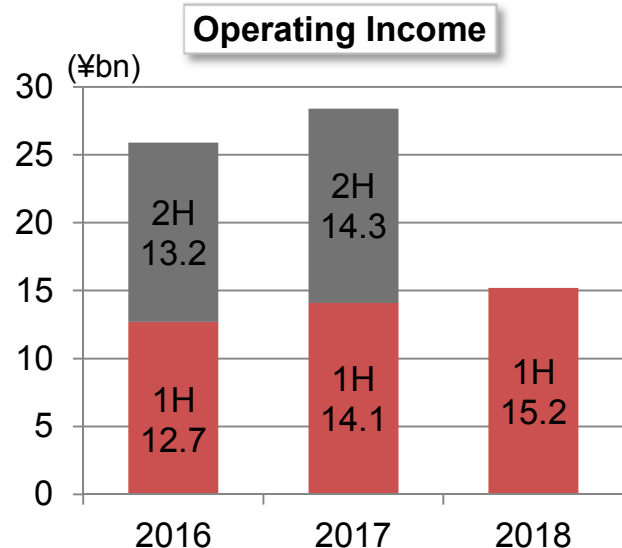
<Number of offices>
Post offices: Approx. 24,000 locations
JPB's directly-managed offices: 234 offices

New policies mix (by distribution channel)

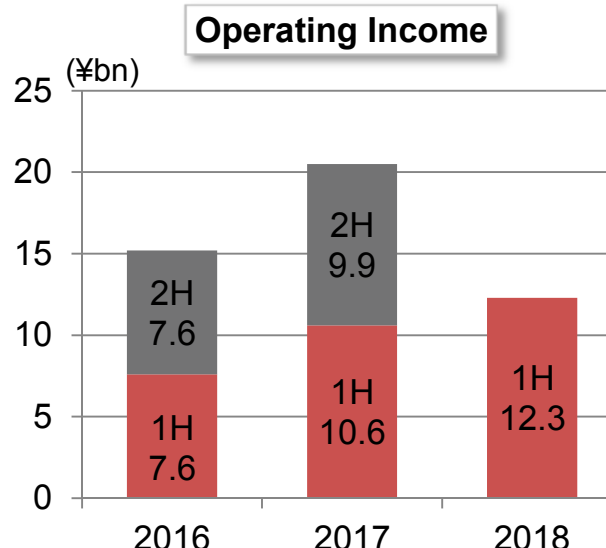


<Number of offices>
Post offices: Approx. 24,000 locations
JPI's branches: 82 locations

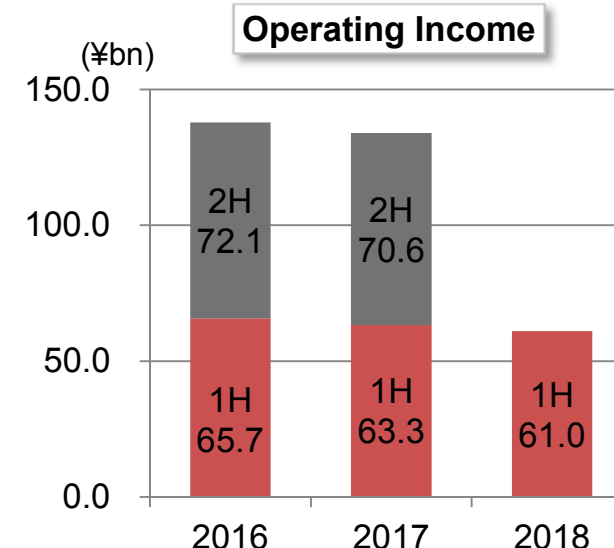
Real estate business



Third-party financial product agency service business

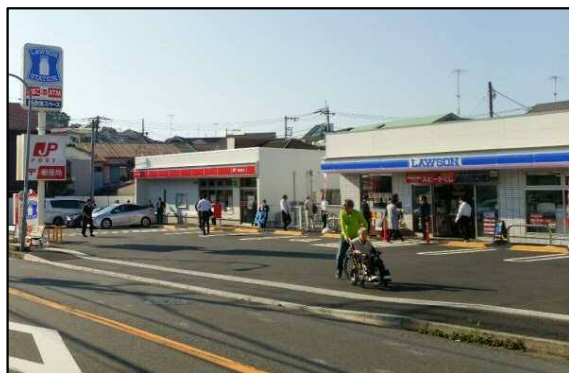


Merchandising business



Post office expansion for enhancing customer convenience

Parallel establishment of convenience stores and post offices



Yokohama Higashi-Terao-Ichi Post Office (Kanagawa)
(Relocation on October 10, 2017)

Opening of offices in shopping centers



AEON MALL Makuhari-Shintoshin Post Office (Chiba)
(Open on July 10, 2017)

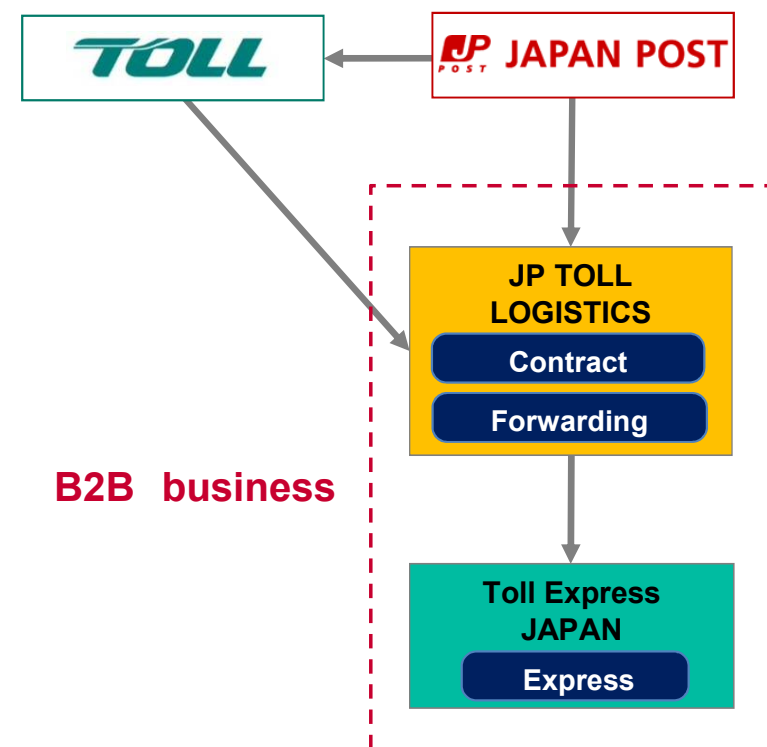
Opening of offices in local government facilities



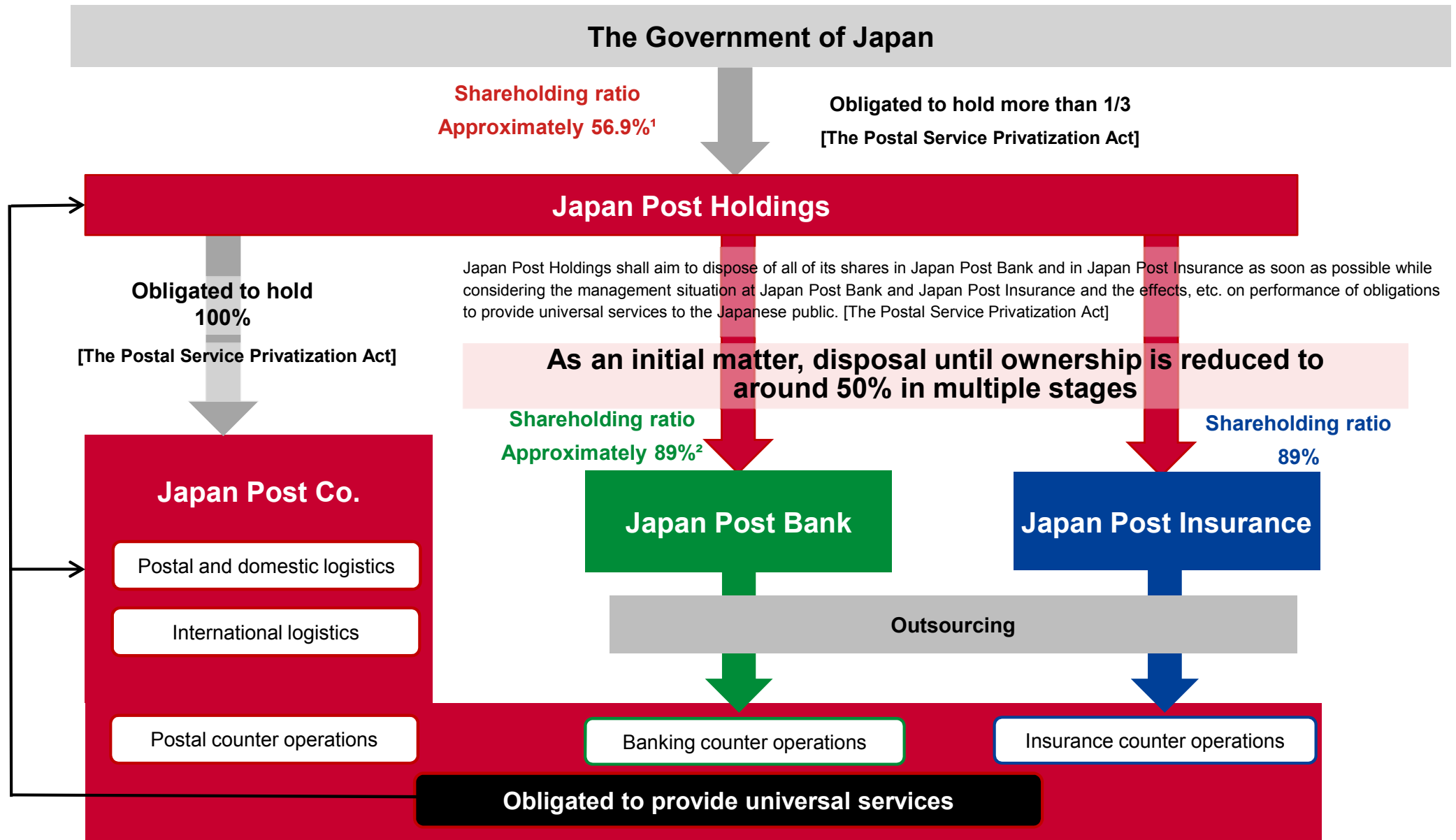
Kawai Post Office (Tokushima)
(Relocation on March 21, 2017)

We established a new company called JP TOLL LOGISTICS Co., Ltd. on October 1, 2018.
JP TOLL is going to offer integrated international logistic services mainly to the customers in Japan.

- 1 Trade Name JP TOLL LOGISTICS Co., Ltd.
- 2 Description of Business Air transport agency business, air freight forwarding business, motor truck transportation business, etc.
- 3 Head Office Otemachi Place West Tower, 2-3-1 Otemachi, Chiyoda-ku, Tokyo, Japan
- 4 Representative President & CEO Taneki Ono
- 5 Share Holders Japan Post Co., Ltd 50%
Toll Group 50%
- 6 Corporate Logo **JP TOLL LOGISTICS**
- 7 Purpose of Establishment We aim to provide consistent solutions through development of the general logistics business both in Japan and abroad, by expanding B to B business in Japan, based primarily on contract logistics.



APPENDIX

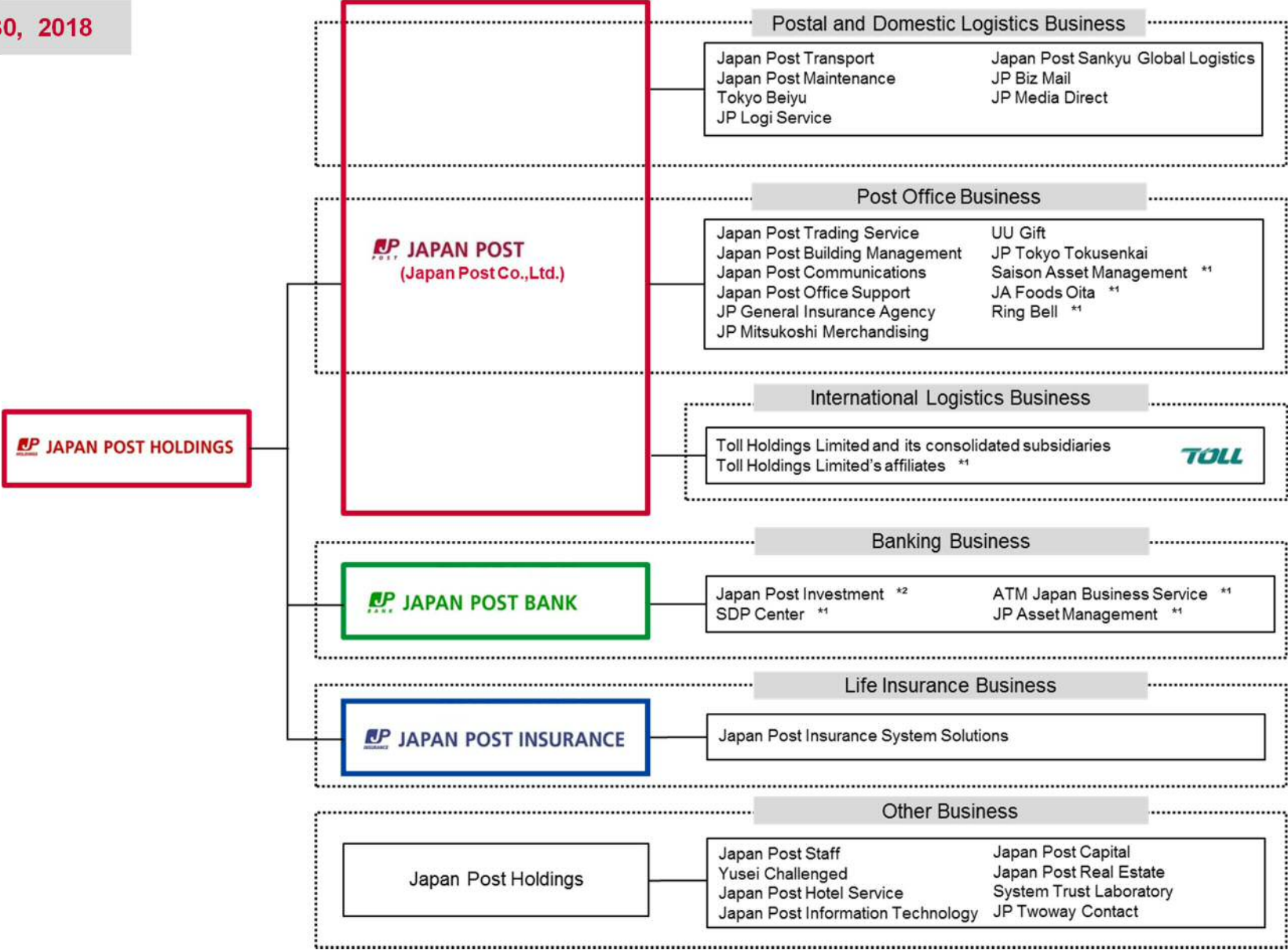


1. Shareholding ratio to the total number of issued shares as of September 30, 2018

2. Shareholding ratio to the voting shares except for treasury shares as of September 30, 2018

Japan Post Group: Organization Chart

As of Sept. 30, 2018



^{*1} Affiliates accounted for by the equity method ^{*2} Including its consolidated subsidiaries

Regulations concerning postage charges

Postage charges (Postal Act, Article 3)

Charges for postal services must be based on efficient management of the postal services business, an appropriate level of cost, and an appropriate level of profit.

Notification and approval of postage charges (Postal Act, Article 67-1, 67-3 and 67-5)

Type	Details of main postal items	Notification / approval
First-class mail	Letters	Notification (there is an upper limit* for postage charged for postal items of set format, weighing 25 g or less)
Second-class mail	Postcards	Notification (lower than the lowest rate for postal items of set format)
Third-class mail	Magazines, newspapers	Approval
Fourth-class mail	Educational materials, etc.	Approval

* The amount charged for delivery of lightweight items is set by order of the Ministry of Internal Affairs and Communications, based on the importance of the role played by this service in the life of the people, the ability of the people to pay, general costs of goods and services, and other information ⇒ Currently ¥82

(Note) Compensation for total costs, based on total postage revenues, regardless of cost of individual services.

Order to change charges (Postal Act, Article 71)

The Minister of Internal Affairs and Communications may order changes in postage charges, when required.

Level of services for universal coverage

Acceptance

【Installation of "posts" (mailboxes) as an easy way to drop off mail at any time】

< Postal Act, Article 70-3, enforcement regulations Article 32-2 (approval standards in Postal Operations Administration Regulations) >

- Maintain the number of posts (approx. 180,000) that existed at the time of the enactment of the Act for the Enforcement of the Japan Post Act (April 1, 2003).
- Posts to be universally maintained in every city, town and village
- These posts shall be on public streets where they are readily accessible on an everyday basis, and other locations where they are highly visible to the public: rail stations, retail establishments, etc.

【Installation of post offices】

< Japan Post Co., Ltd. Act, Article 6; enforcement regulations Article 4-1~3. >

- Japan Post Co. is to establish post offices everywhere, throughout Japan, for the purpose of public use.

Delivery

【Deliveries once a day, six days a week, in principle】

< Postal Act, Article 70-3, enforcement regulations Article 32-3 >

- Delivery of the mail is to take place at least once a day, six days a week, from Monday to Saturday, excluding holidays and January 2.

【In principle, delivery should be made within three days from the day when mail is handed to the post office】

< Postal Act, Article 70-3, enforcement regulations Article 32-5 >

- Three-day delivery is the principle, excluding mail handed in at the locations below:
 - Remote islands without means of transportation suitable for mail transport that run at least once daily (limited to islands that do not have roadways connecting to Honshu, etc.): two weeks or less
 - Remote islands other than those above: within 5 days

【Household delivery throughout the country (receiving address)】

< Postal Act, Article 70-3, enforcement regulations Article 32-3 >

- Mail is to be delivered to the addressee, with the exception of locations where transportation access by ordinary means is difficult*

* Locations such as mountain huts in winter, etc., to be specified separately by Japan Post Co., Ltd.

Japan Post Co. (Consolidated): Quarterly Consolidated Statements of Income

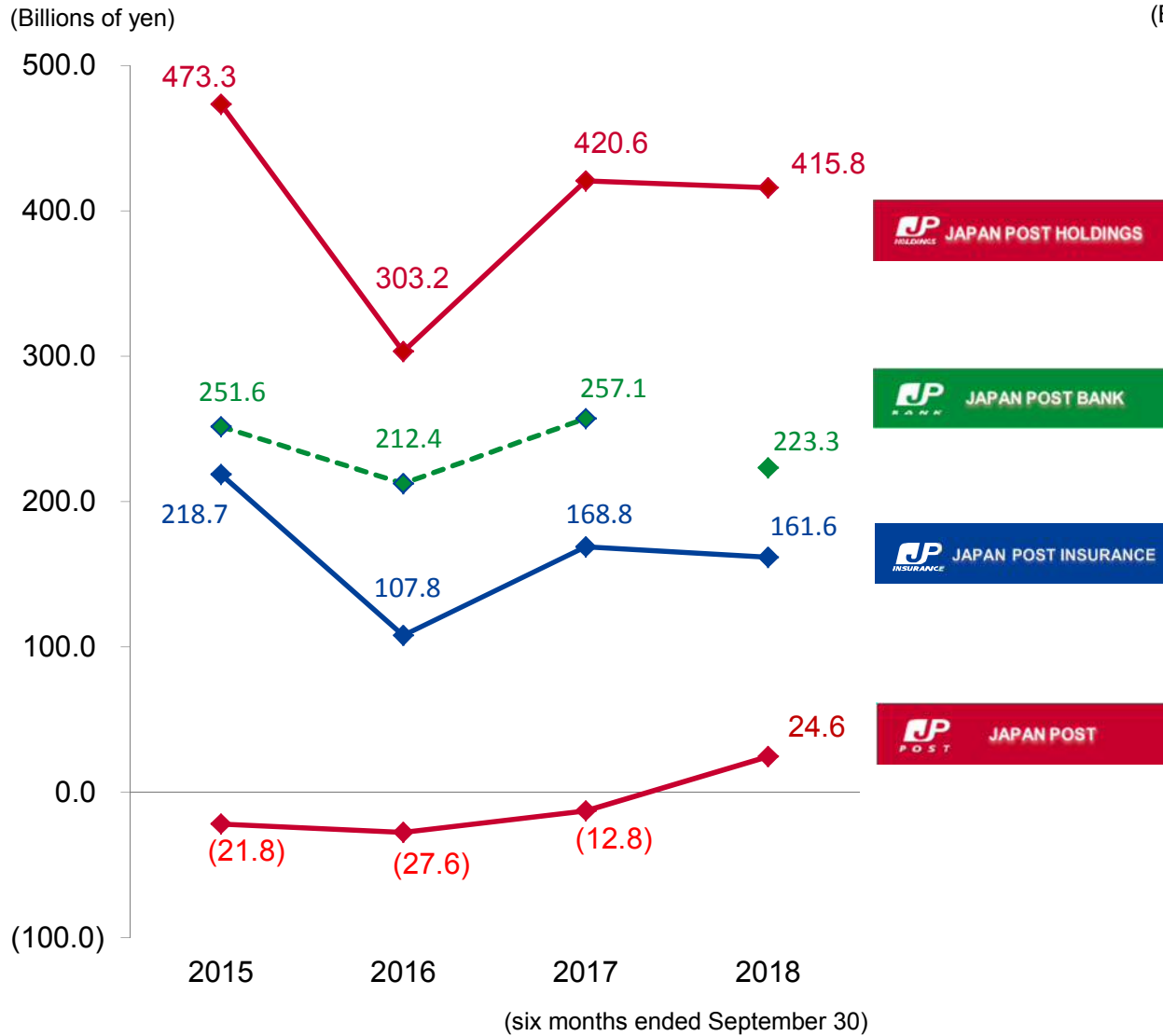
(Billions of yen)

	For the three-month period from Apr. to June 2018	For the three-month period from Apr. to June 2017	Year-on-year change	For the three-month period from July to Sept. 2018	For the three-month period from July to Sept. 2017	Year-on-year change
Japan Post Co. (Consolidated)						
Operating income	948.4	911.3	+ 37.1	939.0	920.4	+ 18.5
Operating expenses	923.3	903.8	+ 19.5	938.6	940.1	(1.5)
Personnel expenses	595.0	582.4	+ 12.5	591.6	598.3	(6.6)
Other expenses	328.3	321.3	+ 6.9	346.9	341.8	+ 5.1
Net operating income (loss)	25.1	7.4	+ 17.6	0.4	(19.6)	+ 20.0
Postal and Domestic Logistics Business						
Operating income	497.7	461.6	+ 36.1	468.7	447.3	+ 21.4
Operating expenses	482.9	468.1	+ 14.7	488.4	478.7	+ 9.7
Personnel expenses	311.1	300.0	+ 11.0	310.3	308.0	+ 2.3
Other expenses	171.8	168.1	+ 3.7	178.1	170.6	+ 7.4
Net operating income (loss)	14.8	(6.4)	+ 21.3	(19.6)	(31.4)	+ 11.7
Post Office Business						
Operating income	331.6	335.6	(4.0)	345.0	341.4	+ 3.6
Operating expenses	320.7	320.8	(0.0)	327.8	332.4	(4.5)
Personnel expenses	230.3	228.0	+ 2.2	228.5	233.1	(4.5)
Other expenses	90.4	92.8	(2.3)	99.3	99.3	(0.0)
Net operating income	10.8	14.7	(3.9)	17.1	8.9	+ 8.2
International Logistics Business						
Operating income	169.0	162.7	+ 6.2	177.5	179.7	(2.2)
Operating expenses	168.3	163.5	+ 4.8	174.2	176.0	(1.7)
Personnel expenses	53.6	54.3	(0.7)	52.7	57.1	(4.3)
Other expenses	114.7	109.1	+ 5.5	121.5	118.9	+ 2.5
Net operating income (loss)	0.6	(0.7)	+ 1.4	3.2	3.6	(0.4)

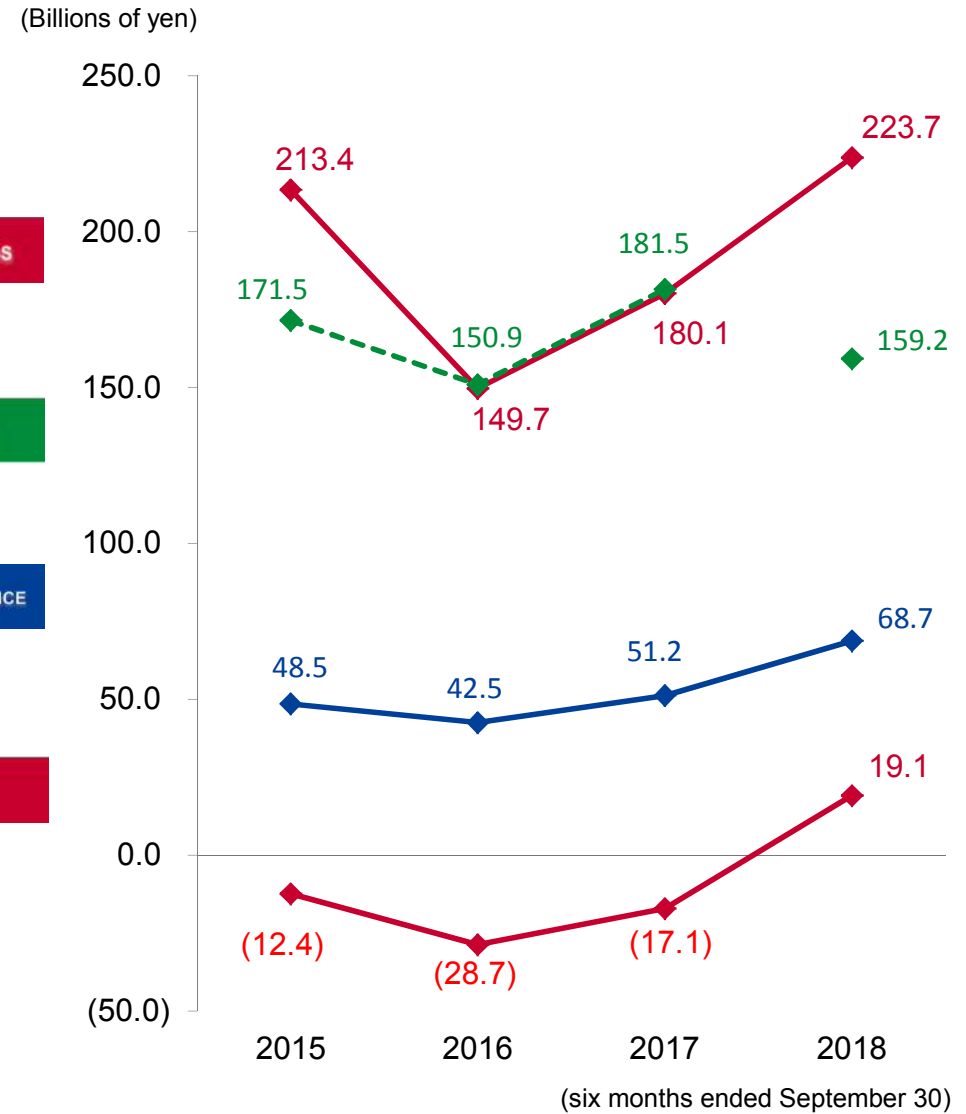
Note: Figures for the international logistics business for the three-month period from July to September 2018 and 2017 were calculated by subtracting the figures in billions of yen for the three months ended June 2018 and 2017 (translated by the average exchange rate for the corresponding three months) from the figures in billions of yen for the six months ended September 2018 and 2017 (translated by the average exchange rate for the corresponding six months).

Japan Post Group: Trends in Net Ordinary Income (Loss) and Net Income (Loss)

Trends in Net Ordinary Income (Loss)



Trends in Net Income (Loss)

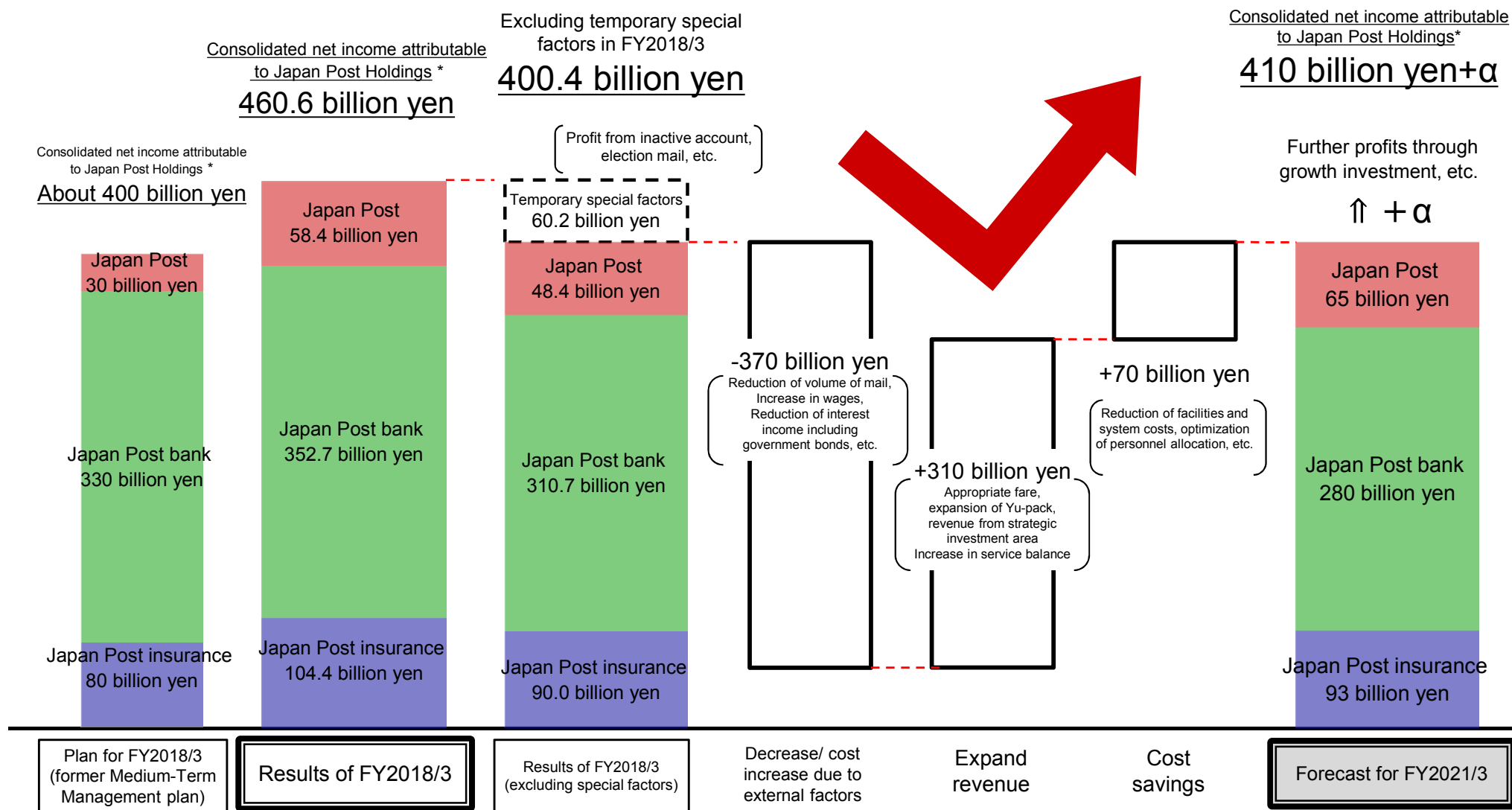


Note: Figures for Japan Post Bank for the six months ended September 30, 2015, 2016 and 2017 are based on non-consolidated financial results, and the others are based on consolidated financial results.

Medium-Term Management Plan 2020

— Profit Levels for FY2021/3

Overcome reductions in revenue and increased costs due to external factors under a difficult management environment through measures to increase revenue and reduce costs to ensure profit levels that exceed the actual profits of FY2018/3 in FY2021/3



*Assuming the current holding ratio of Japan Post bank/ Japan Post insurance

Group consolidated

Earnings per share of at least 100 yen*
 Dividend per share of at least 50 yen
 (Implementation of stable dividends)

* Assuming the current number of issued shares (excluding treasury stock), net income attributable to Japan Post Holdings of approximately 405 billion yen

Japan Post

Consolidated net operating income	90 billion yen
Postal and logistics business	40 billion yen
Post office business	30 billion yen
International logistics business	20 billion yen
Consolidated net income	65 billion yen
Number of Yu-pack handled (compared to FY2018/3)	About +200 million

Japan Post Bank

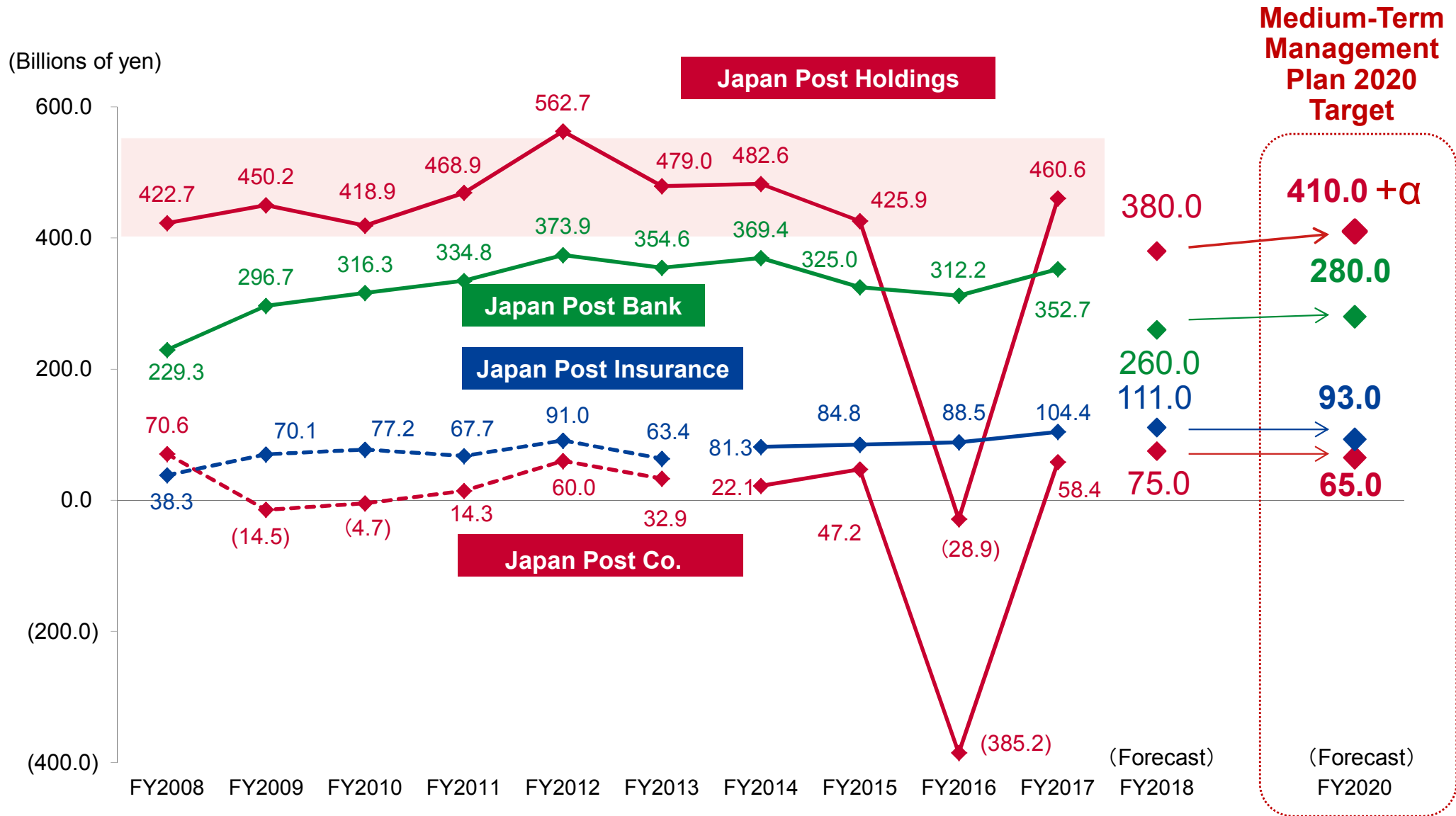
Consolidated net ordinary income	390 billion yen
Consolidated net income	280 billion yen
(Reference) Earnings per share	74 yen
Secure capital adequacy ratio of	about 10%*
* After consideration of strengthening of financial regulations	
Assets under management including Investment trusts balance (compared to FY2018/3)	About +1.8 trillion yen About +1.7 trillion yen**
Secure dividend per share of 50yen (Implementation of stable dividends)	
** The cumulative total of "sales amount - cancellation amount" for 3 years (not market price basis)	

Japan Post Insurance

Annualized premiums for policies in force	About 4.9 trillion yen
Earnings per share	155 yen
(Reference) Consolidated net income	93 billion yen
Aim to increase dividend to 76 yen per share while ensuring the soundness of management	

*The interest rates, foreign exchange rates, stock prices, which are the premise of each numerical target, are set based on the situation at the end of December 2017.

Japan Post Group: 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.

[Notes]

[Notes]

[Notes]

For inquiries about this document, please contact:

Japan Post Holdings Co., Ltd. IR Office

Email: irshitsu.ii@jp-holdings.jp

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