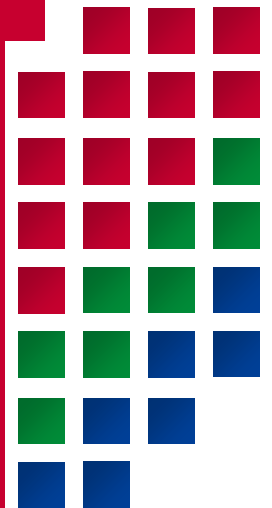


**Financial Highlights
for the Six Months Ended September 30, 2016**

November 14, 2016



■ Results of Operations for the Six Months Ended September 30, 2016

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	6,557.7	1,790.3	934.2	4,333.8
Year-on-year (for the six months ended Sept. 30, 2015) change	(477.2) (6.8)%	+ 146.3 + 8.9%	(52.9) (5.3)%	(547.4) (11.2)%
Net ordinary income (loss)	303.2	(27.6)	212.4	107.8
Year-on-year (for the six months ended Sept. 30, 2015) change	(170.1) (35.9)%	(5.8) -	(39.2) (15.5)%	(110.9) (50.7)%
Net income (loss)	149.7	(28.7)	150.9	42.5
Year-on-year (for the six months ended Sept. 30, 2015) change	(63.7) (29.9)%	(16.3) -	(20.6) (12.0)%	(5.9) (12.3)%

■ Forecast for the fiscal year ending March 31, 2017 (announced in May 2016)

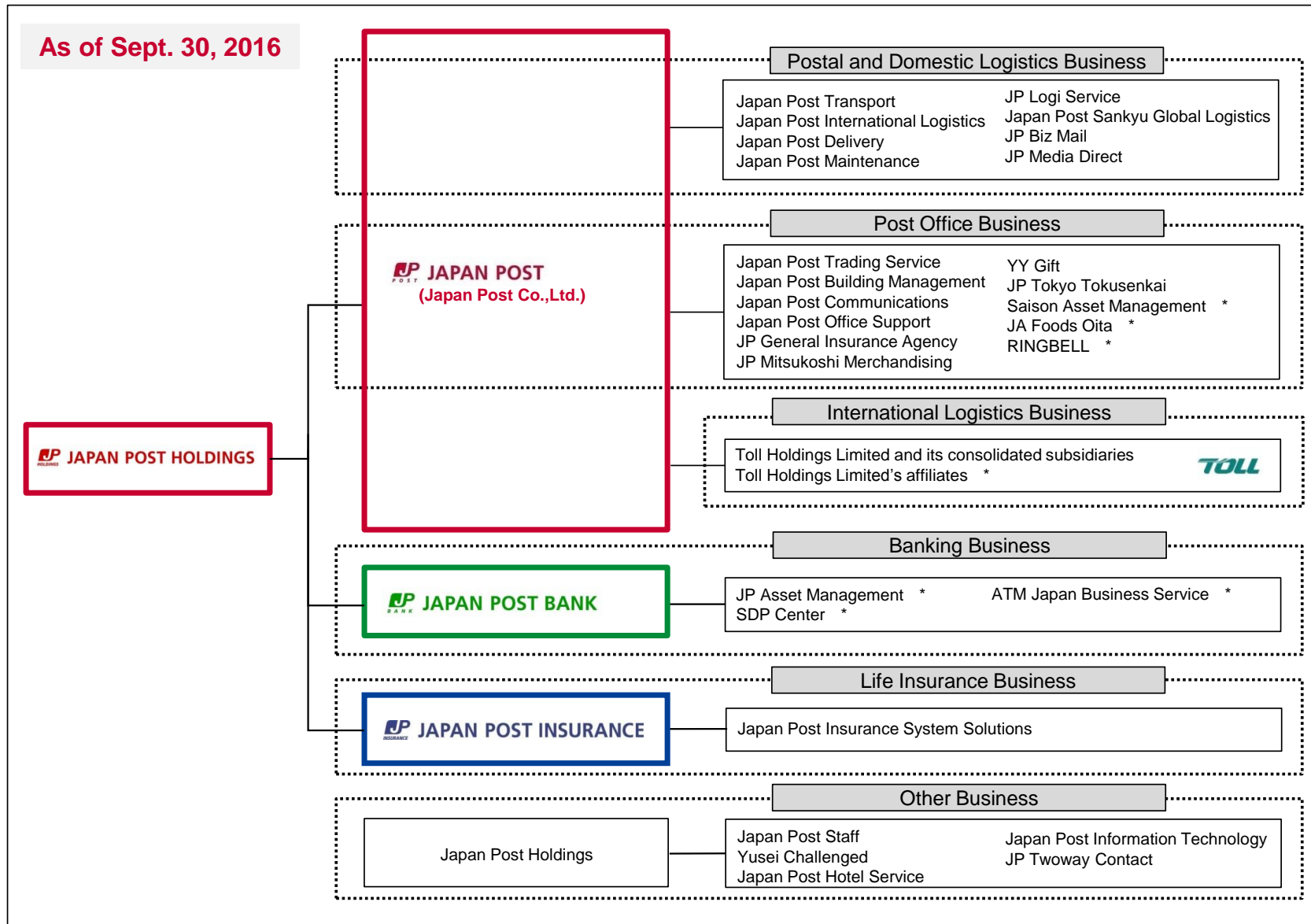
Net ordinary income	770.0	27.0	420.0	310.0
[percentage achievement]	[39.4%]	-	[50.5%]	[34.8%]
Net income	320.0	12.0	300.0	86.0
[percentage achievement]	[46.8%]	-	[50.3%]	[49.4%]

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 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.

Japan Post Holdings: Organization Chart

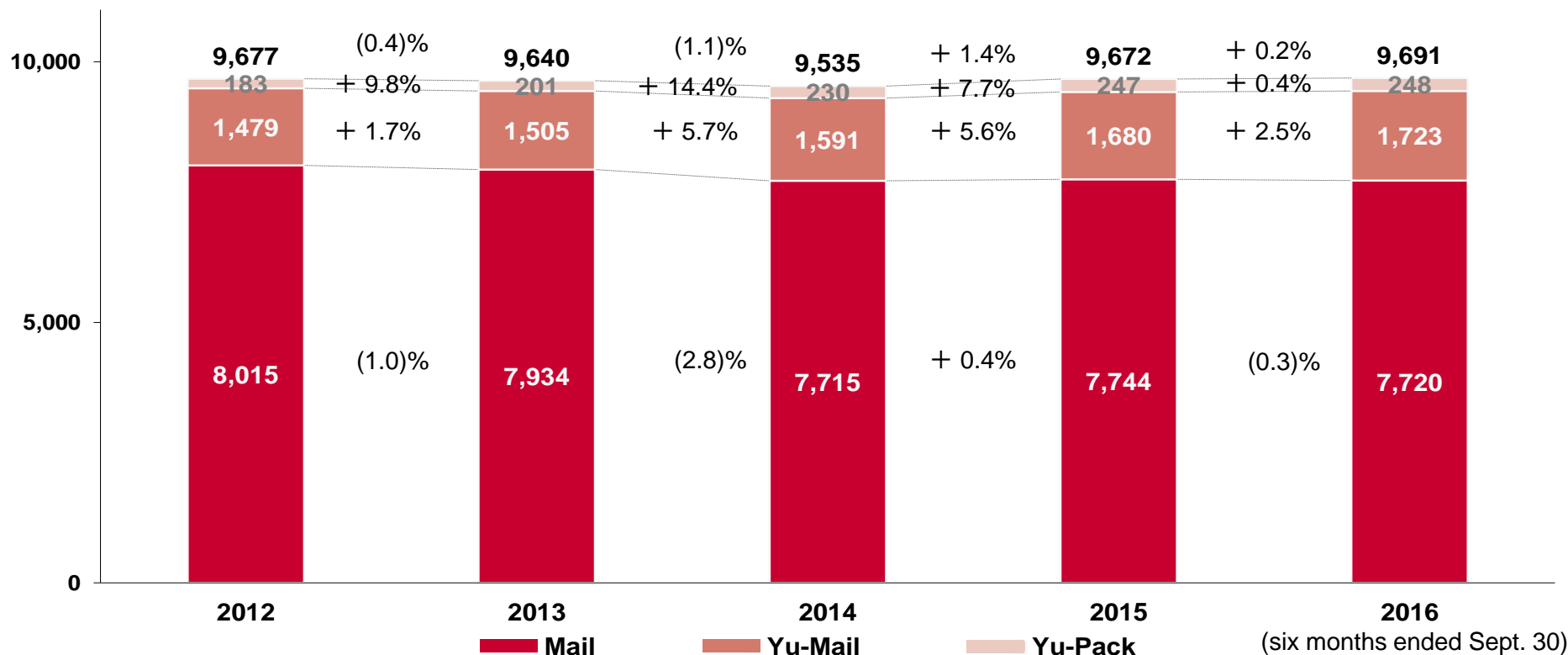


* Affiliates accounted for by the equity method.

Trends in Volume of Items Handled

- Total volume of items handled remained nearly at the same level as the previous corresponding period (an increase of 0.2%). Of which, volume of mail handled decreased only slightly by 0.3% year-on-year partly due to an increase in volume handled as affected by the House of Councilors election, etc.
- Volume of Yu-Pack and Yu-Mail handled continued to maintain an upward trend due to expansion of the e-commerce market and strengthened sales activities for small and medium-sized businesses.

(Volume of items handled in millions)



- Operating income increased by ¥14.0 billion year-on-year due to factors including an increase in income from mail handled as affected by the revision in postage fee discounts, etc., an increase in income from Yu-Pack and Yu-Mail handled, and an increase in sales income of Letter Pack.
- Operating expenses increased by ¥12.1 billion year-on-year mainly due to an increase in legal welfare expenses because of a rising premium rate and an increase in unit personnel expenses, despite the measures taken for improving productivity and cost reduction.
- As a result, net operating loss decreased by ¥1.9 billion to ¥42.9 billion.

Results of Operations for the Six Months Ended Sept. 30, 2016

(Billions of yen)

	For the six months ended Sept. 30, 2016	For the six months ended Sept. 30, 2015	Year-on-year change
Operating income	884.5	870.5	+ 14.0
Operating expenses	927.5	915.3	+ 12.1
Personnel expenses	604.2	591.3	+ 12.9
Other expenses	323.2	324.0	(0.8)
Net operating loss	(42.9)	(44.8)	+ 1.9

Factors behind the increase in operating income

- Increase in income of the mail handled
- Increase in income of Yu-Pack and Yu-Mail handled
- Increase in sales income of Letter Pack (including Smart Letter)

Factors behind the increase in personnel expenses

- Increase in legal welfare expenses because of a rising premium rate
- Increase in salaries and allowances (including for fixed-term employees)

Factors behind the decrease in other expenses

- Decrease in collection, transport and delivery outsourcing expenses

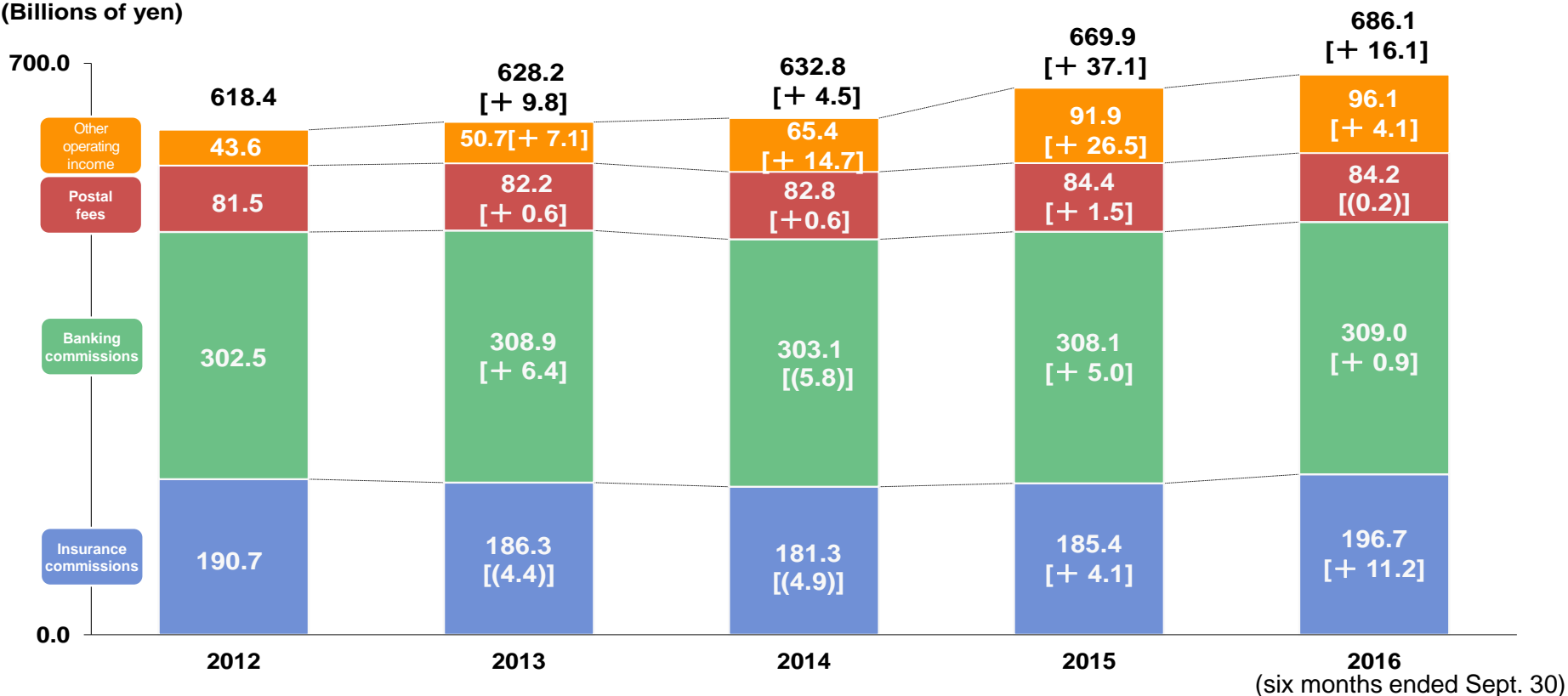
Factors behind the increase in other expenses

- Increase in business tax, etc. due to a rise in the tax rate

Japan Post Co. (Consolidated) [Post Office Business]: Trends in the Earnings Structure

- Banking commissions remained nearly at the same level as the previous corresponding period. Insurance commissions increased year-on-year mainly due to an increase in the number of new policies.
- Other operating income showed steady increase due to expansion of merchandising business and third-party financial product agency services.

(Billions of yen)



- Commissions for new policy sales from Japan Post Insurance increased due to promoting the operating initiatives in cooperation with it. Furthermore, operating income increased by ¥16.1 billion year-on-year because of strong catalog sales as part of merchandising business and improvement in third-party financial product agency services. As for real estate business, although operating income decreased year-on-year due to 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 ¥14.0 billion year-on-year resulting from increases in salaries and allowances, legal welfare expenses because of a rising premium rate, and business tax associated with an increase in the pro-forma standard tax rate.
- As a result, net operating income increased by ¥2.0 billion year-on-year to ¥24.7 billion.

Results of Operations for the Six Months Ended Sept. 30, 2016

	(Billions of yen)		
	For the six months ended Sept. 30, 2016	For the six months ended Sept. 30, 2015	Year-on-year change
Operating income	686.1	669.9	+ 16.1
Operating expenses	661.3	647.2	+ 14.0
Personnel expenses	468.3	460.2	+ 8.1
Other expenses	192.9	187.0	+ 5.9
Net operating income	24.7	22.7	+ 2.0

Breakdown of operating income

Item	(Billions of yen)	
	For the six months ended Sept. 30, 2016	Year-on-year change
Commissions for business consignment	589.9	+ 11.9
Other operating income	96.1	+ 4.1
Merchandising business	65.7	+ 3.8
Real estate business	12.7	(2.0)
Third-party financial product agency services	7.6	+ 2.1

Factors behind the increase in personnel expenses

- Increase in salaries and allowances
- Increase in legal welfare expenses because of a rising premium rate

Factors behind the increase in other expenses

- Increase in cost of sales for merchandising business
- Increase in business tax, etc. due to a rise in the tax rate

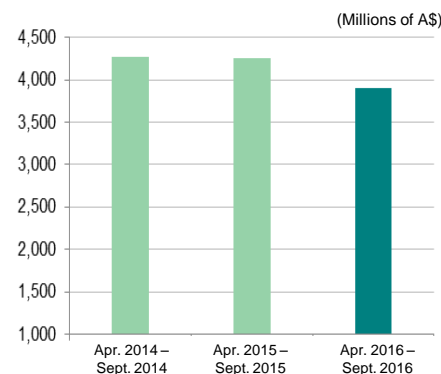
- Financial results of Toll has been consolidated under Japan Post Group from July 2015. Operating income decreased by A\$359 million year-on-year (compared to the first six months of the previous fiscal year including the period prior to consolidation) owing to factors such as decline in usage in the domestic network businesses due to delayed economic recovery in Australia, and weak demand in international sea and air freight markets.
- Operating expenses were reduced by A\$271 million year-on-year as a result of the lower activity and partly due to measures taken for cost reduction such as cutbacks in personnel and other expenses, and improving productivity.
- As a result, net operating income (EBIT) declined by A\$88 million year-on-year.

Results of Operations for the Six Months Ended September 30, 2016

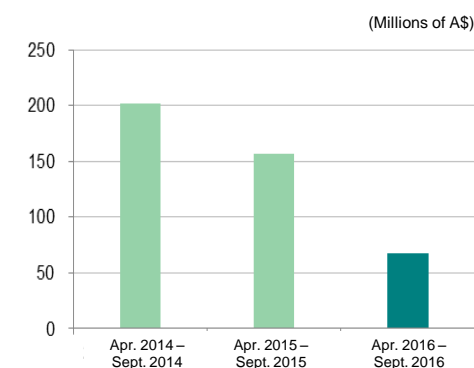
(Millions of Australian dollars)
[Billions of yen]

	For the six months ended Sept. 30, 2016 (Note1)	For the three-month period from July to Sept. 2015 (Note1)	Year-on-year change (Note1)	Reference (Note2)	
				For the six months ended Sept. 30, 2015	Year-on-year change
Operating income (revenue)	3,903 [308.6]	2,156 [191.4]	+ 1,746 [+117.2]	4,262 [390.2]	(359) [(81.6)]
Operating expenses	3,834 [303.2]	2,066 [183.4]	+ 1,768 [+119.8]	4,105 [375.9]	(271) [(72.6)]
Net operating income (EBIT)	68 [5.4]	90 [8.0]	(21) [(2.6)]	157 [14.3]	(88) [(8.9)]

Trends of operating income (revenue)



Trends of net operating income (EBIT)



Notes:1.International logistics business is presented as the financial results of Toll and in accordance with IFRS. 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, 2016: ¥79.08 to A\$1.00 and for the three-month period from July to September 2015: ¥88.77 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 six months ended September 30, 2015: ¥91.56 to A\$1.00).

Japan Post Co. (Consolidated): Financial Highlights

Operating income increased by ¥146.2 billion year-on-year to ¥1,785.2 billion. Net loss increased by ¥16.3 billion year-on-year to ¥28.7 billion.

- Net operating loss of postal and domestic logistics business decreased by ¥1.9 billion to ¥42.9 billion due to the measures taken for increasing income and improving productivity.
- Net operating income of post office business increased by ¥2.0 billion year-on-year to ¥24.7 billion due to an increase in commissions for new policy sales from Japan Post Insurance.
- Net operating income (EBIT) of international logistics business decreased by ¥2.6 billion to ¥5.4 billion, as affected by the weakness in the Australian economic condition.

Results of Operations for the Six Months Ended September 30, 2016

(Billions of yen)

Item	Japan Post Co. (Consolidated)		Postal and domestic logistics business		Post office business		International logistics business	
		Year-on-year change		Year-on-year change		Year-on-year change		Year-on-year change
Operating income	1,785.2	+ 146.2	884.5	+ 14.0	686.1	+ 16.1	308.6	+ 117.2
Operating expenses	1,812.2	+ 148.9	927.5	+ 12.1	661.3	+ 14.0	303.2	+ 119.8
Personnel expenses	1,175.6	+ 64.6	604.2	+ 12.9	468.3	+ 8.1	103.0	+ 43.5
Other expenses	(Note) 636.6	+ 84.3	323.2	(0.8)	192.9	+ 5.9	200.2	+ 76.2
Net operating income (loss)	(27.0)	(2.7)	(42.9)	+ 1.9	24.7	+ 2.0	5.4	(2.6)
Net ordinary loss	(27.6)	(5.8)						
Loss before income taxes	(22.8)	(11.4)						
Net loss	(28.7)	(16.3)						

Note: Includes amortization of goodwill, etc. in connection with the acquisition of Toll, which is ¥10.5 billion.

Results of Operations for the Six Months Ended September 30, 2016

(Billions of yen)

	As of and for the six months ended		Year-on-year change
	Sept. 30, 2016	Sept. 30, 2015	
Gross operating profit	716.3	759.4	(43.1)
Net interest income	629.3	699.4	(70.1)
Net fees and commissions	42.9	46.9	(3.9)
Net other operating income	44.0	13.1	+ 30.9
General and administrative expenses <small>(Note1)</small>	530.9	531.6	(0.6)
Provision for general reserve for possible loan losses	(0.0)	(0.0)	+ 0.0
Net operating profit	185.3	227.8	(42.5)
Non-recurring gains (losses)	27.1	23.8	+ 3.2
Net ordinary income	212.4	251.6	(39.2)
Net income	150.9	171.5	(20.6)
Ordinary income	934.2	987.1	(52.9)
Ordinary expenses	721.7	735.4	(13.7)
Deposits <small>(Note2)</small>	178,456.5	177,131.0	+ 1,325.4
Capital adequacy ratio (non-consolidated, domestic standard)	23.15%	30.45%	(7.30)%

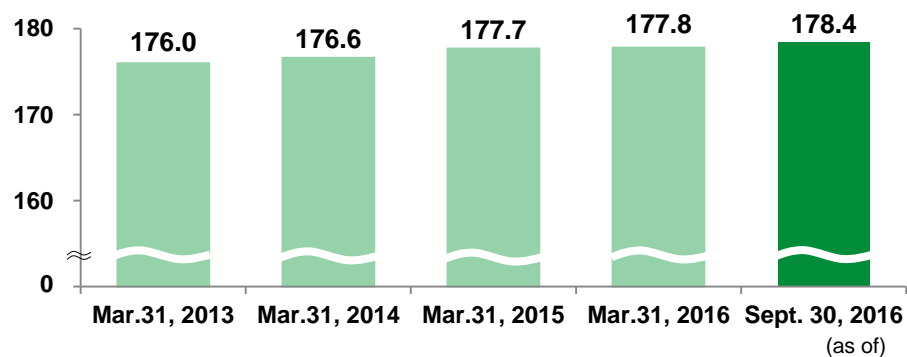
Overview

- Gross operating profit for the six months ended September 30, 2016 decreased by ¥43.1 billion year-on-year to ¥716.3 billion. Of which, net interest income decreased by ¥70.1 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions decreased by ¥3.9 billion year-on-year. Meanwhile, net other operating income increased by ¥30.9 billion year-on-year mainly due to an increase in gains (losses) on foreign exchange transactions.
- General and administrative expenses decreased by ¥0.6 billion year-on-year to ¥530.9 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit decreased by ¥42.5 billion year-on-year to ¥185.3 billion and net ordinary income decreased by ¥39.2 billion year-on-year to ¥212.4 billion.
- Net income decreased by ¥20.6 billion year-on-year to ¥150.9 billion, which achieved 50.3% of the financial results forecast of ¥300.0 billion for the fiscal year ending March 31, 2017, progressing more or less as planned.
- Deposits as of September 30, 2016 amounted to ¥178,456.5 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of September 30, 2016 was 23.15%.

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

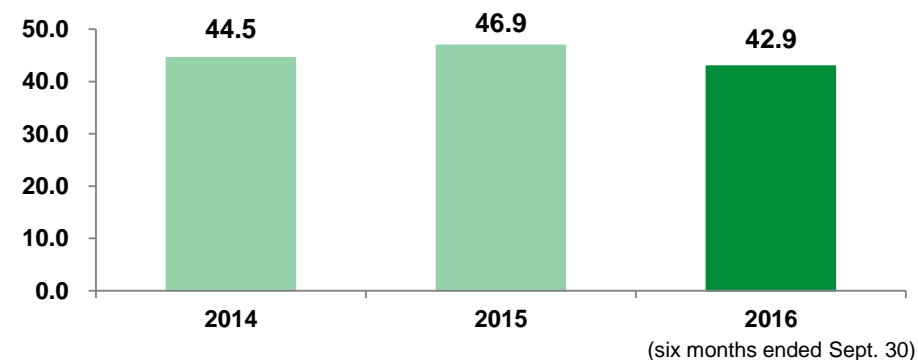
Deposit Balance

(Trillions of yen)



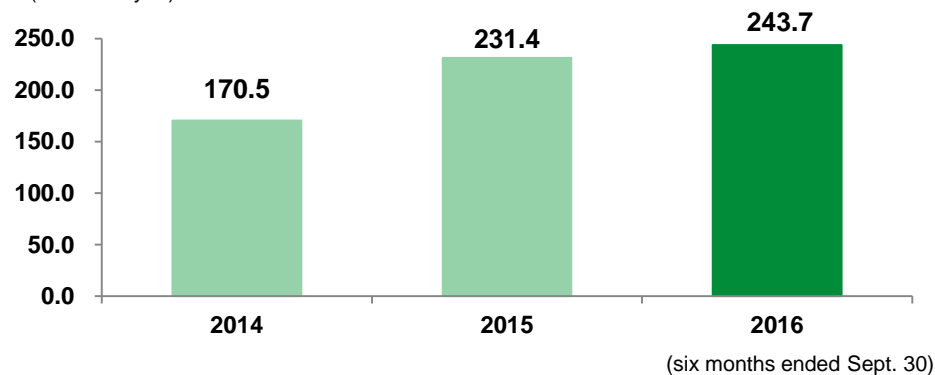
Net Fees and Commissions

(Billions of yen)



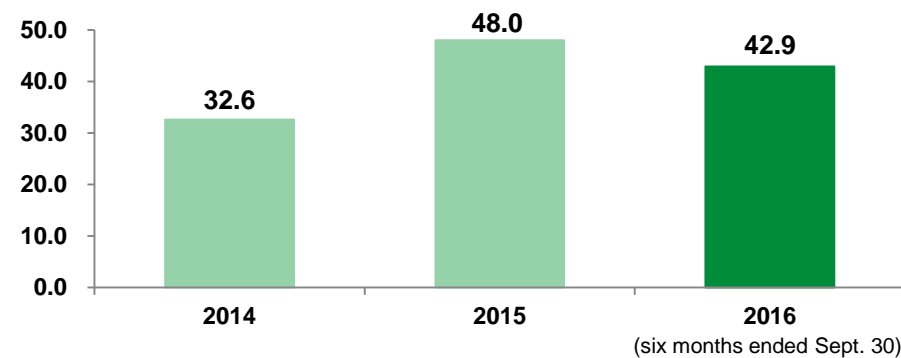
Investment Trust Sales

(Billions of yen)



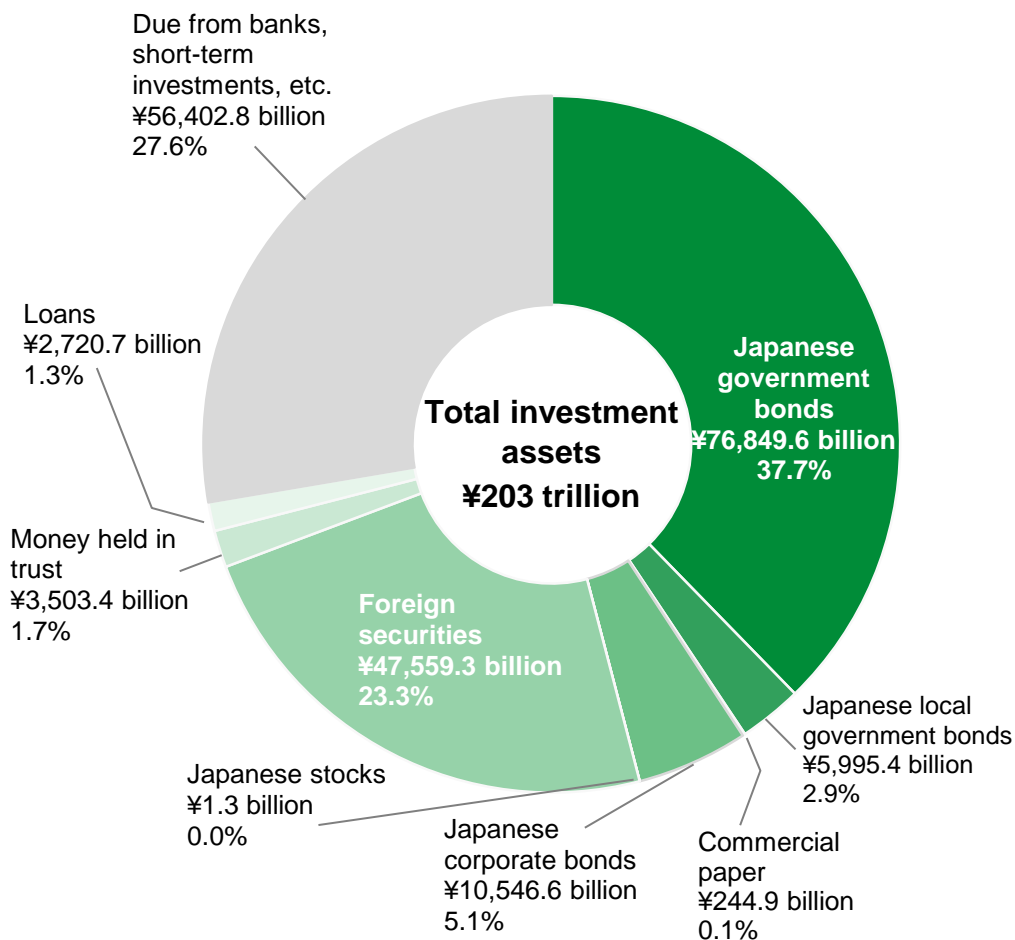
Variable Annuity Insurance Sales

(Billions of yen)



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

(Billions of yen)



Type	As of Sept. 30, 2016	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	2,720.7	1.3	2,542.0	1.2
Securities	141,197.5	69.2	144,076.8	70.3
Japanese government bonds	76,849.6	37.7	82,255.6	40.1
Japanese local government bonds	5,995.4	2.9	5,856.5	2.8
Commercial paper	244.9	0.1	204.9	0.1
Japanese corporate bonds	10,546.6	5.1	10,362.7	5.0
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities	47,559.3	23.3	45,395.5	22.1
Money held in trust	3,503.4	1.7	3,561.1	1.7
Due from banks, short - term investments, etc. ^(Note)	56,402.8	27.6	54,696.6	26.6
Total investment assets	203,824.5	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.

Results of Operations for the Six Months Ended September 30, 2016

(Billions of yen, number of policies in thousands)

	For the six months ended		Year-on-year change
	Sept. 30, 2016	Sept. 30, 2015	
Core profit (non-consolidated)	194.4	239.9	(45.5)
Ordinary income	4,333.8	4,881.3	(547.4)
Ordinary expenses	4,226.0	4,662.5	(436.5)
Ordinary profit	107.8	218.7	(110.9)
Net income	42.5	48.5	(5.9)
Number of new policies (individual insurance)	1,350	1,170	+ 170
Annualized premiums from new policies (individual insurance)	282.3	238.1	+ 44.2

	As of		Change
	Sept. 30, 2016	Mar. 31, 2016	
Number of policies in force (including Postal Life Insurance Policies)	32,060	32,320	(250)
Solvency margin ratio (consolidated)	1,458.0%	1,570.3%	(112.3)%
Real net assets (consolidated)	14,601.4	14,649.5	(48.0)

Notes: 1. Postal Life Insurance Policies refer to the reinsurance contracts of postal life insurance received from Management Organization for Postal Savings and Postal Life Insurance.
2. Number of policies is rounded down to the nearest ten thousand.

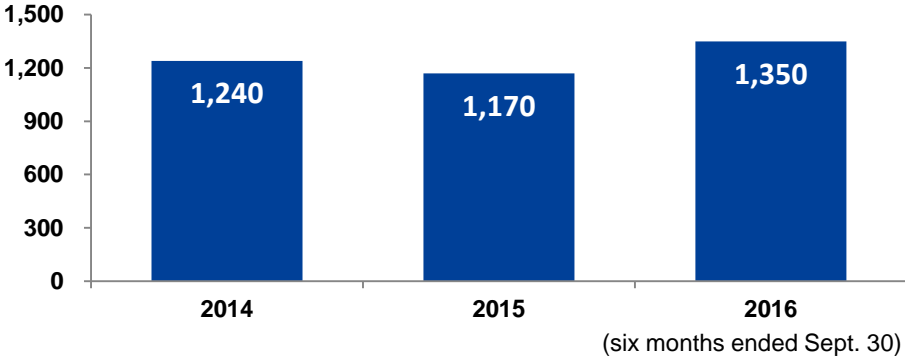
Overview

- Core profit (non-consolidated) for the six months ended September 30, 2016 decreased by ¥45.5 billion year-on-year to ¥194.4 billion mainly due to a decrease of number of policies in force. Net income decreased by ¥5.9 billion year-on-year to ¥42.5 billion, and achieved 49.4% of the financial results forecast for the fiscal year ending March 31, 2017.
- As a result of efforts for strengthening sales promotion through various measures including the activities for 100th anniversary of Postal Life Insurance Policies, annualized premiums from new policies for individual insurance increased by 18.6% year-on-year to ¥282.3 billion.
- There were 32,060 thousand policies in force (including Postal Life Insurance Policies), a decrease of 250 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 ¥3,066.8 billion.
- Solvency margin ratio (consolidated), an indicator of the financial soundness, amounted to 1,458.0%, continuously maintaining a high level of financial soundness.
- Real net assets (consolidated) amounted to ¥14,601.4 billion.

Number of Policies

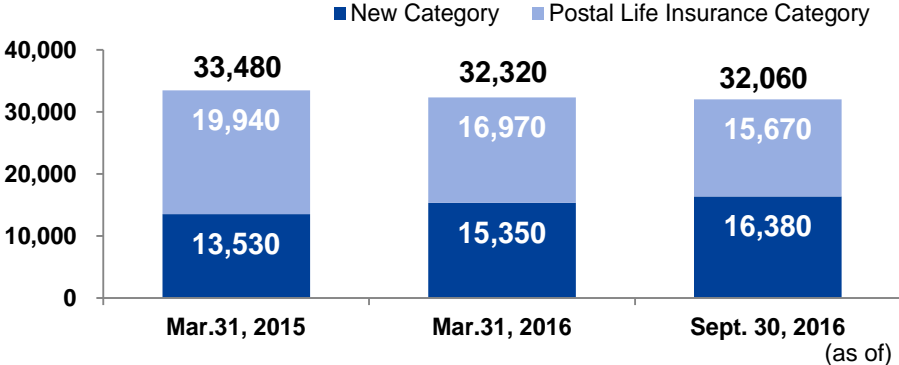
New Policies (Individual Insurance)

(Policies in thousands)



Policies in Force (Individual Insurance)

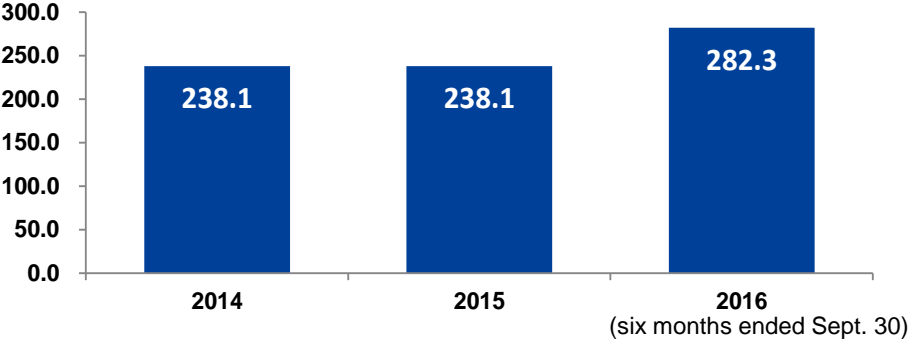
(Policies in thousands)



Annualized Premiums

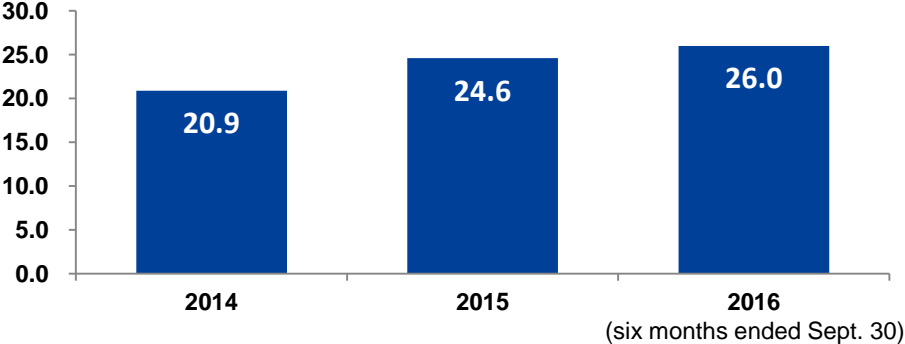
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)

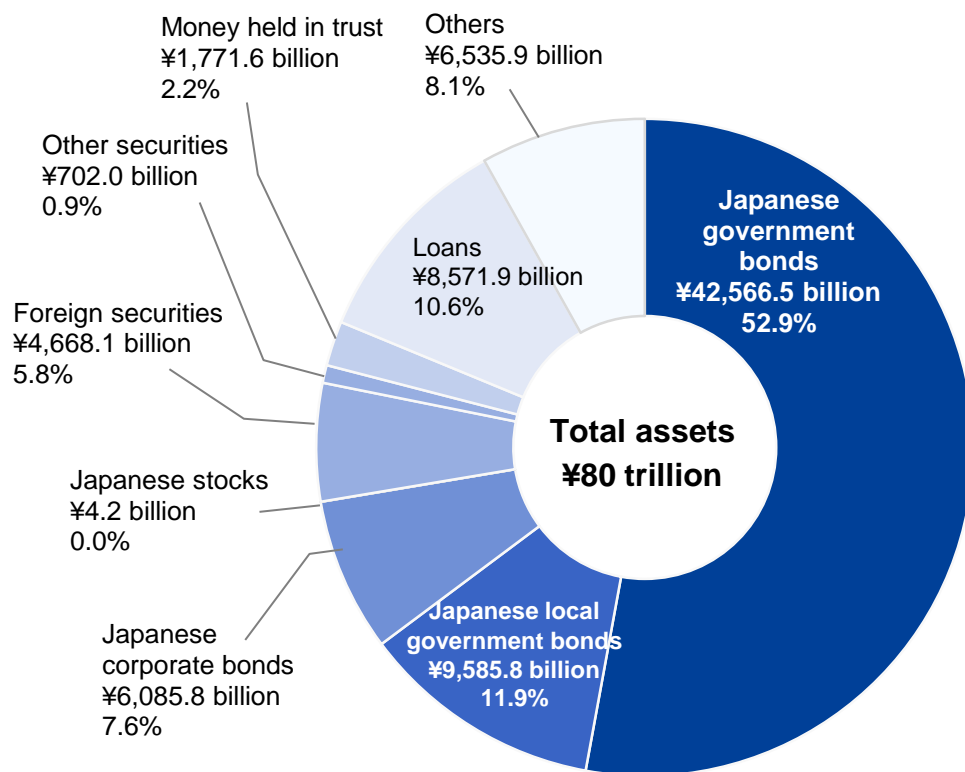


Annualized Premiums from New Policies (Medical Care)

(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.



(Billions of yen)

Type	As of Sept. 30, 2016	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	8,571.9	10.6	8,978.4	11.0
Securities	63,612.6	79.0	63,609.9	78.0
Japanese government bonds	42,566.5	52.9	44,178.6	54.2
Japanese local government bonds	9,585.8	11.9	9,405.4	11.5
Japanese corporate bonds	6,085.8	7.6	6,236.9	7.6
Japanese stocks	4.2	0.0	-	-
Foreign securities	4,668.1	5.8	3,688.8	4.5
Other securities	702.0	0.9	100.0	0.1
Money held in trust	1,771.6	2.2	1,644.5	2.0
Others	6,535.9	8.1	7,312.2	9.0
Total assets	80,492.2	100.0	81,545.1	100.0

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.