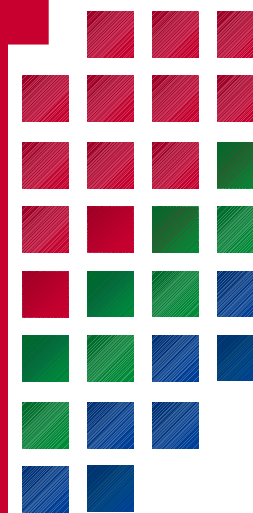


**Financial Highlights
for the Nine Months Ended December 31, 2016**

February 14, 2017



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Nine Months Ended December 31, 2016

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	9,989.5	2,832.0	1,405.9	6,498.1
Year-on-year (for the nine months ended Dec. 31, 2015) change	(813.4)	+ 110.0	(100.1)	(795.5)
	(7.5)%	+ 4.0%	(6.6)%	(10.9)%
Net ordinary income	580.9	32.0	312.5	220.5
Year-on-year (for the nine months ended Dec. 31, 2015) change	(203.5)	(9.3)	(76.4)	(107.1)
	(25.9)%	(22.6)%	(19.6)%	(32.7)%
Net income	296.6	30.8	222.9	68.0
Year-on-year (for the nine months ended Dec. 31, 2015) change	(86.4)	(17.8)	(43.1)	(4.7)
	(22.6)%	(36.7)%	(16.2)%	(6.5)%

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

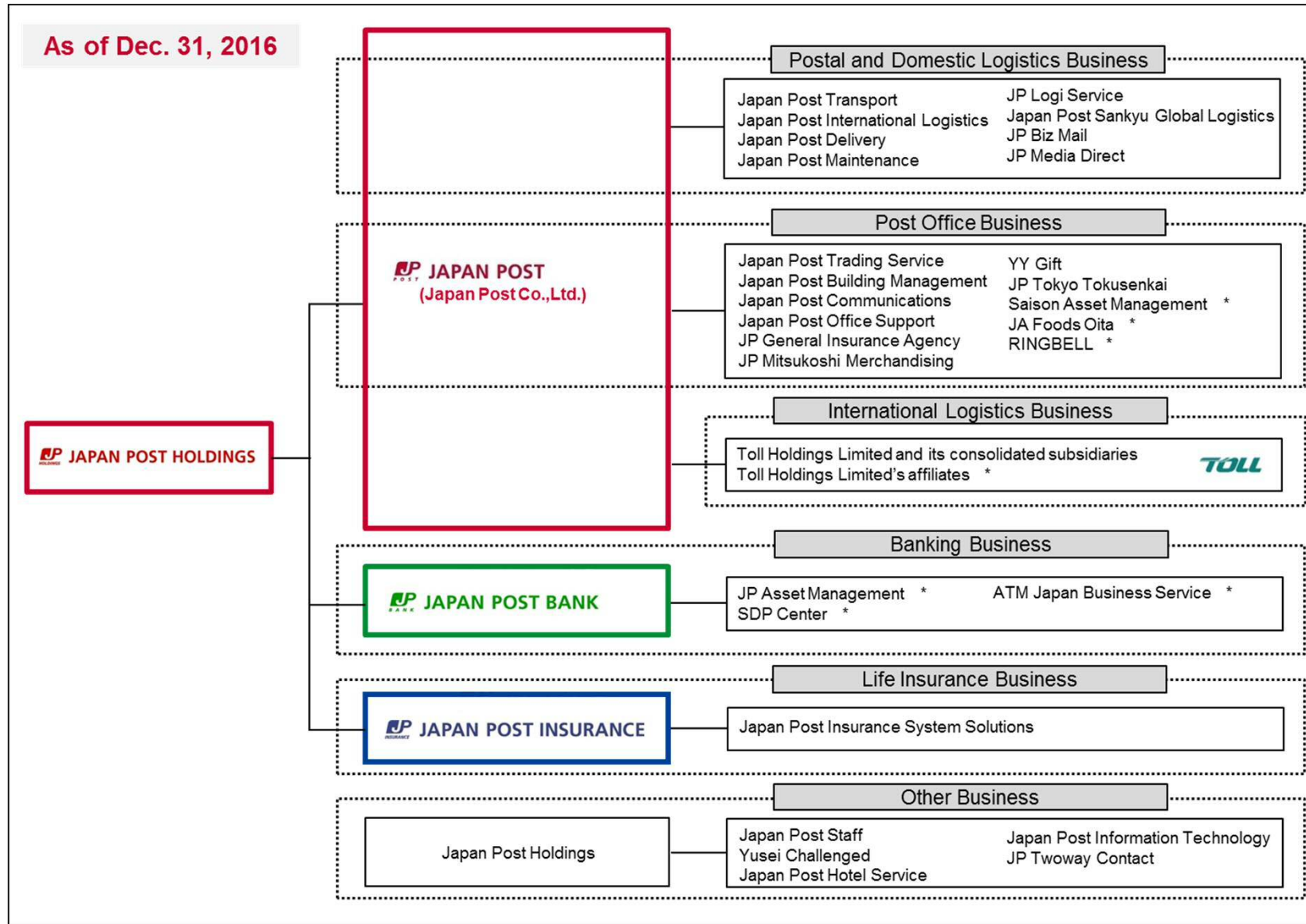
Net ordinary income	770.0	27.0	420.0	310.0
[percentage achievement]	[75.5%]	[118.6%]	[74.4%]	[71.2%]
Net income	320.0	12.0	300.0	86.0
[percentage achievement]	[92.7%]	[257.2%]	[74.3%]	[79.1%]

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.

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 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.

Japan Post Holdings: Organization Chart

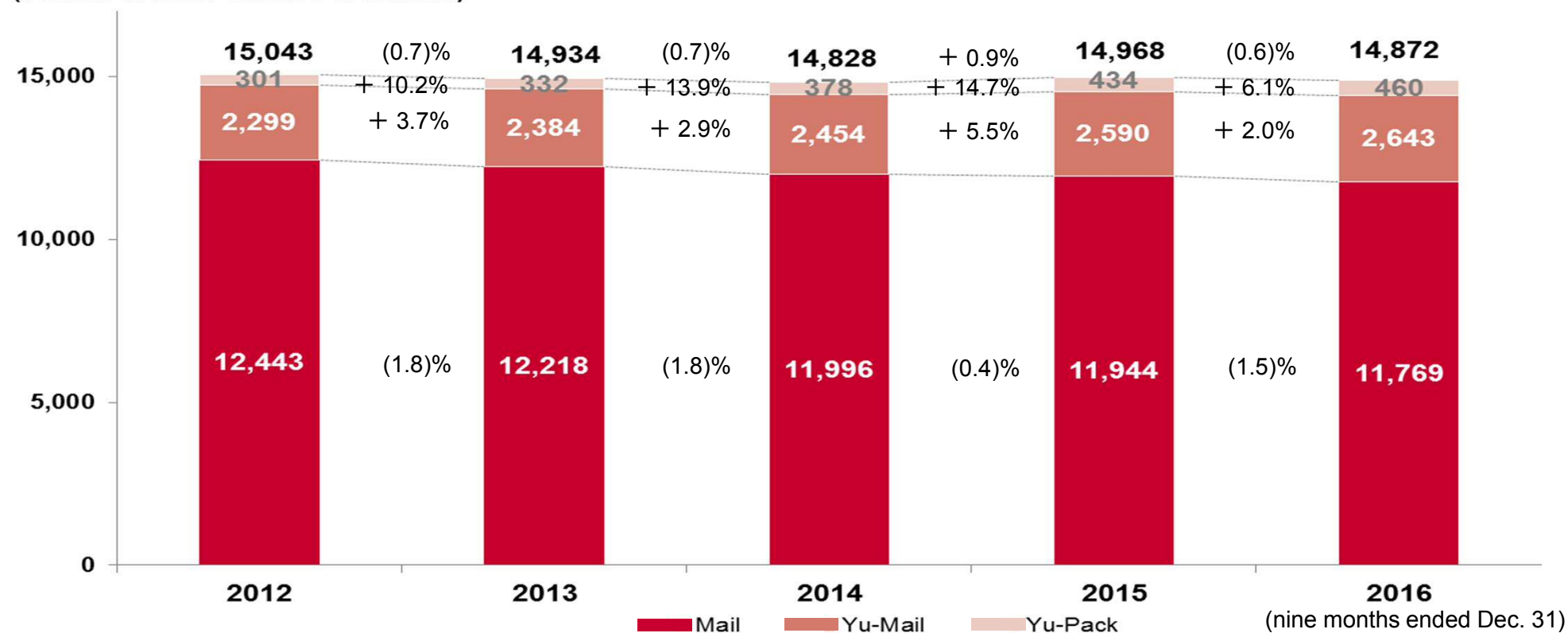


* Affiliates accounted for by the equity method.

Japan Post Co. (Consolidated) [Postal and Domestic Logistics Business]: Trends in Volume of Items Handled

- Total volume of items handled decreased slightly by 0.6% year-on-year. Of which, volume of mail handled decreased by 1.5% year-on-year, which is roughly the same range of decline as the past years, despite the effects of factors such as distribution of notification cards of the social security and tax number system in the previous fiscal year.
- 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)



Note:

“Yu-Packet” (Japan Post Co.’s express shipping service for wholesale customers of small booklet parcels), which had been included in “Yu-Mail” before, was included in “Yu-Pack” from October 2016. Therefore, volume of Yu-Pack and Yu-Mail handled for the nine months ended December 31, 2015 are reclassified.

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

- Despite an increase in income from mail handled as affected by the revision in postage fee discounts, etc., and an increase in income from Yu-Pack and Yu-Mail handled, operating income decreased by ¥4.9 billion year-on-year due to factors including a decline in volume of new year's postcards and international mails handled and the distribution of mails related to the social security and tax number system in the previous fiscal year.
- Operating expenses decreased slightly by ¥1.9 billion year-on-year due to an increase in legal welfare expenses because of a rising premium rate and an increase in personnel expenses due to rising wage rates, etc., despite the measures taken for improving productivity and cost reduction.
- As a result, net operating income decreased by ¥2.9 billion year-on-year to ¥2.1 billion.

Results of Operations for the Nine Months Ended Dec. 31, 2016

(Billions of yen)

	For the nine months ended Dec. 31, 2016	For the nine months ended Dec. 31, 2015	Year-on-year change
Operating income	1,448.0	1,453.0	(4.9)
Operating expenses	1,445.8	1,447.8	(1.9)
Personnel expenses	928.6	924.3	+ 4.3
Other expenses	517.2	523.5	(6.2)
Net operating income	2.1	5.1	(2.9)

Factors behind the increase in operating income

- Increase in income of the mail handled
- Increase in income of Yu-Pack and Yu-Mail handled

Factors behind the decrease in operating income

- Decrease in income of special mails handled
- Decrease in income of new year's postcards handled
- Decrease in income of international mails handled

Factors behind the increase in personnel expenses

- Increase in legal welfare expenses because of a rising premium rate
- Increase in wage rates

Factors behind the decrease in other expenses

- Decrease in collection, transport and delivery outsourcing expenses
- Decrease in fuel costs

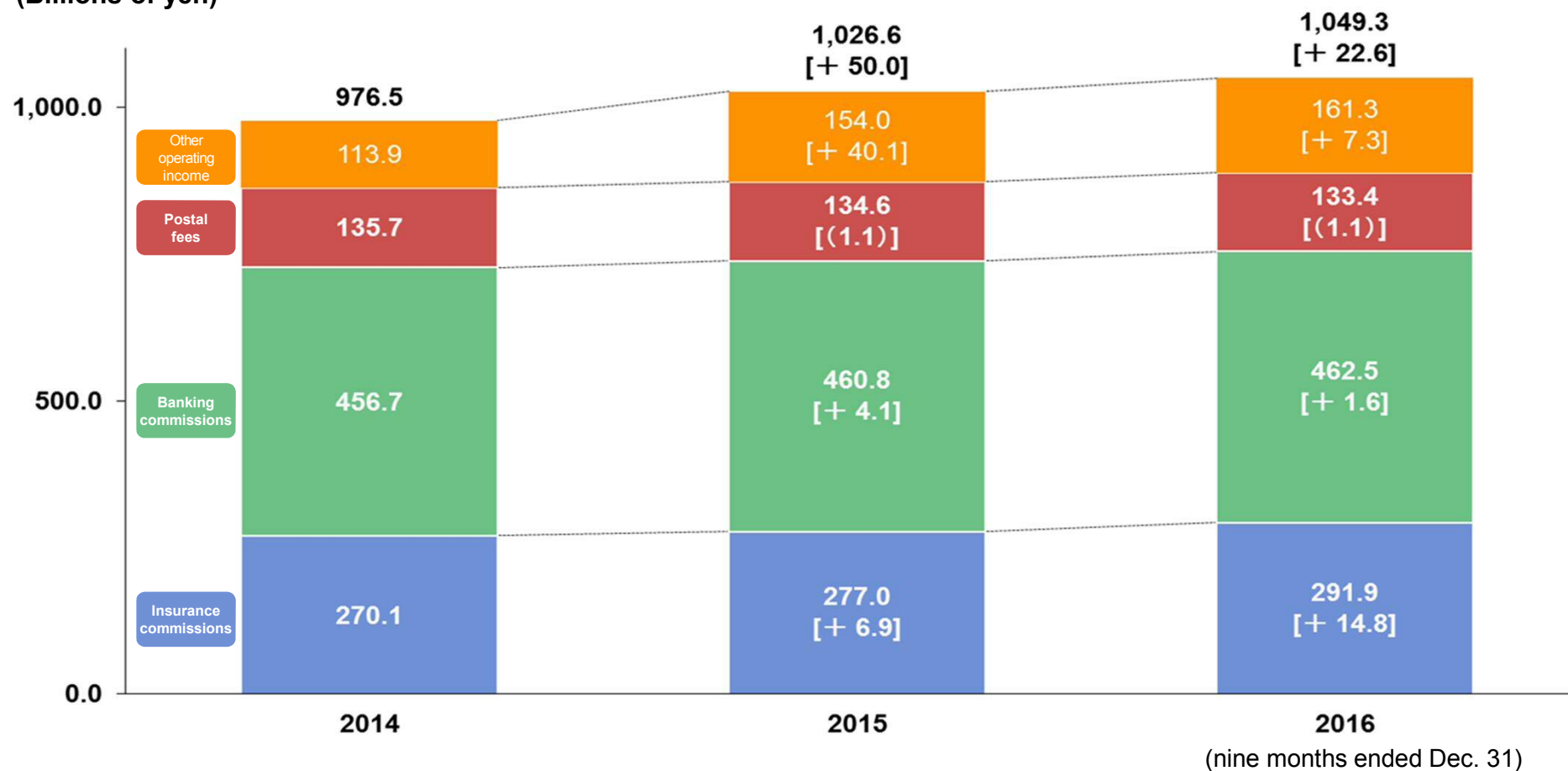
Factors behind the increase in other expenses

- 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 a steady increase due to expansion of merchandising business and third-party financial product agency services.

(Billions of yen)



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

- Commissions for new policy sales from Japan Post Insurance increased due to the promotion of operating initiatives in cooperation with them. Furthermore, operating income increased by ¥22.6 billion year-on-year because of an increase in income from the merchandising business and 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 ¥13.9 billion year-on-year resulting from increases in 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 ¥8.6 billion year-on-year to ¥45.4 billion.

Results of Operations for the Nine Months Ended Dec. 31, 2016

(Billions of yen)

	For the nine months ended Dec. 31, 2016	For the nine months ended Dec. 31, 2015	Year-on-year change
Operating income	1,049.3	1,026.6	+ 22.6
Operating expenses	1,003.8	989.8	+ 13.9
Personnel expenses	702.1	694.7	+ 7.4
Other expenses	301.6	295.1	+ 6.5
Net operating income	45.4	36.7	+ 8.6

Breakdown of operating income

(Billions of yen)

Item	For the nine months ended Dec. 31, 2016	Year-on-year change
Commissions for business consignment	887.8	+ 15.3
Other operating income	161.3	+ 7.3
Merchandising business	114.5	+ 3.7
Real estate business	19.4	(0.1)
Third-party financial product agency services	11.4	+ 2.8

Factors behind the increase in personnel expenses

- Increase in legal welfare expenses because of a rising premium rate
- Increase in wage rates

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

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

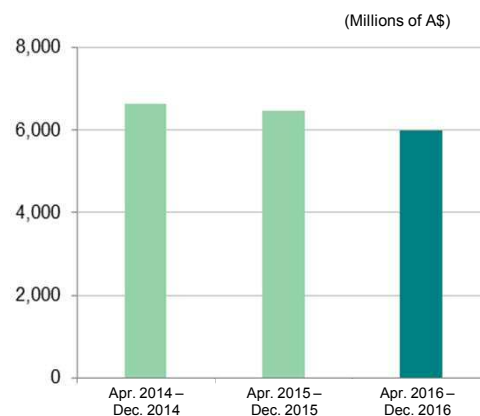
- Financial results of Toll has been consolidated under Japan Post Group from July 2015.
- Operating income decreased by A\$464 million year-on-year (compared to the first nine months of the previous fiscal year including the period prior to consolidation) owing to factors such as decline in usage in the domestic network business affected by the Australian economy including a delay in economic recovery in the resource-related sector, etc., and weak demand in international sea and air freight markets.
- Net operating income (EBIT) decreased by A\$172 million despite the measures taken for cost reduction.

Results of Operations for the Nine Months Ended December 31, 2016

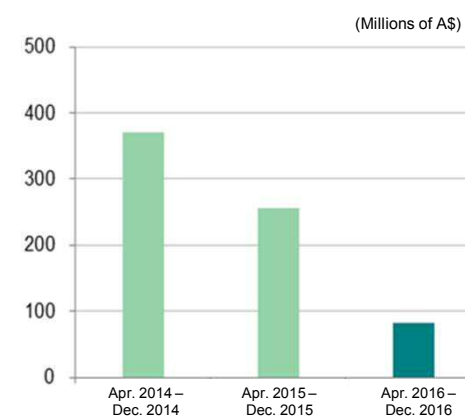
(Millions of Australian dollars)
[Billions of yen]

	For the nine months ended Dec. 31, 2016 (Note1)	For the six-month period from July to Dec. 2015 (Note1)	Year-on-year change (Note1)	Reference (Note2)	
				For the nine months ended Dec. 31, 2015	Year-on-year change
Operating income (revenue)	5,988 [479.1]	4,347 [382.9]	+ 1,641 [+96.1]	6,453 [581.9]	(464) [(102.7)]
Operating expenses	5,905 [472.5]	4,158 [366.3]	+ 1,746 [+106.1]	6,197 [558.9]	(292) [(86.3)]
Net operating income (EBIT)	83 [6.6]	188 [16.6]	(105) [(9.9)]	255 [23.0]	(172) [(16.3)]

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 nine months ended December 31, 2016: ¥80.02 to A\$1.00 and for the six-month period from July to December 2015: ¥88.10 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 nine months ended December 31, 2015: ¥90.18 to A\$1.00).

Japan Post Co. (Consolidated): Financial Highlights

Operating income increased by ¥112.3 billion year-on-year to ¥2,826.6 billion. Net income decreased by ¥17.8 billion year-on-year to ¥30.8 billion.

- Net operating income of postal and domestic logistics business decreased by ¥2.9 billion to ¥2.1 billion due to factors such as a decrease in volume of new year's postcards handled and an increase in legal welfare expenses, despite the measures taken for cost reduction.
- Net operating income of post office business increased by ¥8.6 billion year-on-year to ¥45.4 billion due to factors such as an increase in commissions for new policy sales from Japan Post Insurance.
- Net operating income (EBIT) of international logistics business decreased by ¥9.9 billion to ¥6.6 billion, affected by the Australian economy including a delay in economic recovery in the resource-related sector, etc.

Results of Operations for the Nine Months Ended December 31, 2016

(Billions of yen)

Item	Japan Post Co. (Consolidated)	Year-on-year change	Postal and domestic logistics business		Post office business		International logistics business	
			Year-on-year change	Year-on-year change	Year-on-year change	Year-on-year change		
Operating income	2,826.6	+ 112.3	1,448.0	(4.9)	1,049.3	+ 22.6	479.1	+ 96.1
Operating expenses	2,793.1	+ 116.6	1,445.8	(1.9)	1,003.8	+ 13.9	472.5	+ 106.1
Personnel expenses	1,789.0	+ 50.8	928.6	+ 4.3	702.1	+ 7.4	158.2	+ 39.0
Other expenses	(Note) 1,004.0	+ 65.7	517.2	(6.2)	301.6	+ 6.5	314.2	+ 67.0
Net operating income	33.5	(4.2)	2.1	(2.9)	45.4	+ 8.6	6.6	(9.9)
Net ordinary income	32.0	(9.3)						
Income before income taxes	36.4	(18.6)						
Net income	30.8	(17.8)						

Note: Includes amortization of goodwill, etc. in connection with the acquisition of Toll, which is ¥15.9 billion.

Japan Post Bank: Financial Highlights

Results of Operations for the Nine Months Ended December 31, 2016

(Billions of yen)

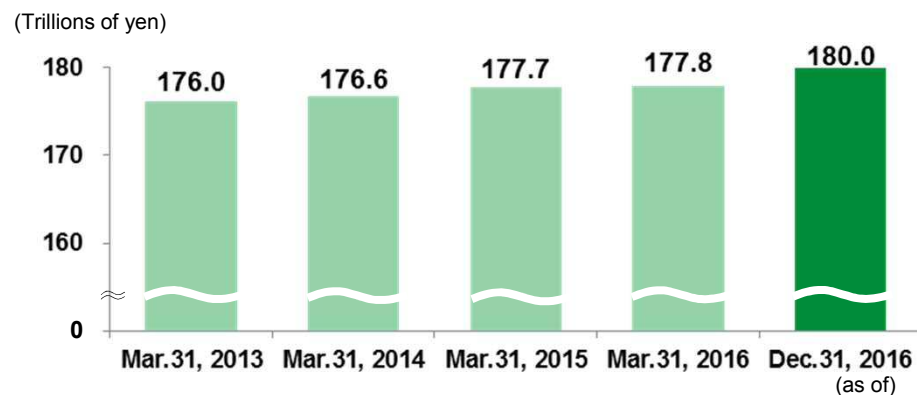
	As of and for the nine months ended		Year-on-year change
	Dec. 31, 2016	Dec. 31, 2015	
Gross operating profit	1,069.1	1,137.9	(68.8)
Net interest income	961.4	1,060.7	(99.3)
Net fees and commissions	65.8	70.7	(4.8)
Net other operating income	41.8	6.5	+ 35.3
General and administrative expenses <small>(Note1)</small>	796.1	801.1	(4.9)
Provision for general reserve for possible loan losses	0.0	(0.0)	+ 0.0
Net operating profit	272.9	336.9	(63.9)
Non-recurring gains (losses)	39.6	52.1	(12.5)
Net ordinary income	312.5	389.0	(76.4)
Net income	222.9	266.0	(43.1)
Ordinary income	1,405.9	1,506.1	(100.1)
Ordinary expenses	1,093.3	1,117.1	(23.7)
Deposits <small>(Note2)</small>	180,082.8	178,406.2	+ 1,676.5
Capital adequacy ratio (non-consolidated, domestic standard)	22.22%	27.93%	(5.70)%

Overview

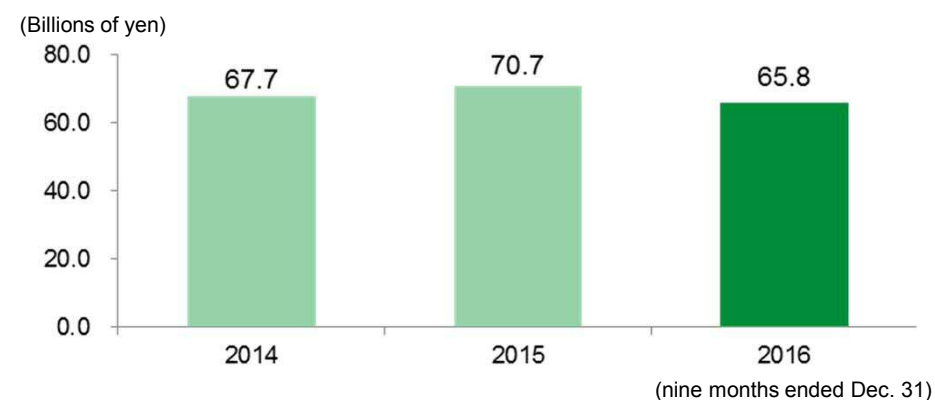
- Gross operating profit for the nine months ended December 31, 2016 decreased by ¥68.8 billion year-on-year to ¥1,069.1 billion. Of which, net interest income decreased by ¥99.3 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions decreased by ¥4.8 billion year-on-year. Meanwhile, net other operating income increased by ¥35.3 billion year-on-year mainly due to an increase in gains (losses) on foreign exchange transactions.
- General and administrative expenses decreased by ¥4.9 billion year-on-year to ¥796.1 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit decreased by ¥63.9 billion year-on-year to ¥272.9 billion and net ordinary income decreased by ¥76.4 billion year-on-year to ¥312.5 billion.
- Net income decreased by ¥43.1 billion year-on-year to ¥222.9 billion, which achieved 74.3% 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 December 31, 2016 amounted to ¥180,082.8 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of December 31, 2016 was 22.22%.

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

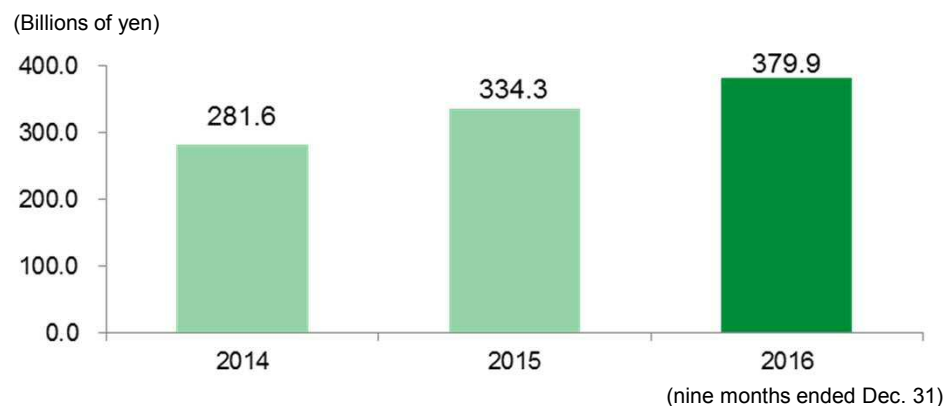
Deposit Balance



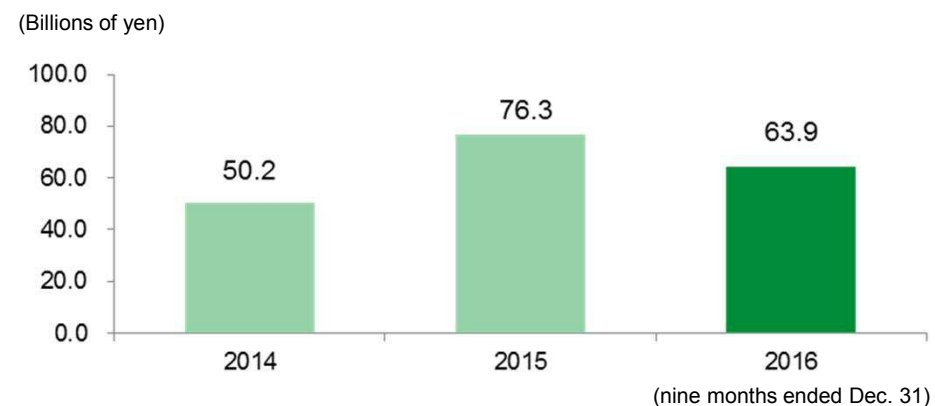
Net Fees and Commissions



Investment Trust Sales

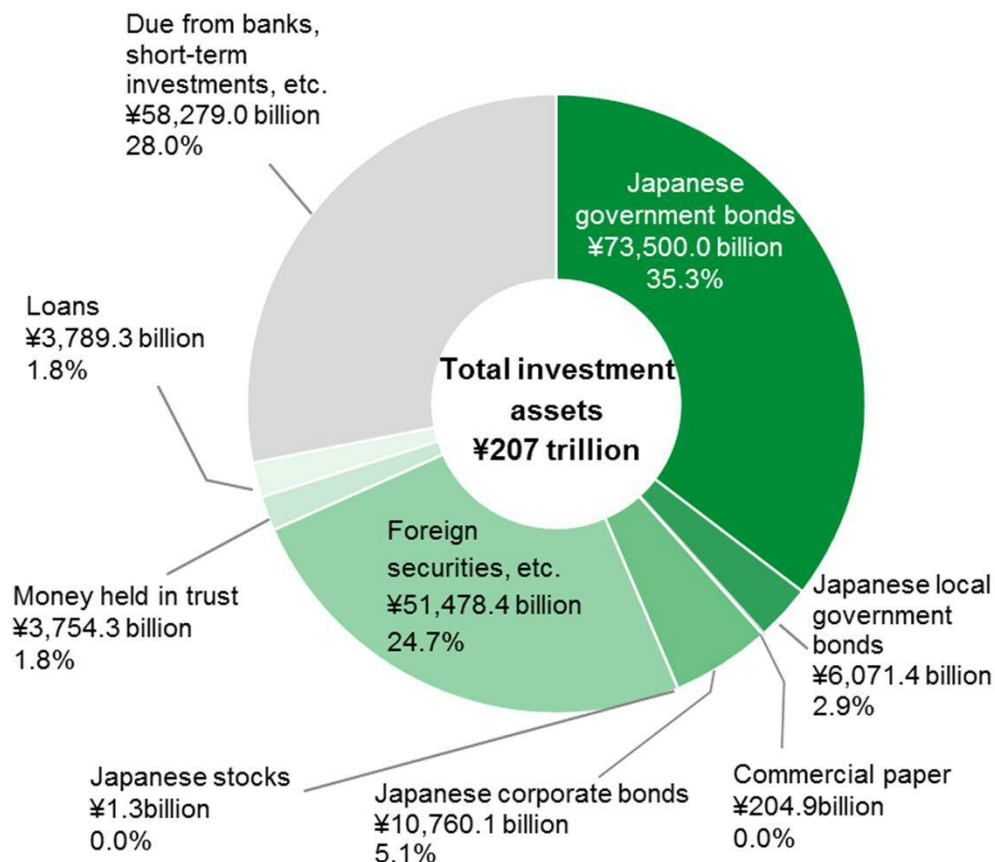


Variable Annuity Insurance Sales



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

Japan Post Bank: Details of Investment Assets



(Billions of yen)

Type	As of Dec. 31, 2016	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	3,789.3	1.8	2,542.0	1.2
Securities	142,016.4	68.3	144,076.8	70.3
Japanese government bonds	73,500.0	35.3	82,255.6	40.1
Japanese local government bonds	6,071.4	2.9	5,856.5	2.8
Commercial paper	204.9	0.0	204.9	0.1
Japanese corporate bonds	10,760.1	5.1	10,362.7	5.0
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	51,478.4	24.7	45,395.5	22.1
Money held in trust	3,754.3	1.8	3,561.1	1.7
Due from banks, short-term investments, etc. (Note)	58,279.0	28.0	54,696.6	26.6
Total investment assets	207,839.1	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 Nine Months Ended December 31, 2016

(Billions of yen, number of policies in thousands)

	For the nine months ended		Year-on-year change
	Dec. 31, 2016	Dec. 31, 2015	
Core profit (non-consolidated)	302.5	352.3	(49.8)
Ordinary income	6,498.1	7,293.7	(795.5)
Ordinary expenses	6,277.5	6,965.9	(688.4)
Ordinary profit	220.5	327.7	(107.1)
Net income	68.0	72.7	(4.7)
Number of new policies (individual insurance)	1,820	1,790	+ 20
Annualized premiums from new policies (individual insurance)	383.7	363.7	+ 20.0

	As of		Change
	Dec. 31, 2016	Mar. 31, 2016	
Number of policies in force (including Postal Life Insurance Policies)	31,760	32,320	(560)
Solvency margin ratio (consolidated)	1,370.3%	1,570.3%	(200.0)%
Real net assets (consolidated)	13,397.0	14,649.5	(1,252.5)

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.

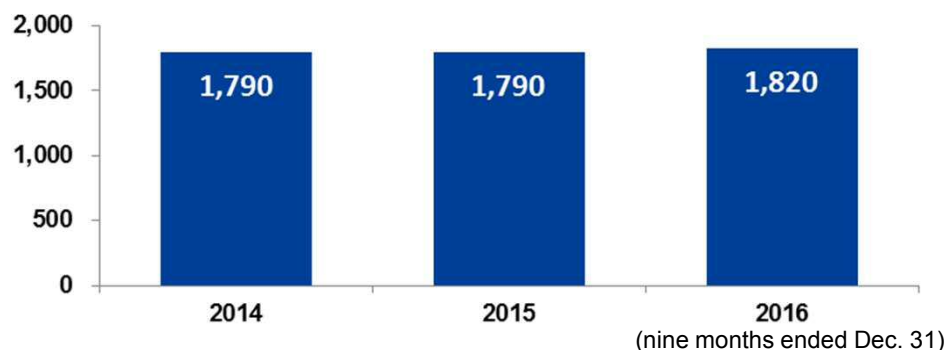
Overview

- Core profit (non-consolidated) for the nine months ended December 31, 2016 decreased by ¥49.8 billion year-on-year to ¥302.5 billion mainly due to a decrease of number of policies in force. Net income decreased by ¥4.7 billion year-on-year to ¥68.0 billion, and achieved 79.1% of the financial results forecast for the fiscal year ending March 31, 2017.
- Annualized premiums from new policies for individual insurance increased by 5.5% year-on-year to ¥383.7 billion. Annualized premiums from new policies for medical care increased by 5.4% year-on-year to ¥39.7 billion.
- There were 31,760 thousand policies in force (including Postal Life Insurance Policies), a decrease of 560 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 ¥3,071.9 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,370.3%, continuously maintaining a high level of financial soundness.
- Real net assets (consolidated) amounted to ¥13,397.0 billion.

Number of Policies

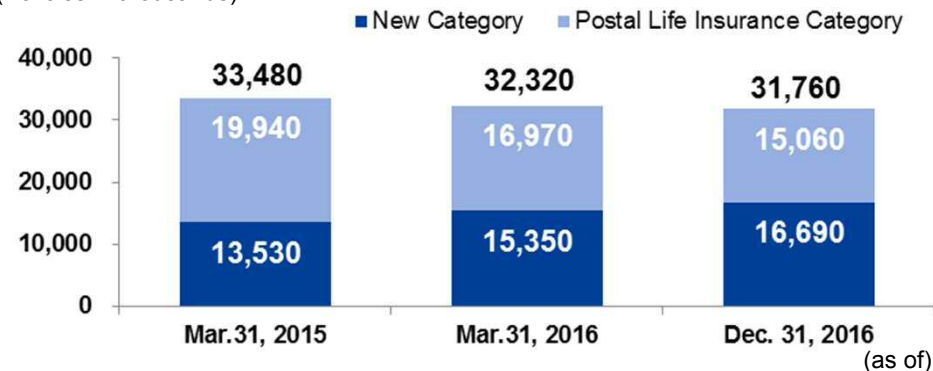
New Policies (Individual Insurance)

(Policies in thousands)



Policies in Force (Individual Insurance)

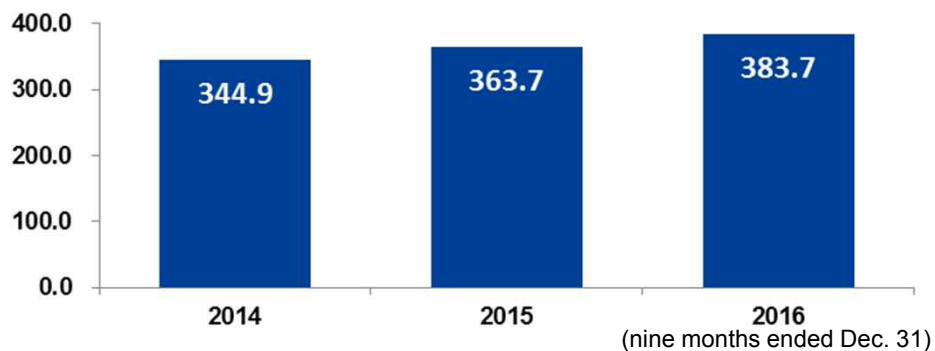
(Policies in thousands)



Annualized Premiums

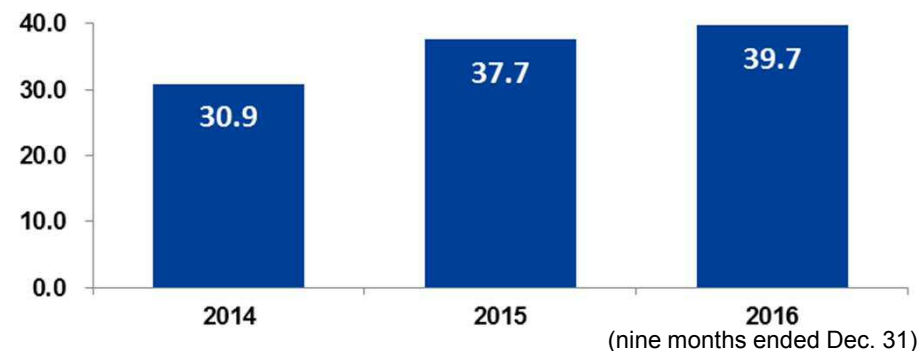
Annualized Premiums from New Policies (Individual Insurance)

(Billions of yen)



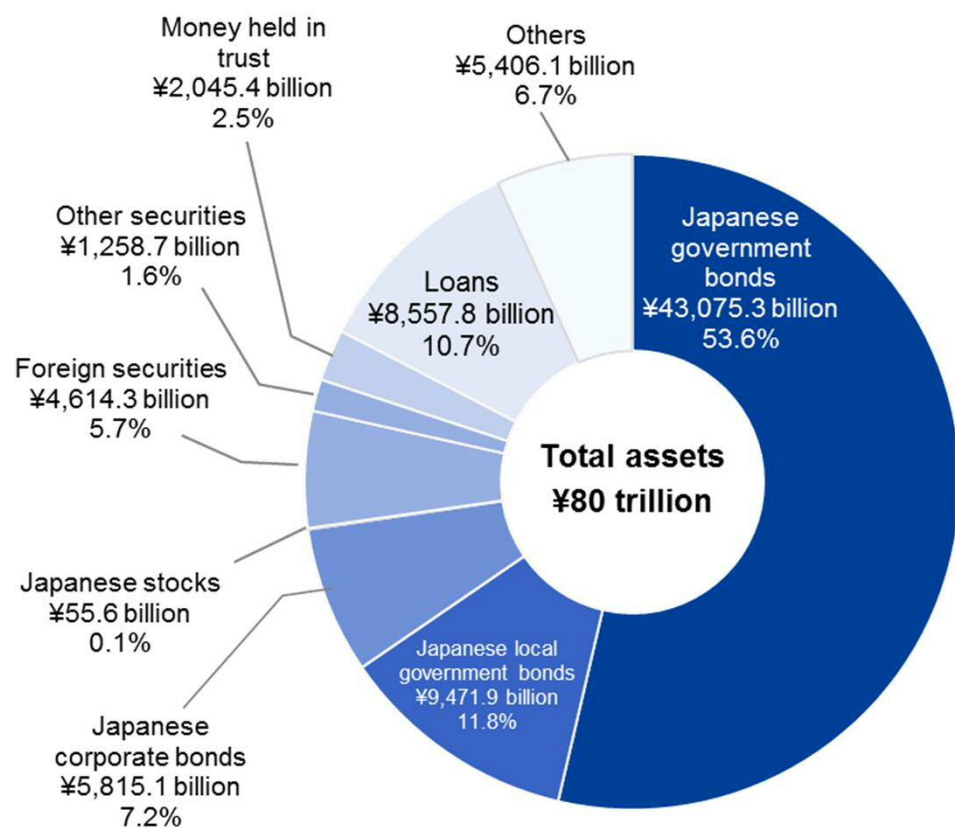
Annualized Premiums from New Policies (Medical Care)

(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 Dec. 31, 2016	Composition ratio (%)	As of Mar. 31, 2016	Composition ratio (%)
Loans	8,557.8	10.7	8,978.4	11.0
Securities	64,291.2	80.1	63,609.9	78.0
Japanese government bonds	43,075.3	53.6	44,178.6	54.2
Japanese local government bonds	9,471.9	11.8	9,405.4	11.5
Japanese corporate bonds	5,815.1	7.2	6,236.9	7.6
Japanese stocks	55.6	0.1	-	-
Foreign securities	4,614.3	5.7	3,688.8	4.5
Other securities	1,258.7	1.6	100.0	0.1
Money held in trust	2,045.4	2.5	1,644.5	2.0
Others	5,406.1	6.7	7,312.2	9.0
Total assets	80,300.6	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.