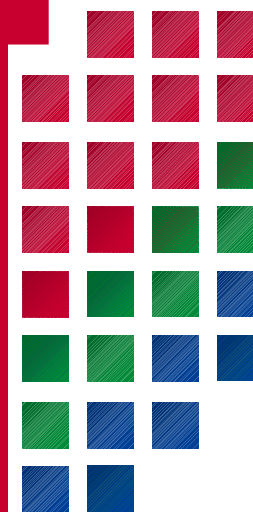


**Financial Highlights
for the Three Months Ended June 30, 2017**

August 10, 2017



Japan Post Holdings: Financial Highlights

■ Results of Operations for the Three Months Ended June 30, 2017

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank	Japan Post Insurance (Consolidated)
Ordinary income	3,271.2	913.0	487.1	2,113.5
Year-on-year (for the three months ended June 30, 2016) change	(102.1) (3.0)%	+ 11.5 + 1.3%	+ 27.1 + 5.9%	(147.8) (6.5)%
Net ordinary income	218.1	7.4	124.2	83.2
Year-on-year (for the three months ended June 30, 2016) change	+ 72.0 + 49.3%	+ 2.2 + 41.8%	+ 31.3 + 33.6%	+ 38.8 + 87.7%
Net income	104.4	5.8	89.3	24.1
Year-on-year (for the three months ended June 30, 2016) change	+ 21.3 + 25.7%	+ 1.4 + 32.8%	+ 21.4 + 31.6%	+ 4.7 + 24.3%

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

Net ordinary income	780.0	18.0	490.0	250.0
[percentage achievement]	[28.0%]	[41.5%]	[25.3%]	[33.3%]
Net income	400.0	13.0	350.0	86.0
[percentage achievement]	[26.1%]	[45.3%]	[25.5%]	[28.1%]

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.

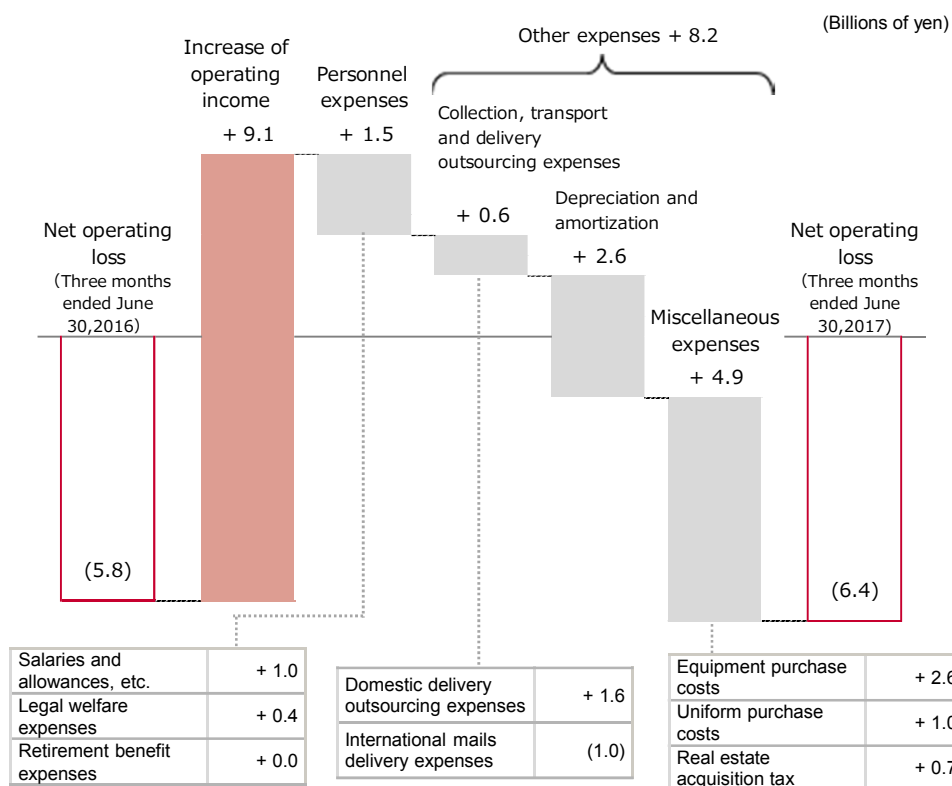
3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

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

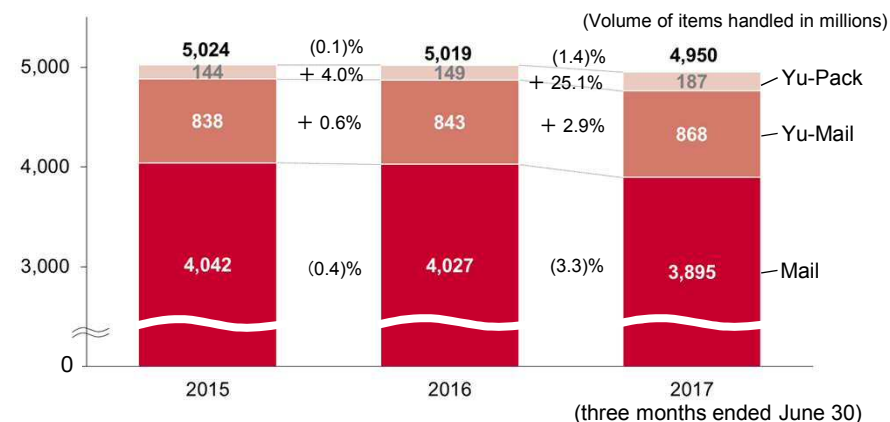


- Operating income increased by ¥9.1 billion year-on-year due to an increase in volume of Yu-Pack and Yu-Packet handled, and the effects of the revision of postage fees.
- Operating expenses increased by ¥9.7 billion year-on-year mainly due to rising wage rates, an increase in depreciation and amortization and the reporting of equipment purchase (renewal) costs, in addition to an increase in expenses accompanying the increase in volume of Yu-Pack, etc. handled.
- As a result, net operating loss increased by ¥0.6 billion year-on-year to ¥6.4 billion.

Analysis of Year-on-year Change



Trends in Volume of Items Handled



Results of Operations for the Three Months Ended June 30, 2017

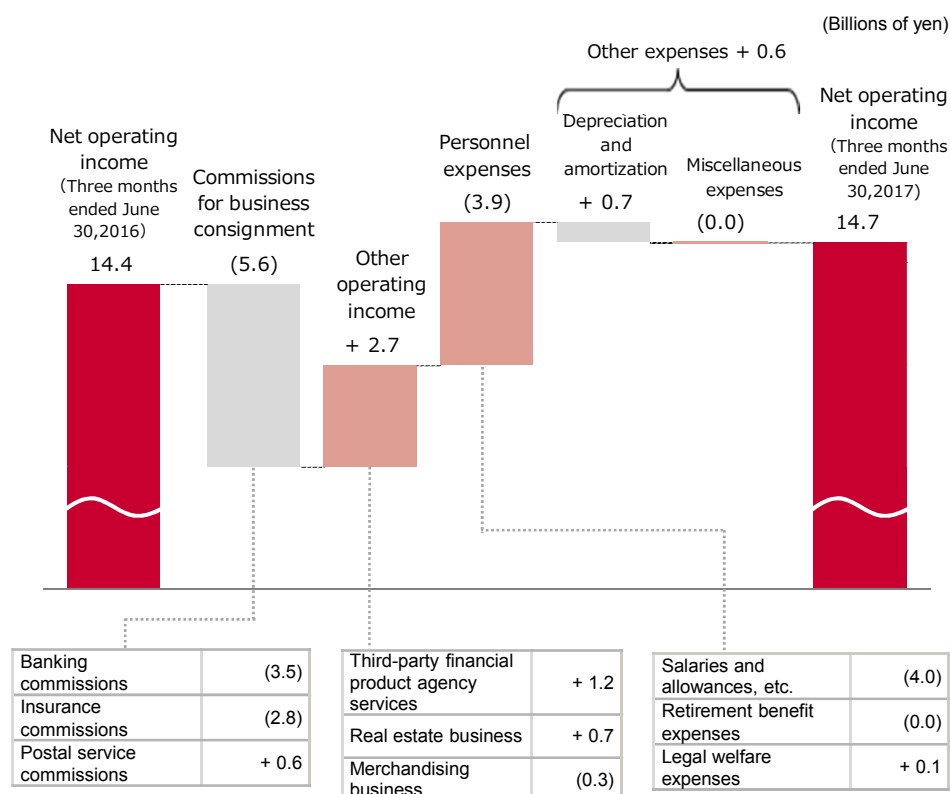
(Billions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2016	Year-on-year change
Operating income	461.6	452.5	+ 9.1
Operating expenses	468.1	458.3	+ 9.7
Personnel expenses	300.0	298.5	+ 1.5
Other expenses	168.1	159.8	+ 8.2
Net operating loss	(6.4)	(5.8)	(0.6)

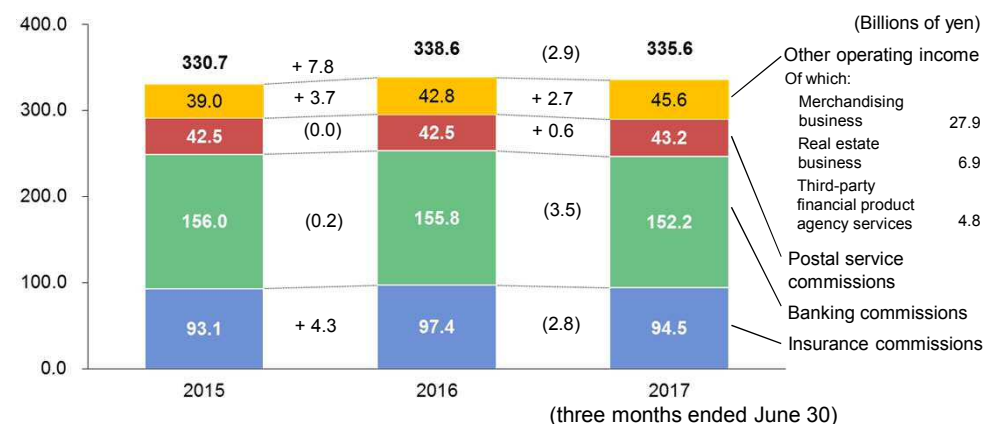
Japan Post Co. (Consolidated) [Post Office Business]: Financial Results

- Operating income decreased by ¥2.9 billion year-on-year due to a decrease in banking and insurance commissions, which account for a greater part of operating income, despite the steady increase in business income from third-party financial product agency services and real estate business.
- Operating expenses decreased by ¥3.2 billion year-on-year due to a decrease in personnel expenses resulting from a decrease in new policy sales at Japan Post Insurance and various measures to improve efficiency.
- As a result, net operating income remained nearly at the same level as the previous corresponding period (¥14.7 billion).

Analysis of Year-on-year Change



Trends in the Earnings Structure



Results of Operations for the Three Months Ended June 30, 2017

(Billions of yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2016	Year-on-year change
Operating income	335.6	338.6	(2.9)
Operating expenses	320.8	324.1	(3.2)
Personnel expenses	228.0	231.9	(3.9)
Other expenses	92.8	92.1	+ 0.6
Net operating income	14.7	14.4	+ 0.3

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

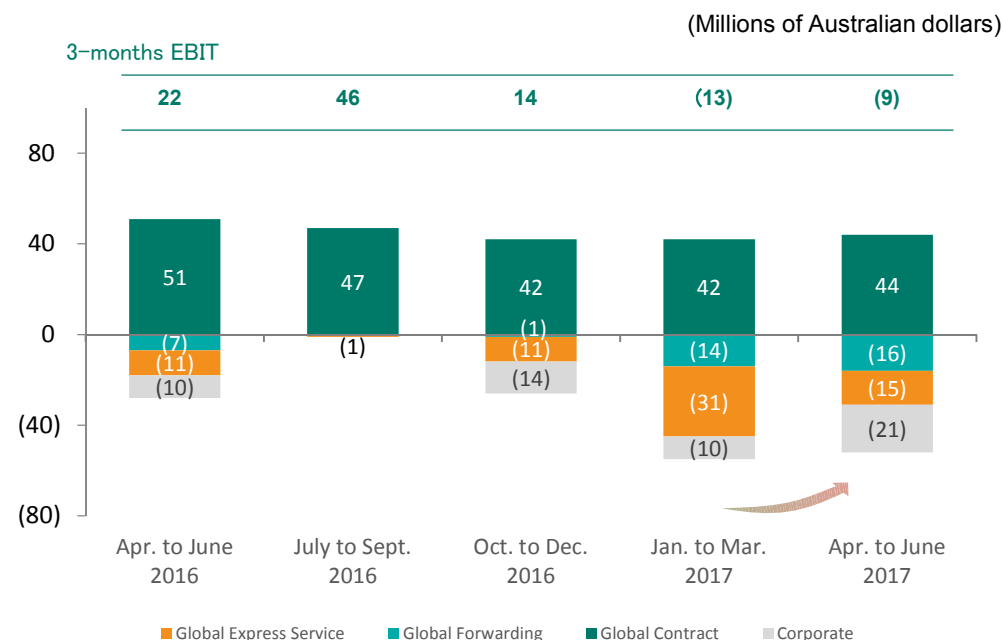
- Net operating loss (EBIT) for the three months ended June 30, 2017 was A\$9 million (net operating income (EBIT) of A\$22 million for the same period of the previous fiscal year). However, compared to the previous quarter from January to March 2017 when EBIT was at its lowest historical point, this quarter's EBIT improved by A\$4.7 million and exceeded our budget plan.
- So far, we are on track in our Transformation plan. Our Transformation plan including reorganization of our divisions and headcount reduction is expected to take effect from July 2017.
- To sustain our upward trend, we will continue to exert our focus on the Transformation plan.

Results of Operations for the Three Months Ended June 30, 2017

	(Millions of Australian dollars)		(Billions of yen)
	For the three months ended June 30, 2017 (Note)	For the three months ended June 30, 2016 (Note)	Year-on-year change (Note)
Operating income (revenue)	1,951 [162.7]	1,916 [154.3]	+ 35 [+ 8.3]
Operating expenses	1,960 [163.5]	1,893 [152.5]	+ 66 [+ 10.9]
Net operating income (loss) (EBIT)	(9) [(0.7)]	22 [1.7]	(31) [(2.5)]

Note: Net operating income (loss) is presented as EBIT of Toll. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2017: ¥83.42 to A\$1.00 and for the three months ended June 30, 2016: ¥80.57 to A\$1.00).

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



Japan Post Co. (Consolidated): Financial Highlights

Both revenues and income increased for the three months ended June 30, 2017. However, the increase in income was within the amount required to relieve the burden of amortization of goodwill, etc. related to Toll. (¥5.3 billion in the previous corresponding period).

- In the postal and domestic logistics business, although operating income increased due to the increase in volume of Yu-Pack handled, net operating loss increased because of the increase in operating expenses mainly due to rising wage rates, an increase in depreciation and amortization and the reporting of equipment purchase (renewal) costs, in addition to the increase in expenses accompanying the increase in volume of Yu-Pack handled.
- In the post office business, net operating income remained nearly at the same level as the previous corresponding period due to a decrease in personnel expenses, despite the decrease in operating income due to a decrease in commissions from Japan Post Bank and Japan Post Insurance.
- While signs of improvement became evident in the international logistics business, our Transformation plan is expected to take effect from July 2017.

Results of Operations for the Three Months Ended June 30, 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	Year-on-year change
Operating income	911.3	+ 13.0	461.6	+ 9.1	335.6	(2.9)	162.7	+ 8.3
Operating expenses	903.8	+ 8.8	468.1	+ 9.7	320.8	(3.2)	163.5	+ 10.9
Personnel expenses	582.4	(0.7)	300.0	+ 1.5	228.0	(3.9)	54.3	+ 1.7
Other expenses	321.3	(Note) + 9.5	168.1	+ 8.2	92.8	+ 0.6	109.1	+ 9.2
Net operating income (loss)	7.4	+ 4.2	(6.4)	(0.6)	14.7	+ 0.3	(0.7)	(2.5)
Net ordinary income	7.4	+ 2.2						
Extraordinary gains (losses)	(0.4)	(0.8)						
Income before income taxes	7.0	+ 1.3						
Net income	5.8	+ 1.4						

Note: Amortization of goodwill, etc. in connection with the acquisition of Toll (¥5.3 billion) was recognized for the three months ended June 30, 2016.

Japan Post Bank: Financial Highlights

Results of Operations for the Three Months Ended June 30, 2017

(Billions of yen)

	As of / for the three months ended		Year-on-year change
	June 30, 2017	June 30, 2016	
Gross operating profit	387.1	353.6	+ 33.5
Net interest income	303.9	308.0	(4.0)
Net fees and commissions	24.1	21.7	+ 2.3
Net other operating income	59.1	23.8	+ 35.2
General and administrative expenses (Note1)	262.9	267.2	(4.2)
Provision for general reserve for possible loan losses	0.0	(0.0)	+ 0.0
Net operating profit	124.1	86.4	+ 37.7
Non-recurring gains (losses)	0.1	6.5	(6.4)
Net ordinary income	124.2	92.9	+ 31.3
Net income	89.3	67.8	+ 21.4
Ordinary income	487.1	459.9	+ 27.1
Ordinary expenses	362.8	366.9	(4.1)
Deposits (Note2)	180,827.2	179,429.0	+ 1,398.1
Capital adequacy ratio (non-consolidated, domestic standard)	20.25%	24.64%	(4.39)%

Overview

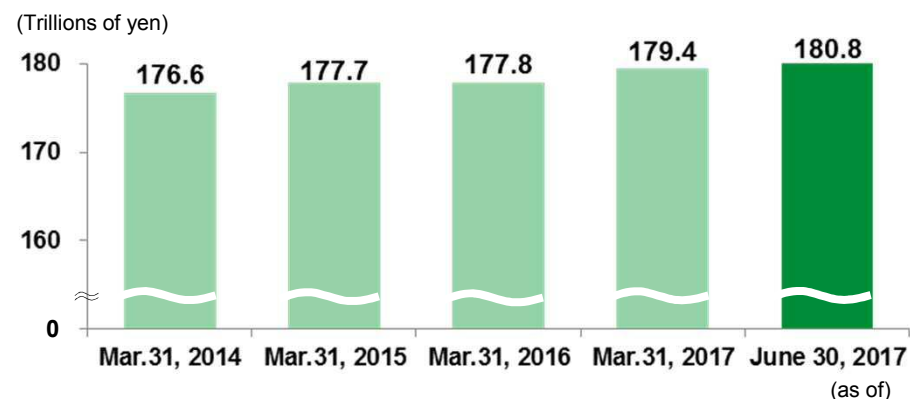
- Gross operating profit for the three months ended June 30, 2017 increased by ¥33.5 billion year-on-year to ¥387.1 billion. Of which, net interest income decreased by ¥4.0 billion year-on-year mainly due to a decrease in interest on Japanese government bonds. Net fees and commissions increased by ¥2.3 billion year-on-year. Meanwhile, net other operating income increased by ¥35.2 billion year-on-year mainly due to an increase in gains (losses) on foreign exchange transactions.
- General and administrative expenses decreased by ¥4.2 billion year-on-year to ¥262.9 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit increased by ¥37.7 billion year-on-year to ¥124.1 billion.
- Non-recurring gains (losses) decreased by ¥6.4 billion year-on-year mainly due to a decrease in gains (losses) on money held in trust and net ordinary income increased by ¥31.3 billion year-on-year to ¥124.2 billion.
- Net income increased by ¥21.4 billion year-on-year to ¥89.3 billion, which achieved 25.5% of the financial results forecast of ¥350.0 billion for the fiscal year ending March 31, 2018, more or less as planned.
- Deposits as of June 30, 2017 amounted to ¥180,827.2 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of June 30, 2017 was 20.25%.

Notes: 1. Excludes non-recurring losses.

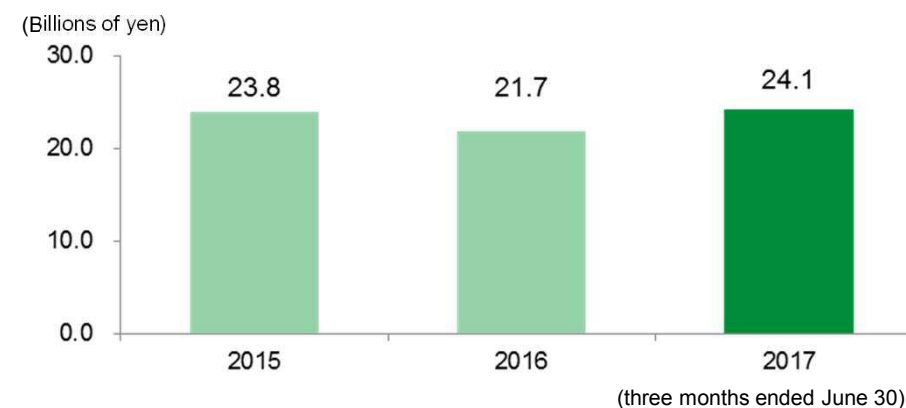
2. Excludes accrued interest.

Japan Post Bank: Business Results

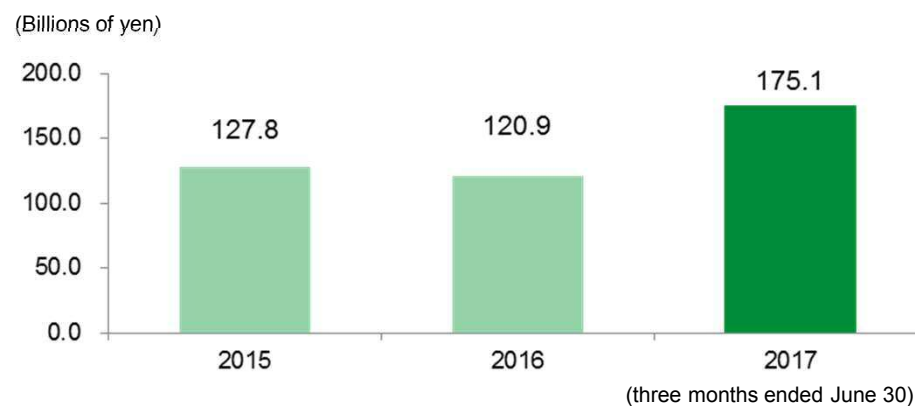
Deposit Balance



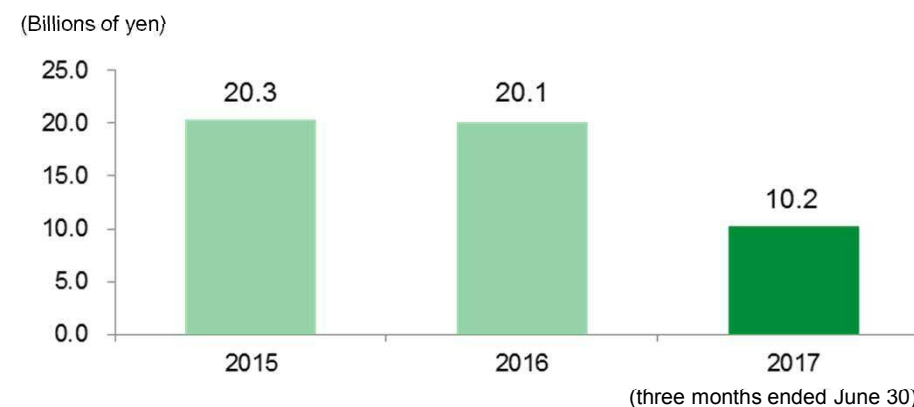
Net Fees and Commissions



Investment Trust Sales

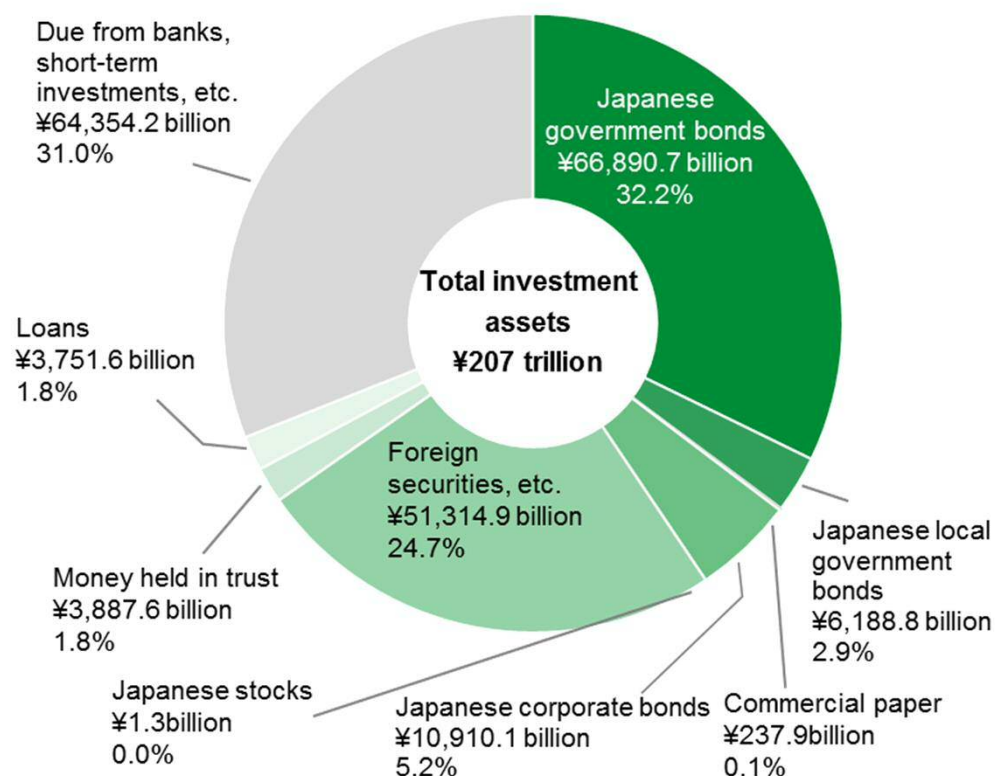


Variable Annuity Insurance Sales



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

Japan Post Bank: Status of Investment Assets



(Billions of yen)

Type	As of June 30, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	3,751.6	1.8	4,064.1	1.9
Securities	135,544.0	65.3	138,792.4	66.9
Japanese government bonds	66,890.7	32.2	68,804.9	33.2
Japanese local government bonds	6,188.8	2.9	6,082.2	2.9
Commercial paper	237.9	0.1	233.9	0.1
Japanese corporate bonds	10,910.1	5.2	10,752.8	5.1
Japanese stocks	1.3	0.0	1.3	0.0
Foreign securities, etc.	51,314.9	24.7	52,917.0	25.5
Money held in trust	3,887.6	1.8	3,817.9	1.8
Due from banks, short - term investments, etc. (Note)	64,354.2	31.0	60,519.0	29.2
Total investment assets	207,537.5	100.0	207,193.4	100.0

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

Japan Post Insurance (Consolidated): Financial Highlights

Results of Operations for the Three Months Ended June 30, 2017

(Billions of yen, number of policies in thousands)

	For the three months ended		Year-on-year change
	June 30, 2017	June 30, 2016	
Core profit (non-consolidated)	93.6	94.1	(0.5)
Ordinary income	2,113.5	2,261.4	(147.8)
Ordinary expenses	2,030.3	2,217.0	(186.7)
Ordinary profit	83.2	44.3	+ 38.8
Net income	24.1	19.4	+ 4.7
Annualized premiums from new policies (individual insurance)	104.5	144.1	(39.5)
Number of new policies (individual insurance)	460	670	(210)
	As of		Change
	June 30, 2017	Mar. 31, 2017	
Annualized premiums from policies in force (Note 1)	4,946.3	4,979.6	(33.3)
Number of policies in force (Note 1)	31,230	31,560	(320)
Solvency margin ratio (consolidated)	1,249.6%	1,290.6%	(41.0)%
Real net assets (consolidated)	12,730.9	12,763.1	(32.1)

Overview

- Core profit (non-consolidated) for the three months ended June 30, 2017 was ¥93.6 billion and remained nearly at the same level as the previous corresponding period, despite a decrease in the number of policies in force. Net income increased by ¥4.7 billion year-on-year to ¥24.1 billion, and achieved 28.1% of the financial results forecast for the fiscal year ending March 31, 2018.
- Annualized premiums from new policies for individual insurance decreased by 27.4% year-on-year to ¥104.5 billion due to a revision of insurance premium rate in April 2017. Annualized premiums from new policies for medical care increased by 9.7% year-on-year to ¥13.2 billion.
- Annualized premiums from policies in force (including Postal Life Insurance Policies) was ¥4,946.3 billion, slightly decreased from the end of the previous fiscal year.
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥3,025.3 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,249.6% and real net assets (consolidated) amounted to ¥12,730.9 billion, continuously maintaining a high level of financial soundness.

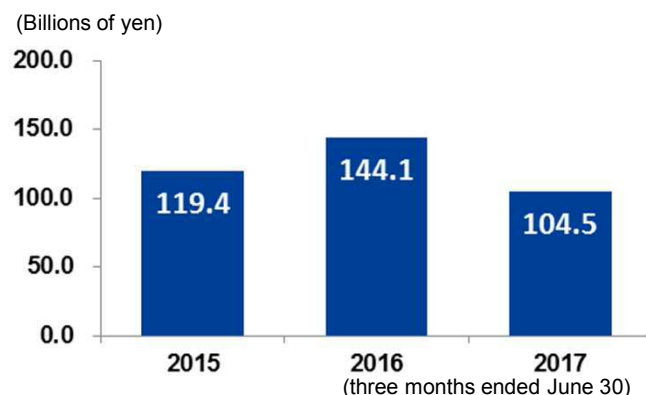
Notes: 1. Including Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life insurance.

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

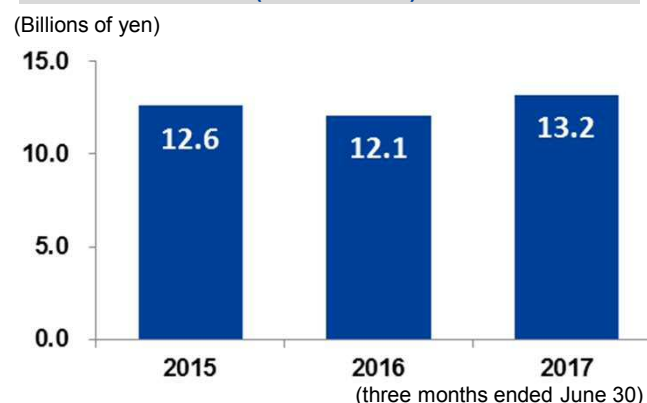
Japan Post Insurance (Consolidated): Status of Insurance Policies

New Policies

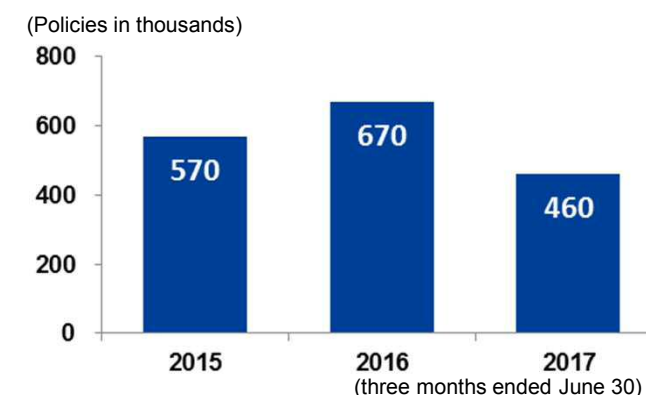
**Annualized Premiums from New Policies
(Individual Insurance)**



**Annualized Premiums from New Policies
(Medical Care)**

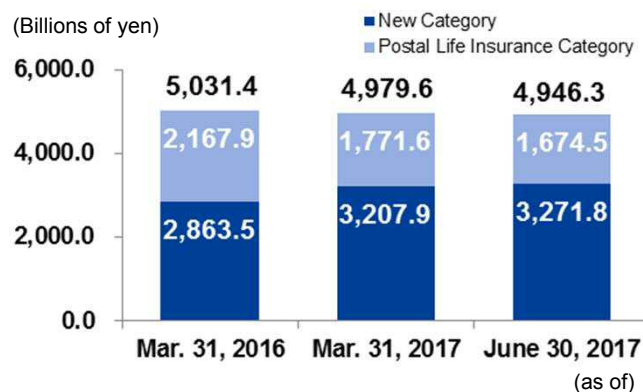


**Number of New Policies
(Individual Insurance)**

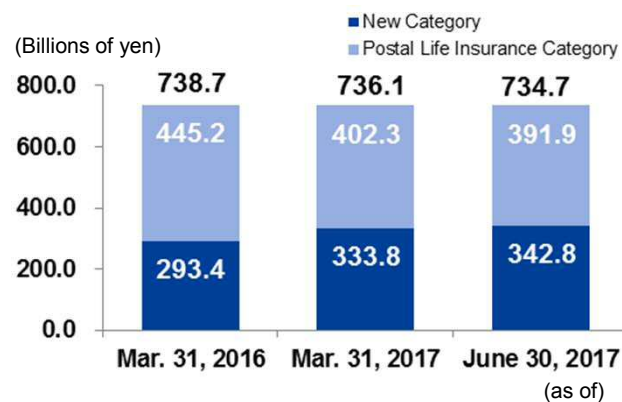


Policies in Force

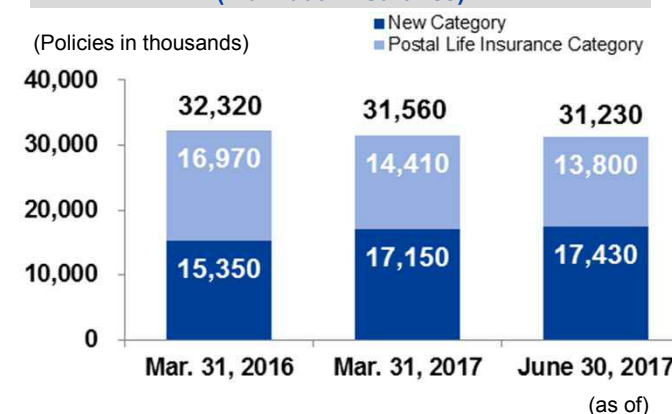
**Annualized Premiums from Policies in Force
(Individual Insurance)**



**Annualized Premiums from Policies in Force
(Medical Care)**



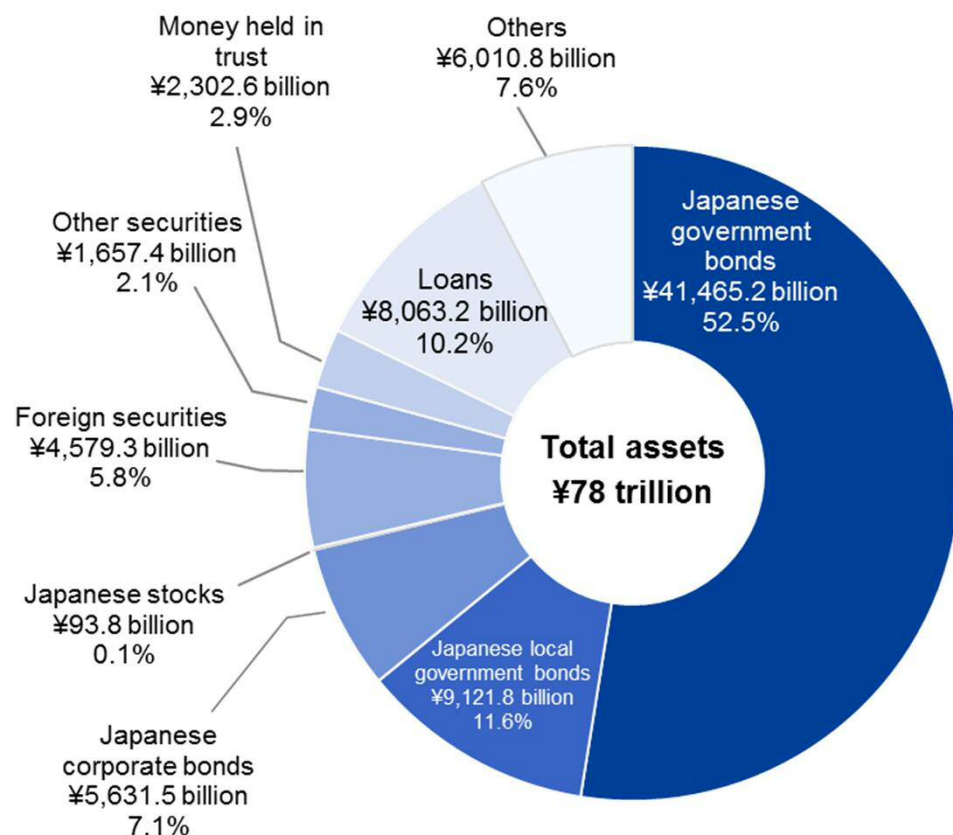
**Number of Policies in Force
(Individual Insurance)**



Notes: 1. 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.

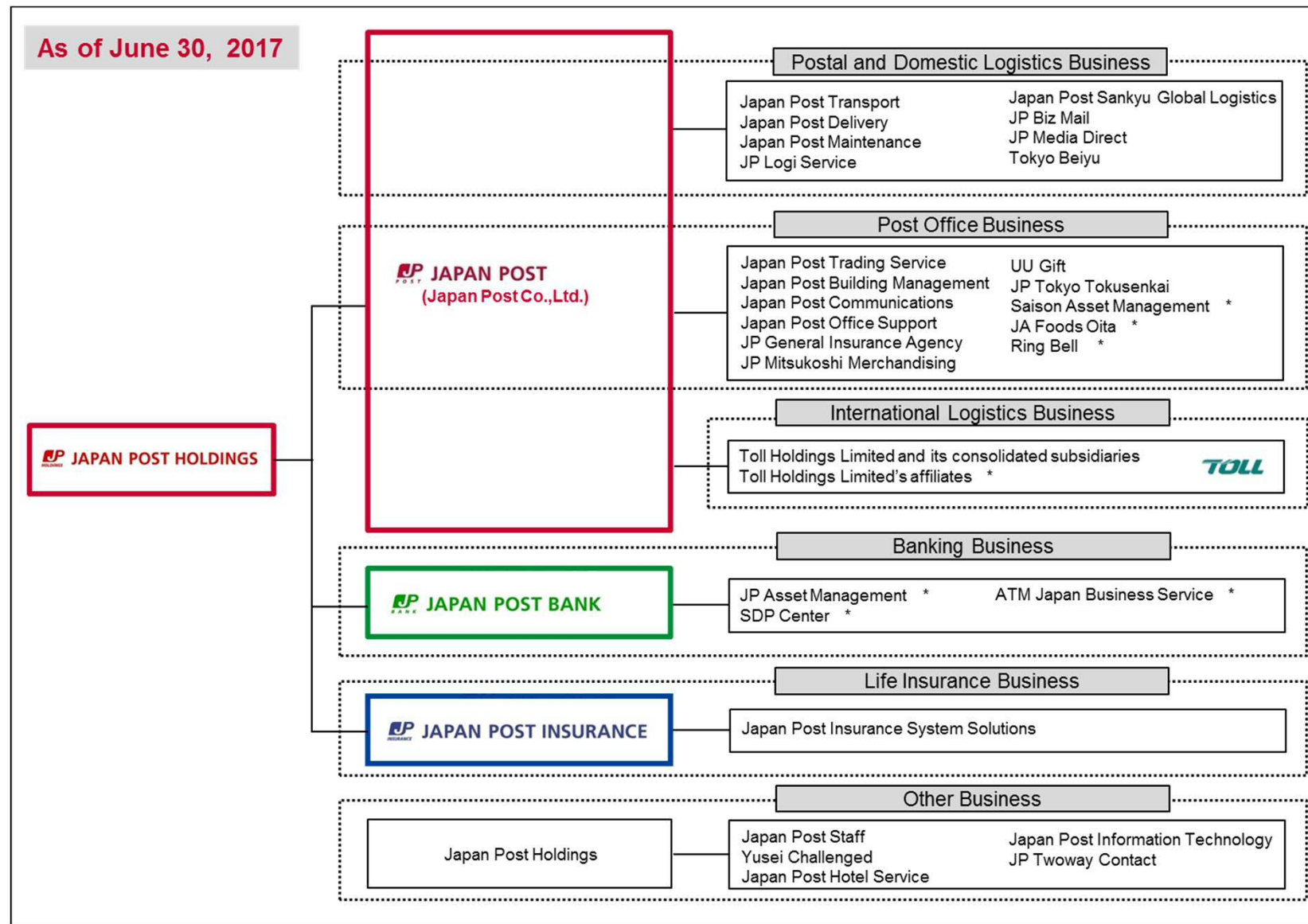
Japan Post Insurance (Consolidated): Status of Investment Assets



(Billions of yen)

Type	As of June 30, 2017	Composition ratio (%)	As of Mar. 31, 2017	Composition ratio (%)
Loans	8,063.2	10.2	8,060.9	10.0
Securities	62,549.2	79.3	63,485.2	79.0
Japanese government bonds	41,465.2	52.5	42,732.3	53.2
Japanese local government bonds	9,121.8	11.6	9,226.8	11.5
Japanese corporate bonds	5,631.5	7.1	5,698.9	7.1
Japanese stocks	93.8	0.1	58.3	0.1
Foreign securities	4,579.3	5.8	4,351.7	5.4
Other securities	1,657.4	2.1	1,417.1	1.8
Money held in trust	2,302.6	2.9	2,127.0	2.6
Others	6,010.8	7.6	6,663.5	8.3
Total assets	78,925.9	100.0	80,336.7	100.0

[Appendix 1] Japan Post Holdings: Organization Chart



* Affiliates accounted for by the equity method.

[Appendix 2] Interim Consolidated Statements of Income
[Postal and Domestic Logistics Business] and [Post Office Business]

Postal and Domestic Logistics Business

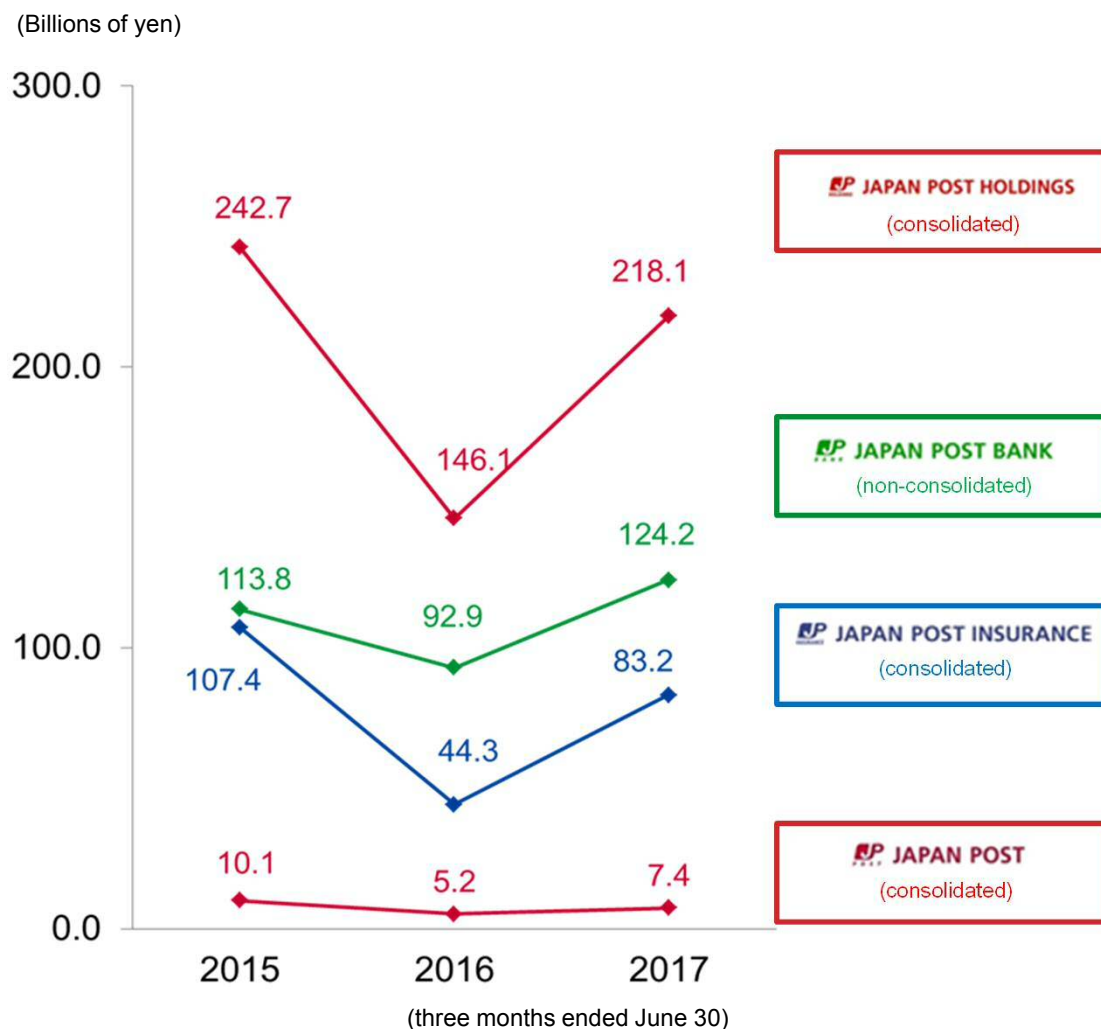
	(Billions of yen)		
	For the three months ended June 30, 2017	For the three months ended June 30, 2016	Year-on-year change
Operating income	461.6	452.5	+ 9.1
Operating expenses	468.1	458.3	+ 9.7
Personnel expenses	300.0	298.5	+ 1.5
Salaries and allowances, etc.	248.9	247.8	+ 1.0
Retirement benefit expenses	11.7	11.7	+ 0.0
Legal welfare expenses	39.3	38.9	+ 0.4
Other expenses	168.1	159.8	+ 8.2
Collection, transport and delivery outsourcing expenses	50.4	49.8	+ 0.6
Postal service business consignment expenses	43.2	42.5	+ 0.6
Depreciation and amortization	22.0	19.3	+ 2.6
Taxes and dues	6.5	5.7	+ 0.7
Miscellaneous expenses	45.8	42.3	+ 3.5
Net operating loss	(6.4)	(5.8)	(0.6)

Post Office Business

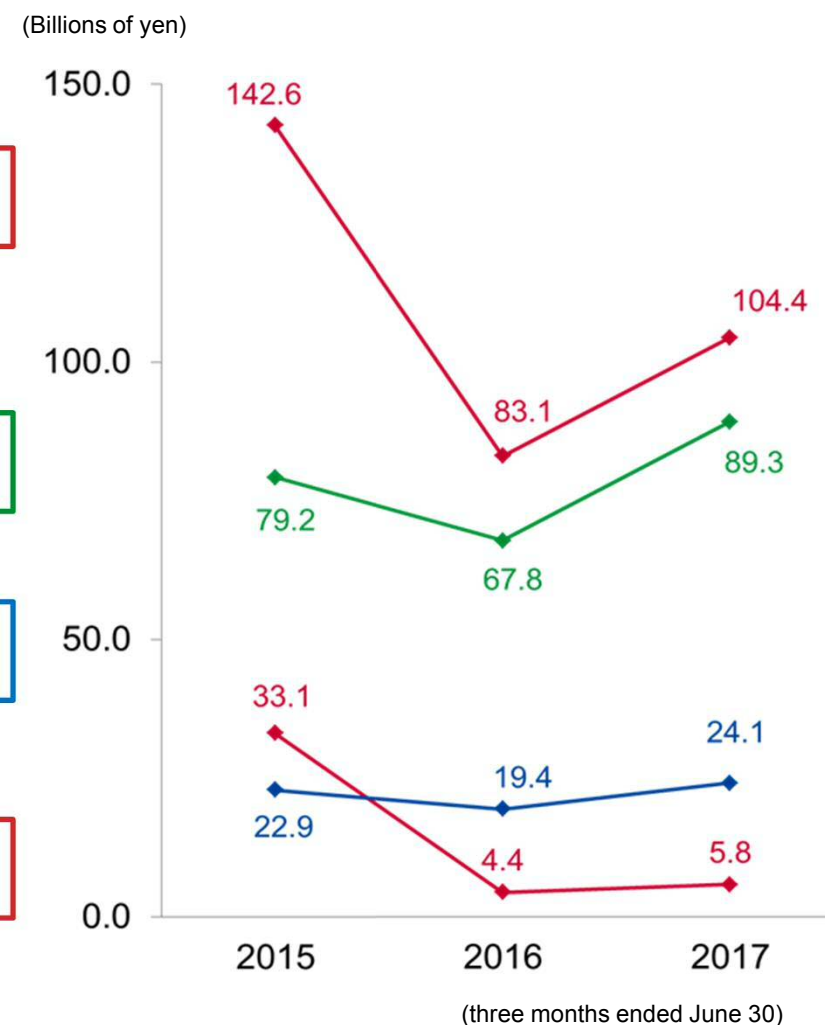
	(Billions of yen)		
	For the three months ended June 30, 2017	For the three months ended June 30, 2016	Year-on-year change
Operating income	335.6	338.6	(2.9)
Postal service commissions	43.2	42.5	+ 0.6
Banking commissions	152.2	155.8	(3.5)
Insurance commissions	94.5	97.4	(2.8)
Other operating income	45.6	42.8	+ 2.7
Merchandising business	27.9	28.3	(0.3)
Real estate business	6.9	6.1	+ 0.7
Third-party financial product agency services	4.8	3.5	+ 1.2
Miscellaneous income	5.8	4.7	+ 1.0
Operating expenses	320.8	324.1	(3.2)
Personnel expense	228.0	231.9	(3.9)
Salaries and allowances, etc.	185.9	189.9	(4.0)
Retirement benefit expenses	13.3	13.4	(0.0)
Legal welfare expenses	28.7	28.5	+ 0.1
Other expenses	92.8	92.1	+ 0.6
Depreciation and amortization	11.1	10.4	+ 0.7
Taxes and dues	4.8	5.2	(0.3)
Miscellaneous expenses	76.8	76.5	+ 0.2
Net operating income	14.7	14.4	+ 0.3

[Appendix 3] Trends in Net Ordinary Income and Net Income

Trends in Net Ordinary Income



Trends in Net Income



Forecasts and other forward-looking statements presented in this document are based on information available to Japan Post Holdings Co., Ltd (the “Company”) at present and certain assumptions that the Company has deemed reasonable, and the Company provides no assurance that the forecasts will be achieved or with respect to any other forward-looking statements. The actual future results may vary considerably depending upon various factors, such as interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in economic and financial environment, changes in competition terms, the occurrence of large-scale disasters, etc. and changes in laws and regulations.