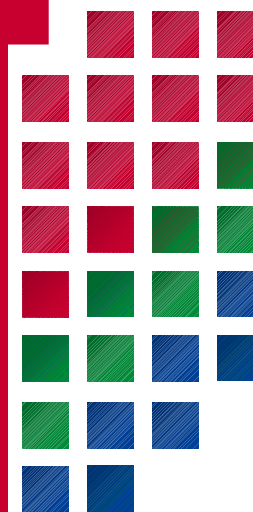


**Financial Highlights  
for the Three Months Ended June 30, 2021**

**August 11, 2021**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Three Months Ended June 30, 2021

(Billions of yen)

	Japan Post Holdings (Consolidated)	Subsidiaries		
		Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>2,864.0</b>	903.9	505.6	1,665.1
Year-on-year (for the three months ended June 30, 2020) Change	+ 71.0	(23.9)	+ 117.9	(31.2)
	+ 2.5%	(2.6)%	+ 30.4%	(1.8)%
<b>Net ordinary income</b>	<b>288.4</b>	34.5	162.6	92.0
Year-on-year (for the three months ended June 30, 2020) Change	+ 155.2	+ 15.3	+ 120.6	+ 22.1
	+ 116.5%	+ 79.9%	+ 286.8%	+ 31.6%
<b>Net income</b>	<b>159.7</b>	32.6	120.8	41.2
Year-on-year (for the three months ended June 30, 2020) Change	+ 80.9	+ 15.9	+ 87.5	(5.5)
	+ 102.7%	+ 95.8%	+ 263.6%	(11.8)%

## ■ Forecast for the Fiscal Year Ending March 31, 2022

<b>Net ordinary income</b>	<b>730.0</b>	75.0	355.0	290.0
[percentage achievement]	[39.5%]	[46.1%]	[45.8%]	[31.8%]
<b>Net income</b>	<b>340.0</b>	20.0	260.0	118.0
[percentage achievement]	[47.0%]	[163.4%]	[46.4%]	[34.9%]

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.

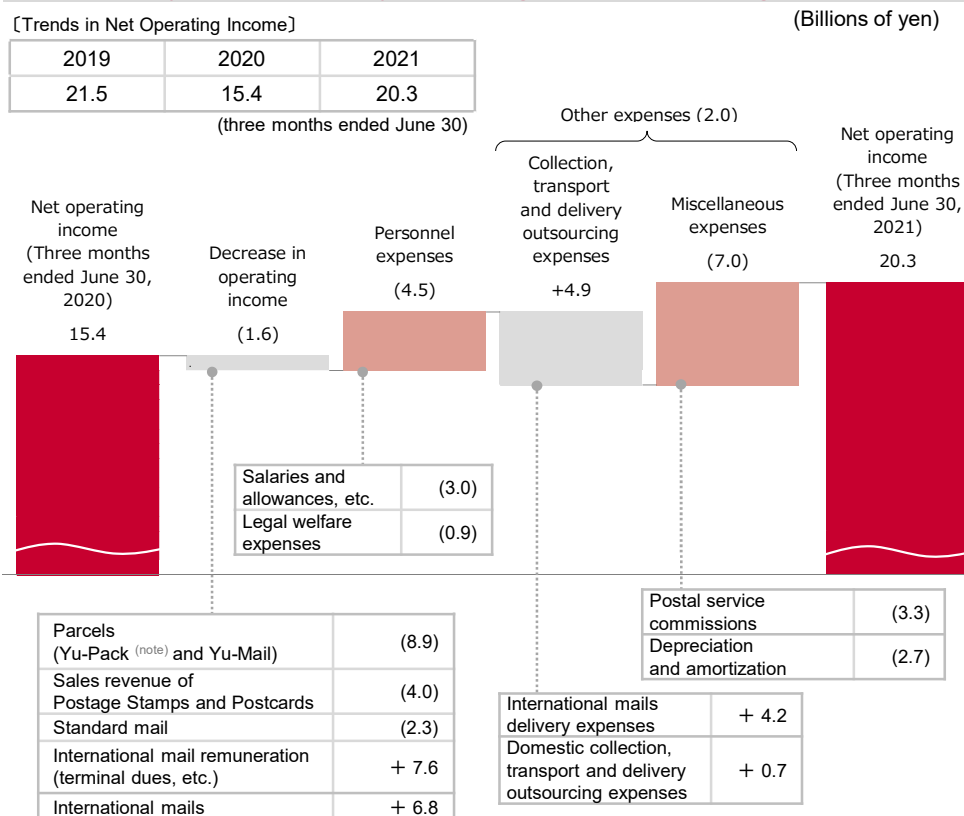
2. The amount of ordinary profit on the consolidated statements of income of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

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.

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

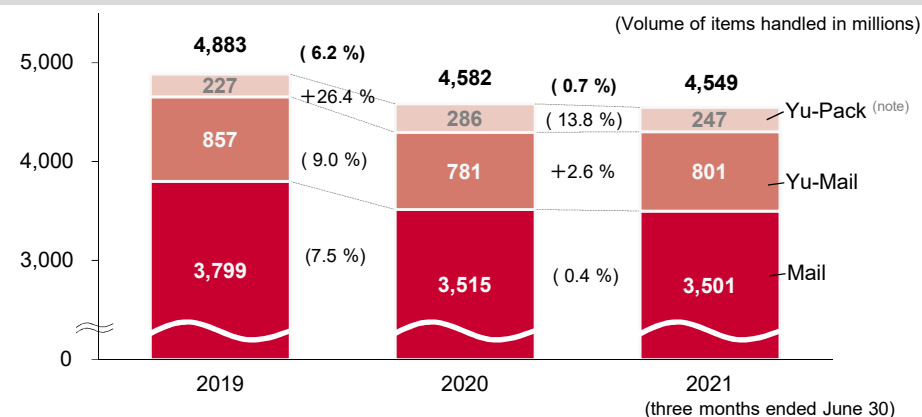
- The volume of items handled decreased by 0.7% in total year-on-year, as the decline in mail due to the impact of the spread of COVID-19 largely abated, etc. On the other hand, Yu-Pack <sup>(note)</sup> decreased by 13.8% year-on-year (Yu-Packet decreased by 22.7%), due mainly to the effect of increased stay-at-home consumption in the same period previous fiscal year.
- Operating income decreased by ¥1.6 billion year-on-year (a decrease of 0.3% year-on-year) due mainly to a decrease in income from parcels due to a decline in Yu-Pack <sup>(note)</sup> volumes, despite a recovery in income from international mails, etc.
- Net operating income increased by ¥4.9 billion year-on-year (an increase of 31.9% year-on-year), partly as a result of the decrease in operating expenses mainly owing to cost control initiatives.

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



Note: Yu-Pack includes Yu-Packet.

## Trends in Volume of Items Handled



## Results of Operations for the Three Months Ended June 30, 2021

(Billions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2020	Year-on-year change
Operating income	488.5	490.1	(1.6)
Operating expenses	468.1	474.7	(6.5)
Personnel expenses	300.6	305.1	(4.5)
Other expenses	167.5	169.6	(2.0)
Net operating income	20.3	15.4	+ 4.9

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

- Operating income decreased by ¥17.6 billion year-on-year (a decrease of 5.8% year-on-year), resulting from a decrease in income from the merchandising business due to the impact of the application of a new Accounting Standard for Revenue Recognition <sup>(note)</sup>, as well as a continuing decrease in insurance commissions and banking commissions.
- Net operating income decreased by ¥3.3 billion year-on-year (a decrease of 22.9% year-on-year), although operating expenses also decreased primarily as a result of a decrease in other expenses in the merchandising business due to the impact of the application of a new Accounting Standard for Revenue Recognition <sup>(note)</sup>.

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

[Trends in Net Operating Income]

2019	2020	2021
21.8	14.7	11.3

(three months ended June 30)

Net operating income

(Three months ended June 30, 2020)

14.7

Commissions for business consignment

(5.2)

Funds to maintain post office network

(0.6)

Other operating income

(11.8)

Personnel expenses

(1.2)

Other expenses

(13.1)

Net operating income

(Three months ended June 30, 2021)

11.3

(Billions of yen)

Insurance commissions	(2.9)
Banking commissions	(1.6)
Postal service commissions	(0.6)

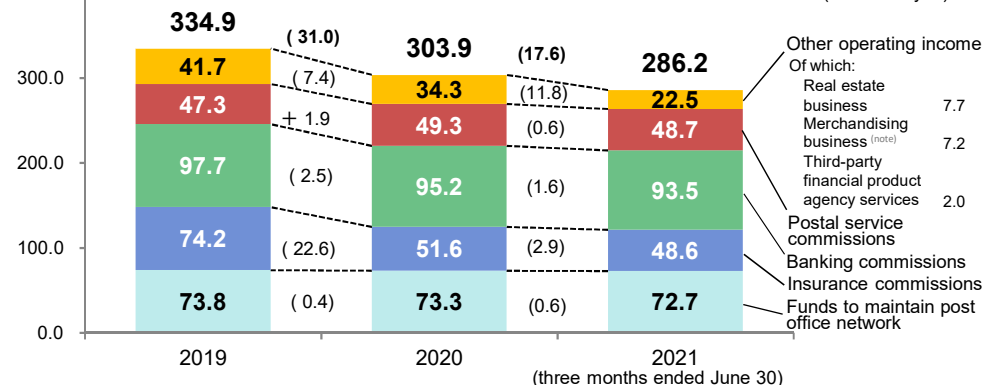
Merchandising business <sup>(note)</sup>	(11.6)
Third-party financial product agency services	(0.8)
Real estate business	+ 0.4

Merchandising business <sup>(note)</sup>	(12.1)
Legal welfare expenses	(1.1)

Note: Pursuant to the application of Accounting Standard for Revenue Recognition, some Merchandising, etc. correspond to transactions undertaken as an agent, and the amount of income recognized for these transactions has changed from a gross amount to a net amount (resulting in a reduction of ¥11.7 billion). As purchase cost (other expenses) has been reduced by the same amount, the change has no effect on profit or loss.

## Trends in the Earnings Structure

400.0



## Results of Operations for the Three Months Ended June 30, 2021

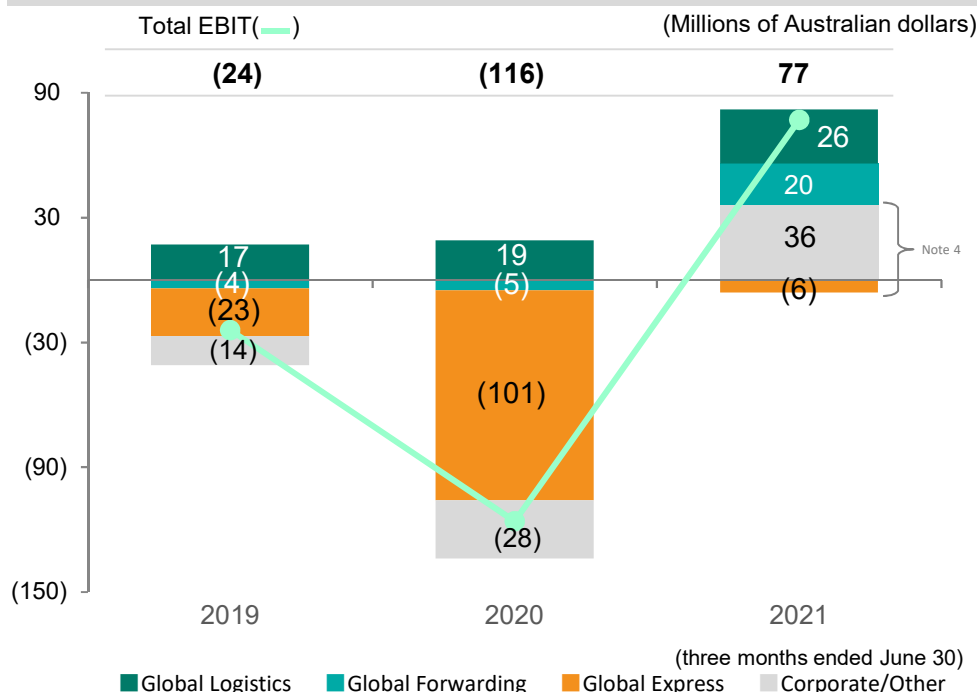
(Billions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2020	Year-on-year change
Operating income	286.2	303.9	(17.6)
Operating expenses	274.8	289.1	(14.3)
Personnel expenses	208.4	209.6	(1.2)
Other expenses	66.4	79.5	(13.1)
Net operating income	11.3	14.7	(3.3)

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

- Operating income decreased by A\$478 million year-on-year (a decrease of 18.2% year-on-year) overall, due mainly to a decrease in large-scale handling of COVID-19 prevention supplies by the Global Logistics Asia division, despite an increase in the Global Forwarding business, mainly as a result of an increase in cargo due to greater global demand, and an increase in the Global Express business, mainly as a result of the recovery from a temporary decline in transactions due to targeted cyber attacks in the previous fiscal year.
- Operating expenses also decreased, by A\$672 million year-on-year (a decrease of 24.5% year-on-year), due mainly to the decrease in large-scale handling by the Global Logistics Asia division, resulting in a return to profit, with a year-on-year increase in net operating income (EBIT) of A\$193 million.

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



## Results of Operations for the Three Months Ended June 30, 2021

(Millions of Australian dollars)  
[Billions of yen]

	For the three months ended June 30, 2021	For the three months ended June 30, 2020	Year-on-year change
Operating income (revenue)	2,148 [181.1]	2,627 [185.6]	(478) [(4.4)]
Operating expenses	2,071 [174.6]	2,743 [193.8]	(672) [(19.1)]
Personnel expenses	597 [50.3]	656 [46.3]	(59) [+ 3.9]
Other expenses	1,473 [124.2]	2,086 [147.4]	(613) [(23.1)]
Net operating income (loss) (EBIT)	77 [6.5]	(116) [(8.2)]	+ 193 [+ 14.7]

- Notes: 1. Operating income (revenue), operating expenses and net operating income (loss) (EBIT) are the total amount of Toll, JP Toll Logistics and Toll Express Japan, respectively.  
 2. Figures for the fiscal year ended March 31, 2021 and 2020 in the above graph have been reclassified due to a partial reclassification of businesses between segments for each fiscal year (total amounts are unchanged).  
 3. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2021: ¥84.32 to A\$1.00 and for the three months ended June 30, 2020: ¥70.65 to A\$1.00).  
 4. Depreciation and amortization that have been suspended based on IFRS are recorded in operating income (loss) (EBIT) for the Global Express business for the three months ended June 30, 2021 (the effect of this is offset through Corporate/Other).

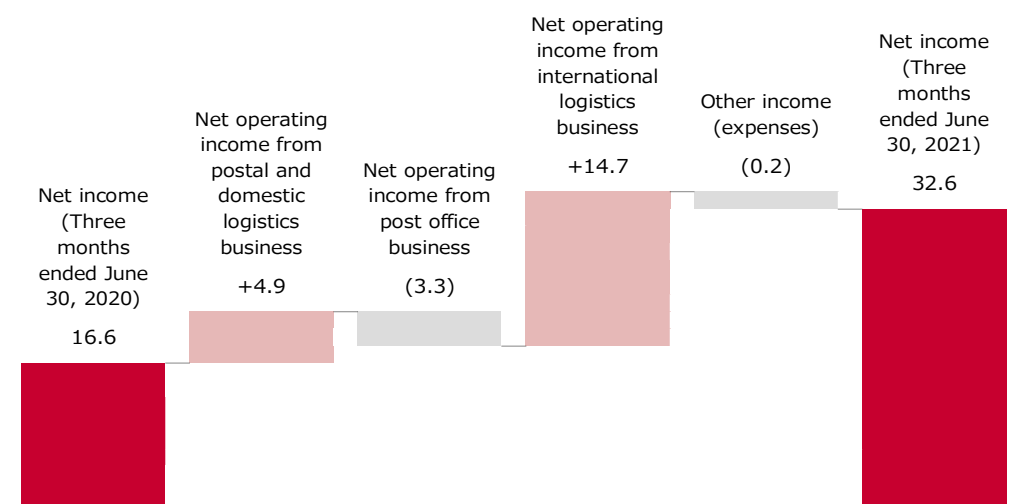
# Japan Post Co. (Consolidated): Financial Highlights

- Operating income decreased by ¥23.5 billion year-on-year (a decrease of 2.5% year-on-year, including an increase of ¥33.4 billion attributable to the effect of exchange rate fluctuations), due to the impact of the application of a new Accounting Standard for Revenue Recognition, etc.
- Net operating income increased by ¥16.3 billion year-on-year (an increase of 80.1% year-on-year) to ¥36.8 billion, due to increases in net operating income in the international logistics business and the postal and domestic logistics business, despite a decrease in net operating income in the post office business. Net ordinary income increased by ¥15.3 billion year-on-year (an increase of 79.9% year-on-year) to ¥34.5 billion, and net income increased by ¥15.9 billion year-on-year (an increase of 95.8% year-on-year) to ¥32.6 billion.

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

(Billions of yen)

[Trends in Net Operating Income]			[Trends in Net Income]		
2019	2020	2021	2019	2020	2021
40.2	20.4	36.8	35.4	16.6	32.6
(three months ended June 30)			(three months ended June 30)		



## Results of Operations for the Three Months Ended June 30, 2021

(Billions of yen)

	For the three months ended June 30, 2021	For the three months ended June 30, 2020	Year-on-year change
Operating income	902.2	925.8	(23.5)
Operating expenses	865.3	905.3	(39.9)
Personnel expenses	559.4	561.2	(1.7)
Other expenses	305.9	344.1	(38.2)
Net operating income	36.8	20.4	+ 16.3
Net ordinary income	34.5	19.2	+ 15.3
Extraordinary gains (losses)	0.8	(0.0)	+ 0.9
Income before income taxes	35.4	19.1	+ 16.3
Net income	32.6	16.6	+ 15.9

# Japan Post Bank (Consolidated): Financial Highlights

## Consolidated Results of Operations for the Three Months Ended June 30, 2021

(Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Consolidated gross operating profit	<b>399.1</b>	305.7	+ 93.4
Net interest income	<b>323.0</b>	193.3	+ 129.6
Net fees and commissions	<b>32.3</b>	31.8	+ 0.4
Net other operating income	<b>43.8</b>	80.5	(36.7)
Gains (losses) on foreign exchanges	<b>69.6</b>	79.8	(10.1)
Gains (losses) on Japanese government bonds, etc.	<b>(25.9)</b>	0.6	(26.6)
General and administrative expenses <small>(excludes non-recurring losses)</small>	<b>253.0</b>	253.0	+ 0.0
Provision for general reserve for possible loan losses	<b>0.0</b>	-	+ 0.0
<b>Consolidated net operating profit</b>	<b>146.1</b>	52.6	+ 93.4
Non-recurring gains (losses)	<b>16.5</b>	(10.6)	+ 27.1
Net ordinary income	<b>162.6</b>	42.0	+ 120.6
<b>Net income</b>	<b>120.8</b>	33.2	+87.5

## Overview

- Consolidated gross operating profit for the for the three months ended June 30, 2021 increased by ¥93.4 billion year-on-year to ¥399.1 billion. Net interest income increased by ¥129.6 billion year-on-year, mainly as a result of an increase in interest on foreign securities, despite the persisting low interest rate environment in Japan. Net fees and commissions increased by ¥0.4 billion year-on-year. Net other operating income decreased by ¥36.7 billion year-on-year.
- Consolidated net operating profit increased by ¥93.4 billion year-on-year to ¥146.1 billion.
- Net income was ¥120.8 billion, a year-on-year increase of ¥87.5 billion.

(Reference <sup>(Note)</sup>)

	As of		Change (%)
	June 30, 2021	June 30, 2020	
ROE <small>(Shareholders' equity basis)</small>	<b>5.26</b>	1.47	+ 3.79
OHR <small>(Including net gains and losses on money held in trust, etc.)</small>	<b>61.10</b>	86.92	(25.82)

Note: Based on the calculation method used for financial targets under the (Japan Post Bank) Medium-Term Management Plan (fiscal years ending March 31, 2022 - 2026):  
 $ROE = \text{net income} / [(\text{shareholders' equity at beginning of period} + \text{shareholders' equity at end of period}) / 2] \times 100$   
 $OHR = \text{general and administrative expenses} / (\text{net interest income, etc.} + \text{net fees and commissions}) \times 100$   
 Net interest income, etc. refers to interest income after deducting interest expenses (including gains and loss on sales, etc.).  
 ROE and OHR are calculated based on the figures as of the period ended June 30, 2021, and do not represent the fiscal year ending March 31, 2022.

## Net Interest Income

**Domestic** (yen-denominated transactions) (Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Net interest income	<b>148.8</b>	178.0	(29.1)
Interest income	<b>164.3</b>	198.1	(33.8)
Interest income on Japanese government bonds	<b>80.2</b>	96.2	(15.9)
Interest expenses	<b>15.4</b>	20.1	(4.6)

**Overseas** (foreign currency-denominated transactions, yen-denominated transactions with non-residents of Japan) (Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Net interest income	<b>174.0</b>	15.3	+ 158.7
Interest income	<b>273.5</b>	137.2	+ 136.3
Interest income on foreign securities	<b>273.4</b>	137.0	+ 136.3
Interest expenses	<b>99.4</b>	121.8	(22.4)

**Total** (Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Net interest income	<b>322.9</b>	193.3	+ 129.5
Interest income	<b>372.5</b>	255.5	+ 116.9
Interest expenses	<b>49.5</b>	62.1	(12.6)

Note: For a part of interest income and expenses as well as other operating income and expenses, transactions between "domestic" and "overseas" are offset to calculate totals. As a result, the total of each account may not be equal to the combined total of "domestic" and "overseas" of each item.

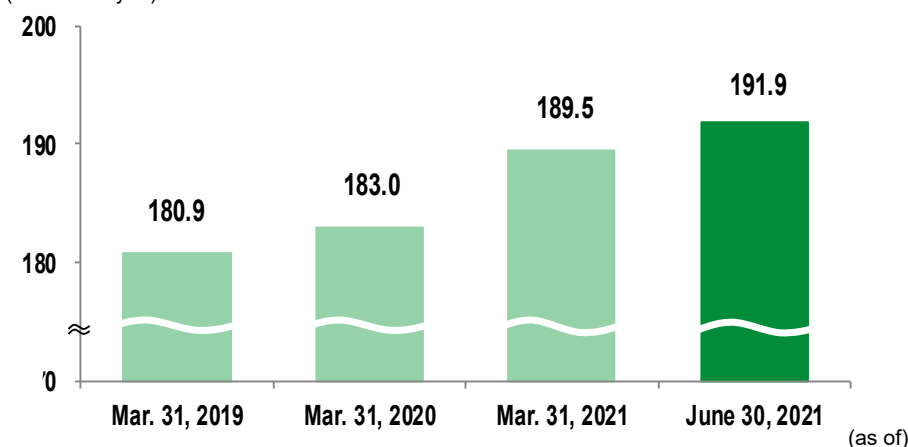
## Net Fees and Commissions

(Billions of yen)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Net fees and commissions relating to	<b>32.0</b>	31.8	+ 0.2
Exchange and settlement transactions	<b>21.1</b>	20.9	+ 0.1
ATMs	<b>5.2</b>	4.8	+ 0.3
Investment trusts	<b>3.4</b>	3.4	+ 0.0

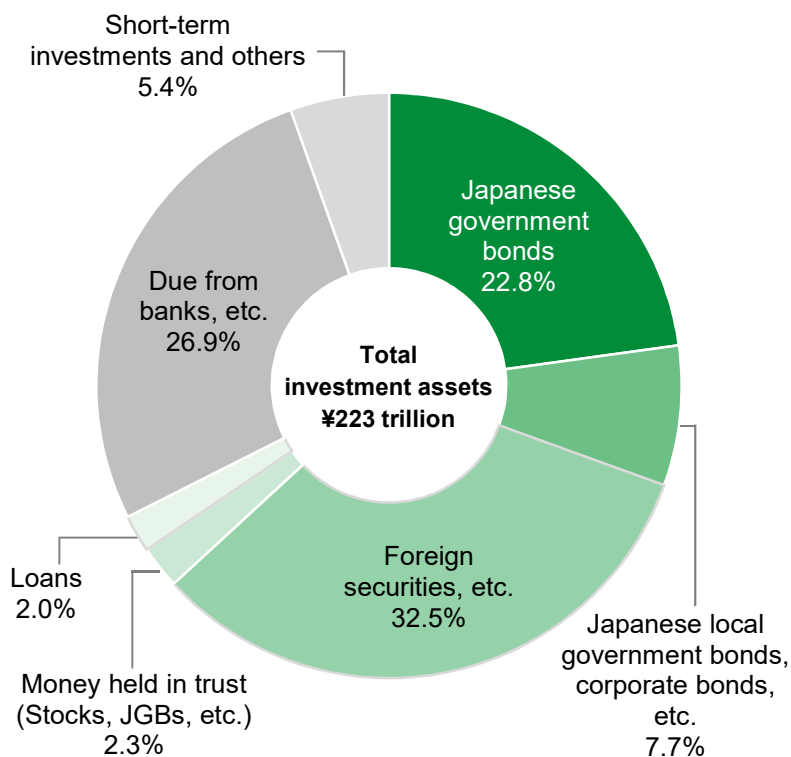
## Deposit Balance

(Trillions of yen)





(Billions of yen)



	As of June 30, 2021	Composition ratio (%)	As of Mar. 31, 2021	Composition ratio (%)	Change
Securities	<b>141,408.7</b>	<b>63.1</b>	138,183.2	62.6	+ 3,225.4
Japanese government bonds	<b>51,097.0</b>	<b>22.8</b>	50,493.4	22.8	+ 603.6
Japanese local government bonds, corporate bonds, etc. <sup>(Note 1)</sup>	<b>17,336.0</b>	<b>7.7</b>	16,522.5	7.4	+ 813.5
Foreign securities, etc.	<b>72,975.5</b>	<b>32.5</b>	71,167.2	32.2	+ 1,808.2
Foreign bonds	<b>24,068.6</b>	<b>10.7</b>	23,505.1	10.6	+ 563.5
Investment trusts <sup>(Note 2)</sup>	<b>48,828.6</b>	<b>21.7</b>	47,591.1	21.5	+ 1,237.4
Money held in trust	<b>5,338.8</b>	<b>2.3</b>	5,547.5	2.5	(208.7)
Domestic stocks	<b>2,258.7</b>	<b>1.0</b>	2,261.7	1.0	(3.0)
Loans	<b>4,673.2</b>	<b>2.0</b>	4,691.7	2.1	(18.4)
Due from banks, etc. <sup>(Note 3)</sup>	<b>60,362.0</b>	<b>26.9</b>	60,667.0	27.5	(305.0)
Short-term investments and others <sup>(Note 4)</sup>	<b>12,207.1</b>	<b>5.4</b>	11,505.7	5.2	+ 701.4
<b>Total investment assets</b>	<b>223,989.9</b>	<b>100.0</b>	220,595.4	100.0	+ 3,394.5

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

2. The major investment target in "Investment trusts" is 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 resale agreements, etc.

## Results of Operations for the Three Months Ended June 30, 2021

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2021	June 30, 2020	
Ordinary income	<b>1,665.1</b>	1,696.3	(31.2)
Ordinary expenses	<b>1,573.0</b>	1,626.4	(53.4)
Ordinary profit	<b>92.0</b>	69.9	+ 22.1
Net income	<b>41.2</b>	46.7	(5.5)
(Reference) Non-consolidated Financial Highlights			
Core profit	<b>102.5</b>	110.4	(7.9)
Net capital gains (losses)	<b>2.9</b>	(38.2)	+ 41.1
Non-recurring gains (losses)	<b>(13.7)</b>	(2.6)	(11.1)
Ordinary profit	<b>91.6</b>	69.5	+ 22.0
Annualized premiums from new policies (individual insurance)	<b>11.6</b>	6.0	+ 5.6
	As of		Change
	June 30, 2021	Mar. 31, 2021	
Annualized premiums from policies in force (individual insurance) <sup>(Note 1)</sup>	<b>3,800.4</b>	3,898.1	(97.6)
Solvency margin ratio (consolidated)	<b>1,095.4</b>	1,121.2	(25.8)
Real net assets (consolidated)	<b>11,883.0</b>	12,081.7	(198.6)

## Overview

- Ordinary profit (consolidated) increased by ¥22.1 billion year-on-year to ¥92.0 billion, mainly due to an improvement in net capital gains (non-consolidated), despite a decline in core profit (non-consolidated) resulting from a decrease in insurance-related income due to factors such as fewer policies in force, etc.
- Net capital gains (non-consolidated) are offset by the reserve for price fluctuations, so net income decreased by ¥5.5 billion year-on-year to ¥41.2 billion.
- Annualized premiums from new policies increased compared with the same period previous fiscal year for both individual insurance and medical care. Annualized premiums from new policies had declined significantly during the three months ended June 30, 2020 due to refraining from proactive sales activities, but increased as a result of recommencing proactive active sales proposals for customers during the three months ended June 30, 2021.
- Annualized premiums from policies in force for individual insurance and medical care each decreased compared with the end of the previous fiscal year.<sup>(Notes 1 and 3)</sup>
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,095.4% and real net assets (consolidated) amounted to ¥11,883.0 billion, reflecting a continuously maintained high level of financial soundness. Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,548.8 billion.

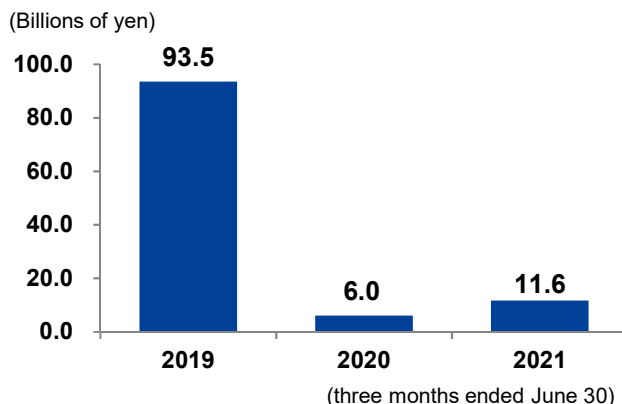
Notes: 1. Policies in force for individual insurance include those for Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Organization for Postal Savings, Postal Life insurance and Post Office Network.

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

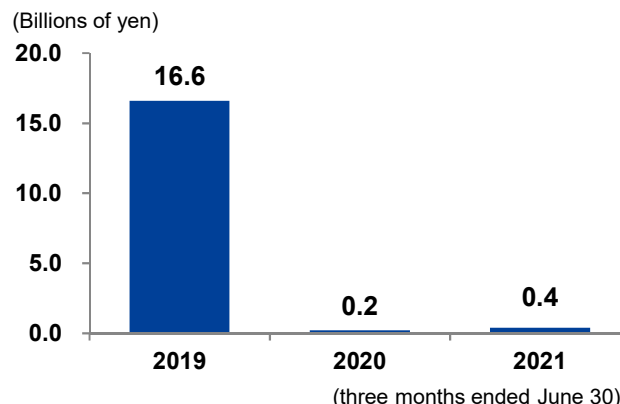
3. Please refer to "Status of Insurance Policies" on page 10 for annualized premiums from new policies and policies in force for medical care.

## New Policies

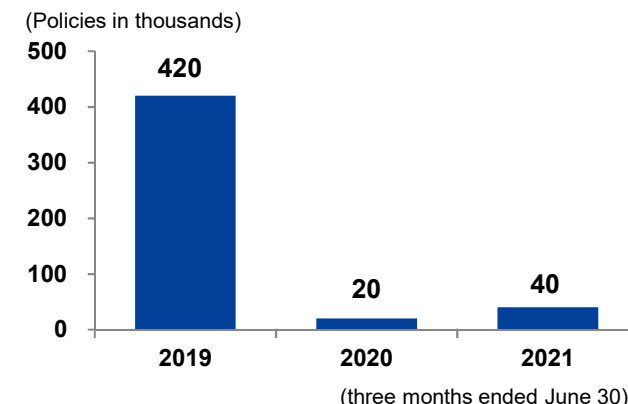
### Annualized Premiums from New Policies (Individual Insurance)



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

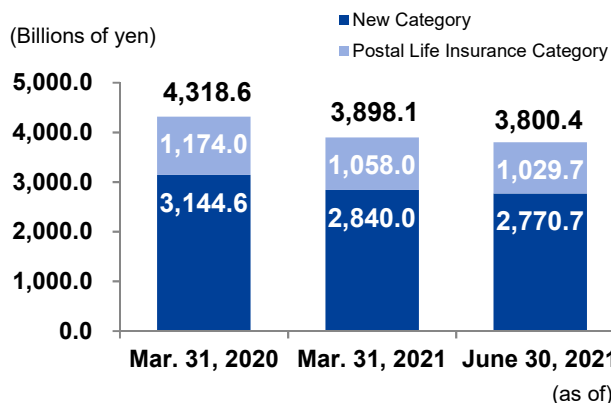


### Number of New Policies (Individual Insurance)

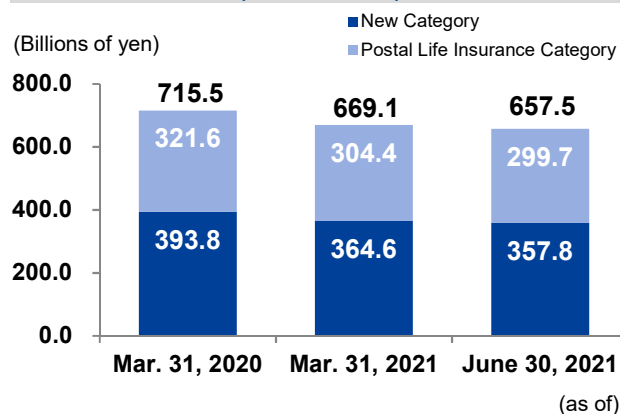


## Policies in Force

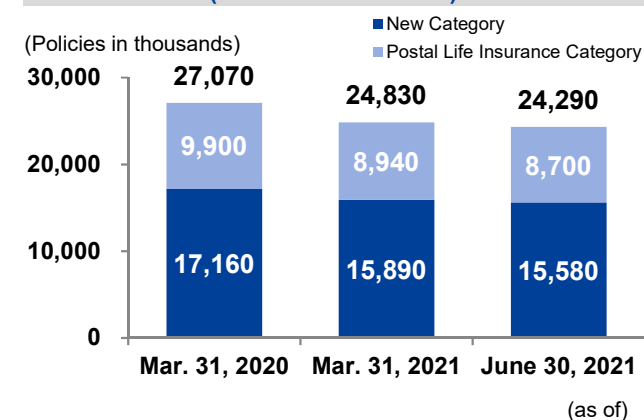
### Annualized Premiums from Policies in Force (Individual Insurance)



### 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.

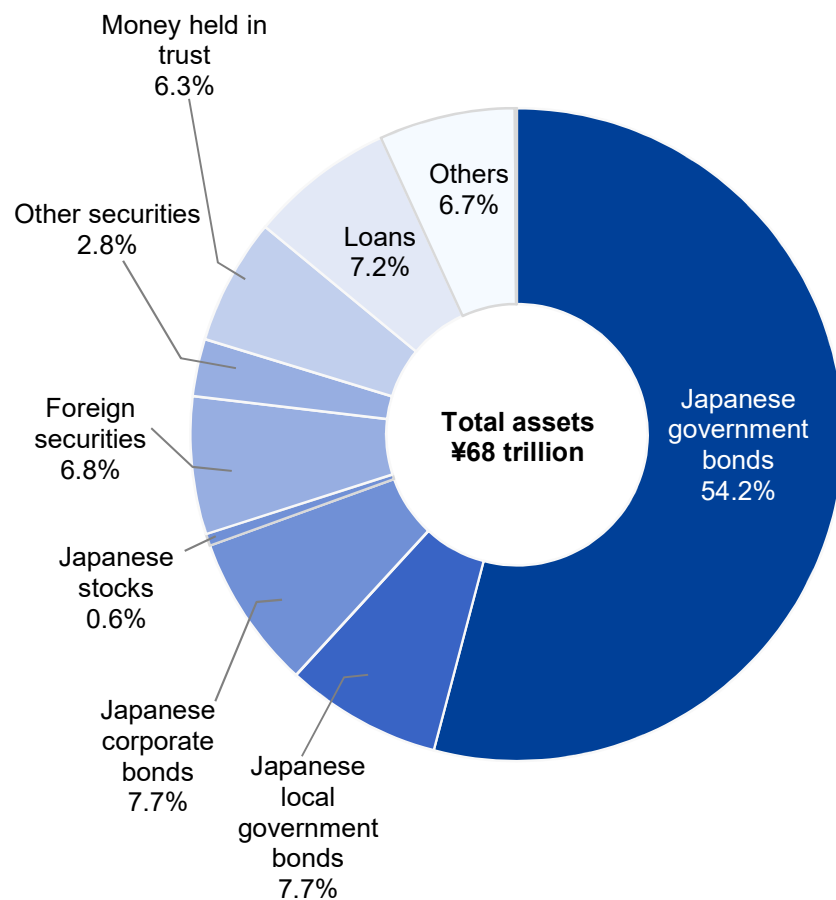
2. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium 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 Organization for Postal Savings, Postal Life Insurance and Post Office Network.

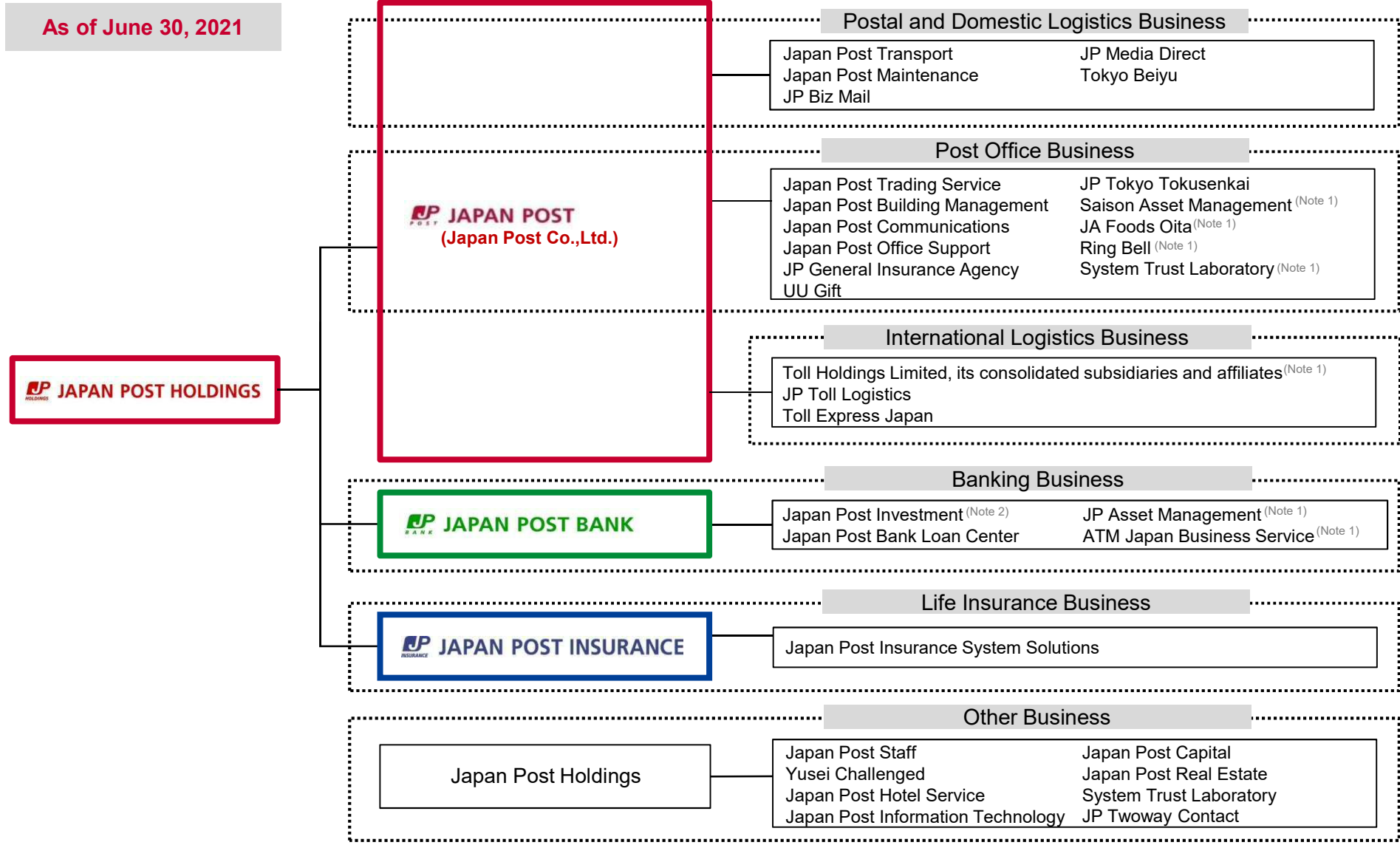
# Japan Post Insurance (Consolidated): Status of Investment Assets

(Billions of yen)



	As of June 30, 2021	Composition ratio (%)	As of Mar. 31, 2021	Composition ratio (%)	Change
Securities	<b>54,935.8</b>	<b>79.8</b>	55,273.6	78.8	(337.7)
Japanese government bonds	<b>37,274.6</b>	<b>54.2</b>	37,345.6	53.2	(71.0)
Japanese local government bonds	<b>5,325.5</b>	<b>7.7</b>	5,593.5	8.0	(267.9)
Japanese corporate bonds	<b>5,272.4</b>	<b>7.7</b>	5,325.2	7.6	(52.8)
Japanese stocks	<b>406.0</b>	<b>0.6</b>	403.5	0.6	+ 2.4
Foreign securities	<b>4,697.4</b>	<b>6.8</b>	4,632.3	6.6	+ 65.1
Other securities	<b>1,959.6</b>	<b>2.8</b>	1,973.1	2.8	(13.4)
Money held in trust	<b>4,306.9</b>	<b>6.3</b>	4,189.2	6.0	+ 117.6
Loans	<b>4,944.0</b>	<b>7.2</b>	4,964.0	7.1	(19.9)
Others	<b>4,642.6</b>	<b>6.7</b>	5,745.9	8.2	(1,103.3)
<b>Total assets</b>	<b>68,829.5</b>	<b>100.0</b>	70,172.9	100.0	(1,343.4)

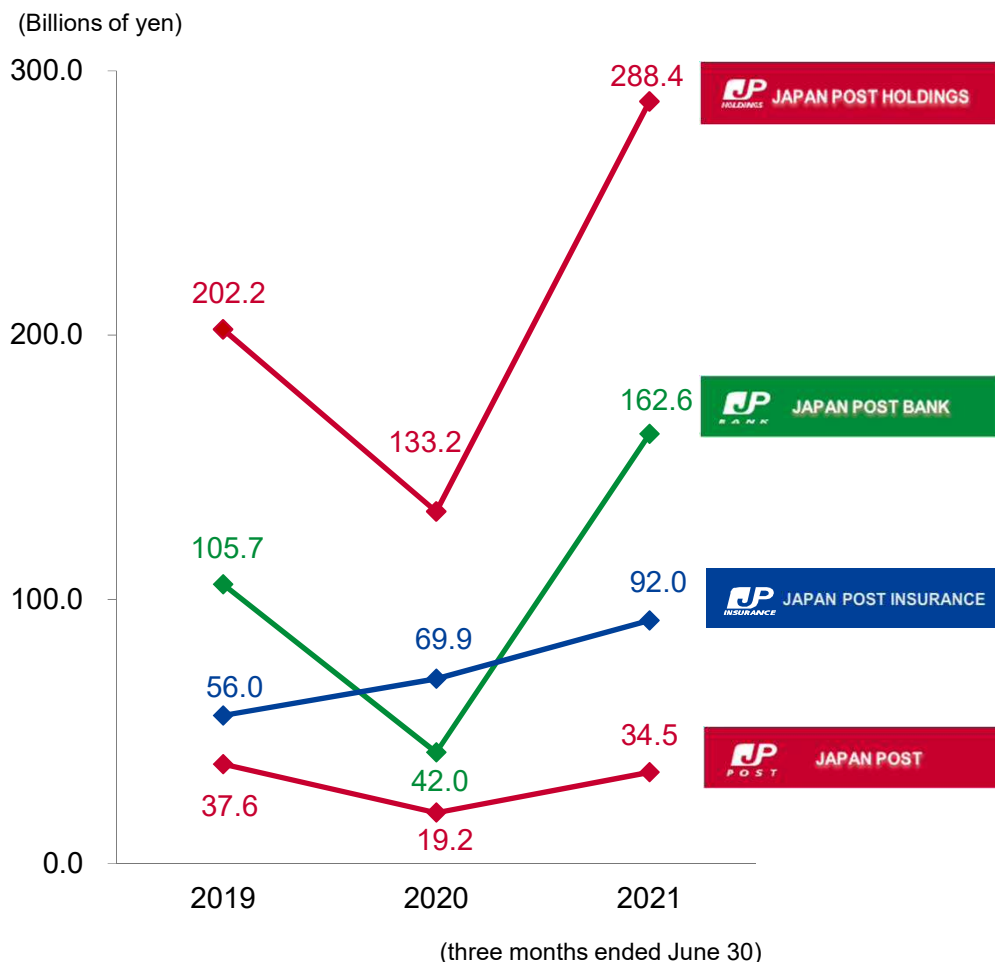
# [Appendix 1] Japan Post Holdings: Organization Chart



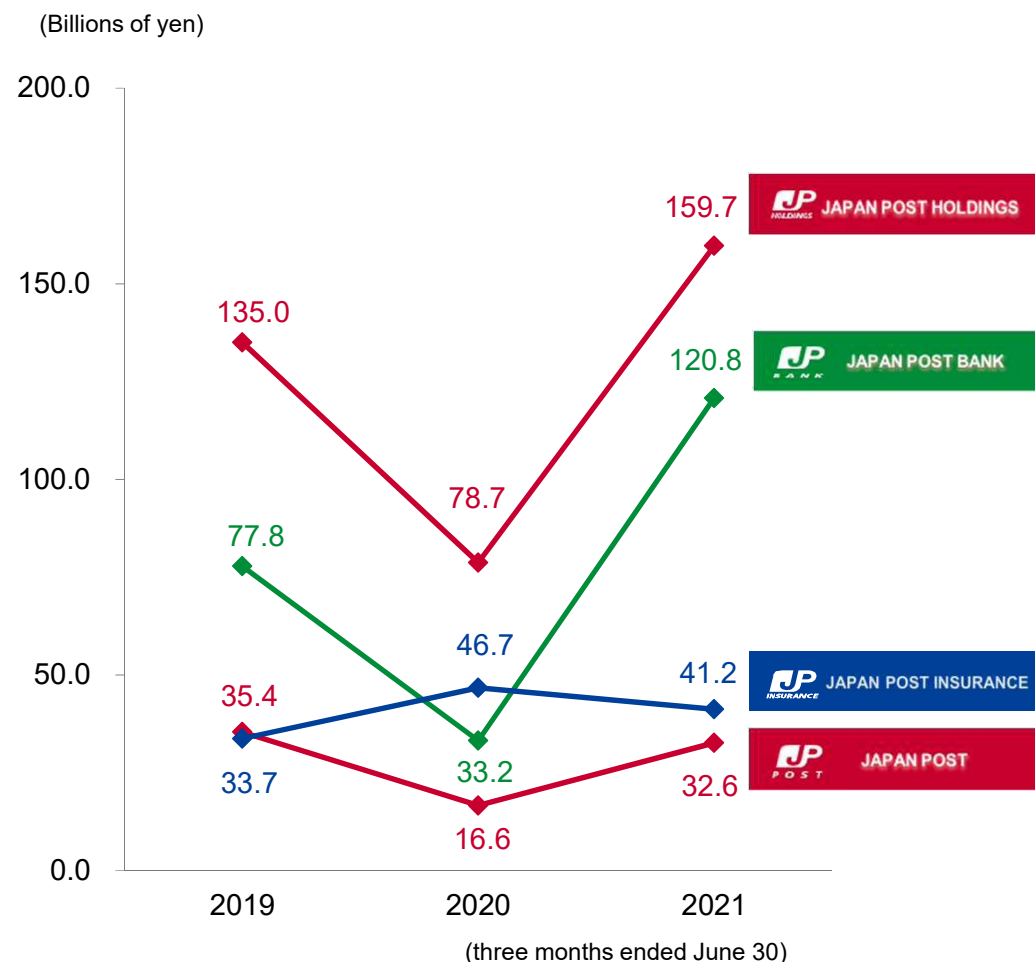
Notes: 1. Affiliates accounted for by the equity method.  
2. Including its consolidated subsidiaries.

# [Appendix 2] 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 that Japan Post Holdings Co., Ltd (the “Company”) is aware of 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 the impact of the spread of COVID-19, interest rate fluctuations, stock price fluctuations, foreign exchange fluctuations, asset value fluctuations, changes in the economic and financial environment, changes in the competitive environment, the occurrence of large-scale disasters, etc. and changes in laws and regulations. The Company disclaims any responsibility to update any forward-looking statements contained herein to the extent permitted by law or stock exchange rule.