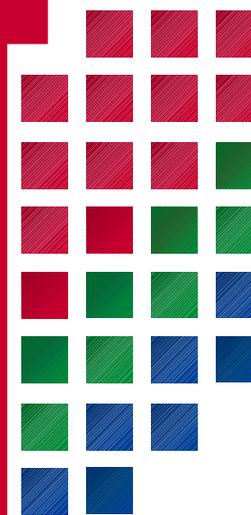


**Financial Highlights  
for the Three Months Ended June 30, 2019**

**August 9, 2019**



# Japan Post Holdings: Financial Highlights

## ■ Results of Operations for the Three Months Ended June 30, 2019

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Holdings (Consolidated)		
		Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
<b>Ordinary income</b>	<b>2,985.1</b>	945.6	463.8	1,818.9
<b>Year-on-year (for the three months ended June 30, 2018) change</b>	<b>(174.0)</b> <b>(5.5)%</b>	(4.5) (0.5)%	(6.6) (1.4)%	(159.7) (8.1)%
<b>Net ordinary income</b>	<b>202.2</b>	37.6	105.7	56.0
<b>Year-on-year (for the three months ended June 30, 2018) change</b>	<b>(7.9)</b> <b>(3.8)%</b>	+ 12.5 + 49.8%	(0.9) (0.8)%	(19.2) (25.6)%
<b>Net income</b>	<b>135.0</b>	35.4	77.8	33.7
<b>Year-on-year (for the three months ended June 30, 2018) change</b>	<b>+ 11.5</b> <b>+ 9.3%</b>	+ 12.4 + 54.2%	(0.5) (0.6)%	(0.3) (0.9)%

## ■ Forecast for the Fiscal Year Ending March 31, 2020 (Announced in May 2019)

<b>Net ordinary income</b>	<b>710.0</b>	125.0	375.0	190.0
[percentage achievement]	<b>[28.5%]</b>	[30.1%]	[28.1%]	[29.5%]
<b>Net income</b>	<b>420.0</b>	100.0	270.0	93.0
[percentage achievement]	<b>[32.2%]</b>	[35.4%]	[28.8%]	[36.3%]

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 Yu-Pack\* handled decreased by 2.6% year-on-year for the three months ended June 30, 2019 (including an increase of 20.8% for Yu-Packet). The volume of Yu-Mail handled decreased by 3.0%, and the volume of Mail handled decreased by 0.9%.
- Operating income slightly increased by ¥3.7 billion year-on-year (an increase of 0.8% year-on-year) due to increased volume of Yu-Packet handled and revision of price per unit of parcels.
- Net operating income increased by ¥6.6 billion year-on-year (an increase of 45.0% year-on-year) owing to the reduction of operating expenses in line with the volume handled.

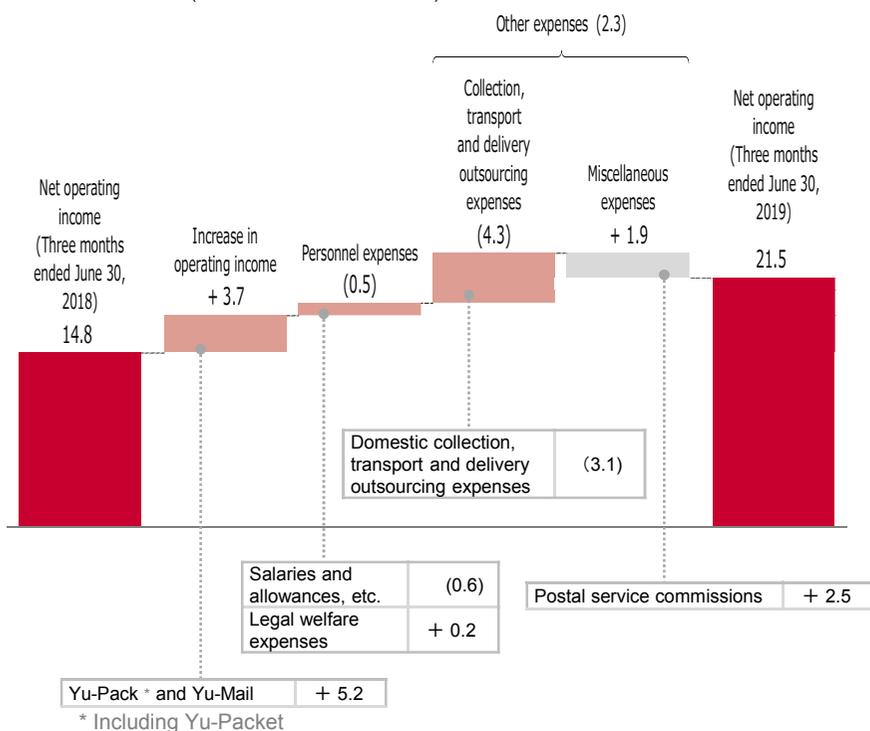
## Analysis of Year-on-year Change in Net Operating Income (Loss)

[Trends in Net Operating Income (Loss)]

(Billions of yen)

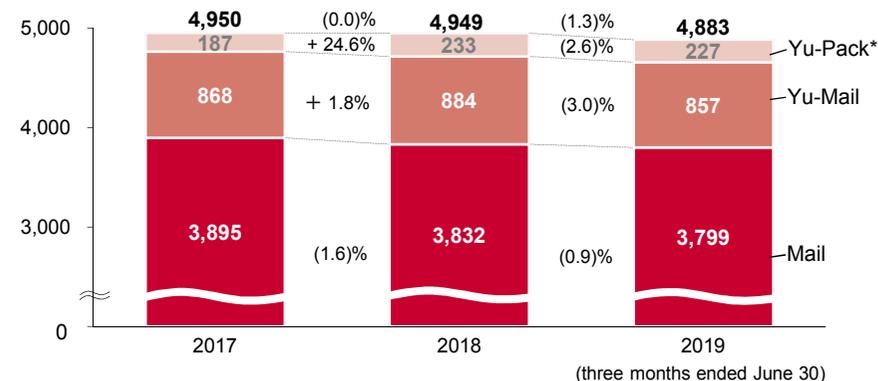
2017	2018	2019
(6.4)	14.8	21.5

(three months ended June 30)



## Trends in Volume of Items Handled

(Volume of items handled in millions)



## Results of Operations for the Three Months Ended June 30, 2019

(Billions of yen)

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	Year-on-year change
Operating income	501.5	497.7	+ 3.7
Operating expenses	480.0	482.9	(2.9)
Personnel expenses	310.5	311.1	(0.5)
Other expenses	169.4	171.8	(2.3)
Net operating income	21.5	14.8	+ 6.6

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

- Operating income slightly increased by ¥3.2 billion year-on-year (an increase of 1.0% year-on-year). The total amount of banking, insurance and postal service commissions decreased by ¥67.5 billion year-on-year (a decrease of 23.5% year-on-year). On the other hand, the total amount of commissions for business consignment and grants to maintain post office network increased by ¥6.2 billion year-on-year (an increase of 2.2% year-on-year).
- Net operating income increased by ¥10.9 billion year-on-year (an increase of 101.1% year-on-year) mainly due to a decrease in personnel expenses in operating expenses.

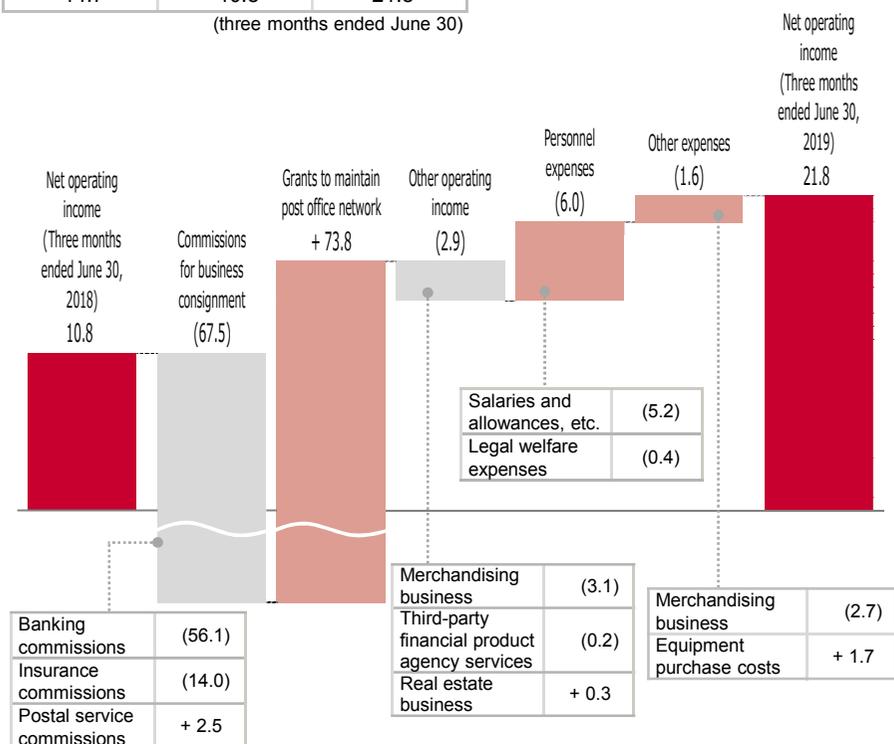
## Analysis of Year-on-year Change in Net Operating Income

[Trends in Net Operating Income]

2017	2018	2019
14.7	10.8	21.8

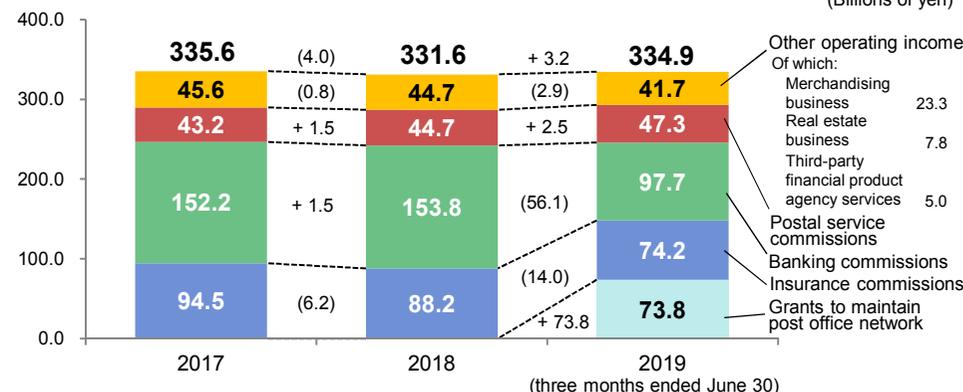
(three months ended June 30)

(Billions of yen)



## Trends in the Earnings Structure

(Billions of yen)



## Results of Operations for the Three Months Ended June 30, 2019

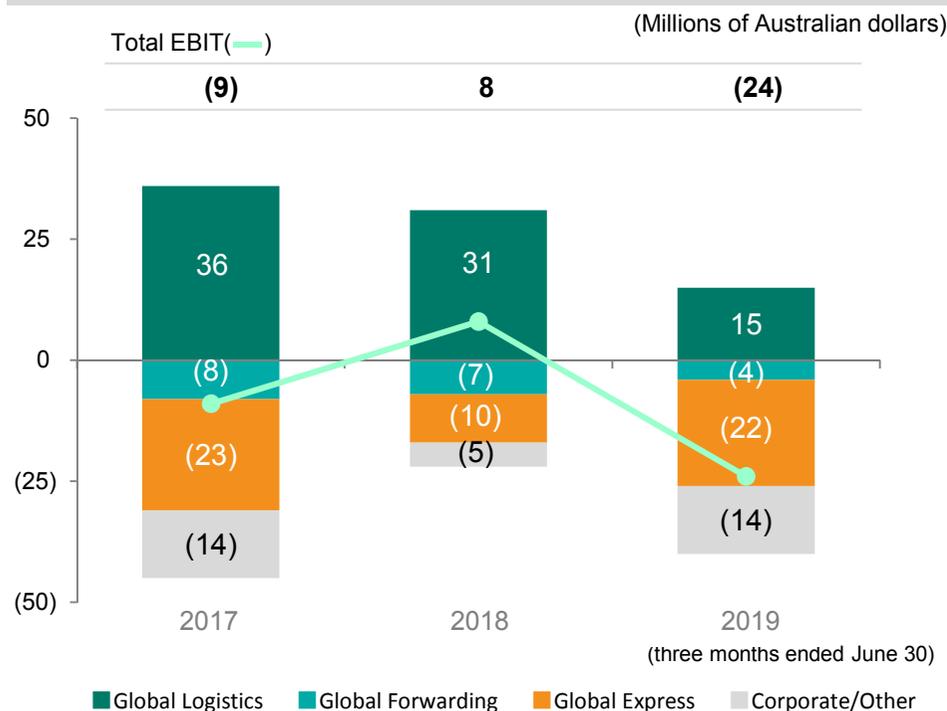
(Billions of yen)

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	Year-on-year change
Operating income	334.9	331.6	+ 3.2
Operating expenses	313.0	320.7	(7.6)
Personnel expenses	224.2	230.3	(6.0)
Other expenses	88.8	90.4	(1.6)
Net operating income	21.8	10.8	+ 10.9

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

- Operating income slightly increased by A\$34 million year-on-year (an increase of 1.7% year-on-year; a decrease of 5.3% year-on-year on a Japanese yen basis due to the impact of exchange rate fluctuations) since, although operating income in the Global Logistics maintained a continuous increase, the growth was slowed primarily by the deceleration of the Chinese economy.
- Net operating loss (EBIT) for the three months ended June 30, 2019 was recorded of A\$24 million. This resulted from an increase in operating expenses, including an increase in unit personnel expenses and an increase in other expenses due to temporary factors, which exceeded an increase in operating income.

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



## Results of Operations for the Three Months Ended June 30, 2019

(Millions of Australian dollars)  
[Billions of yen]

	For the three months ended June 30, 2019	For the three months ended June 30, 2018	Year-on-year change
Operating income (revenue)	2,080 [160.1]	2,046 [169.0]	+ 34 [(8.9)]
Operating expenses	2,105 [162.0]	2,038 [168.3]	+ 67 [(6.3)]
Personnel expenses	683 [52.6]	649 [53.6]	+ 34 [(1.0)]
Other expenses	1,422 [109.4]	1,389 [114.7]	+ 33 [(5.3)]
Net operating income (loss) (EBIT)	(24) [(1.9)]	8 [0.6]	(33) [(2.5)]

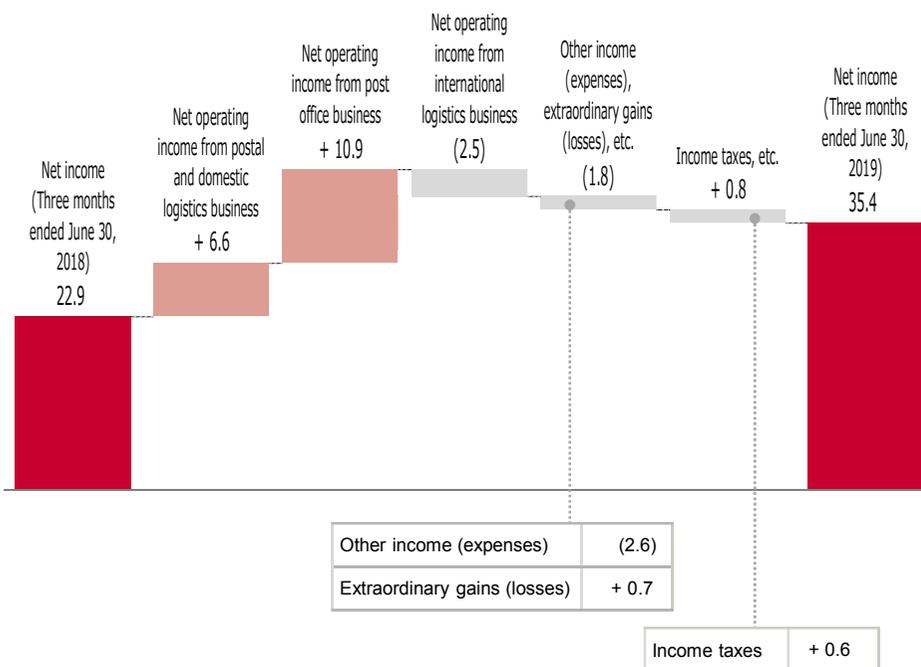
- Notes: 1. Operating income (revenue), operating expenses and net operating income (loss) (EBIT) are the total amount of Toll, JP Toll Logistics and Toll Express Japan, respectively.  
 2. IFRS16 (Lease) has been adopted from the three months ended June 30, 2019. Figures for the three months ended June 30, 2019 in the above graph and table are calculated on the basis of IFRS16 (Lease).  
 3. Figures in square brackets are presented in billions of yen (Average exchange rate for the three months ended June 30, 2019: ¥76.94 to A\$1.00 and for the three months ended June 30, 2018: ¥82.59 to A\$1.00).

- Operating income slightly decreased by ¥4.1 billion year-on-year (a decrease of 0.4% year-on-year) (which is effectively a slight increase excluding the impact of exchange rate fluctuations of net operating income from international logistics business).
- Net operating income increased by ¥15.1 billion year-on-year (an increase of 60.3% year-on-year) to ¥40.2 billion, net ordinary income increased by ¥12.5 billion year-on-year (an increase of 49.8% year-on-year) to ¥37.6 billion, and net income increased by ¥12.4 billion year-on-year (an increase of 54.2% year-on-year) to ¥35.4 billion.

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

(Billions of yen)

[Trends in Net Operating Income]			[Trends in Net Income]		
2017	2018	2019	2017	2018	2019
7.4	25.1	40.2	5.8	22.9	35.4
(three months ended June 30)			(three months ended June 30)		



## Results of Operations for the Three Months Ended June 30, 2019

(Billions of yen)

	For the three months ended June. 30, 2019	For the three months ended June. 30, 2018	Year-on-year change
Operating income	<b>944.3</b>	948.4	(4.1)
Operating expenses	<b>904.0</b>	923.3	(19.2)
Personnel expenses	<b>587.4</b>	595.0	(7.6)
Other expenses	<b>316.6</b>	328.3	(11.6)
<b>Net operating income</b>	<b>40.2</b>	25.1	+ 15.1
<b>Net ordinary income</b>	<b>37.6</b>	25.1	+ 12.5
Extraordinary gains (losses)	<b>0.4</b>	(0.2)	+ 0.7
<b>Income before income taxes</b>	<b>38.1</b>	24.8	+ 13.2
<b>Net income</b>	<b>35.4</b>	22.9	+ 12.4

# Japan Post Bank (Non-consolidated): Financial Highlights

## Results of Operations for the Three Months Ended June 30, 2019

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2019	June 30, 2018	
Gross operating profit	<b>364.4</b>	370.0	(5.5)
Net interest income	<b>256.6</b>	276.6	(19.9)
Net fees and commissions	<b>33.1</b>	26.7	+ 6.3
Net other operating income (loss)	<b>74.6</b>	66.6	+ 8.0
General and administrative expenses <small>(Note 1)</small>	<b>263.0</b>	263.4	(0.3)
Provision for general reserve for possible loan losses	<b>0.0</b>	-	+ 0.0
<b>Net operating profit</b>	<b>101.3</b>	106.6	(5.2)
Non-recurring gains (losses)	<b>4.3</b>	(0.0)	+ 4.3
Net ordinary income	<b>105.7</b>	106.6	(0.8)
<b>Net income</b>	<b>77.7</b>	78.2	(0.4)

(Reference) Consolidated Financial Highlights

Ordinary income	<b>463.8</b>	470.5	(6.6)
Net ordinary income	<b>105.7</b>	106.6	(0.9)
Net income <small>(Note 2)</small>	<b>77.8</b>	78.3	(0.5)

	As of		Change
	June 30, 2019	March 31, 2019	
Deposits <small>(Note 3)</small>	<b>183,133.8</b>	180,999.1	+ 2,134.7
Capital adequacy ratio (non-consolidated, domestic standard)	<b>15.57</b>	15.78	(0.21)

## Overview

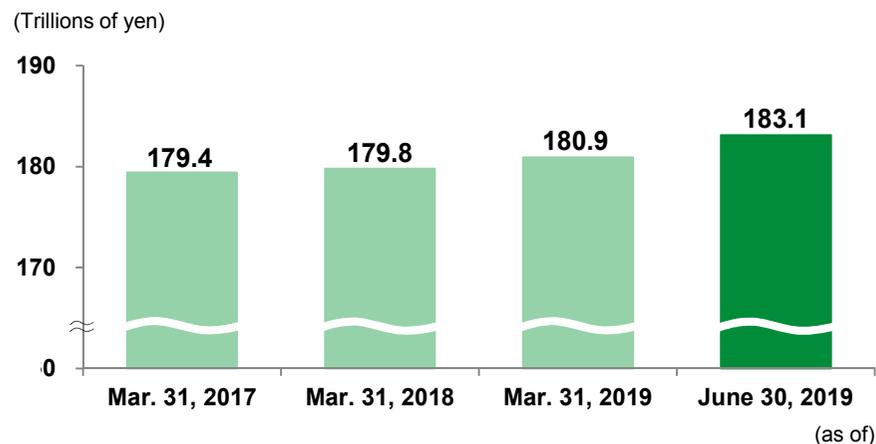
- Gross operating profit (non-consolidated) for the three months ended June 30, 2019 decreased by ¥5.5 billion year-on-year to ¥364.4 billion. Of which, net interest income decreased by ¥19.9 billion year-on-year mainly as a result of a decrease in interest on Japanese government bonds. Meanwhile, net fees and commissions increased by ¥6.3 billion year-on-year. Net other operating income (loss) increased by ¥8.0 billion year-on-year mainly owing to an increase in gains (losses) on foreign exchanges.
- General and administrative expenses (non-consolidated) decreased by ¥0.3 billion year-on-year to ¥263.0 billion.
- In the adverse business environment from factors such as a low interest rate trend, net operating profit (non-consolidated) decreased by ¥5.2 billion year-on-year to ¥101.3 billion.
- Net ordinary income (non-consolidated) decreased by ¥0.8 billion year-on-year to ¥105.7 billion.
- Net income (non-consolidated) decreased by ¥0.4 billion year-on-year to ¥77.7 billion.
- Net income (consolidated) was ¥77.8 billion, which achieved 28.8% of the financial results forecast for the fiscal year ending March 31, 2020.
- Deposits as of June 30, 2019 amounted to ¥183,133.8 billion.
- Capital adequacy ratio (non-consolidated, domestic standard) as of June 30, 2019 was 15.57%.

Notes: 1. Excludes non-recurring losses.

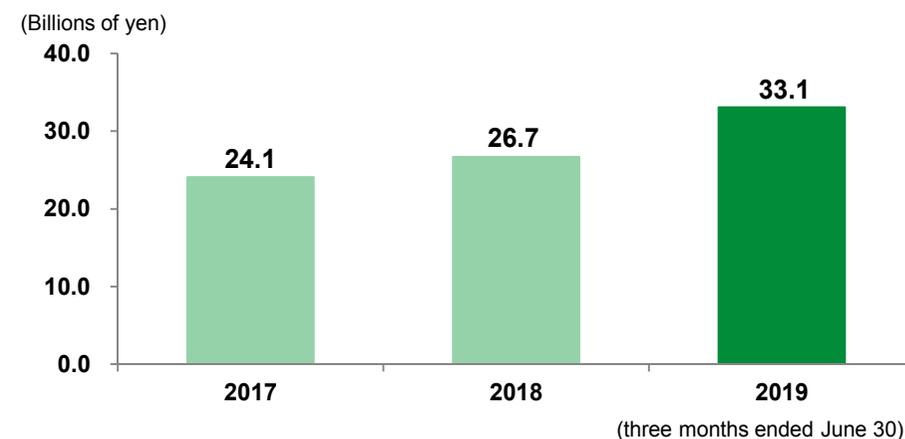
2. The amount of net income attributable to Japan Post Bank is used for net income of Japan Post Bank (consolidated).

3. Excludes accrued interest.

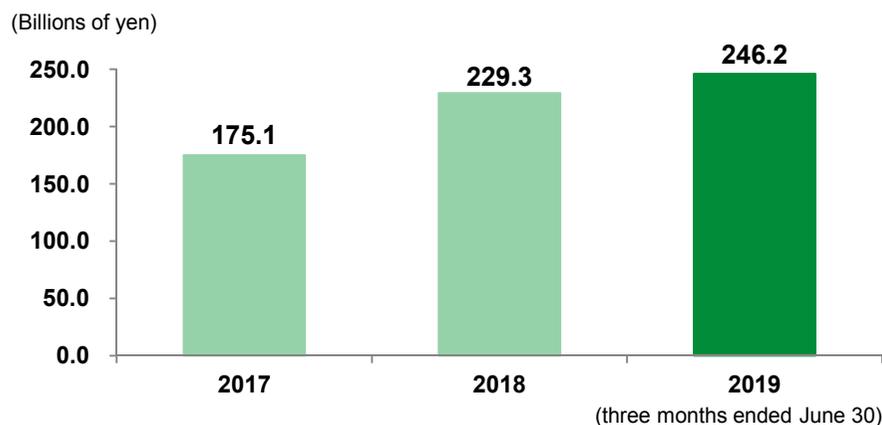
## Deposit Balance



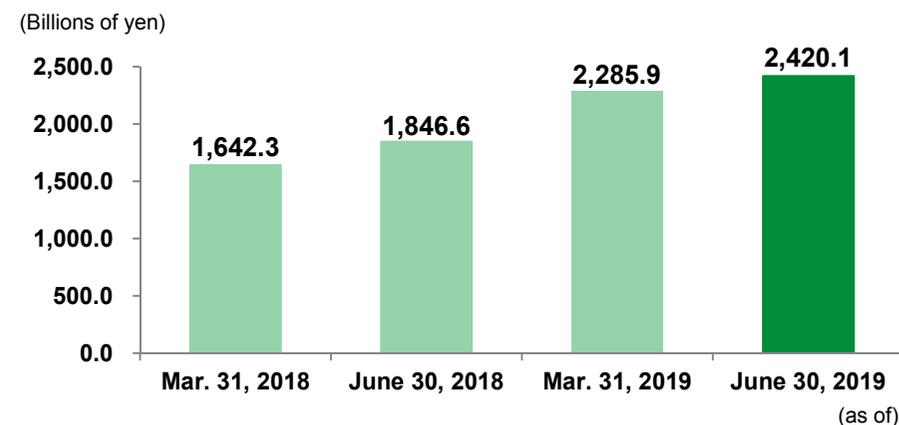
## Net Fees and Commissions



## Investment Trusts Sales



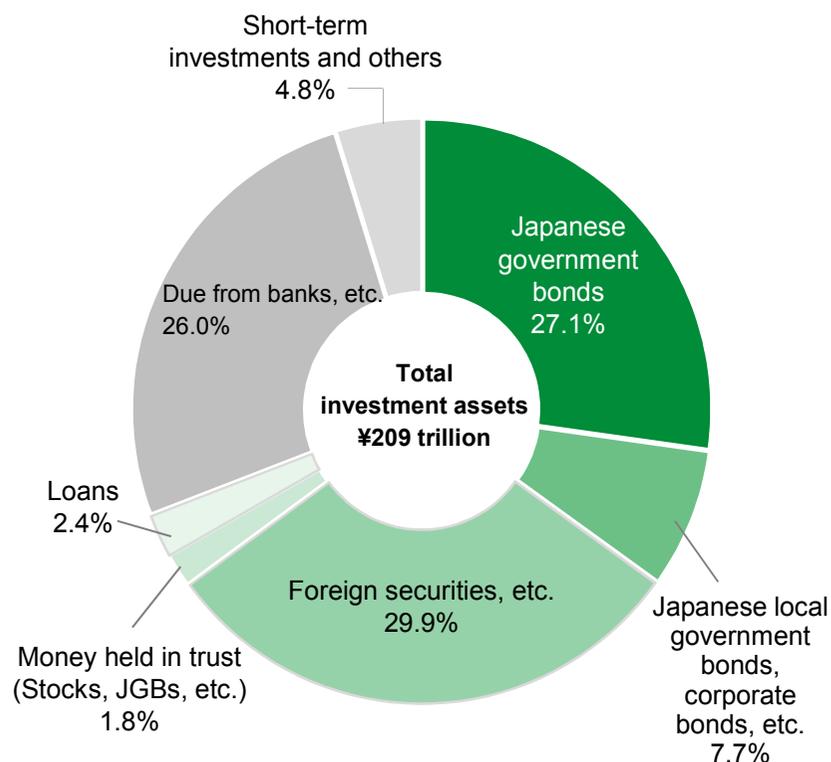
## Net Assets of Investment Trusts



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

# Japan Post Bank (Non-consolidated): Status of Investment Assets

(Billions of yen)



	As of June 30, 2019	Composition ratio (%)	As of March 31, 2019	Composition ratio (%)	Change
Securities	<b>135,662.1</b>	<b>64.8</b>	137,135.2	66.5	(1,473.1)
Japanese government bonds	<b>56,803.2</b>	<b>27.1</b>	58,356.5	28.3	(1,553.3)
Japanese local government bonds, corporate bonds, etc. <sup>(Note 1)</sup>	<b>16,118.1</b>	<b>7.7</b>	16,279.1	7.9	(161.0)
Foreign securities, etc.	<b>62,740.8</b>	<b>29.9</b>	62,499.5	30.3	+ 241.2
Foreign bonds	<b>21,583.2</b>	<b>10.3</b>	22,035.5	10.6	(452.3)
Investment trusts <sup>(Note 2)</sup>	<b>41,127.7</b>	<b>19.6</b>	40,433.9	19.6	+ 693.8
Money held in trust (Stocks, JGBs, etc.)	<b>3,899.6</b>	<b>1.8</b>	3,990.7	1.9	(91.1)
Domestic stocks	<b>2,060.9</b>	<b>0.9</b>	2,141.7	1.0	(80.7)
Loans	<b>5,093.2</b>	<b>2.4</b>	5,297.4	2.5	(204.1)
Due from banks, etc. <sup>(Note 3)</sup>	<b>54,477.6</b>	<b>26.0</b>	50,674.2	24.6	+ 3,803.4
Short-term investments and others <sup>(Note 4)</sup>	<b>10,052.8</b>	<b>4.8</b>	8,877.5	4.3	+ 1,175.3
<b>Total investment assets</b>	<b>209,185.5</b>	<b>100.0</b>	205,975.2	100.0	+ 3,210.3

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 resale agreements, etc.

# Japan Post Insurance (Consolidated): Financial Highlights

## Results of Operations for the Three Months Ended June 30, 2019

(Billions of yen, %)

	For the three months ended		Year-on-year change
	June 30, 2019	June 30, 2018	
Ordinary income	<b>1,818.9</b>	1,978.6	(159.7)
Ordinary expenses	<b>1,762.9</b>	1,903.4	(140.4)
Ordinary profit	<b>56.0</b>	75.2	(19.2)
Net income	<b>33.7</b>	34.0	(0.3)
(Reference) Non-consolidated Financial Highlights			
Core profit	<b>90.8</b>	98.8	(7.9)
Net capital gains (losses)	<b>(31.6)</b>	(15.6)	(16.0)
Non-recurring gains (losses)	<b>(3.3)</b>	(8.1)	+ 4.8
Ordinary profit	<b>55.8</b>	75.0	(19.1)
Annualized premiums from new policies (individual insurance)	<b>93.5</b>	94.6	(1.0)
	As of		Change
	June 30, 2019	March 31, 2019	
Annualized premiums from policies in force (individual insurance) <sup>(Note 1)</sup>	<b>4,647.1</b>	4,677.1	(30.0)
Solvency margin ratio (consolidated)	<b>1,198.5</b>	1,189.8	+ 8.7
Real net assets (consolidated)	<b>13,984.2</b>	13,535.7	+ 448.4

## Overview

- Ordinary profit (consolidated) for the three months ended June 30, 2019 decreased by ¥19.2 billion year-on-year to ¥56.0 billion due to an increase in net capital losses.
- Net income (consolidated) decreased by ¥0.3 billion year-on-year to ¥33.7 billion, due to reversal of reserve for price fluctuations, in addition to a decrease in provision for reserve for policyholder dividends associated with a decline in the number of participating insurance, and achieved 36.3% of the financial results forecast for the fiscal year ending March 31, 2020.
- 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. Annualized premiums from policies in force for medical care increased compared with the end of the previous fiscal year, despite a decrease in annualized premiums from new policies for medical care compared with the same period of the previous fiscal year. <sup>(Notes 1 and 3)</sup>
- Internal reserves, which are the sum of contingency reserve and reserve for price fluctuations, amounted to ¥2,803.2 billion.
- Solvency margin ratio (consolidated), an indicator of financial soundness, amounted to 1,198.5% and real net assets (consolidated) amounted to ¥13,984.2 billion, continuously maintaining a high level of financial soundness.

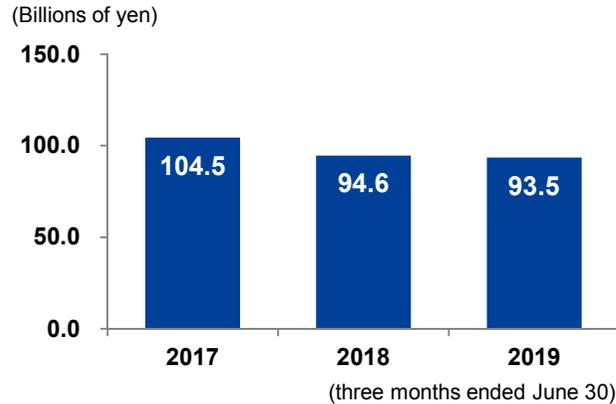
Notes: 1. Policies in force for individual insurance include those for Postal Life Insurance Policies, which show contracts reinsured by Japan Post Insurance from the Organization for Postal Savings, Postal Life insurance and Post Office Network.

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

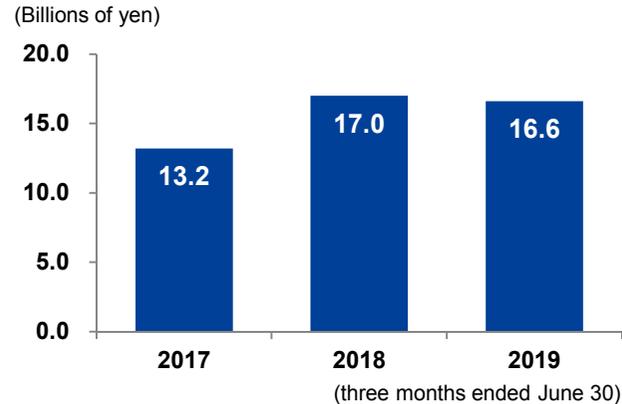
3. Please refer to "Status of Insurance Policies" on page 10 for annualized premiums from new policies and policies in force for medical care.

## New Policies

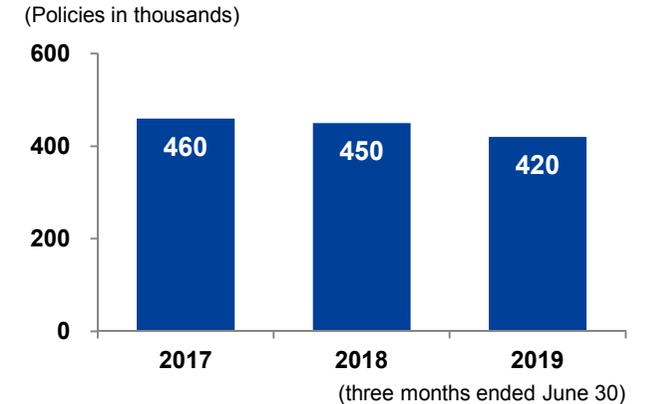
### Annualized Premiums from New Policies (Individual Insurance)



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

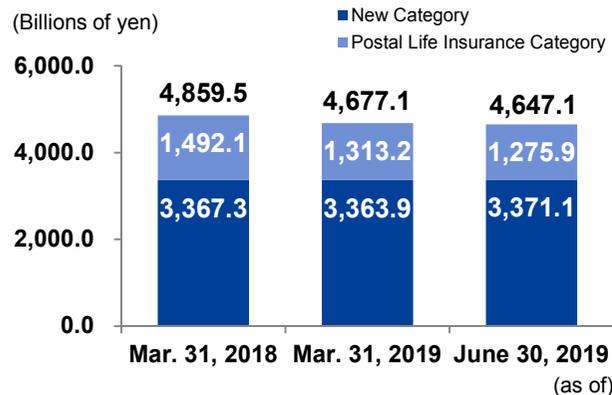


### Number of New Policies (Individual Insurance)

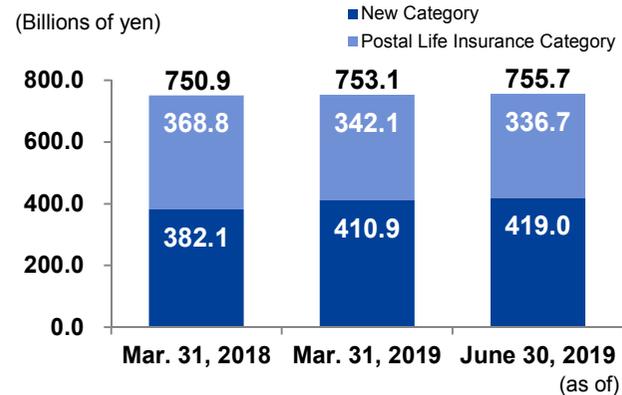


## Policies in Force

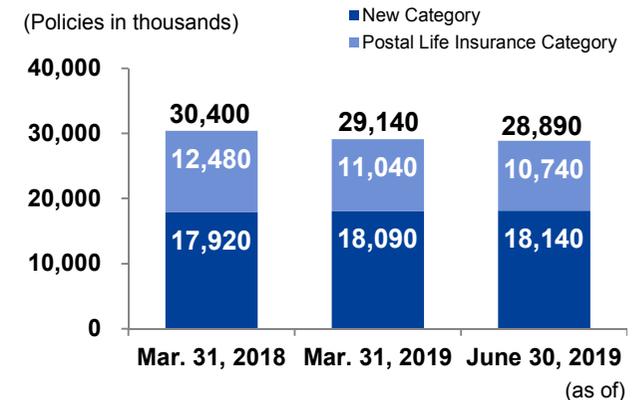
### Annualized Premiums from Policies in Force (Individual Insurance)



### 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.

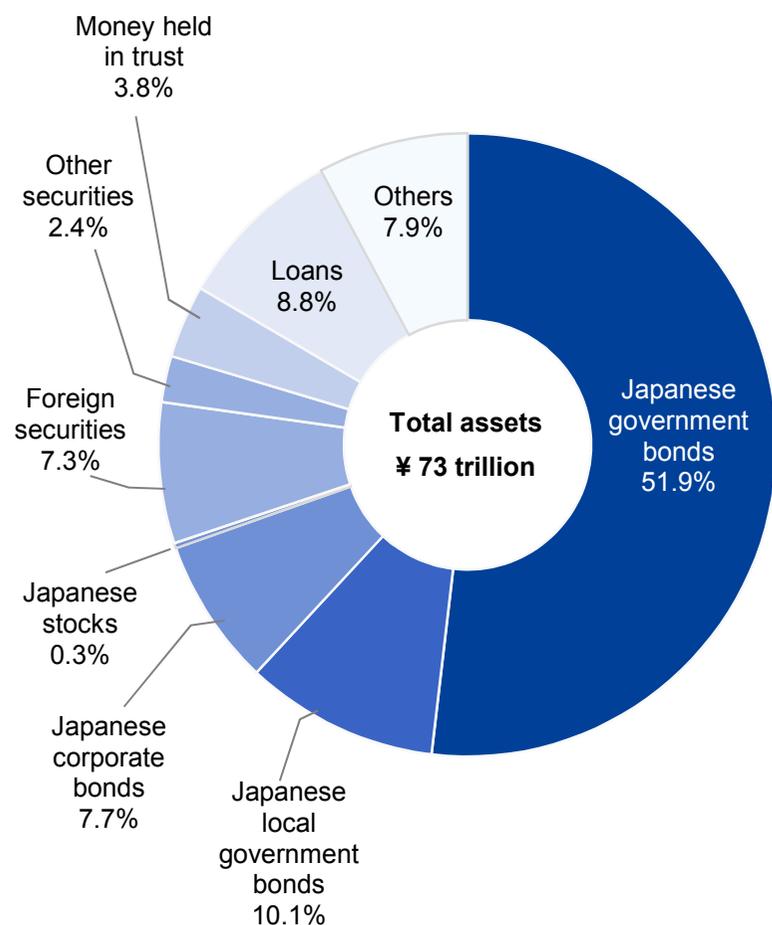
Annualized premiums for individual insurance include those for medical care. Annualized premiums for medical care are the total of those for individual insurance and individual annuity insurance.

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

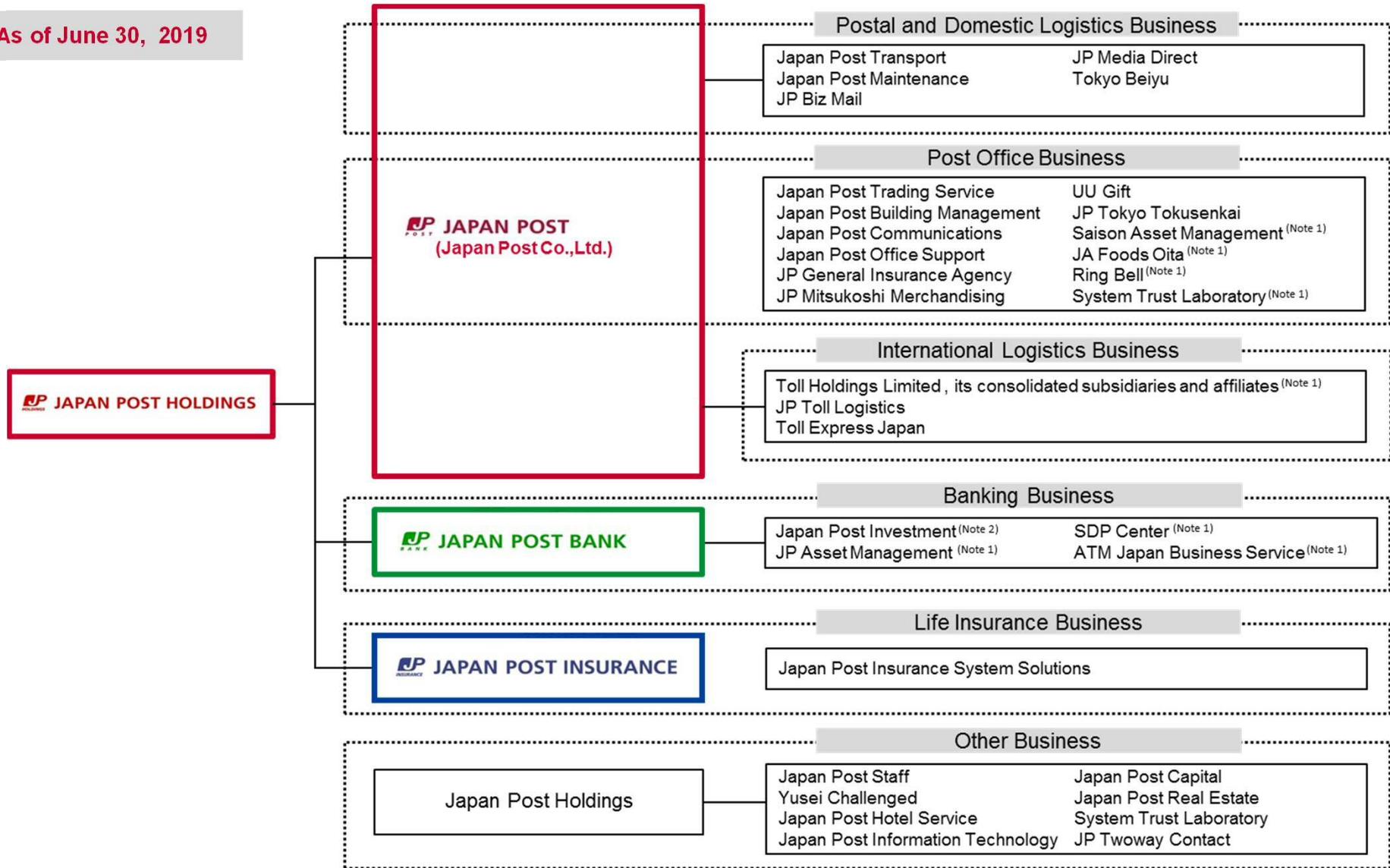
(Billions of yen)

	As of June 30, 2019	Composition ratio (%)	As of March 31, 2019	Composition ratio (%)	Change
Securities	<b>58,470.5</b>	<b>79.6</b>	58,451.5	79.1	+ 18.9
Japanese government bonds	<b>38,095.1</b>	<b>51.9</b>	38,041.4	51.5	+ 53.7
Japanese local government bonds	<b>7,422.6</b>	<b>10.1</b>	7,524.4	10.2	(101.7)
Japanese corporate bonds	<b>5,621.7</b>	<b>7.7</b>	5,562.9	7.5	+ 58.7
Japanese stocks	<b>197.6</b>	<b>0.3</b>	205.5	0.3	(7.9)
Foreign securities	<b>5,370.1</b>	<b>7.3</b>	5,284.9	7.2	+ 85.2
Other securities	<b>1,763.2</b>	<b>2.4</b>	1,832.3	2.5	(69.0)
Money held in trust	<b>2,777.2</b>	<b>3.8</b>	2,787.5	3.8	(10.2)
Loans	<b>6,428.4</b>	<b>8.8</b>	6,786.0	9.2	(357.6)
Others	<b>5,779.5</b>	<b>7.9</b>	5,879.8	8.0	(100.2)
<b>Total assets</b>	<b>73,455.7</b>	<b>100.0</b>	73,905.0	100.0	(449.2)



# [Appendix 1] Japan Post Holdings: Organization Chart

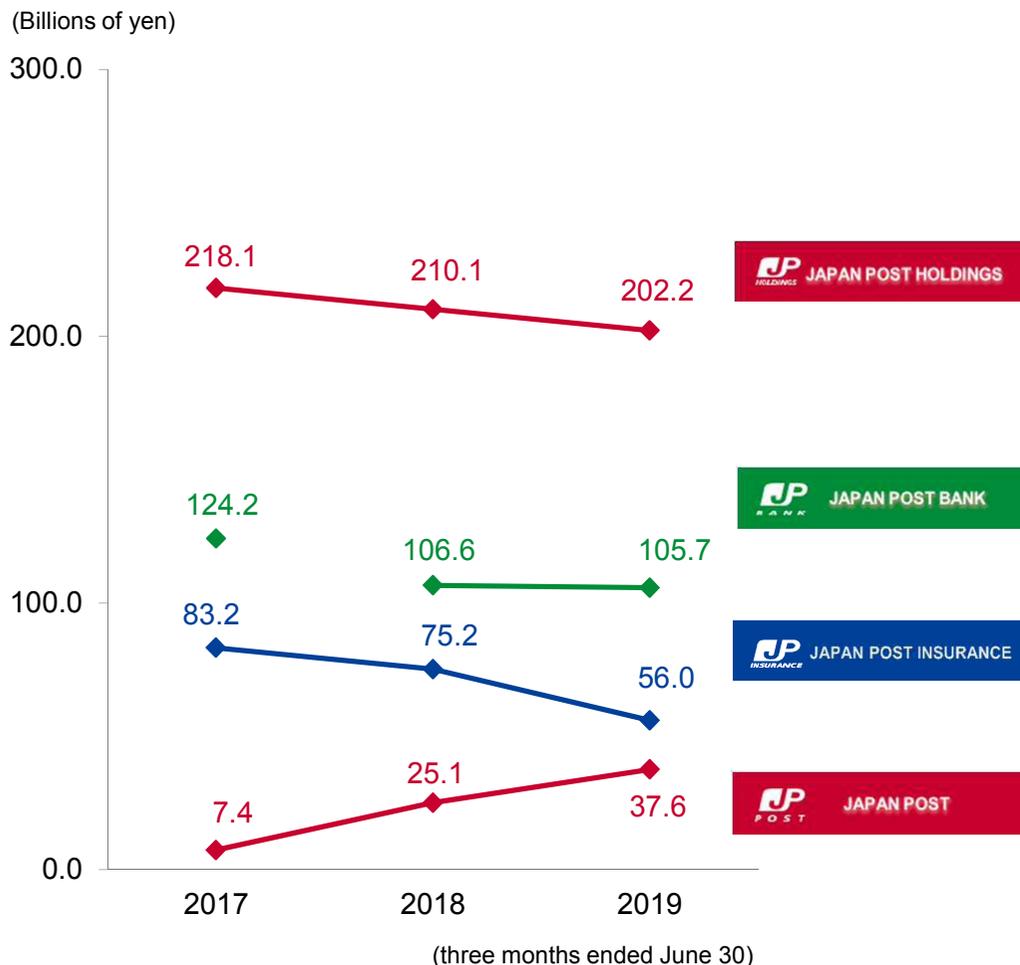
As of June 30, 2019



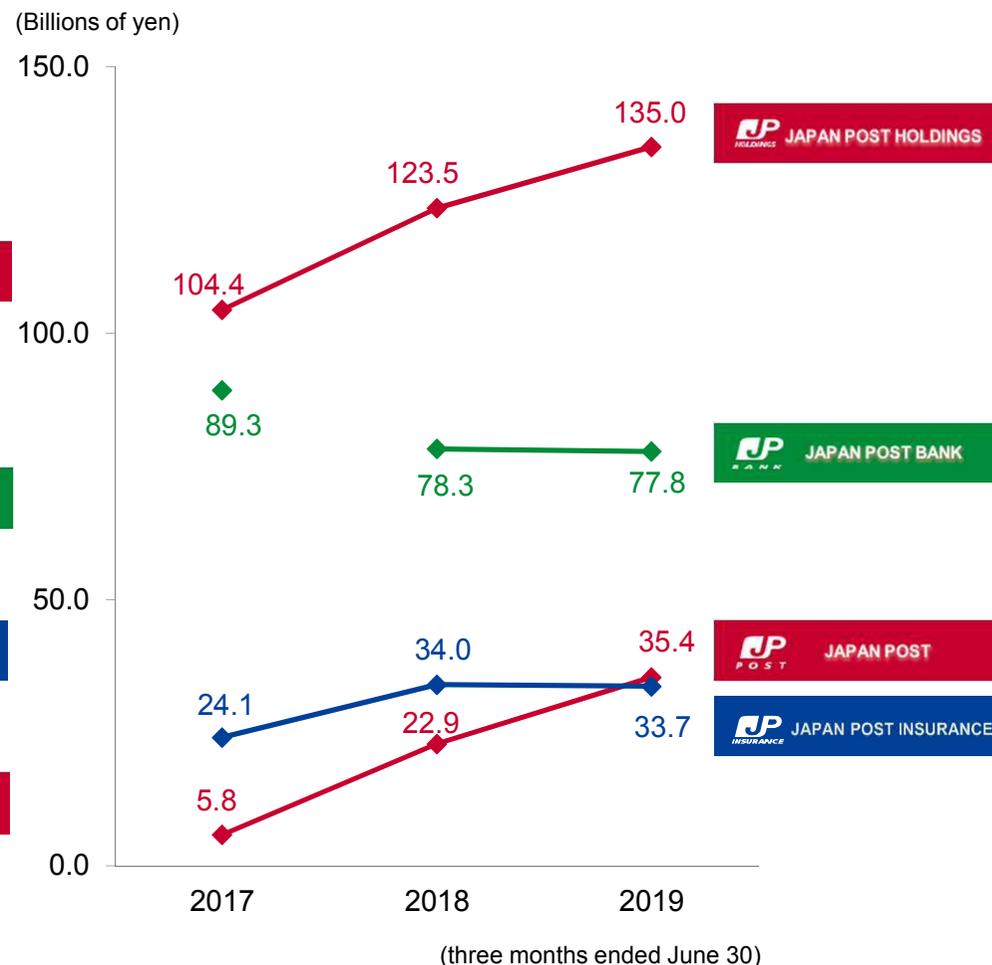
Notes: 1. Affiliates accounted for by the equity method  
 2. Including its consolidated subsidiaries

# [Appendix 2] Trends in Net Ordinary Income and Net Income

**Trends in Net Ordinary Income**



**Trends in Net Income**



Note: Figures for Japan Post Bank for the three months ended June 30, 2017 is based on non-consolidated financial results, and the others are based on consolidated financial results.

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 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.