

Outline of Financial Results for the Six Months Ended September 30, 2015

November 13, 2015



Summary of Financial Results

- **Net income amounted to ¥48.5 billion, a 4.5% decrease year on year. However, 57.8% of the full-year forecast has been achieved, signifying steady progress.**
- **Annualized premiums from new policies for individual insurance amounted to ¥238.1 billion, same level as the previous fiscal year. Annualized premiums from new policies for medical care was on a recovery track at ¥24.6 billion or a 17.7% increase year on year.**
- **Annualized premiums from insurance in force was ¥5,093.2 billion, of which ¥2,697.0 billion belonged to policies sold after corporatization (New category), exceeding 50%.**
- **Under the current low interest rate environment, exposures to investments in risk assets (foreign securities and domestic stocks) were increased to ¥5,195.8 billion (6.1% of total assets).**
- **EV increased by ¥66.8 billion from the end of the previous fiscal year to ¥3,568.1 billion, backed by an increase in sales of new policies (a 17.3% increase year on year in Value of New Business).**

Financial Highlights

Financial Highlights

(¥bn)

	6 months ended Sep-14	6 months ended Sep-15	Year on year
Ordinary income	5,171.7	4,881.3	(5.6) %
Ordinary profit	263.5	218.7	(17.0) %
Provision for reserve for policyholder dividends	135.4	119.5	(11.7) %
Net income ¹	50.8	48.5	(4.5) %

Financial Result Forecasts

(¥bn)

Year ending Mar-16 (Full-year forecast)	Progress
9,550.0	51.1 %
350.0	62.5 %
190.0	62.9 %
84.0	57.8 %

(¥bn)

	Mar-15	Sep-15	Change
Total assets	84,915.0	84,691.8	(0.3) %
Net assets	1,975.7	1,908.6	(3.4) %
Total shareholders' equities	1,412.0	1,436.0	+1.7 %

1. Net income attributable to Japan Post Insurance

Overview of Financial Statements

Statement of Income (Consolidated)

	6 months ended Sep-14	6 months ended Sep-15	Change	(Reference) Year ended Mar-15
Ordinary Income	5,171.7	4,881.3	(290.3)	10,169.2
Insurance premiums and others	3,078.1	2,746.7	(331.4)	5,956.7
Investment income	745.7	688.8	(56.8)	1,460.7
Reversal of policy reserves	1,263.8	1,412.8	+149.0	2,632.8
Ordinary Expenses	4,908.2	4,662.5	(245.6)	9,676.6
Insurance claims and others	4,597.1	4,349.8	(247.2)	9,059.5
Investment expenses	7.7	4.2	(3.5)	10.9
Operating expenses	255.1	260.9	+5.8	513.1
Ordinary profit	263.5	218.7	(44.7)	492.6
Extraordinary profit and loss	(54.4)	(30.9)	+23.4	(99.3)
Provision for reserve for policyholder dividends	135.4	119.5	(15.8)	200.7
Income before income taxes	73.6	68.2	(5.3)	192.5
Total income taxes	22.7	19.7	(3.0)	111.2
Net income attributable to Japan Post Insurance	50.8	48.5	(2.3)	81.3

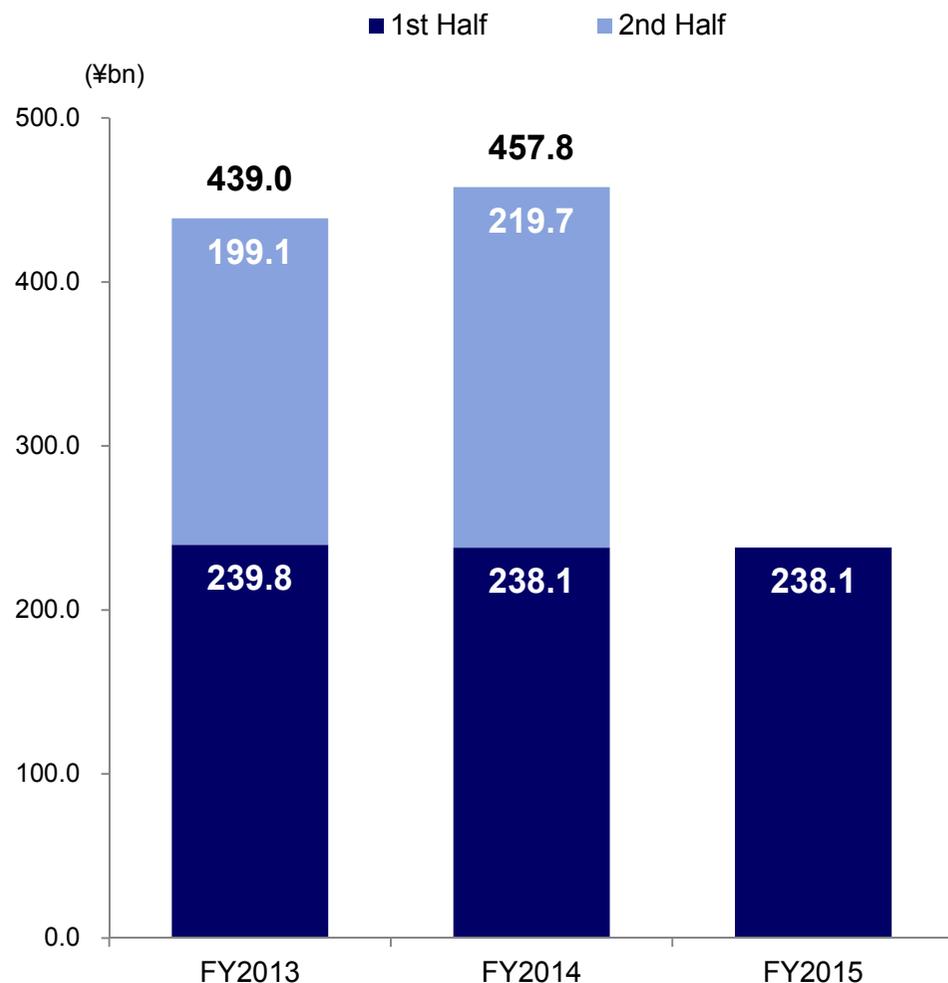
Balance Sheets (Consolidated)

	Mar-15	Sep-15	Change
Assets	84,915.0	84,691.8	(223.2)
Cash and deposits	2,213.7	1,748.9	(464.8)
Money held in trust	1,434.9	1,709.0	+274.1
Securities	66,276.2	66,145.4	(130.7)
Loans	9,977.3	9,439.8	(537.5)
Fixed assets	286.8	314.9	+28.1
Deferred tax assets	547.0	646.6	+99.5
Liabilities	82,939.2	82,783.1	(156.1)
Policy reserves	75,112.6	73,699.7	(1,412.8)
Reserve for price fluctuations	712.1	742.5	+30.3
Net assets	1,975.7	1,908.6	(67.0)
Total shareholder's equities	1,412.0	1,436.0	+23.9
Total accumulated other comprehensive income	563.6	472.6	(91.0)

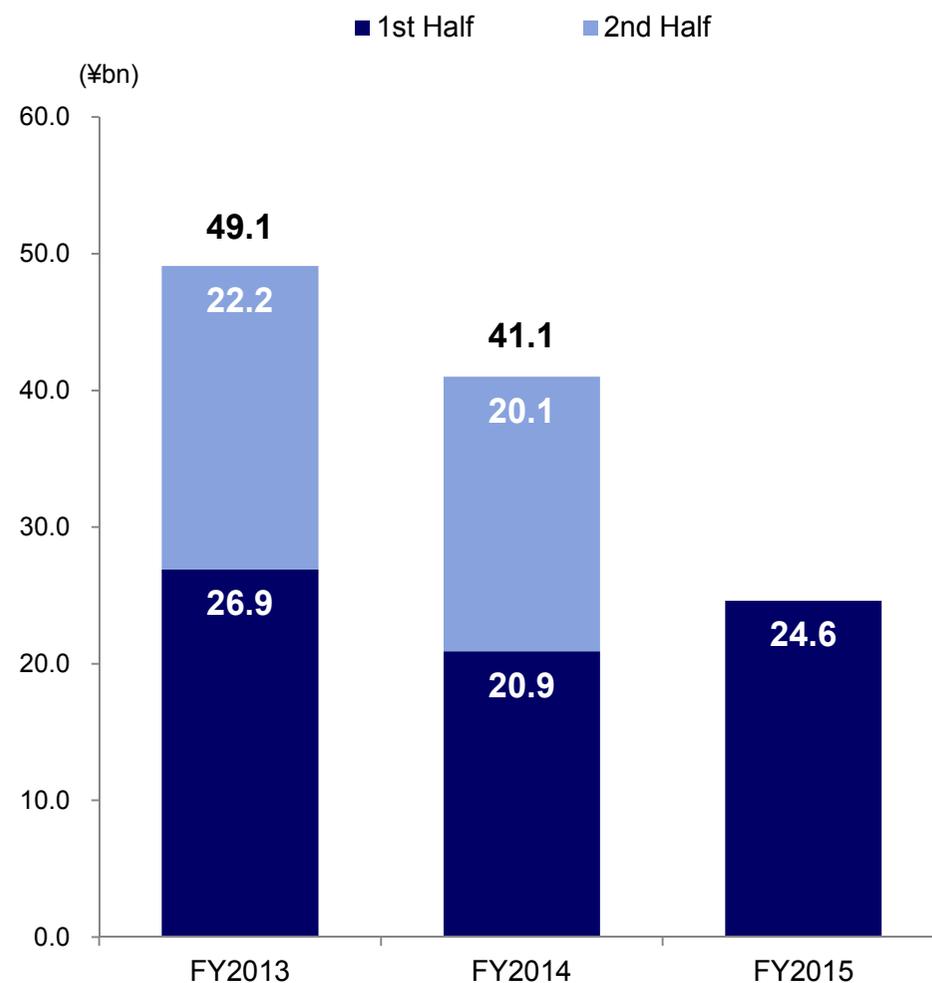
Note: Main items of the Statements of Income are presented.

Policy Sales (1): Annualized Premiums from New Policies

Annualized Premiums from New Policies
(Individual Insurance)



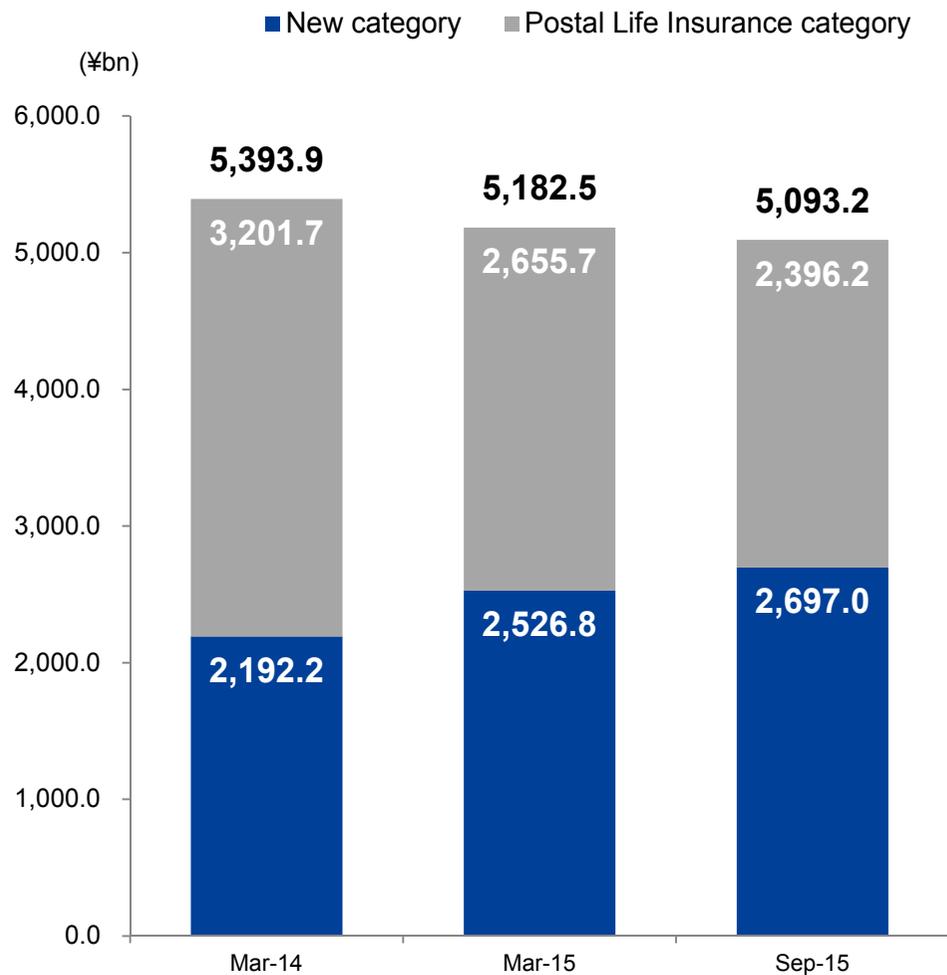
Annualized Premiums from New Policies
(Medical Care)



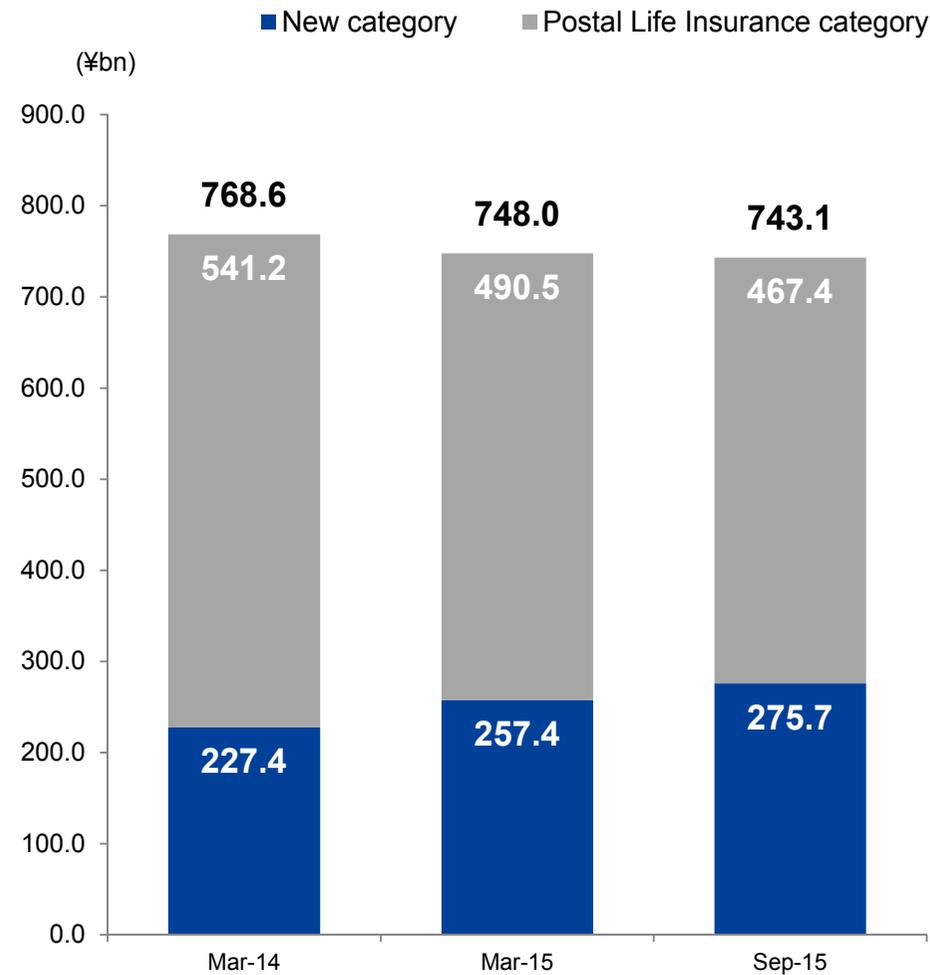
Note: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

Policy Sales (2): Annualized Premiums from Policies in Force

Annualized Premiums from Policies in Force
(Individual Insurance)



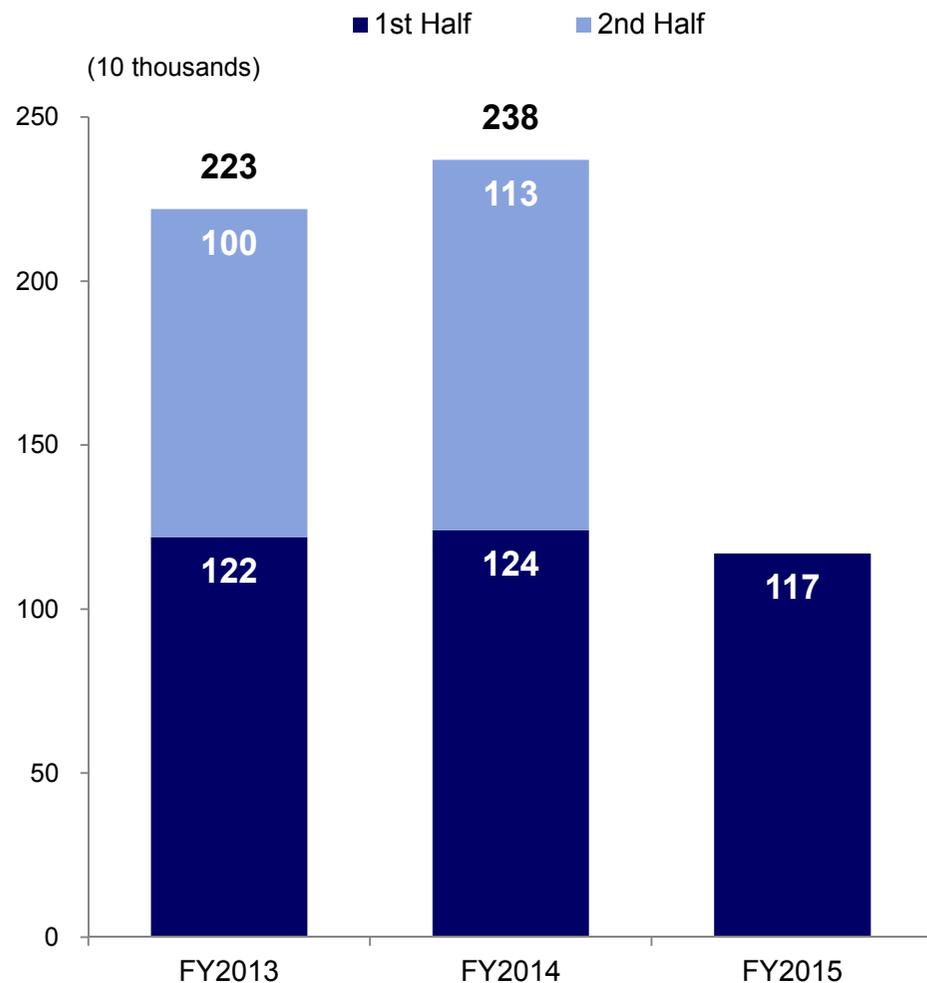
Annualized Premiums from Policies in Force
(Medical Care)



Note: "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.

Policy Sales (3):Number of New Policies

Number of New Policies (Individual Insurance)



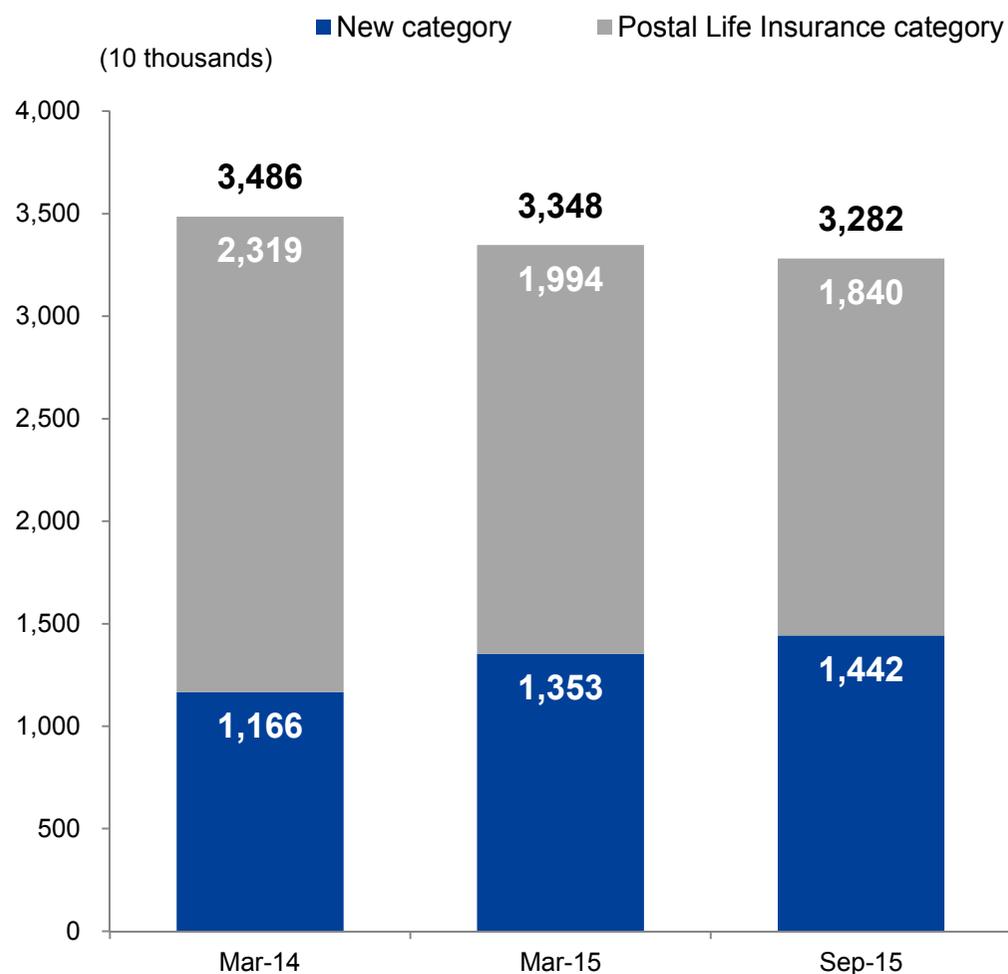
Breakdown of New Policies

(10 thousands)

	6 months ended Sep-14		6 months ended Sep-15	
	Number of policies	Share	Number of policies	Share
Individual insurance	124	100.0 %	117	100.0 %
Endowment insurance	58	47.3 %	62	53.6 %
Whole life insurance	28	23.2 %	31	26.7 %
Educational endowment insurance	36	29.5 %	22	19.6 %
Other insurance	0	0.0 %	0	0.0 %

Policy Sales (4):Number of Policies in Force

Number of Policies in Force (Individual Insurance)



Breakdown of Policies in Force

(10 thousands)

	Mar-15		Sep-15	
	Number of policies	Share	Number of policies	Share
Individual insurance	3,348	100.0 %	3,282	100.0 %
Whole life insurance	1,555	46.4 %	1,491	45.4 %
Endowment insurance	1,230	36.7 %	1,233	37.6 %
Educational endowment insurance	547	16.4 %	543	16.6 %
Other insurance	15	0.5 %	15	0.5 %

Note: "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.

Investments (1) Assets Portfolio

Assets Portfolio

(¥bn, %)

		Mar-15		Sep-15	
		Amount	Share	Amount	Share
Bonds		64,294.7	75.7	62,499.7	73.8
Japanese government bonds		48,086.4	56.6	46,736.7	55.2
Japanese local government bonds		9,555.8	11.3	9,485.7	11.2
Japanese corporate bonds		6,652.4	7.8	6,277.2	7.4
Risk assets		3,363.1	4.0	5,195.8	6.1
Domestic stocks ¹		996.9	1.2	1,152.1	1.4
Foreign stocks ¹		214.5	0.3	212.3	0.3
Foreign bonds etc. ^{1,2}		2,151.6	2.5	3,831.2	4.5
Loans		9,977.3	11.7	9,439.8	11.1
Others		7,279.7	8.6	7,556.3	8.9
Cash and deposits, call loans		2,659.2	3.1	2,425.8	2.9
Receivables under securities borrowing transactions		2,720.8	3.2	3,055.9	3.6
Total assets		84,915.0	100.0	84,691.8	100.0

1. Risk assets include assets invested in money held in trust.

2. Foreign bonds etc. include investment trusts classified as other securities.

Investment Yield

(¥bn)

	6 months ended Sep-14	6 months ended Sep-15	(Reference) Year ended Mar-15
Positive spread	27.2	42.0	66.9
Average assumed rates of return ¹	1.81 %	1.77 %	1.80 %
Investment return on core profit ²	1.88 %	1.89 %	1.89 %

Net capital gains	38.2	8.2	64.1
-------------------	------	-----	------

	Sep-14	Sep-15	Mar-15
Interest rate (10Y JGB)	0.525 %	0.350 %	0.400 %

1. Average assumed rates of return is the return on general account policy reserves.

2. Investment return on core profit is the return with respect to earned policy reserves.

Investments (2) Fair Value Information of Securities

Fair Value Information of Securities

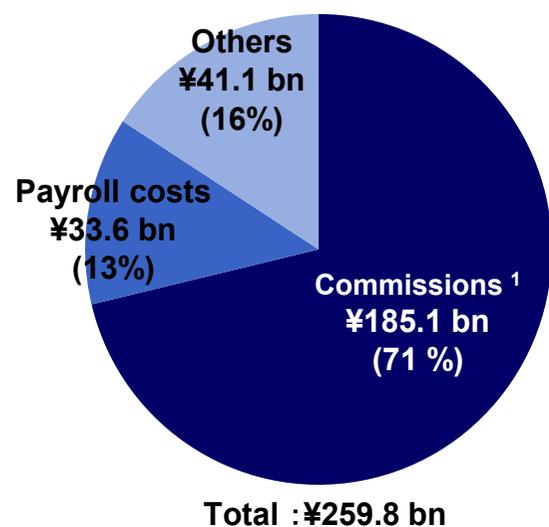
(¥bn)

	Mar-15			Sep-15		
	Book value	Fair value	Net unrealized gains (losses)	Book value	Fair value	Net unrealized gains (losses)
Total	68,673.5	75,167.6	6,494.0	68,518.9	74,794.0	6,275.0
Held-to-maturity bonds	43,695.5	48,232.6	4,537.1	43,217.7	47,704.5	4,486.8
Policy-reserve-matching bonds	15,493.2	16,668.4	1,175.2	14,997.9	16,132.2	1,134.2
Available-for-sale securities	9,484.7	10,266.5	781.7	10,303.2	10,957.2	653.9
Securities	8,405.0	8,831.5	426.4	8,839.1	9,248.1	409.0
Bonds	5,105.3	5,203.9	98.6	4,290.8	4,382.0	91.2
Foreign stocks	20.0	20.0	-	-	-	-
Foreign bonds	1,537.7	1,863.4	325.7	3,182.0	3,498.1	316.1
Other securities	-	-	-	50.0	49.4	(0.5)
Deposits	1,741.9	1,744.0	2.0	1,316.2	1,318.3	2.1
Money held in trust	1,079.7	1,434.9	355.2	1,464.1	1,709.0	244.9
Domestic stocks	713.2	996.9	283.7	951.8	1,152.1	200.3
Foreign stocks	158.0	194.5	36.5	195.0	212.3	17.2
Foreign bonds	155.1	190.1	34.9	158.2	185.5	27.3

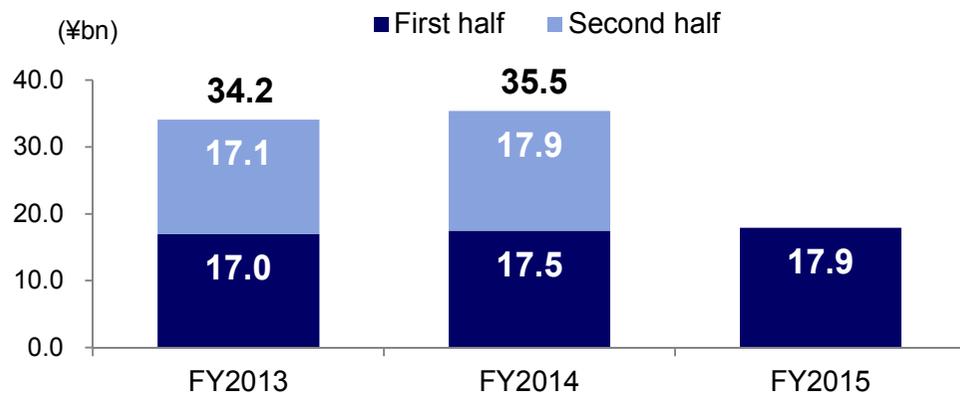
1. This table includes the handling of securities under the Financial Instruments and Exchange Act.
2. Total money held in trust includes cash and deposits and others.

Expenses (Non-Consolidated)

Breakdown of Operating Expenses (FY2015 2Q)

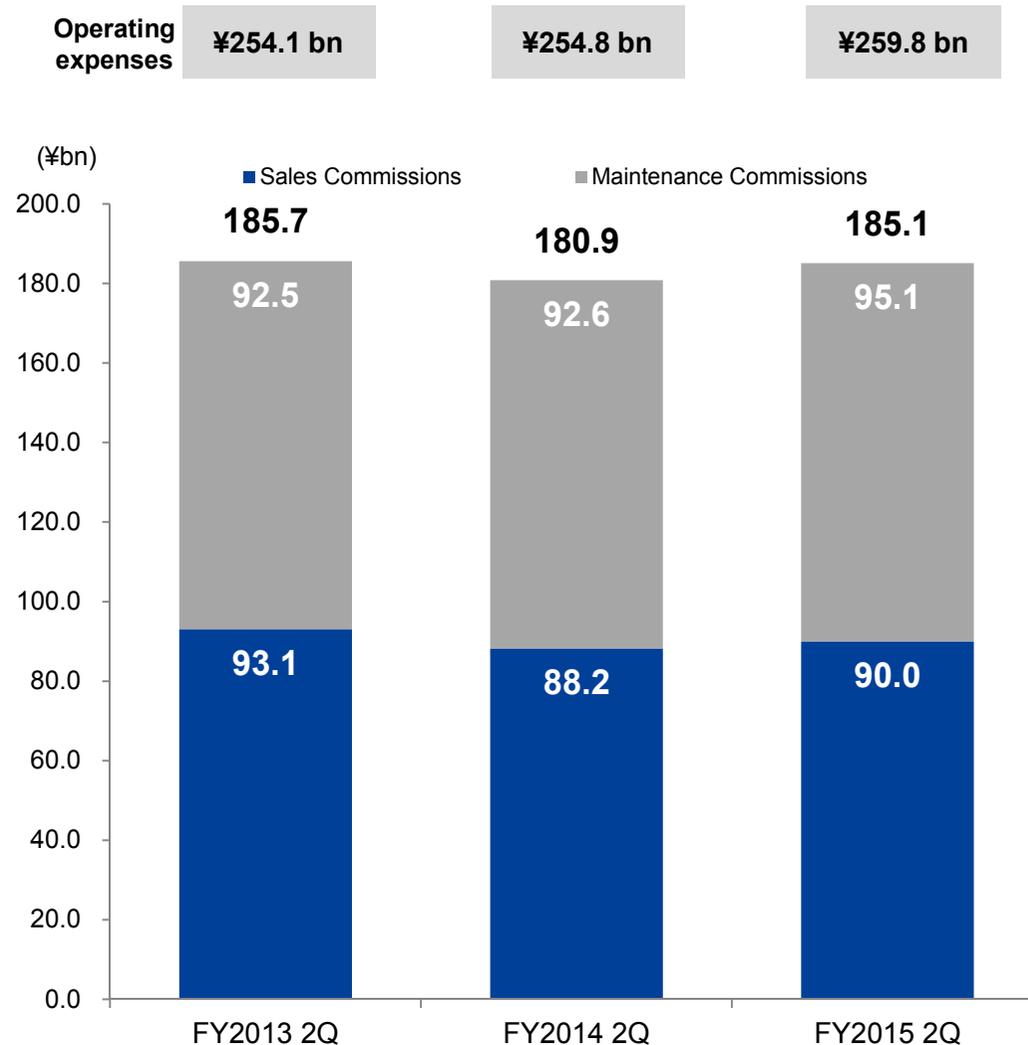


Depreciation and amortization



1. Commissions to Japan Post Co.

Commissions to Japan Post Co.



Embedded Value (Preliminary Figures)

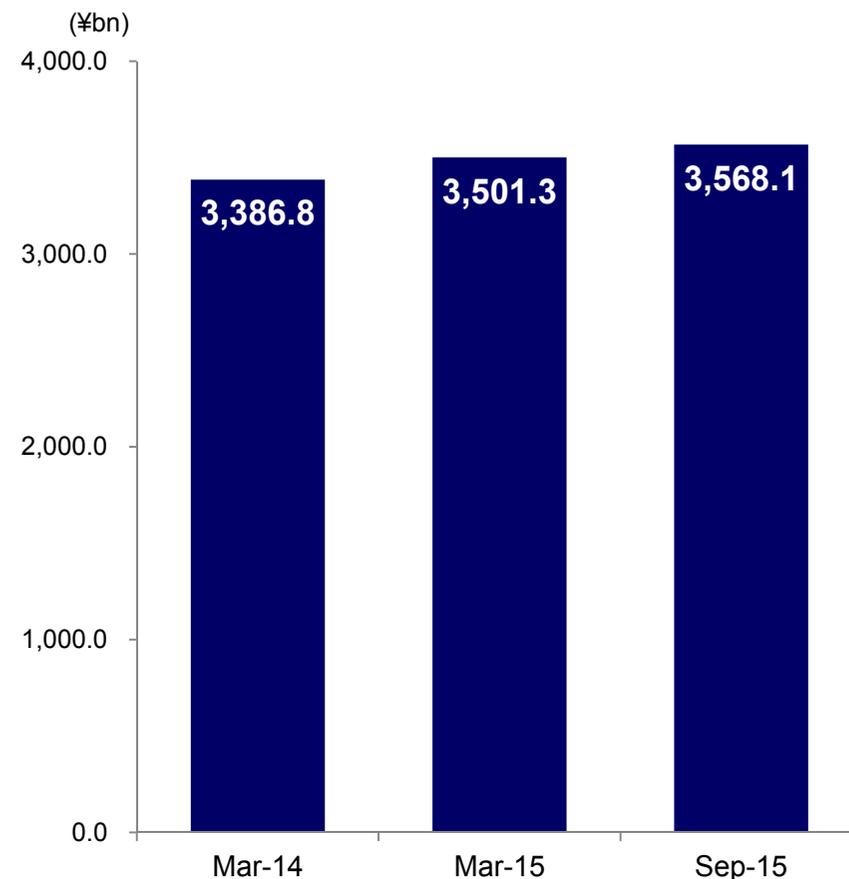
Breakdown of EV

(¥bn)

	Mar-15	Sep-15	Change
EV	3,501.3	3,568.1	+66.8
Adjusted net worth	2,975.5	3,048.3	+72.8
Value of in-force covered business	525.8	519.7	(6.0)

	6 months ended Sep-14	6 months ended Sep-15	Change	(Reference) Year ended Mar-15
Value of new business	67.6	79.2	+11.6	134.2

EV



* Please note that calculation of EV above has not been verified by a third party. For details on EV verified by a third party, please refer to "Disclosure of European Embedded Value as of September 30, 2015" to be announced on November 19, 2015.

Financial Soundness

Internal Reserves

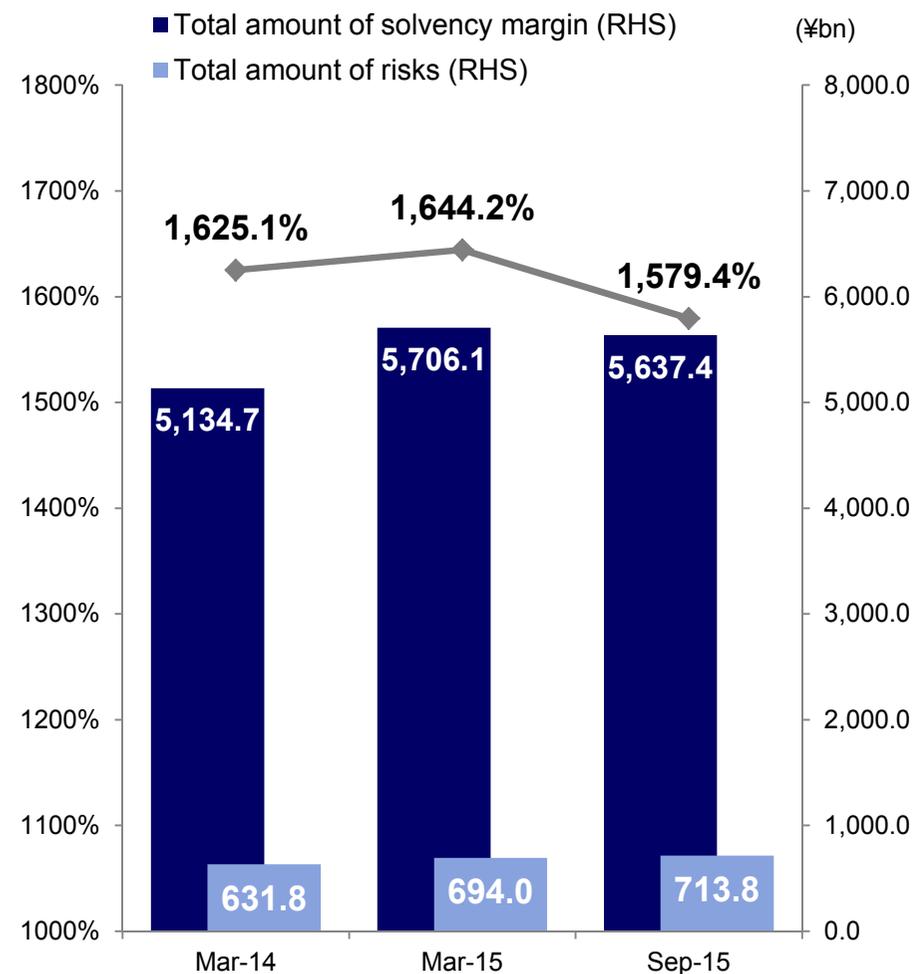
	Mar-15	Sep-15	(¥bn)
			Provisions in the period ²
Contingency reserve	2,498.7	2,437.4	(61.2)
Postal Life Insurance	2,182.8	2,097.6	(85.2)
New	315.8	339.7	23.9
Price fluctuations reserve	712.1	742.5	30.3
Postal Life Insurance	626.8	633.3	6.5
New	85.3	109.1	23.8
Additional policy reserve ¹	6,067.0	6,040.0	(26.9)
Postal Life Insurance	6,067.0	6,040.0	(26.9)
New	-	-	-

Notes: "New category" show the figures after deduction of "Postal Life Insurance category" from the total.

1. Additional policy reserve includes the amount determined to be additionally provided over 10 years from the year ended March 31, 2011 for reinsured annuity assumed from the Management Organization for Postal Savings and Postal Life Insurance (for the six months ended September 30, 2015, the amount of additional provision was ¥89.6 bn and the accumulated amount was ¥940.1 bn).

2. Provision in the period includes the excess provision of ¥40.1 bn exceeding the provision requirements for contingency reserve and reserve for price fluctuations.

Solvency Margin Ratio (Consolidated)



APPENDIX

Figures by New and Postal Life Insurance Categories (Non-Consolidated)

		FY2011	FY2012	FY2013	FY2014	FY2014 2Q	FY2015 2Q
Total assets	¥mn	93,688,672	90,462,364	87,088,626	84,911,946	85,877,874	84,688,745
Postal Life Insurance category		80,024,630	73,793,953	67,560,915	61,703,013	64,315,041	60,158,783
New category		13,664,042	16,668,410	19,527,711	23,208,932	21,562,833	24,529,961
Number of policies in force	(000)	39,034	36,805	34,864	33,489	34,204	32,829
Postal Life Insurance category (insurance)		31,015	26,933	23,195	19,949	21,547	18,402
New category (individual insurance)		8,018	9,871	11,668	13,539	12,657	14,426
Insurance premiums and others	¥mn	6,856,486	6,481,772	5,911,643	5,956,716	3,078,186	2,746,776
Postal Life Insurance category		3,292,716	2,685,558	2,155,398	1,697,140	896,905	700,116
New category		3,563,769	3,796,214	3,756,245	4,259,576	2,181,281	2,046,659
Ordinary profit	¥mn	531,388	529,375	463,506	493,169	263,703	219,778
Postal Life Insurance category		460,482	424,511	382,325	377,145	208,200	141,516
New category		70,906	104,864	81,181	116,024	55,503	78,262
Net income	¥mn	67,734	91,000	63,428	81,758	50,972	49,300
Postal Life Insurance category		48,429	56,816	43,689	36,969	25,894	20,977
New category		19,304	34,184	19,739	44,789	25,078	28,323
Contingency reserve (reversal) provision	¥mn	(102,240)	(100,149)	(94,807)	(90,087)	(45,424)	(61,235)
Postal Life Insurance category		(152,519)	(159,710)	(164,732)	(167,144)	(83,046)	(85,201)
New category		50,278	59,561	69,924	77,057	37,622	23,965
Price fluctuations reserves (reversal) provision	¥mn	48,541	64,656	91,360	97,934	54,370	30,388
Postal Life Insurance category		35,893	43,374	73,857	72,126	44,271	6,508
New category		12,647	21,282	17,502	25,808	10,098	23,879
Additional policy reserve (reversal) provision	¥mn	(107,885)	(92,835)	(77,134)	(68,347)	(33,200)	(26,991)
Postal Life Insurance category		(107,885)	(92,835)	(77,134)	(68,347)	(33,200)	(26,991)
New category		-	-	-	-	-	-

Note: "New category" shows the figure after deduction of "Postal Life Insurance category" from the total.

Major Financial Results (Consolidated)

	(¥bn)					
	FY2011	FY2012	FY2013	FY2014	FY2014 2Q	FY2015 2Q
Insurance premiums and others	6,856.4	6,481.7	5,911.6	5,956.7	3,078.1	2,746.7
Ordinary profit	531.2	528.9	462.7	492.6	263.5	218.7
Provision for reserve for policyholder dividends	271.9	307.4	242.1	200.7	135.4	119.5
Net income	70.0	90.6	62.8	81.3	50.8	48.5
Net assets	1,294.4	1,466.7	1,538.1	1,975.7	1,694.3	1,908.6
Total assets	93,690.8	90,463.5	87,092.8	8,4915.0	85,882.3	84,691.8
Return on equity	5.6%	6.6%	4.2%	4.6%	-	-
Return on shareholders' equity	5.8%	7.1%	4.7%	5.9%	-	-
Dividend to shareholders	16.9	22.7	16.8	24.5	-	-
Payout ratio	24.2%	25.1%	26.8%	30.2%	-	-
[Reference] Core profit (Non-consolidated)	571.6	570.0	482.0	515.4	268.0	239.9

<Disclaimer>

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of this document's disclosure. Please note that actual results may differ from interest rates, general economic conditions or other future events and circumstances, the forecast figures due to various factors including changes in the operating environment.

Contact information

**IR Office, Corporate Planning Department
JAPAN POST INSURANCE Co., Ltd.**