



Outline of Financial Results for the Nine Months Ended December 31, 2015

February 12, 2016



JAPAN POST INSURANCE

Summary of Financial Results

- **Net income amounted to ¥72.7 billion, roughly the same level as the previous fiscal year. Compared with the full-year forecast, 86.6% has been achieved, signifying steady progress.**
- **Annualized premiums from new policies for individual insurance amounted to ¥363.7 billion, a 5.5% increase year on year. Annualized premiums from new policies for medical care was on a recovery track at ¥37.7 billion, or a 21.9% increase year on year.**
- **Number of new policies increased both in endowment insurance (a 11.0% increase year on year) and whole life insurance (a 13.8% increase year on year), as a result of launching of endowment insurance with a shortened premium period as well as increasing the age limit for whole life insurance in October 2015.**
- **Under the current low interest rate environment, exposures to investments in risk assets (foreign securities and domestic stocks) were increased to ¥5,301.6 billion (6.4% of total assets).**
- **EV increased by ¥203.2 billion from the end of the previous fiscal year to ¥3,704.5 billion, backed by an increase in sales of new policies (a 6.6% increase year on year in the value of new business).**

Financial Highlights

Financial Highlights

(¥bn)

	9 months ended Dec-14	9 months ended Dec-15	Year on year
Ordinary income	7,723.3	7,293.7	(5.6) %
Ordinary profit	377.4	327.7	(13.2) %
Provision for reserve for policyholder dividends	192.3	172.2	(10.4) %
Net income ¹	73.4	72.7	(0.9) %

Financial Result Forecasts

(¥bn)

Year ending Mar-16 (Full-year forecast)	Progress
9,550.0	76.4 %
350.0	93.6 %
190.0	90.7 %
84.0	86.6 %

(¥bn)

	Mar-15	Dec-15	Change
Total assets	84,915.0	82,682.8	(2.6) %
Net assets	1,975.7	1,971.4	(0.2) %
Total shareholders' equities	1,412.0	1,460.2	+3.4 %

1. Net income attributable to Japan Post Insurance

Overview of Financial Statements

Statement of Income (Consolidated)

	9 months ended Dec-14	9 months ended Dec-15	Change	(Reference) Year ended Mar-15
Ordinary income	7,723.3	7,293.7	(429.6)	10,169.2
Insurance premiums and others	4,487.9	4,003.9	(484.0)	5,956.7
Investment income	1,105.4	1,035.3	(70.0)	1,460.7
Reversal of policy reserves	1,990.7	2,160.5	+169.8	2,632.8
Ordinary expenses	7,345.9	6,965.9	(379.9)	9,676.6
Insurance claims and others	6,884.6	6,495.4	(389.1)	9,059.5
Investment expenses	9.3	7.2	(2.1)	10.9
Operating expenses	380.0	391.0	+11.0	513.1
Ordinary profit	377.4	327.7	(49.7)	492.6
Extraordinary profit and loss	(78.8)	(52.6)	+26.1	(99.3)
Provision for reserve for policyholder dividends	192.3	172.2	(20.0)	200.7
Income before income taxes	106.2	102.8	(3.4)	192.5
Total income taxes	32.8	30.0	(2.7)	111.2
Net income attributable to Japan Post Insurance	73.4	72.7	(0.6)	81.3

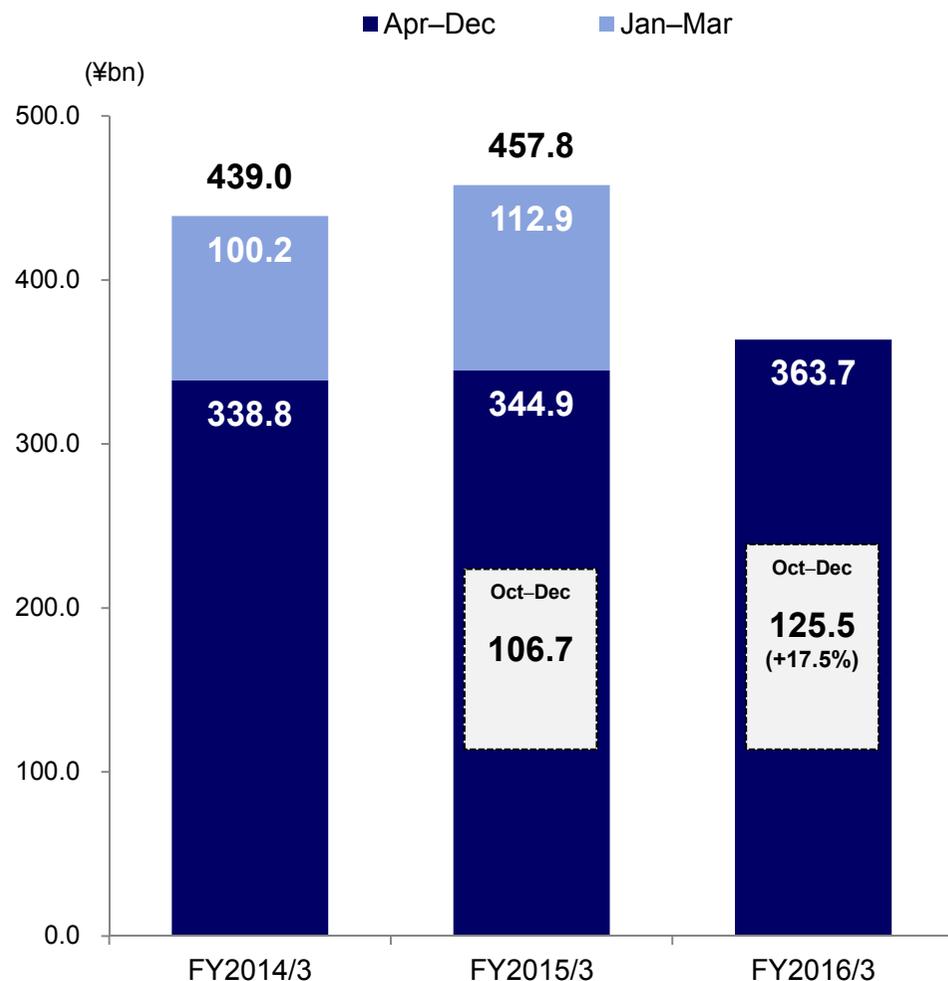
Balance Sheets (Consolidated)

	Mar-15	Dec-15	Change
Assets	84,915.0	82,682.8	(2,232.1)
Cash and deposits	2,213.7	1,382.0	(831.7)
Money held in trust	1,434.9	1,796.1	+361.2
Securities	66,276.2	64,447.7	(1,828.4)
Loans	9,977.3	9,429.8	(547.5)
Fixed assets	286.8	321.7	+34.8
Deferred tax assets	547.0	663.6	+116.5
Liabilities	82,939.2	80,711.4	(2,227.8)
Policy reserves	75,112.6	72,952.0	(2,160.5)
Reserve for price fluctuations	712.1	764.0	+51.9
Net assets	1,975.7	1,971.4	(4.3)
Total shareholders' equities	1,412.0	1,460.2	+48.2
Total accumulated other comprehensive income	563.6	511.1	(52.5)

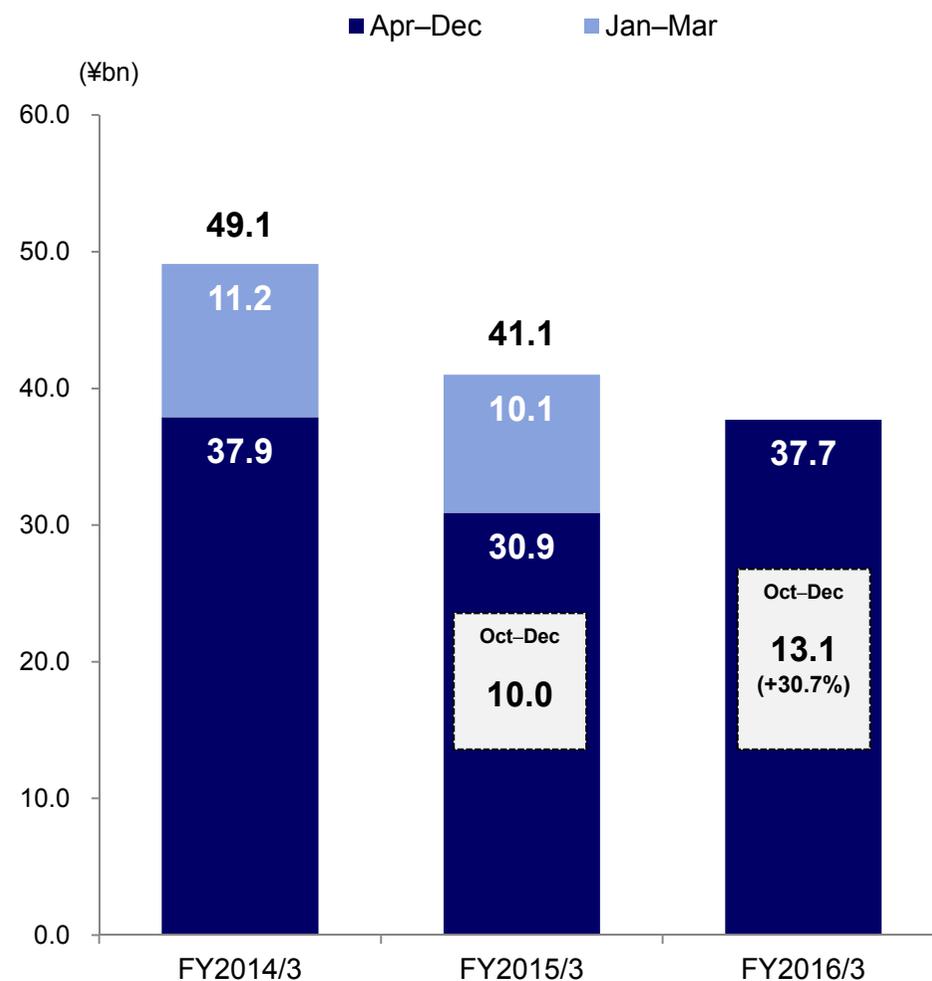
Note: Main items are presented.

Policy Sales (1): Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)



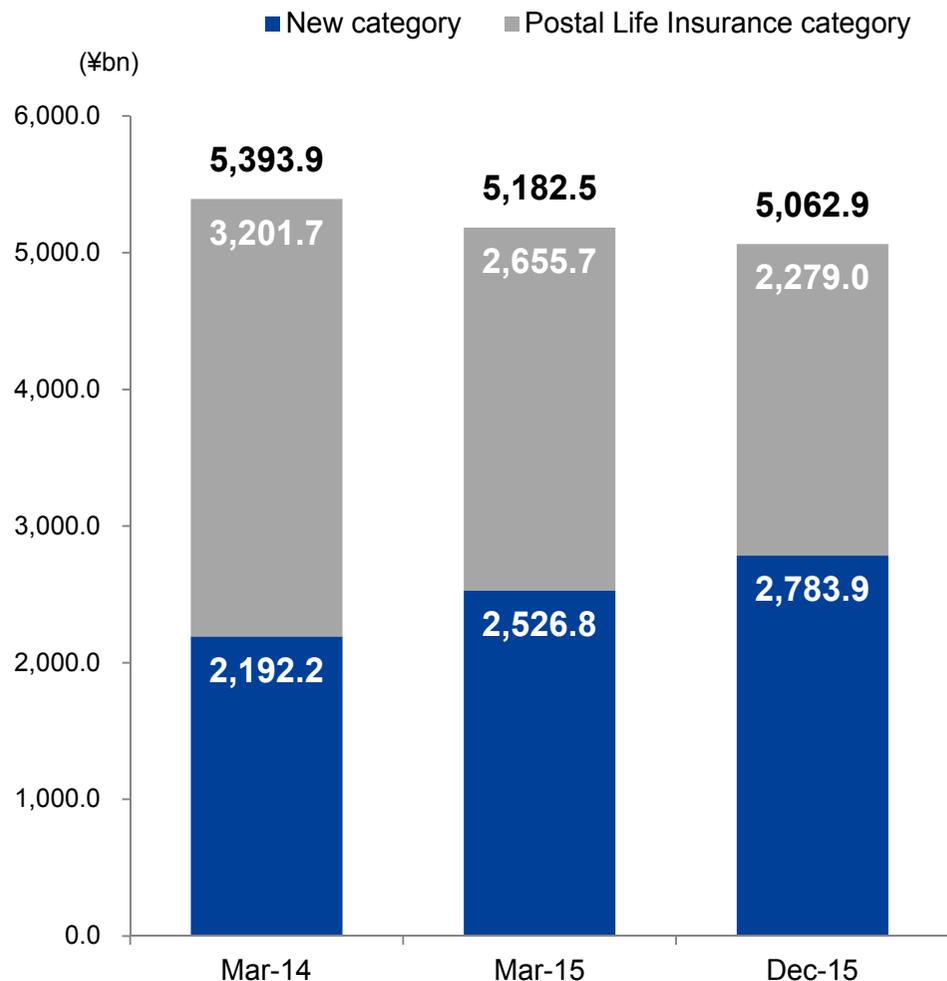
Annualized Premiums from New Policies (Medical Care)



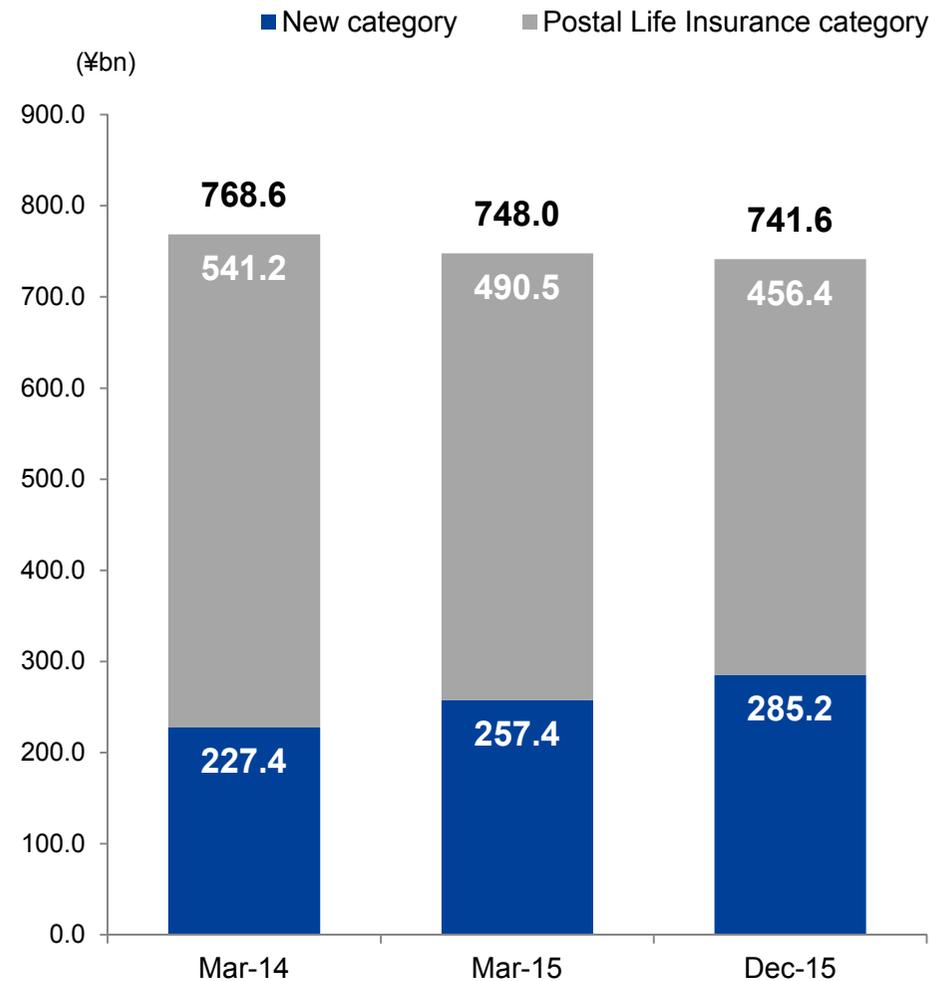
Note: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium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

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

Annualized Premiums from Policies in Force
(Individual Insurance)



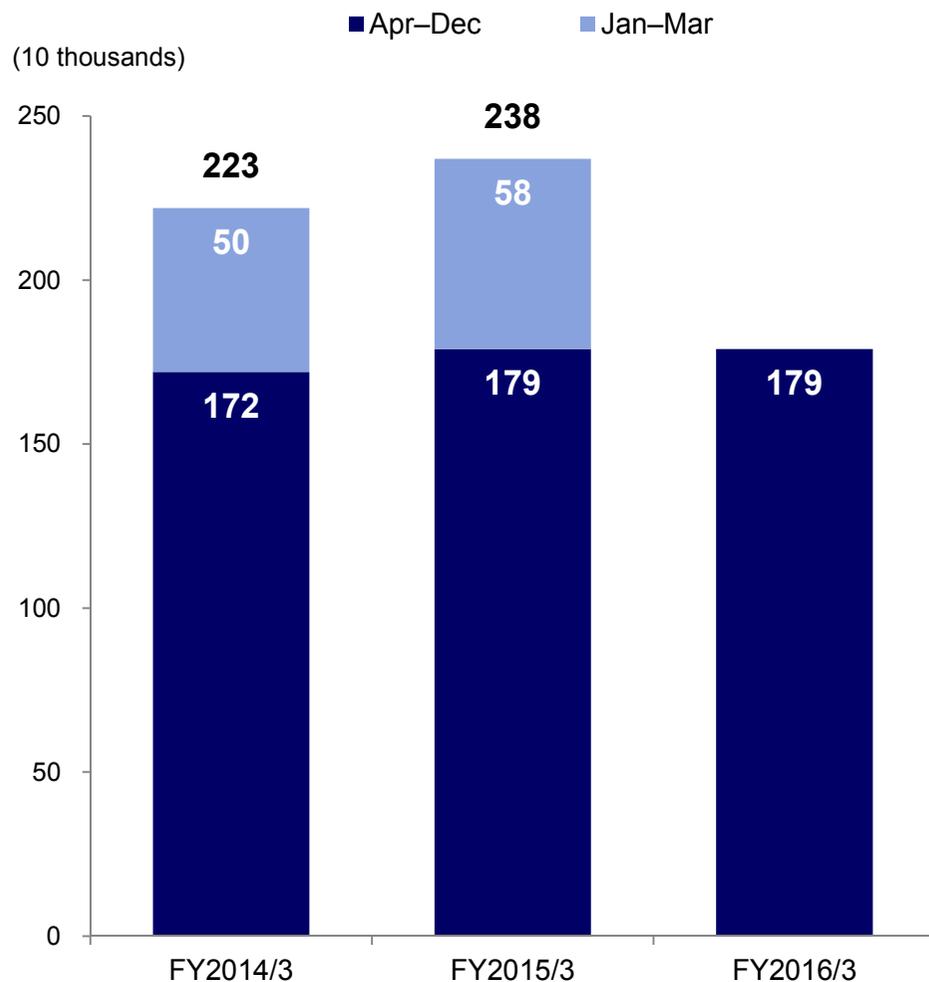
Annualized Premiums from Policies in Force
(Medical Care)



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)



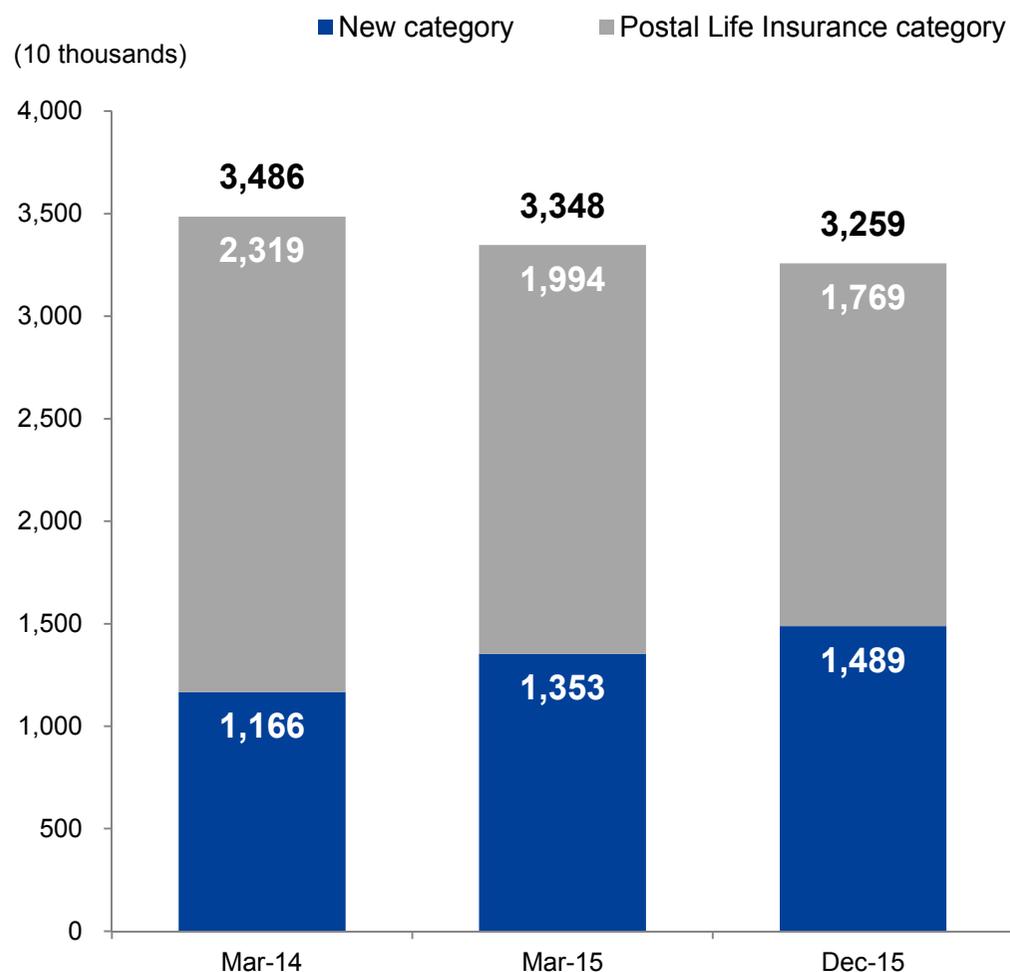
Breakdown of New Policies

(10 thousands)

	9 months ended Dec-14		9 months ended Dec-15	
	Number of policies	Share	Number of policies	Share
Individual insurance	179	100.0 %	179	100.0 %
Endowment insurance	85	47.4 %	94	52.8 %
Whole life insurance	43	24.3 %	49	27.7 %
Educational endowment insurance	50	28.2 %	34	19.5 %
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		Dec-15	
	Number of policies	Share	Number of policies	Share
Individual insurance	3,348	100.0 %	3,259	100.0 %
Whole life insurance	1,555	46.4 %	1,465	45.0 %
Endowment insurance	1,230	36.7 %	1,238	38.0 %
Educational endowment insurance	547	16.4 %	540	16.6 %
Other insurance	15	0.5 %	14	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) Asset Portfolio

Asset Portfolio

(¥bn, %)

		Mar-15		Dec-15	
		Amount	Share	Amount	Share
Bonds		64,294.7	75.7	60,800.6	73.5
Japanese government bonds		48,086.4	56.6	45,280.8	54.8
Japanese local government bonds		9,555.8	11.3	9,343.4	11.3
Japanese corporate bonds		6,652.4	7.8	6,176.3	7.5
Risk assets		3,363.1	4.0	5,301.6	6.4
Domestic stocks ¹		996.9	1.2	1,247.5	1.5
Foreign stocks ¹		214.5	0.3	220.9	0.3
Foreign bonds etc. ^{1,2}		2,151.6	2.5	3,833.1	4.6
Loans		9,977.3	11.7	9,429.8	11.4
Others		7,279.7	8.6	7,150.7	8.6
Cash and deposits, call loans		2,659.2	3.1	2,224.0	2.7
Receivables under securities borrowing transactions		2,720.8	3.2	2,989.1	3.6
Total assets		84,915.0	100.0	82,682.8	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)

	9 months ended Dec-14	9 months ended Dec-15	(Reference) Year ended Mar-15
Positive spread	43.9	67.4	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	53.2	18.6	64.1
	Dec-14	Dec-15	Mar-15
Interest rate (10Y JGB)	0.330 %	0.270 %	0.400 %

1. Average assumed rates of return is the assumed 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

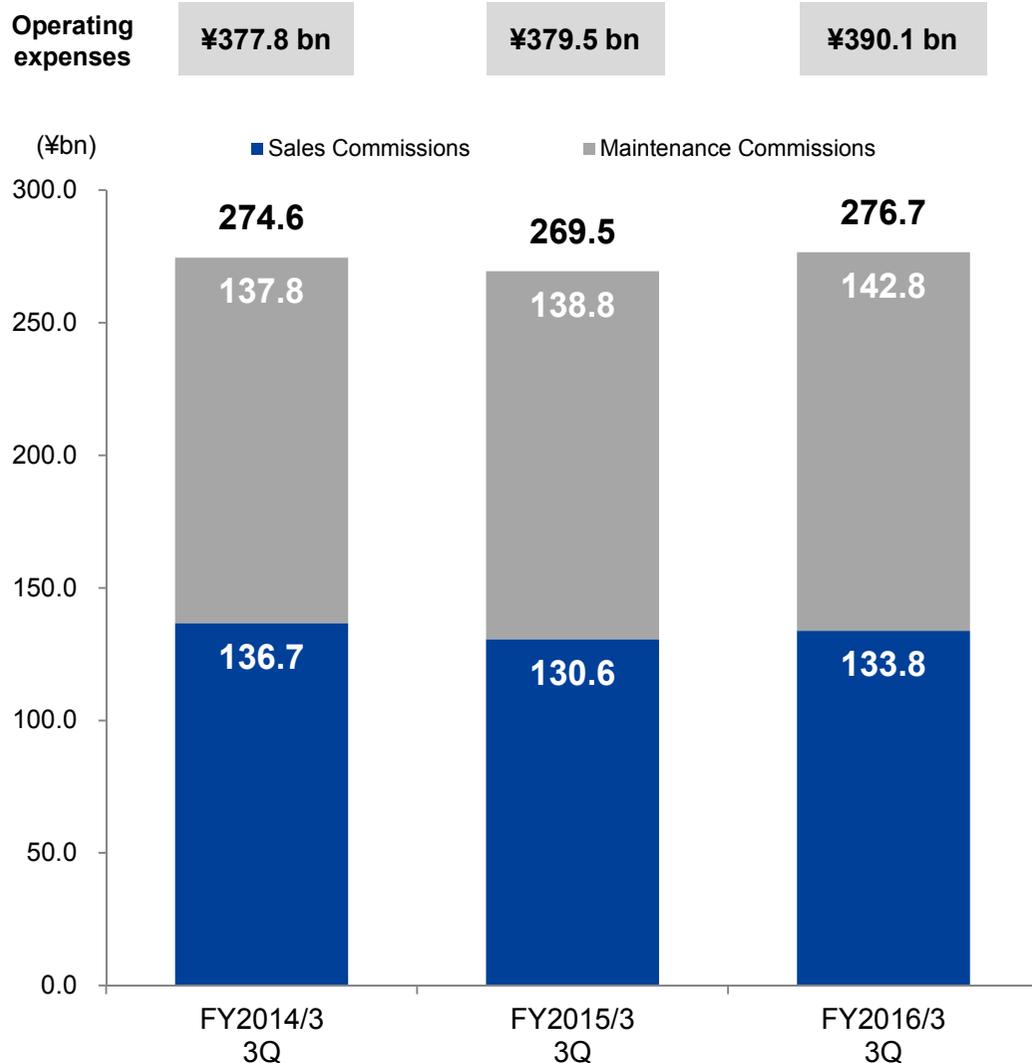
(¥bn)

	Mar-15			Dec-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	66,714.7	73,623.6	6,908.8
Held-to-maturity bonds	43,695.5	48,232.6	4,537.1	42,312.2	47,328.1	5,015.9
Policy-reserve-matching bonds	15,493.2	16,668.4	1,175.2	14,544.5	15,729.2	1,184.7
Available-for-sale securities	9,484.7	10,266.5	781.7	9,857.9	10,566.2	708.2
Securities	8,405.0	8,831.5	426.4	8,378.1	8,770.0	391.9
Bonds	5,105.3	5,203.9	98.6	3,950.5	4,041.8	91.2
Foreign stocks	20.0	20.0	-	-	-	-
Foreign bonds	1,537.7	1,863.4	325.7	3,200.8	3,499.5	298.7
Other securities	-	-	-	50.0	49.5	(0.4)
Deposits	1,741.9	1,744.0	2.0	1,176.7	1,179.0	2.3
Money held in trust	1,079.7	1,434.9	355.2	1,479.8	1,796.1	316.3
Domestic stocks	713.2	996.9	283.7	982.5	1,247.5	265.0
Foreign stocks	158.0	194.5	36.5	195.9	220.9	24.9
Foreign bonds	155.1	190.1	34.9	159.7	186.0	26.3

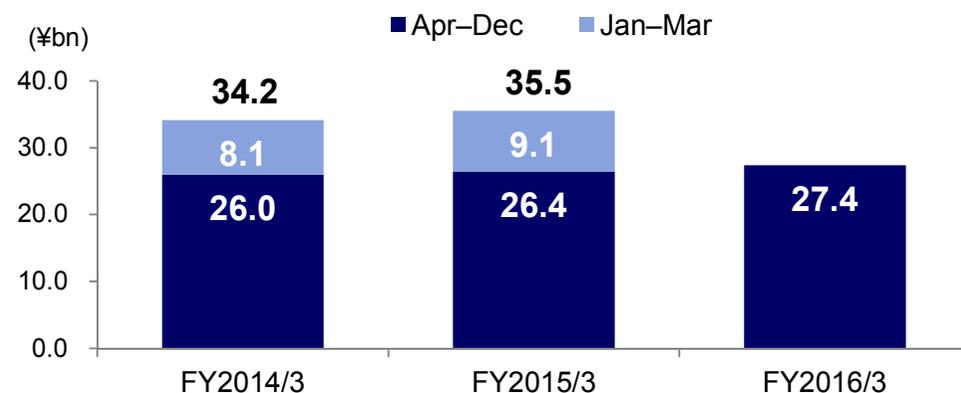
1. This table includes the handling of securities under the Financial Instruments and Exchange Act.
2. Total money held in trust includes cash and deposits and others.

Expenses (Non-Consolidated)

Commissions to Japan Post Co.



Depreciation and amortization



(Reference) Major Investment Plans for FY2016/3 – FY2018/3

	Measures	Amount	Effect
Administration / IT system	Renewal of core IT system	¥ 60 bn	Improve efficiency in developing software
	Establishment of systems for simply, quickly and accurately performing functions ranging from insurance policy underwriting to claims payments	¥ 50 bn	Strengthening policy management systems (providing high-quality services)
Facilities / equipment	Renovation of branch offices and service centers	¥ 46 bn	Improving worksite environment which has been aging, narrow, decentralized

Source: Japan Post Group, medium-term business plan

Financial Soundness

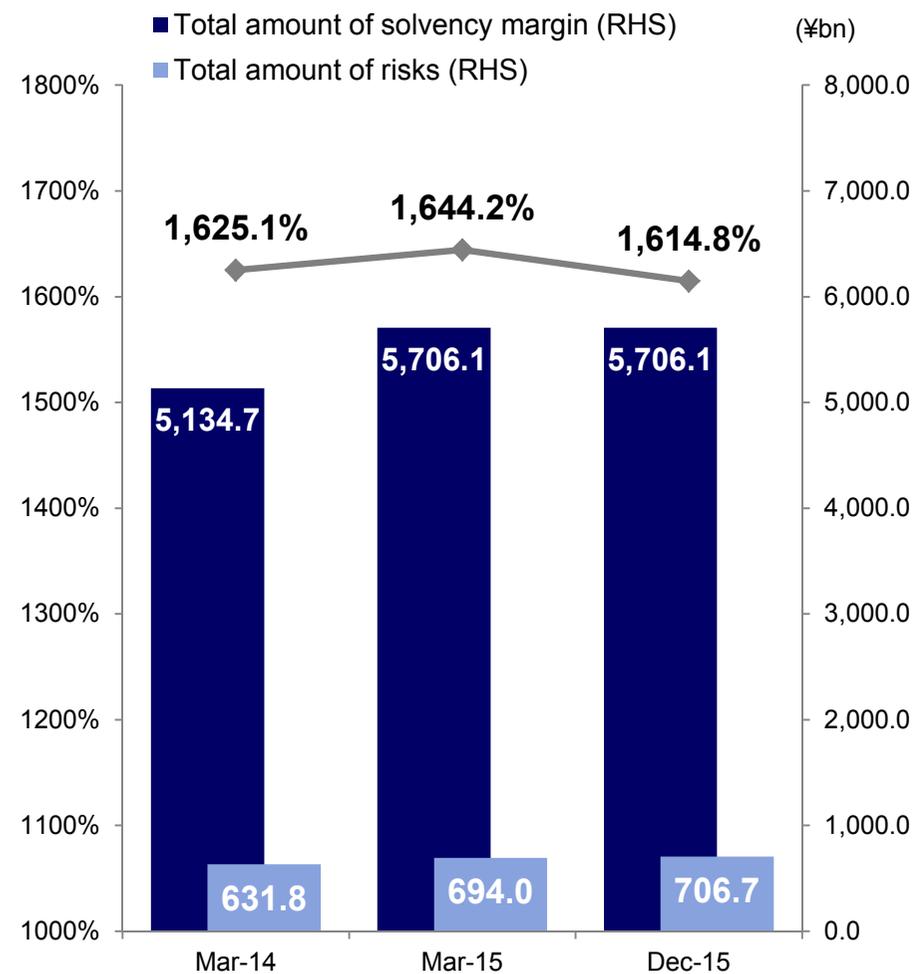
Internal Reserves

	Mar-15	Dec-15	(¥bn)
			Provisions in the period ²
Contingency reserve	2,498.7	2,406.7	(91.9)
Postal Life Insurance	2,182.8	2,054.7	(128.1)
New	315.8	351.9	36.1
Price fluctuations reserve	712.1	764.0	51.9
Postal Life Insurance	626.8	640.4	13.5
New	85.3	123.6	38.3
Additional policy reserve ¹	6,067.0	6,025.7	(41.2)
Postal Life Insurance	6,067.0	6,025.7	(41.2)
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 nine months ended December 31, 2015, the amount of additional provision was ¥134.6 bn and the accumulated amount was ¥985.1 bn).
2. Provision in the period includes the excess provision of ¥67.0 bn exceeding the provision requirements for contingencies reserve and reserve for price fluctuations.

Solvency Margin Ratio (Consolidated)



Embedded Value

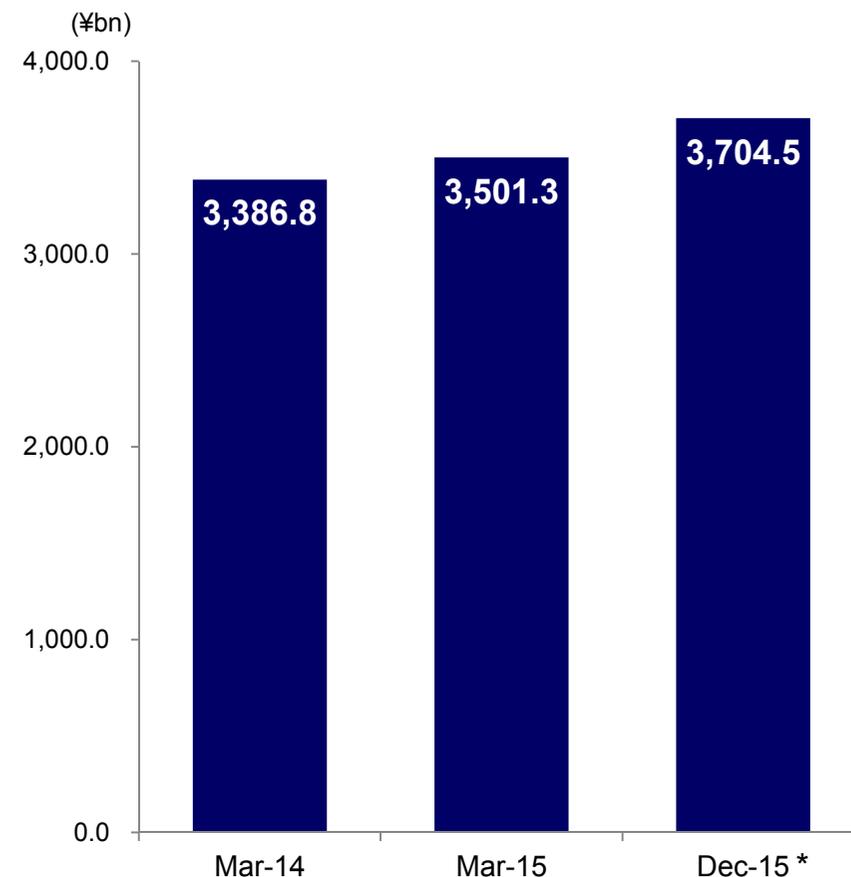
Breakdown of EV

(¥bn)

	Mar-15	Dec-15*	Change
EV	3,501.3	3,704.5	+203.2
Adjusted net worth	2,975.5	3,286.2	+310.7
Value of in-force covered business	525.8	418.2	(107.5)

	9 months ended Dec-14*	9 months ended Dec-15*	Change	(Reference) Year ended Mar-15
Value of new business	100.4	107.1	+6.6	134.2

EV



* The above is the provisionally calculated EV using the economic assumptions as of the end of December, based on the policies in force at the end of December. (Value of new business is calculated by using the economic assumptions as of the end of September, based on the new policies written in the period from April to December). Please note that none of the aforementioned values have been verified by a third party.

APPENDIX

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

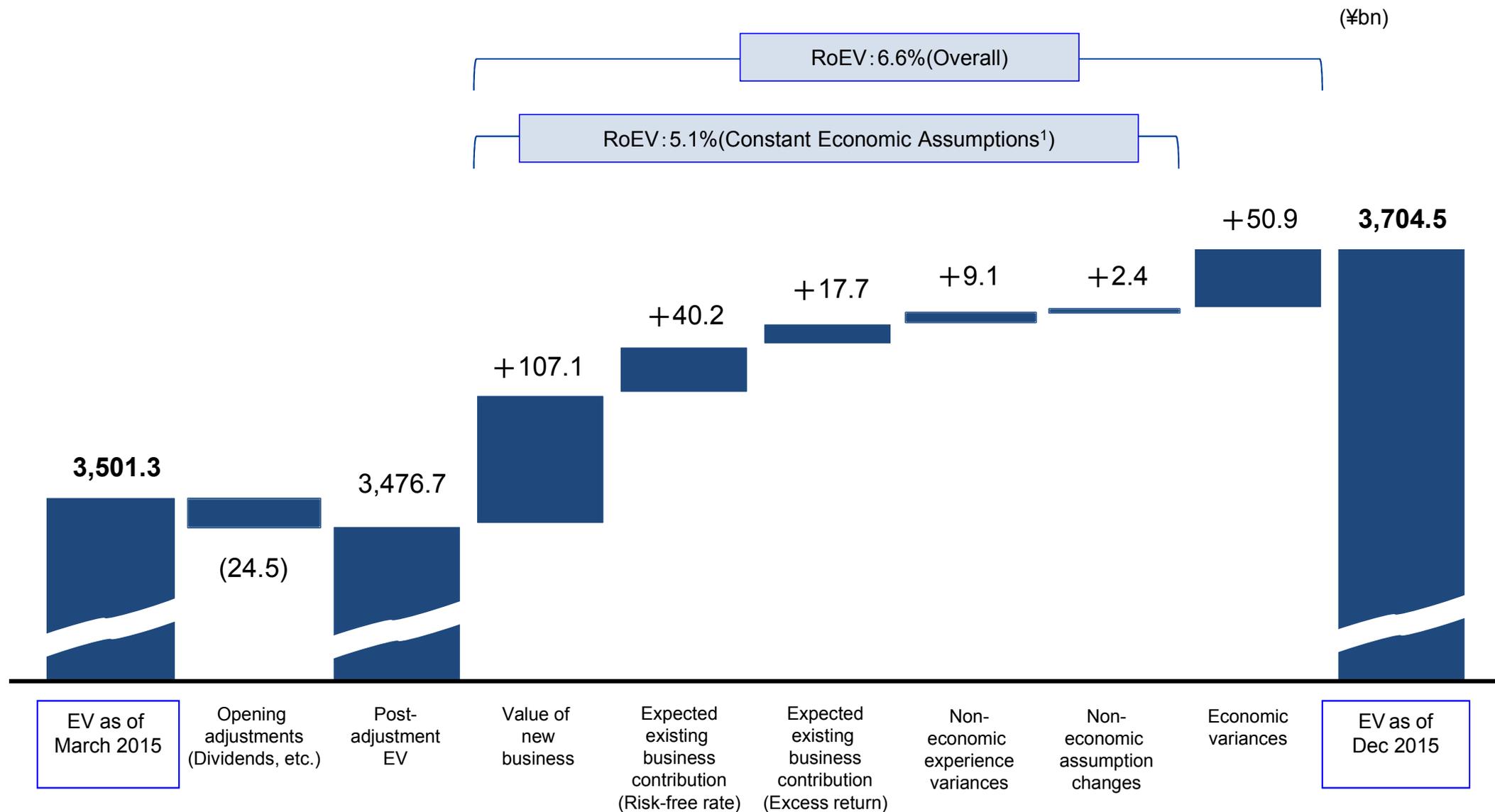
		FY2012/3	FY2013/3	FY2014/3	FY2015/3	FY2015/3 3Q	FY2016/3 3Q
Total assets	¥mn	93,688,672	90,462,364	87,088,626	84,911,946	85,012,677	82,677,021
Postal Life Insurance category		80,024,630	73,793,953	67,560,915	61,703,013	63,047,330	57,833,478
New category		13,664,042	16,668,410	19,527,711	23,208,932	21,965,346	24,843,542
Number of policies in force	(000)	39,034	36,805	34,864	33,489	33,828	32,590
Postal Life Insurance category (insurance)		31,015	26,933	23,195	19,949	20,743	17,693
New category (individual insurance)		8,018	9,871	11,668	13,539	13,085	14,896
Insurance premiums and others	¥mn	6,856,486	6,481,772	5,911,643	5,956,716	4,487,972	4,003,912
Postal Life Insurance category		3,292,716	2,685,558	2,155,398	1,697,140	1,302,044	1,016,484
New category		3,563,769	3,796,214	3,756,245	4,259,576	3,185,928	2,987,427
Ordinary profit	¥mn	531,388	529,375	463,506	493,169	377,729	328,424
Postal Life Insurance category		460,482	424,511	382,325	377,145	290,183	206,535
New category		70,906	104,864	81,181	116,024	87,546	121,889
Net income	¥mn	67,734	91,000	63,428	81,758	73,702	73,468
Postal Life Insurance category		48,429	56,816	43,689	36,969	36,486	29,925
New category		19,304	34,184	19,739	44,789	37,215	43,542
Contingency reserve (reversal) provision	¥mn	(102,240)	(100,149)	(94,807)	(90,087)	(67,695)	(91,980)
Postal Life Insurance category		(152,519)	(159,710)	(164,732)	(167,144)	(125,314)	(128,143)
New category		50,278	59,561	69,924	77,057	57,619	36,163
Price fluctuations reserves (reversal) provision	¥mn	48,541	64,656	91,360	97,934	78,725	51,921
Postal Life Insurance category		35,893	43,374	73,857	72,126	58,546	13,599
New category		12,647	21,282	17,502	25,808	20,179	38,322
Additional policy reserve (reversal) provision	¥mn	(107,885)	(92,835)	(77,134)	(68,347)	(48,606)	(41,281)
Postal Life Insurance category		(107,885)	(92,835)	(77,134)	(68,347)	(48,606)	(41,281)
New category		-	-	-	-	-	-

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

Major Financial Results (Consolidated)

	(¥bn)					
	FY2012/3	FY2013/3	FY2014/3	FY2015/3	FY2015/3 3Q	FY2016/3 3Q
Insurance premiums and others	6,856.4	6,481.7	5,911.6	5,956.7	4,487.9	4,003.9
Ordinary profit	531.2	528.9	462.7	492.6	377.4	327.7
Provision for reserve for policyholder dividends	271.9	307.4	242.1	200.7	192.3	172.2
Net income	70.0	90.6	62.8	81.3	73.4	72.7
Net assets	1,294.4	1,466.7	1,538.1	1,975.7	1,889.9	1,971.4
Total assets	93,690.8	90,463.5	87,092.8	84,915.0	85,019.2	82,682.8
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	389.2	352.3

EV Movement



1. Constant economic assumption rate excludes economic variance factor.

* Please note that none of the aforementioned values have been verified by a third party.

<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 materially from such forward-looking statements due to various factors including changes in the operating environment, interest rates or general economic conditions or other future events and circumstances.

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