



## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year ended March 31, 2017	Yen -	Yen 0.00	Yen -	Yen 60.00	Yen 60.00
Fiscal year ending March 31, 2018	-	0.00	-		
Fiscal year ending March 31, 2018 (Forecast)				64.00	64.00

- Notes: 1. Revisions to the most recently announced dividend forecast: No
2. With regard to dividend per share for the fiscal year ending March 31, 2018 (forecast), special dividend is not planned to be paid, although fixed asset transfers were completed as stated in “(Progress of the Disclosed Matters) Notice Regarding Transfer of Fixed Assets” released on February 1, 2018.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	
Full year	7,690,000	(11.2)	250,000	(10.6)	86,000	(2.9)	Yen 143.38

- Notes: 1. Revisions to the most recently announced financial results forecast: No
2. With regard to “Net income attributable to Japan Post Insurance,” there are no changes to the consolidated financial results forecast for the fiscal year ending March 31, 2018, although fixed asset transfers were completed as stated in “(Progress of the Disclosed Matters) Notice Regarding Transfer of Fixed Assets” released on February 1, 2018.

**\* Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Adoption of special accounting methods in the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: No
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of shares issued (common stock)
  - 1) Total number of shares issued at the end of the period:
    - December 31, 2017: 600,000,000 shares
    - March 31, 2017: 600,000,000 shares
  - 2) Total number of treasury stock at the end of the period:
    - December 31, 2017: 198,100 shares
    - March 31, 2017: 221,200 shares
  - 3) Average number of shares during the period:
    - Nine months ended December 31, 2017: 599,790,629 shares
    - Nine months ended December 31, 2016: 599,813,380 shares

(Note) 198,100 shares and 221,200 shares included in the total number of treasury stock as of December 31, 2017 and March 31, 2017 were shares of the Company held in the Board Benefit Trust (BBT). The average number of treasury stock held in the BBT (209,370 shares for the nine months ended December 31, 2017 and 186,619 shares for the nine months ended December 31, 2016) was deducted from the calculation of the average number of shares during the nine months ended December 31, 2017 and 2016.

\* Summary of quarterly consolidated financial results is outside the scope of the quarterly review.

\* Explanation on the appropriate use of financial results forecasts, and other notes

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Please note that actual results may differ from the forecast figures due to various factors including changes in the operating environment.

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\* The Company has prepared supplementary briefing materials, etc. in relation to financial information, which can be viewed on the Company's website.

## 1. Unaudited Consolidated Financial Statements and Principal Notes

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
<b>ASSETS:</b>		
Cash and deposits	1,366,086	871,804
Call loans	150,000	165,000
Receivables under securities borrowing transactions	3,520,722	2,802,975
Monetary claims bought	27,561	256,379
Money held in trust	2,127,042	2,778,208
Securities	63,485,289	61,155,699
Loans	8,060,902	7,638,359
Tangible fixed assets	137,262	130,034
Intangible fixed assets	185,520	163,340
Agency accounts receivable	50,888	36,745
Reinsurance receivables	2,293	3,127
Other assets	371,905	362,342
Deferred tax assets	851,942	818,395
Reserve for possible loan losses	(658)	(697)
<b>Total assets</b>	<b>80,336,760</b>	<b>77,181,714</b>
<b>LIABILITIES:</b>		
Policy reserves and others	72,525,176	70,617,010
Reserve for outstanding claims	577,376	525,636
Policy reserves	70,175,234	68,427,297
Reserve for policyholder dividends	1,772,565	1,664,075
Reinsurance payables	4,774	5,807
Payables under securities lending transactions	4,889,066	3,298,463
Other liabilities	213,565	153,914
Liability for retirement benefits	62,184	65,352
Reserve for management board benefit trust	76	106
Reserve under the special law	788,712	835,561
Reserve for price fluctuations	788,712	835,561
<b>Total liabilities</b>	<b>78,483,557</b>	<b>74,976,216</b>
<b>NET ASSETS:</b>		
Capital stock	500,000	500,000
Capital surplus	500,044	500,044
Retained earnings	527,358	566,368
Treasury stock	(521)	(466)
<b>Total shareholders' equity</b>	<b>1,526,882</b>	<b>1,565,945</b>
Net unrealized gains (losses) on available-for-sale securities	321,904	635,477
Net deferred gains (losses) on hedges	50	37
Accumulated adjustments for retirement benefits	4,366	4,037
<b>Total accumulated other comprehensive income</b>	<b>326,321</b>	<b>639,552</b>
<b>Total net assets</b>	<b>1,853,203</b>	<b>2,205,497</b>
<b>Total liabilities and net assets</b>	<b>80,336,760</b>	<b>77,181,714</b>

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income  
Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
<b>ORDINARY INCOME</b>	6,498,146	5,995,179
Insurance premiums and others	3,877,753	3,220,309
Investment income	1,037,017	971,666
Interest and dividend income	926,425	875,207
Gains on money held in trust	37,807	73,428
Gains on sales of securities	72,738	22,793
Gains on redemption of securities	27	26
Reversal of reserve for possible loan losses	5	-
Other investment income	12	209
Other ordinary income	1,583,376	1,803,202
Reversal of reserve for outstanding claims	69,924	51,740
Reversal of policy reserves	1,509,844	1,747,936
Other ordinary income	3,607	3,526
<b>ORDINARY EXPENSES</b>	6,277,570	5,740,282
Insurance claims and others	5,663,800	5,184,670
Insurance claims	4,882,434	4,269,596
Annuity payments	276,189	294,374
Benefits	42,070	50,338
Surrender benefits	313,442	388,074
Other refunds	138,371	167,089
Reinsurance premiums	11,291	15,197
Provision for policy reserves and others	22	5
Provision for interest on policyholder dividends	22	5
Investment expenses	129,974	69,563
Interest expenses	1,467	1,196
Losses on sales of securities	109,955	42,969
Losses on redemption of securities	6,232	4,732
Losses on derivative financial instruments	8,816	18,795
Losses on foreign exchanges	2,568	252
Provision for reserve for possible loan losses	-	1
Other investment expenses	933	1,615
Operating expenses	411,854	397,083
Other ordinary expenses	71,918	88,959
Ordinary profit	220,576	254,896
<b>EXTRAORDINARY GAINS</b>	-	1,013
Gains on sales of fixed assets	-	1,013
<b>EXTRAORDINARY LOSSES</b>	5,785	49,132
Losses on sales and disposal of fixed assets	125	280
Impairment loss	-	2,003
Provision for reserve for price fluctuations	5,660	46,848
Provision for reserve for policyholder dividends	122,992	101,375
Income before income taxes	91,797	105,402
Income taxes - Current	100,421	118,479
Income taxes - Deferred	(76,656)	(88,087)
Total income taxes	23,764	30,392
Net income	68,032	75,009
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	68,032	75,009

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Net income	68,032	75,009
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	(40,498)	313,572
Net deferred gains (losses) on hedges	(78)	(12)
Adjustments for retirement benefits	(339)	(328)
Total other comprehensive income (loss)	(40,917)	313,230
Comprehensive income (loss)	27,115	388,240
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	27,115	388,240
Non-controlling interests	-	-

## (3) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Subsequent Events)

(Transfer of Important Assets)

At the Board of Directors meeting held on February 1, 2018, the Company has decided to transfer its fixed assets. On February 2, 2018, the Company concluded a sales agreement and completed the transfer of property.

## 1. Reason for the transfer

The Company has decided to transfer the following fixed assets held by the Company in order to effectively utilize such assets and to reduce administrative and maintenance expenses.

## 2. Details of the assets to be transferred

Name and location of assets	Land	Buildings	Gain on transfer	Current status
Former Tokyo service center (Minato-ku, Tokyo)	26,808.85 m <sup>2</sup>	43,440.70 m <sup>2</sup>	85,034 million yen	warehouse

\* The gain on transfer is an amount calculated by deducting the carrying amount and the miscellaneous expenses related to the transfer from the transfer price.

## 3. Overview of the recipient of the transfer

The name of the recipient of the transfer and the transfer price will not be disclosed in consideration of the intent of the recipient.

In addition, there are no capital, human or business relationships between the Company and the recipient, and the recipient is not a related party of the Company.

## 4. Schedule of the transfer

Date of resolution of the Board of Directors meeting	February 1, 2018
Date of the sales agreement	February 2, 2018
Due date of transfer of property	February 2, 2018

(Establishment of an Affiliate)

On February 9, 2018, the Company established an affiliated company to carry out private equity fund management (hereinafter the "New Company").

## 1. Purpose of Establishing the New Company

The New Company was established for the purpose of making investment decisions based on assessments of commercial viability and provide management support to portfolio companies, focusing primarily on companies in Japan, along with supplying equity financing together with other outstanding fund managers and other partners, in order to drive further revenue growth through private equity investment.

2. Outline of the New Company

- |   |  |
|---|--|
| (1) Name                                | Japan Post Investment Corporation  |
| (2) Main business                       | Private offerings of interests in investment limited partnerships and related entities and wealth management |
| (3) Stated capital and capital reserves | ¥1.5 billion (comprising common shares worth ¥0.05 billion and preferred shares worth ¥1.45 billion)         |
| (4) Date of establishment               | February 9, 2018   |
| (5) Ownership of voting rights held     | JAPAN POST BANK: 50.0%<br>The Company: 25.0%<br>Officers and employees of the New Company: 25.0%             |
| (6) Ownership of preferred shares       | JAPAN POST BANK: 66.7%<br>The Company: 33.3%   |