

**UNOFFICIAL TRANSLATION**

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

JAPAN POST INSURANCE

CONVOCAION NOTICE OF THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Wednesday, June 21, 2017 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	Yokohama Arena 3-10, Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa, Japan (Please note that the venue for the meeting has been changed from last year. Please refer to the map for the new venue at the end of this notice to avoid any confusion.)
For those who are unable to attend the meeting	
Voting Deadline	Tuesday, June 20, 2017 at 5:15 p.m. Japan time

(Please exercise your voting rights by returning the enclosed Voting Rights Exercise Form or via Internet.)

▶ For details, please refer to “Guidance on the Exercise of Voting Rights” on pages 5-7.

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JAPAN POST INSURANCE Co., Ltd.

Securities Identification Code: 7181

Management Philosophy of JAPAN POST INSURANCE Co., Ltd.

Be a trustful partner for people, always being close at hand and  
endeavoring to protect their well-being.

**Management Policy**

**We aim to become the No.1 Japanese insurance company selected by customers.**

1. We are always close to people's lives, offering easy-to-understand products and high-quality services.
2. We always ensure that employees who have contact with our customers make full use of their strengths to offer better customer services.
3. We create a working environment in which all employees can develop their talents and work with energy and vitality.
4. We practice sound management based on strong corporate governance, constantly creating new value to achieve sustainable growth.
5. We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.
6. We work to communicate closely with all stakeholders.

**Code of Conduct**

1. We put the customer first in everything we do.
2. We offer comprehensive and heartfelt services by working together closely with our business partners.
3. We always improve ourselves, embarking on new challenges and contributing to the development of the company and society.
4. We leave no stone unturned in ensuring compliance based on a strong ethical sense of the company as a responsible member of society.
5. We respect human rights and create a diverse and inclusive working environment.

“Life is Full of Dreams”

JAPAN POST INSURANCE

To Our Shareholders

**Aiming to become the No. 1 Japanese insurance company selected by customers**

We would like to express our deep appreciation for your kind support for JAPAN POST INSURANCE Co., Ltd.

In October 2016, we celebrated the 100th anniversary of Postal Life Insurance Service which was founded back in 1916. Once again, we would like to take this opportunity to express our sincerest gratitude for the support and fidelity we have received from our stakeholders over the past century.

The Postal Life Insurance Service was founded to fulfill its social mission of “protecting the means of fundamental livelihood of the public through simple procedures.” We, the privatized Kampo, have inherited and upheld this social mission, and even after the listing of our common stock, we have been providing customers with simple and easy-to-understand life insurance products with smaller coverage amounts through the nationwide post office network, while enhancing the caring services for customers. We take it as our mission to respond to the needs of a greater number of customers to provide protection that is truly satisfying to them. While leveraging the Kampo’s brand image of reliability and trustworthiness, we will further refine our business model to be a big, unique and heartfelt company.

Our management philosophy states to “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” In order to remain as a company trusted and loved by our customers for the century to come, we aim to become the No. 1 Japanese insurance company selected by customers. Going forward, the Company will work to upgrade and optimize business processes by actively implementing and utilizing advanced technologies. In addition, the Company will strive to thoroughly engage in warmhearted communication with customers. We will contribute to the local communities primarily through the post office network, while exerting concerted efforts to achieve sustainable growth and enhancement of corporate value over the medium-to-long term.

We sincerely request the continued support of all of our shareholders.

June 2017

Masami Ishii  
Director and President, CEO,  
Representative Executive Officer

June 1, 2017

**Dear Shareholders:**

Masami Ishii  
Director and President, CEO,  
Representative Executive Officer  
JAPAN POST INSURANCE Co., Ltd.  
3-2, Kasumigaseki 1-chome,  
Chiyoda-ku, Tokyo 100-8798, Japan

## CONVOCAATION NOTICE OF THE 11TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 11th Ordinary General Meeting of Shareholders of JAPAN POST INSURANCE Co., Ltd. (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m., Tuesday, June 20, 2017 (Japan time) in accordance with the “Guidance on the Exercise of Voting Rights.”

- 1. Date and Time:** Wednesday, June 21, 2017 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Place:** Yokohama Arena  
3-10, Shin-Yokohama, Kohoku-ku, Yokohama-shi, Kanagawa, Japan  
(Although the Company held its 10th Ordinary General Meeting of Shareholders at Saitama Super Arena in Saitama-shi, Saitama, that venue was not available at a suitable date for this year’s meeting. We have therefore decided to hold this year’s meeting at Yokohama Arena, in order to accommodate a large number of shareholders.  
Please refer to the map for the venue on the back cover of this notice to avoid any confusion.)
- 3. Meeting Agenda:**
  - Matters to be reported:**
    1. Contents of the Business Report and Consolidated Financial Statements, and the Audit Reports of the Consolidated Financial Statements by the Independent Auditor and the Audit Committee (from April 1, 2016 to March 31, 2017)
    2. Report on the contents of the Non-consolidated Financial Statements (from April 1, 2016 to March 31, 2017)
  - Matter to be resolved:**
    - Proposal:** Election of Twelve (12) Directors

- In case of attendance by proxy, one other shareholder who holds voting rights at this Ordinary General Meeting of Shareholders may attend as proxy by submitting written proof of proxy rights.
- Of the documents required to be provided in this convocation notice, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been posted on **our website** in accordance with relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company and are therefore not included in the attachments of this convocation notice. Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit Committee or an Independent Auditor include the Notes to the Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements posted on **our website**.
- Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, and Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on **our website**.

Website of the Company <http://www.jp-life.japanpost.jp/>

# Guidance on the Exercise of Voting Rights

## For those attending the Ordinary General Meeting of Shareholders

Please submit your Voting Rights Exercise Form at the reception.



### Attending the Ordinary General Meeting of Shareholders

**Date and Time** Wednesday, June 21, 2017 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)

**Place** Yokohama Arena

10, Shin-Yokohama 3-chome, Kohoku-ku, Yokohama-shi, Kanagawa, Japan  
(The venue has been changed from the previous year.)

## For those unable to attend the Ordinary General Meeting of Shareholders



### Exercise of voting rights by mail

**Voting Deadline** Votes shall arrive no later than Tuesday, June 20, 2017 at 5:15 p.m. Japan time

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return it by post to reach us no later than the above voting deadline.

#### How to fill out your Voting Rights Exercise Form



Please indicate your approval or disapproval of the proposal inside this box.

<b>Proposal</b>	In case you approve all the candidates	→ Please circle the “ <b>approval</b> ” “ <b>賛</b> ” column
	In case you disapprove all the candidates	→ Please circle the “ <b>disapproval</b> ” “ <b>否</b> ” column
	In case you disapprove certain candidates	→ Please circle the “ <b>approval</b> ” “ <b>賛</b> ” column and fill in the candidate number(s) of the candidate(s) you disapprove

If there is no indication of approval or disapproval for the proposal, it will be deemed as an indication of approval.



### Exercise of voting rights via the Internet

**Voting Deadline** No later than Tuesday, June 20, 2017 at 5:15 p.m. Japan time

Please access the **voting website** (<http://www.web54.net>), follow the on-screen guidance and indicate your approval or disapproval for the proposal by no later than the voting deadline. Please refer to the next page for details.

# Exercise of voting rights via the Internet



## Access procedures via the Internet

Please access the voting website using computers, smartphones or tablets, enter the “Voting Rights Exercise Code” and “Password” printed on the enclosed Voting Rights Exercise Form, then follow the on-screen guidance and indicate your approval or disapproval for the proposal.



You may also access the voting website by reading the QR code on the left using smartphones and other means with the function to read barcodes.

\*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Voting Website

<http://www.web54.net>

### 1 Access the voting website



Click “Next.”

### 2 Login



Enter the “Voting Rights Exercise Code” printed on the enclosed Voting Rights Exercise Form and click “Login.”

### 3 Follow the on-screen guidance and enter information as necessary.

## Handling of multiple exercises of voting rights

- (1) If you vote both by mail and via the Internet, your vote via the Internet will be treated as effective.
- (2) If you vote more than once via the Internet, your last vote will be treated as effective.

### **i** NOTE

- Connection fees, broadband fees and other fees incurred in using the voting website shall be borne by shareholders.
- The voting website might not be accessible depending on the Internet environment, the service subscribed or the model used.

Should you have any questions, please contact the below.

<b>Inquiries regarding voting via the Internet</b>	<b>[Administrator of Shareholder Registry] Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited</b>  <b>0120-652-031</b> (toll free in Japan) (Open from 9:00 a.m. to 9:00 p.m.)
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### **For Institutional Investors**

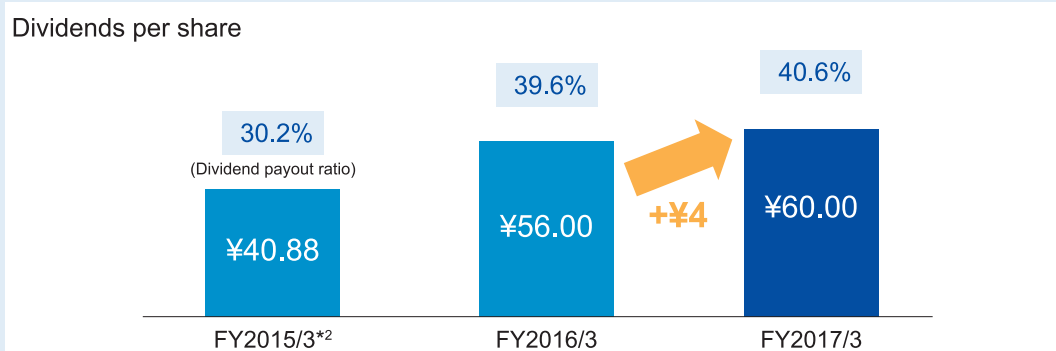
The Electronic Voting Platform, operated by ICJ Co., Ltd., is available for institutional investors that have applied in advance to use the platform.

# Dividends

We would like to inform you that the Board of Directors has passed the resolution to distribute cash dividends as follows:

**1 Year-end dividends** ¥60 per share  
(¥58 for ordinary dividend and ¥2 for commemorative dividend\*1)

**2 Effective date** June 22, 2017



## Shareholder Return Policy

- Determine the shareholder dividends considering earning prospects, financial soundness and the balance between shareholder and policyholder dividends.
- Aim for a steady increase in dividends per share through the year ending March 31, 2018, while maintaining a dividend payout ratio within the range of roughly 30% to 50% of consolidated net income.

## Dividend Information

Although the Company is permitted to declare interim dividends with a record date of September 30 under the articles of incorporation, the Company plans to declare annual dividends with a record date of March 31, considering business results.

\*1 Commemorative dividend for the 100th anniversary of Postal Life Insurance

\*2 The Company implemented a 30:1 stock split effective August 1, 2015, and dividends per share has been calculated assuming the stock split was implemented on April 1, 2014.



## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal:** Election of Twelve (12) Directors

The term of office of all the twelve (12) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is therefore proposed to elect twelve (12) Directors pursuant to the decision at the Nomination Committee.

Candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	
1	Newly elected Mitsuhiko Uehira	Senior Managing Executive Officer	
2	Newly elected Masaaki Horigane	Senior Managing Executive Officer	
3	Re-elected Masatsugu Nagato	Director Chairman of Nomination Committee, Compensation Committee Member	
4	Re-elected Shinji Hattori	Director Nomination Committee Member, Compensation Committee Member	Outside Independent
5	Re-elected Michiko Matsuda	Director Audit Committee Member	Outside Independent
6	Re-elected Nobuhiro Endo	Director Chairman of Compensation Committee	Outside Independent
7	Re-elected Masako Suzuki	Director	Outside Independent
8	Newly elected Yasuhiro Sadayuki	Managing Executive Officer	
9	Newly elected Tamotsu Saito	-	Outside Independent
10	Newly elected Michiaki Ozaki	-	Outside Independent
11	Newly elected Meyumi Yamada (Name in family register: Meyumi Hara)	-	Outside Independent
12	Newly elected Yoshie Komuro (Name in family register: Yoshie Ishikawa)	-	Outside

Outside: Candidate for Outside Director

Independent: Candidate for Independent Director

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	<p>Mitsuhiko Uehira (Feb. 19, 1956)</p> <p>Newly elected</p> <p>Senior Managing Executive Officer</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> Based on his considerable experience and achievements nurtured through his years of experience at nonlife insurance companies and in the Sales Planning Department, etc. of the Company, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1979    Joined The Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>Jun. 2012    Executive Officer and General Manager of Domestic Business Development Department of Tokio Marine Holdings, Inc.</p> <p>Jun. 2013    Managing Executive Officer of the Company</p> <p>Jul. 2013    Managing Executive Officer and Senior General Manager of Sales Planning Department of the Company</p> <p>Apr. 2014    Managing Executive Officer of the Company</p> <p>Jun. 2015    Senior Managing Executive Officer of the Company (current position)</p> <p>Significant concurrent position: Director of Japan Post Holdings Co., Ltd. (to be appointed in June 2017)</p>	1,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	<p>Masaaki Horigane (Aug. 10, 1956)</p> <p>Newly elected</p> <p>Senior Managing Executive Officer</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> Based on his considerable experience and achievements nurtured through his years of experience in the Finance Department, etc. of the Company, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1979    Joined the Ministry of Posts and Telecommunications</p> <p>Oct. 2007    Executive Officer and Senior General Manager of Finance Department of the Company</p> <p>Oct. 2008    Executive Officer and Senior General Manager of Actuarial and Accounting Department of the Company</p> <p>Oct. 2010    Managing Executive Officer and Senior General Manager of Actuarial and Accounting Department of the Company</p> <p>Jul. 2011    Managing Executive Officer of the Company</p> <p>Jul. 2014    Senior Managing Executive Officer of the Company (current position)</p> <p>Significant concurrent position: None</p>	800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held																																
3	<p>Masatsugu Nagato (Nov. 18, 1948)</p> <p>Re-elected</p> <p>Director Chairman of Nomination Committee, Compensation Committee Member</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the meetings of the Board of Directors 100% (10/10 meetings)</p> <p>Status of attendance at the Nomination Committee 100% (2/2 meetings)</p> <p>Status of attendance at the Compensation Committee 100% (4/4 meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> He has been involved in the management of financial institutions over the years, and also has taken part in the management of the entire Japan Post Group as a Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd., a Group company, and Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd., the Company's parent company. Given his considerable knowledge and achievements, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <table border="0"> <tr> <td>Apr. 1972</td> <td>Joined The Industrial Bank of Japan, Ltd.</td> </tr> <tr> <td>Jun. 2000</td> <td>Executive Officer of The Industrial Bank of Japan, Ltd.</td> </tr> <tr> <td>Jun. 2001</td> <td>Managing Executive Officer of The Industrial Bank of Japan, Ltd.</td> </tr> <tr> <td>Apr. 2002</td> <td>Managing Executive Officer of Mizuho Bank, Ltd.</td> </tr> <tr> <td>Apr. 2003</td> <td>Managing Executive Officer of Mizuho Corporate Bank, Ltd.</td> </tr> <tr> <td>Jun. 2006</td> <td>Corporate Executive Vice President of Fuji Heavy Industries, Ltd.</td> </tr> <tr> <td>Jun. 2007</td> <td>Director, Corporate Executive Vice President of Fuji Heavy Industries, Ltd.</td> </tr> <tr> <td>Jun. 2010</td> <td>Representative Director &amp; Executive Vice President of Fuji Heavy Industries, Ltd.</td> </tr> <tr> <td>Jun. 2011</td> <td>Director &amp; Deputy Chairman of Citibank Japan, Ltd.</td> </tr> <tr> <td>Jan. 2012</td> <td>Director &amp; Chairman of Citibank Japan, Ltd.</td> </tr> <tr> <td>May 2015</td> <td>Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd.</td> </tr> <tr> <td>Jun. 2015</td> <td>Director of Japan Post Holdings Co., Ltd.</td> </tr> <tr> <td>Apr. 2016</td> <td>Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. (current position)</td> </tr> <tr> <td>Apr. 2016</td> <td>Director of JAPAN POST Co., Ltd. (current position)</td> </tr> <tr> <td>Apr. 2016</td> <td>Director of JAPAN POST BANK Co., Ltd. (current position)</td> </tr> <tr> <td>Jun. 2016</td> <td>Director of the Company (current position)</td> </tr> </table> <p>Significant concurrent positions: Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST BANK Co., Ltd.</p>	Apr. 1972	Joined The Industrial Bank of Japan, Ltd.	Jun. 2000	Executive Officer of The Industrial Bank of Japan, Ltd.	Jun. 2001	Managing Executive Officer of The Industrial Bank of Japan, Ltd.	Apr. 2002	Managing Executive Officer of Mizuho Bank, Ltd.	Apr. 2003	Managing Executive Officer of Mizuho Corporate Bank, Ltd.	Jun. 2006	Corporate Executive Vice President of Fuji Heavy Industries, Ltd.	Jun. 2007	Director, Corporate Executive Vice President of Fuji Heavy Industries, Ltd.	Jun. 2010	Representative Director & Executive Vice President of Fuji Heavy Industries, Ltd.	Jun. 2011	Director & Deputy Chairman of Citibank Japan, Ltd.	Jan. 2012	Director & Chairman of Citibank Japan, Ltd.	May 2015	Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd.	Jun. 2015	Director of Japan Post Holdings Co., Ltd.	Apr. 2016	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. (current position)	Apr. 2016	Director of JAPAN POST Co., Ltd. (current position)	Apr. 2016	Director of JAPAN POST BANK Co., Ltd. (current position)	Jun. 2016	Director of the Company (current position)	100 shares
Apr. 1972	Joined The Industrial Bank of Japan, Ltd.																																		
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No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	<p>Shinji Hattori (Jan. 1, 1953)</p> <p>Re-elected Outside Director Independent Director</p> <p>Director Nomination Committee Member, Compensation Committee Member</p> <p>Number of years and months in office as a Director 3 years</p> <p>Status of attendance at the meetings of the Board of Directors 91% (11/12 meetings)</p> <p>Status of attendance at the Nomination Committee 100% (3/3 meetings)</p> <p>Status of attendance at the Compensation Committee 85% (6/7 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert based on his experience and insight nurtured through years of experience in management of stock companies.</p> <p>Apr. 1975    Joined Mitsubishi Corporation Jul. 1984    Joined Seikosha, Inc. Jun. 2001    President of SEIKO Precision Inc. Jun. 2003    President of Seiko Watch Corporation Jun. 2007    Director of Seiko Corporation Jul. 2007    Director of Seiko Holdings Corporation Jun. 2009    Executive Vice President of Seiko Holdings Corporation Apr. 2010    President of Seiko Holdings Corporation Oct. 2012    Chairman &amp; Group CEO of Seiko Holdings Corporation (current position) Jun. 2014    Director of the Company (current position) Jun. 2015    President &amp; CEO of Seiko Watch Corporation Apr. 2017    Chairman &amp; CEO of Seiko Watch Corporation (current position)</p> <p>Significant concurrent positions: Chairman &amp; Group CEO of Seiko Holdings Corporation Chairman &amp; CEO of Seiko Watch Corporation</p>	200 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	<p>Michiko Matsuda (Dec. 7, 1955)</p> <p>Re-elected Outside Director Independent Director</p> <p>Director Audit Committee Member</p> <p>Number of years and months in office as a Director 2 years</p> <p>Status of attendance at the meetings of the Board of Directors 100% (12/12 meetings)</p> <p>Status of attendance at the Audit Committee 100% (14/14 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> She is engaged in the management of stock companies as an advisor after having held key positions at government ministries and agencies. Given her considerable experience and insight nurtured through years of such experiences, we expect that she is capable of fulfilling supervisory and monitoring functions over the management from a professional perspective. Although she has never been directly involved in management of a company other than by serving as an Outside Director, we believe that she can appropriately perform duties as an Outside Director based on the aforementioned reasons.</p> <p>Apr. 1979    Joined Ministry of Construction Jun. 2003    Attached to Minister's Secretariat of Ministry of Land, Infrastructure, Transport and Tourism Jul. 2003    Attached to Minister's Secretariat and Counsellor of Private Finance Initiative Promotion Office, Cabinet Office Government of Japan Aug. 2005    Manager, National Land Environment and Coordination Division of Ministry of Land, Infrastructure, Transport and Tourism Jul. 2007    Manager, Environmental Policy Division of Ministry of Land, Infrastructure, Transport and Tourism Jul. 2007    Manager, General Affairs Division of Ministry of Land, Infrastructure, Transport and Tourism Jul. 2008    Assistant Vice-Minister of Ministry of Land, Infrastructure, Transport and Tourism (in charge of Urban Residence Environment) Aug. 2010    Research Councillor, Council's Secretariat, Agriculture, Forestry and Fisheries Research Council of Ministry of Agriculture, Forestry and Fisheries Aug. 2012    Auditor, Japan Expressway Holding and Debt Repayment Agency Aug. 2014    President of College of Land, Infrastructure, Transport and Tourism Apr. 2015    Visiting Professor of Faculty of Applied Sociology, Kindai University (current position) Apr. 2015    Advisor, IHI Enviro Corporation (current position) Jun. 2015    Director of the Company (current position)</p> <p>Significant concurrent positions: Visiting Professor of Faculty of Applied Sociology, Kindai University Advisor, IHI Enviro Corporation</p>	100 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	<p>Nobuhiro Endo (Nov. 8, 1953)</p> <p>Re-elected Outside Director Independent Director</p> <p>Director Chairman of Compensation Committee</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the meetings of the Board of Directors 90% (9/10 meetings)</p> <p>Status of attendance at the Compensation Committee 75% (3/4 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert based on his experience and insight nurtured through years of experience in management of stock companies.</p> <p>Apr. 1981      Joined NEC Corporation</p> <p>Apr. 2006      Senior Vice President, Executive General Manager of Mobile Network Operations Unit of NEC Corporation</p> <p>Apr. 2009      Executive Vice President of NEC Corporation</p> <p>Jun. 2009      Executive Vice President and Member of the Board of NEC Corporation</p> <p>Apr. 2010      President (Representative Director) of NEC Corporation</p> <p>Apr. 2016      Chairman of the Board (Representative Director) of NEC Corporation (current position)</p> <p>Jun. 2016      Director of the Company (current position)</p> <p>Significant concurrent positions: Chairman of the Board (Representative Director) of NEC Corporation Outside Director of Seiko Holdings Corporation (to be appointed in June 2017)</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	<p>Masako Suzuki (Feb. 4, 1954)</p> <p>Re-elected Outside Director Independent Director</p> <p>Director</p> <p>Number of years and months spent in office as a Director 1 year</p> <p>Status of attendance at the meetings of the Board of Directors 100% (10/10 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> She is nominated as an Outside Director because we expect that she is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert based on her experience and insight nurtured through years of experience in management of stock companies.</p> <p>Apr. 1972    Joined Nippon Yusen Kabushiki Kaisha Jul. 1983    Joined Pasona Inc. Apr. 1999    Executive Officer of Pasona Inc. Jun. 2000    Managing Executive Officer of Pasona Inc. Aug. 2004    Managing Director of Pasona Inc. Sept. 2004    Senior Managing Director of Pasona Inc. Sept. 2007    Senior Managing Director of Pasona Group Inc. Jun. 2010    Director, Vice President of Benefit One Inc. (current position) Jun. 2010    Director of Pasona Group Inc. Mar. 2012    Director of Benefit one Solutions (current position) Jul. 2012    Auditor of Benefit one Health care Inc. Aug. 2015    Director of Benefit One Payroll Inc. (current position) Jan. 2016    President and Representative Director of Benefit one Health care Inc. (current position) Jun. 2016    Director of the Company (current position)</p> <p>Significant concurrent positions: Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc.</p>	200 shares



No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	<p>Yasuhiro Sadayuki (Apr. 7, 1955)</p> <p>Newly elected</p> <p>Managing Executive Officer</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> Based on his considerable experience and achievements nurtured through his years of experience at nonlife insurance companies and in the Risk Management Department, etc. of the Company, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1978    Joined Yasuda Fire &amp; Marine Insurance Co., Ltd.</p> <p>Apr. 2009    Director, General Manager, Risk Management Department of Sompo Japan Insurance Inc.</p> <p>Apr. 2010    General Manager, Risk Management Department of NKSJ Holdings, Inc.</p> <p>Apr. 2012    Audit &amp; Supervisory Board Member (Full-Time) of NKSJ Systems, Inc.</p> <p>Jul. 2013    General Officer of Office of Audit Committee of the Company</p> <p>Jul. 2014    Managing Executive Officer of the Company (current position)</p> <p>Significant concurrent position: None</p>	2,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	<p>Tamotsu Saito (Jul. 13, 1952)</p> <p>Newly elected Outside Director Independent Director</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert based on his experience and insight nurtured through years of experience in management of stock companies.</p> <p>Apr. 1975    Joined Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jun. 2006    Executive Officer, Vice President of Aero-Engine &amp; Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jul. 2007    Executive Officer, Vice President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Jan. 2008    Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2008    Director, Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2009    Director, Managing Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2010    Director of IHI Corporation</p> <p>Apr. 2011    Executive Vice President of IHI Corporation</p> <p>Apr. 2012    President, Chief Executive Officer of IHI Corporation</p> <p>Apr. 2016    Chairman of the Board, Chief Executive Officer, General Manager of <i>Monozukuri</i> System Strategy Planning Headquarters of IHI Corporation</p> <p>Apr. 2017    Chairman of the Board of IHI Corporation (current position)</p> <p>Significant concurrent position: Chairman of the Board of IHI Corporation</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
10	<p>Michiaki Ozaki (Dec. 5, 1952)</p> <p>Newly elected Outside Director Independent Director</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a legal expert by leveraging his experience and insight nurtured through years of experience as a public prosecutor and attorney-at-law. Although he has never been directly involved in management of a company other than by serving as an Outside Director, we believe that he can appropriately perform duties as an Outside Director based on the aforementioned reasons.</p> <p>Apr. 1978 Appointed as Public Prosecutor of Tokyo District Public Prosecutors Office</p> <p>Jan. 2004 Public Prosecutor of Supreme Public Prosecutors Office</p> <p>Jan. 2005 Director-General for Inspection, Minister's Secretariat, Ministry of Foreign Affairs</p> <p>Apr. 2006 Chief Public Prosecutor of Kofu District Public Prosecutors Office</p> <p>Jun. 2007 Public Prosecutor of Supreme Public Prosecutors Office (Panel on Preparation for Saiban-in System)</p> <p>Jun. 2008 Director-General of Correction Bureau, Ministry of Justice</p> <p>Dec. 2010 Director-General of Public Security Intelligence Agency</p> <p>Jan. 2014 Superintending Prosecutor of Takamatsu High Public Prosecutors Office</p> <p>Jul. 2014 Superintending Prosecutor of Osaka High Public Prosecutors Office</p> <p>Feb. 2016 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association)</p> <p>May 2016 Of Counsel of URYU &amp; ITOGA (current position)</p> <p>Jun. 2016 Outside Audit &amp; Supervisory Board Member of East Nippon Expressway Company Limited (current position)</p> <p>Significant concurrent positions: Attorney-at-law Of Counsel of URYU &amp; ITOGA Outside Audit &amp; Supervisory Board Member of East Nippon Expressway Company Limited</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
11	<p>Meyumi Yamada (Name in family register: Meyumi Hara) (Aug. 30, 1972)</p> <p>Newly elected Outside Director Independent Director</p> <p>Number of years and months spent in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> In addition to engaging in the management of stock companies, she has held prominent positions, including service as an expert committee member for government affiliated committee meetings, and possesses deep knowledge regarding the environment surrounding corporate management, including IT/information and communication. Based on her considerable experience and insight nurtured through years of such experience, we expect that she is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert.</p> <p>Apr. 1995    Joined KOEI KOGYO Co., Ltd May 1997    Joined Kiss Me Cosmetics co., Ltd. Jul. 1999    Representative Director of I-Style Co., Ltd. Apr. 2000    Representative Director of istyle Inc. Dec. 2009    Executive Director of istyle Inc. (current position) May 2012    President and Representative Director of CyberStar Inc. Sept. 2015    Director of MEDIA GLOBE CO., LTD. (current position) Mar. 2016    President and Representative Director of IS Partners Inc. (current position) Sept. 2016    Director of Eat Smart, Inc. (current position)</p> <p>Significant concurrent positions: Executive Director of istyle Inc. President and Representative Director of IS Partners Inc. Outside Director of Seino Holdings Co., Ltd. (to be appointed in June 2017)</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
12	<p>Yoshie Komuro (Name in family register: Yoshie Ishikawa) (Apr. 16, 1975)</p> <p>Newly elected Outside Director</p> <p>Number of years and months spent in office as a Director - years</p> <p>Status of attendance at the meetings of the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> In addition to engaging in the management of stock companies, she has held prominent positions, including service as an expert committee member for government affiliated committee meetings, and possesses deep knowledge regarding the environment surrounding corporate management, including workstyle reforms. Based on her considerable experience and insight nurtured through years of such experience, we expect that she is capable of fulfilling supervisory and monitoring functions over the management from the standpoint of a management expert.</p> <p>Apr. 1999    Joined Shiseido Company, Limited Jul. 2006    President of Work-Life Balance Co., Ltd. (current position)</p> <p>Apr. 2008    Member of Evaluation Working Group, Work-Life Balance Promotion and Evaluation Council, Cabinet Office, Government of Japan</p> <p>Aug. 2011    Member of Working Group on Pension, Social Security Council, Ministry of Health, Labour and Welfare (current position)</p> <p>Aug. 2012    Member of Industrial Structure Council, Ministry of Economy, Trade and Industry</p> <p>Apr. 2013    Member of Children and Childcare Support Council, Cabinet Office, Government of Japan (current position)</p> <p>Sept. 2014    Civil Member of Industrial Competitiveness Council, Prime Minister Abe's Cabinet</p> <p>Feb. 2015    Member of Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology</p> <p>Mar. 2016    Chairperson of the Panel for Promoting Workstyle Reforms of Kasumigaseki</p> <p>Significant concurrent position: President of Work-Life Balance Co., Ltd.</p>	-

Notes:

1. Japan Post Holdings Co., Ltd., where Mr. Masatsugu Nagato serves as Director and Representative Executive Officer, President & CEO, is the Company's parent company with 89% shareholding. the Company has entered into a contract concerning group management with Japan Post Holdings Co., Ltd., and pays brand loyalty pursuant to said contract. In addition, there is a transaction relationship concerning real estate leasing, etc. between the Company and Japan Post Holdings Co., Ltd. Furthermore, Ms. Yoshie Komuro is the President of Work-Life Balance Co., Ltd., and there is a transaction relationship concerning consultation contract, etc. between Work-Life Balance Co., Ltd. and the Company. There are no special conflicts of interest between the other Director candidates and the Company.
2. With respect to Mr. Masatsugu Nagato, Mr. Nobuhiro Endo and Ms. Masako Suzuki, the status of attendance at the meetings of the Board of Directors and other committees that were held during the fiscal year ended March 31, 2017 after they assumed their posts as Directors of the Company in June 2016 is reported.
3. Of the candidates for Directors, Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada and Ms. Yoshie Komuro are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. The term of office of Mr. Shinji Hattori as Outside Director of the Company will be three years, that of Ms. Michiko Matsuda will be two years, and that of Mr. Nobuhiro Endo and Ms. Masako Suzuki will be one year, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.
5. The Company has entered into liability limitation agreements with Mr. Masatsugu Nagato, Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo and Ms. Masako Suzuki to limit their liabilities to the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of election of these candidates, the Company will continue the above-mentioned liability limitation agreements with each of them. In addition, if election of Mr. Yasuhiro Sadayuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada and Ms. Yoshie Komuro is approved, the Company will enter into liability limitation agreements with each of them.
6. The Company has designated each of Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo and Ms. Masako Suzuki as an Independent Officer with the Tokyo Stock Exchange, and will continue to designate them as an Independent Officer if each of their election is approved. The Company plans to newly designate Mr. Tamotsu Saito, Mr. Michiaki Ozaki and Ms. Meyumi Yamada as Independent Officers if each of their election is approved.
7. Japan Fair Trade Commission identified NEC Corporation, where Mr. Nobuhiro Endo serves as Chairman of the Board (Representative Director), as violating the Antimonopoly Act on July 12, 2016 with respect to transactions with Tokyo Electric Power Company Holdings, Inc. (former Tokyo Electric Power Company, Incorporated) on telecommunications equipment for electric power systems. In addition, Japan Fair Trade Commission issued a cease and desist order and an order for payment of surcharge against NEC Corporation for activities in violation of the Antimonopoly Act on February 2, 2017 and February 15, 2017, with respect to transactions for fire-fighting emergency radio systems and to transactions for hybrid optical communication equipment and equipment for transmission lines with CHUBU Electric Power Co., Inc., respectively. Since Mr. Endo recognized the said facts, he has fulfilled his expected duties by promoting preventive measures such as further improvement of the compliance system and enhancement of the development and operations of internal control system.

[Reference]

[Nomination Criteria for Candidates for Internal Directors of the company]

The Nomination Committee nominate persons who meet the following requirements as a candidate for Internal Director of the Company.

1. A person who has expertise related to businesses of the Company
2. A person who is well capable of making business decision and conducting business management
3. A person who demonstrates outstanding leadership, decision-making skills, foresight, and planning ability
4. A person who has integrity and insight suitable for a Director
5. A person who has no health issues in fulfilling one's duty as a Director

[Nomination Criteria for Candidates for Outside Directors of the company]

The Nominating Committee shall nominate persons who meet the following requirements as a candidate for Outside Director of the Company.

1. A person who has deep insight relating to the fields of corporate management, risk management, compliance, financial accounting, internal control, macroeconomic policies, etc. Such candidate shall also have sufficient experience and judgment for appropriately making important managerial decisions for the Company and supervising duties executed by Executive Officers
2. A person who has integrity and insight suitable for an Outside Director
3. A person who has no health issues in fulfilling one's duty as an Outside Director

[Designation Criteria for Independent Officers of the company]

The Company shall designate independent officers as set forth by the Tokyo Stock Exchange from among the Outside Directors who do not fall under any of the following.

1. A person who has previously served as an executive person of the Japan Post Group
2. A person who has previously served as a director who was not an executive person of the parent company of the Company
3. An entity whose major business partner is the Company or an executive person, etc. of such business partner
4. A major business partner of the Company or an executive person, etc. of such business partner
5. A consultant, accounting professional or legal professional who receives or has received a large amount of money or other assets in addition to executive remuneration from the Company (in cases where the person who receives such assets is an organization such as a corporation or a partnership, a person who belongs to or has previously belonged to such organization)
6. A major shareholder of the Company (in the case of a corporation, an executive person, etc. of such corporation)
7. A spouse or a relative within the second degree of kinship of the following persons (excluding persons with no importance)
  - (1) A person as set forth in the preceding 1 to 6
  - (2) An executive person of the Japan Post Group (excluding the Company)
  - (3) A director who is not an executive person of the parent company of the Company
8. An executive person, etc. of an entity where an executive person, etc. of the Company assumes the post of an outside officer
9. A person who receives a large amount of donation from the Company (in cases where the person is an organization such as a corporation or a partnership, an executive person, etc. of such organization or a person equivalent thereto)

## Appendix

1. The definitions of the terms used in these Criteria are provided below.

Japan Post Group	The Company, the parent company of the Company, the subsidiaries of the Company and the fellow subsidiaries of the Company
Executive person	An executive person as prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act
Executive person, etc.	An executive person or a person who previously served as an executive person
An entity whose major business partner is the Company	An entity to which the average annual amount of payment made by the Company in the past three fiscal years is 2% or more of such entity's average annual consolidated net sales over the past three fiscal years
A major business partner of the Company	An entity by which the average annual amount of payment made to the Company in the past three fiscal years is 2% or more of the Company's average annual consolidated ordinary profit over the past three fiscal years
Large amount of money	Money in the average annual amount of 10 million yen or more in the past three fiscal years
Major shareholder	Major shareholders as prescribed in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act
Large amount of donation	A donation in the average annual amount of 10 million yen or more in the past three fiscal years

2. With regard to attribute information of independent officers, when the transactions or donations associated with independent officers meet the immateriality standards provided below, such transactions or donations shall be judged to have no impact on the independency of such independent officers, and therefore attribute information of the independent directors shall be omitted.

(1) Transactions

- (i) The average annual amount of payment made by the Company to such business partner in the past three fiscal years is less than 1% of such business partner's average annual consolidated net sales over the past three fiscal years.
- (ii) The average annual amount of payment made by such business partner to the Company in the past three fiscal years is less than 1% of the Company's average annual consolidated ordinary profit over the past three fiscal years.

(2) Donations

The average annual amount of donation made by the Company in the past three fiscal years is less than 5 million yen.



[Attachment of the 11th Ordinary General Meeting of Shareholders]

Business Report (From April 1, 2016 to March 31, 2017)

## I. Matters Concerning the Current Status of JAPAN POST INSURANCE Co., Ltd.

### 1. Progress and Results of Business, etc., of the Corporate Group

[Details of main business of the corporate group]

The Company belongs to the Japan Post Group, for which the parent company is Japan Post Holdings Co., Ltd. (“Japan Post Holdings”). Further, Japan Post Insurance Group consists of the Company and one subsidiary (collectively the “Group”), and mainly engages in life insurance business.

[Financial and economic environment and business progress and results of the corporate group in the fiscal year ended March 31, 2017]

The Japanese economy in the fiscal year ended March 31, 2017 continued gradual recovery as exports and production picked up, despite stagnant personal consumption. The U.S. and European economies continued solid recovery, while the slowdown in the growth rate in China came to a halt.

The role of the life insurance industry is growing ever more to support self-help efforts of customers by strengthening sales channels and developing products in response to customers’ diversifying needs and heightened selectivity, which mirrors such trends as the aging of society with declining birthrates, a growing number of one-person households, and evolving lifestyles.

Postal Life Insurance Service, which was founded in 1916 and succeeded by the Company, marked the 100th anniversary of its founding in 2016. Inheriting the Postal Life Insurance Service social mission of “protecting the means of fundamental livelihood of the public through simple procedures,” the Company has set forth its management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” We strive to provide simple and easy-to-understand products with smaller coverage amounts focused on endowment insurance and whole life insurance, along with warmhearted customer services, through the nationwide network of post offices.

Under this management philosophy, the Company will thoroughly refine its “big, unique, and warmhearted” business model, while leveraging the Kampo brand of “reliability” and “trustworthiness.” We aim to become the No. 1 Japanese insurance company selected by customers, in order to remain a company that is trusted and loved by customers for centuries to come.

The Company is currently implementing its Medium-term Management Plan covering the three years from the fiscal year ended March 31, 2016 to the fiscal year ending March 31, 2018.

Our policy for the three years of the Medium-term Management Plan is to pave the way for real growth by establishing the financial management base necessary for the Company's growth and providing products and services to further enhance our strengths. Specifically, we focus on "enhancing sales force of distribution channel," "product development corresponding to customers' needs and improvement of services for elderly customers," "deployment of administrative and IT system," "improving capacity for earnings from investment," "enhancing internal control system," and "enhancing human resource development."



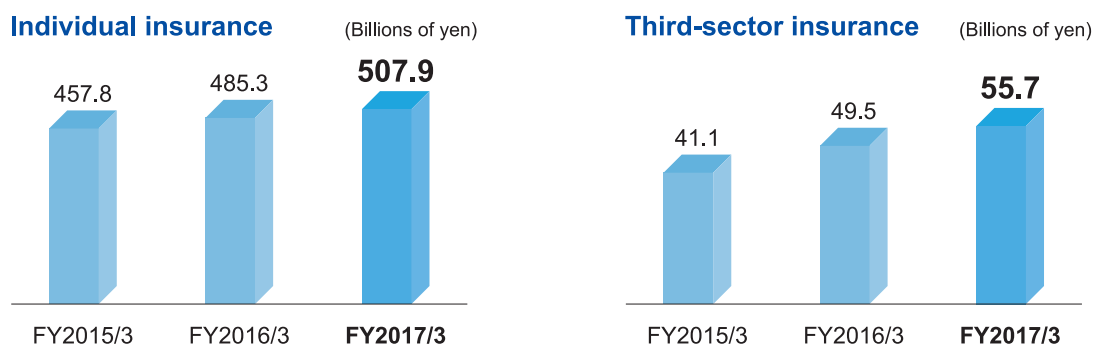
Specific initiatives in the fiscal year ended March 31, 2017 were as follows.

#### **Enhancing sales force of distribution channel**

As for "enhancing sales force of distribution channel," the Company strengthened sales by expanding contact points with customers through marketing campaigns celebrating the 100th anniversary of Postal Life Insurance Service and holding life plan consultation meetings, etc., through the post office channel which accounts for approximately 90% of the Company's new policy sales. In its directly-managed wholesale channel, the Company worked on sales activities in the corporate client, worksite, and internal markets (within the Japan Post Group), through efforts such as expanding contact points with corporations and enhancing training to enhance sales force of whole sales personnel.

As a result, for the fiscal year ended March 31, 2017, annualized premiums from new policies reached ¥507.9 billion (4.7% increase year on year) for individual insurance due to steady performances both in the post office channel (¥438.9 billion) and in the directly-managed wholesale channel (¥69.0 billion). Annualized premiums from new policies of medical care coverages amounted to ¥55.7 billion (12.4% increase year on year).

■ Annualized premiums from new policies



Note: "Third-sector insurance" includes medical coverages (including hospitalization and surgery coverages).

**Product development corresponding to customers' needs and improvement of services for elderly customers**

The Company is working to further gain the trust of our customers in increasing elderly society by promoting an initiative called "Kampo Platinum Life Service" to offer elderly customers warmhearted services that emphasize a sense of security and trust by improving every customer contact from the elderly customers perspective.

Furthermore, in response to the decline in market interest rates resulting from the negative interest rate policy introduced by the Bank of Japan, in June 2016 we suspended sales of certain high-saving educational endowment insurance and lump-sum payment term annuities. In August 2016, in light of declining market interest rates and increasing life spans, we carried out a comprehensive revision of premiums after reviewing the assumed rates of return and the assumed mortality rates that are the basis for calculating premiums. With regard to premiums following the revision, we controlled the extent of increase for policies where premiums were raised, and lowered premiums on policies with mainly elderly enrollment and for products comprising mainly death coverage.

In addition, the Company announced its "Consumer Orientation Declaration" in January 2017. We will continue to practice customer-first business operations.

**Deployment of administrative and IT system**

As for the "deployment of administrative and IT system," the Company introduced a paperless application in April 2016 so that application procedures that had previously been performed on paper could be carried out onscreen on a portable sales device. This has made application procedures simpler and faster. Additionally, the Company renewed its core IT system in January 2017. With this renewal, we will improve system quality, development productivity, and operational efficiency, while increasing the speed of product revisions.

Furthermore, IBM Watson was fully integrated into our benefit payment evaluation operations in March 2017. This will make it possible to further improve the quality of benefit payment operations and to speed up payments operation.

Going forward, the Company will actively introduce and utilize advanced technology with the aim of improving administrative and payment quality to provide greater satisfaction to customers.

### **Improving capacity for earnings from investment**

With regard to “improving capacity for earnings from investment,” in response to the decline in market interest rates resulting from the negative interest rate policy introduced by the Bank of Japan, the Company increased investment in risk assets focused on foreign bonds and stocks in order to secure stable profit margins. As a result, risk assets increased to 9.9% of total assets, mostly meeting the Medium-term Management Plan target of approximately 10%. We also promote diversification of asset management through measures such as alternative investments in non-traditional assets and commencement of in-house stock management, while strengthening investment capabilities by hiring external specialists.

### **Enhancing internal control system**

As for “enhancing internal control system,” the Company draws up a “Compliance Program” each fiscal year as a specific action plan to promote compliance, and carries out initiatives related to achieving thorough compliance. The Program includes the establishment of a system to prevent insider trading, training for executives and employees, as well as measures related to the information security management system. In order to further improve compliance awareness, we have established a “Compliance Focus Efforts Month” twice a year, when the entire company conducts inspection, training, and others.

As an initiative toward improving solicitation quality, for applications where the policyholder is an elderly customer, we have been sending a “Guide to Confirming Your Application” to the policyholder and the insured party after their application since April 2016. This makes customers deepen their understanding of the application content together with their family.

In addition, we have promoted the sophistication of our enterprise risk management (ERM) system, and used this to maintain the soundness of our finances and improve our capital efficiency, while aiming to secure stable profit and improve our sustainable corporate value.

In order to enable our customers and shareholders to gain a deeper understanding of the Company, we acquired a credit rating from S&P Global Ratings Japan Inc. (S&P) in August 2016, and from Rating and Investment Information, Inc. (R&I) and Japan Credit Rating Agency, Ltd. (JCR) in September 2016. Ratings results for our insurance claims payment ability were “A+,” “AA-,” and “AA,” respectively, and we recognize this as a certain evaluation of our high level of financial soundness.

## Enhancing human resource development

Regarding “enhancing human resource development,” we have promoted diversity management to create a diverse and inclusive working environment, and implemented measures in the areas of promoting women’s career activities, work-life balance, and promoting employment of people with disabilities.

In promotion of women’s career activities, we have expanded the appointment of female employees to management positions, promoted workstyles and career building that take life events into consideration, and implemented development programs aimed at providing female employees with management skills.



Communicating the message through the internal newsletter



Career-building seminar

Regarding work-life balance, we brought in outside consultants and made efforts to improve employee awareness in order to promote workstyle reforms, while implementing efficient business operations and working on initiatives to enhance the skills of management personnel. We also help employees to handle childcare or nursing care along with their job by holding various seminars on childcare leave and nursing care leave. In promoting employment of people with disabilities, we established an administrative support team at headquarters, and worked to expand and firmly establish employment and to broaden the range of duties engaged in by disabled employees. As a result, the employment rate of people with disabilities was 2.3% as of March 31, 2017.



Final report meeting on workstyle review consultations



Seminar for dads

The Company takes appropriate measures to contribute actively to health promotion, environmental conservation, and the development of local communities and society based on the ESG (Environmental, Society and Governance) perspective. Specifically, to support the health of people through radio exercises, we held a “Radio Exercise and Minna no Taiso Summer Tour” in 43 venues across Japan from July to August of 2016, and held a “Radio Exercise and Minna no Taiso Special Tour” in 9 locations across Japan from April to October of 2016.



At the Radio Exercise and Minna no Taiso Special Tour  
(on September 11, 2016, Sakai City, Fukui Prefecture)



At the 55th Festival of 10 Million People's Radio Exercise and Minna no Taiso  
(on Sunday, July 31, 2016, Matsuyama City, Ehime Prefecture)

In addition, we continue to enhance governance by appropriately adopting the Corporate Governance Code. Also, the Company expands investment based on the ESG perspective to contribute to the creation of a sustainable society by making environmental investments, including investments in Green Bonds issued by the World Bank and in solar power generation projects (mega-solar projects) in Japan. In addition, we have made donations to environmental groups that are active in growing forests, based on the number of customers who made use of the online contract guidelines and policy conditions.

Furthermore, the Company has formed a comprehensive strategic business alliance with Dai-ichi Life Holdings, Inc. and has implemented the following initiatives.

In the overseas life insurance business, a memorandum of understanding was executed in April 2016 between the Company, Dai-ichi Life Holdings, Inc., and Vietnam Post Corporation, which is a state-owned postal service provider, regarding trilateral cooperation on life insurance sales through the Vietnamese post offices. We are examining specific cooperative measures leveraging the Company's knowledge of post office support, with the aim of promoting the spread and penetration of life insurance services in Vietnam and contributing to the development of Vietnamese society and the economy. In the asset management business, a part of the shares of Trust & Custody Services Bank, Ltd. were transferred from The Dai-ichi Life Insurance Company, Limited to the Company in October 2016 for the purpose of strengthening our asset management administration service platform. We are also considering and implementing the sharing of asset management companies and joint

investment in growing sectors such as project finance. As for joint research in the new product and IT fields, in collaboration with NTT DATA Corporation we co-hosted a healthcare business plan competition for the first time in Japan's life insurance industry, with the aim of creating new insurance products and services that will lead to improved QOL (Quality of Life) and extended healthy life expectancy for the people of Japan.

By mutually complementing and combining the strengths of both companies, we aim for sustainable improvement of corporate value in the future.

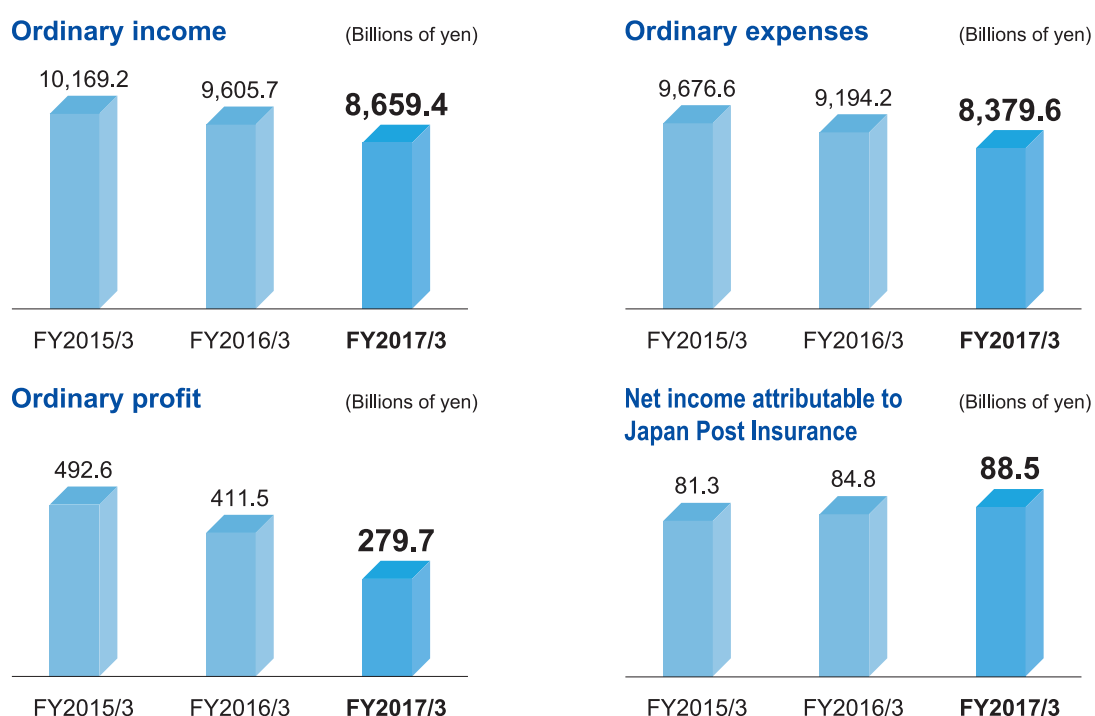
Consolidated profit and loss in the fiscal year ended March 31, 2017 were as follows.

Ordinary income amounted to ¥8,659.4 billion (9.9% decrease year on year), comprising the sum of insurance premiums and others of ¥5,041.8 billion (6.9% decrease year on year), investment income of ¥1,367.9 billion (1.0% increase year on year), and other ordinary income of ¥2,249.6 billion (20.7% decrease year on year).

Ordinary expenses amounted to ¥8,379.6 billion (8.9% decrease year on year), comprising the sum of insurance claims and others of ¥7,550.3 billion (11.7% decrease year on year), investment expenses of ¥160.4 billion (1,545.3% increase year on year), operating expenses of ¥560.4 billion (4.1% increase year on year), other ordinary expenses of ¥108.5 billion (13.8% increase year on year) and others.

As a result, ordinary profit amounted to ¥279.7 billion (32.0% decrease year on year), and net income attributable to Japan Post Insurance amounted to ¥88.5 billion (4.4% increase year on year), which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends and total income taxes from ordinary profit.

■ Consolidated profit and loss



[Issues to be addressed]

In the fiscal year ending March 31, 2018, the final year of the Medium-term Management Plan, the Company will, under the policy of aiming to become the No. 1 Japanese Insurance Company Selected by Customers, achieve the reversal of the decreasing trend of policies in force at an earlier time and move toward sustainable growth based on a stable portfolio of policies in force. Meanwhile, the Company continuously makes efforts to earn trust and confidence from customers, in order to deliver insurance services as a means of security to customers throughout Japan, thereby protecting the well-being of every one of them with the function of insurance and supporting local communities for years to come. Based on the belief that this continuity of efforts is the core mission of the Company, which enables it to attain “customer-first business operations,” the Company announced the “Basic Policy for Customer-first Business Operations” in April 2017. Through practicing customer-first business operations, the Company will strive to earn yet more sense of familiarity and credibility from customers, which constitute its strength.

Specifically, the Company will focus on implementing the following key measures.

#### **Enhancing sales force of distribution channel**

As for “enhancing sales force of distribution channel,” the Company will be committed to concluding contracts that truly satisfy customers by adequately addressing their intention, based on thoroughgoing customer-first solicitation activities. In addition, the Company will develop sales personnel by training and increase sales opportunities by promoting the use of campaigns and life plan consultation meetings, etc., in order to secure new sales of policies.

Furthermore, in April 2017, the Whole Sales Department was established to promote sales targeting large corporate clients and deal with measures involving the setting up of large organizations and worksite sales, with the aim of further expanding our whole sales business. Accordingly, the Company will work to capture new markets including the development of large corporate clients and large-scale worksite market.

#### **Product development corresponding to customers’ needs and improvement of services for elderly customers**

As part of an effort for the “product development corresponding to customers’ needs and improvement of services for elderly customers,” the Company applied for an approval of new operations in March 2017, with a view to strengthening the sales of protection-type products.

Furthermore, in April 2017, the Company implemented overall revision of the insurance premiums from the perspective of maintaining its product attractiveness, which includes the revision of assumed rates of return based on the lowered standard assumed yield, which is the interest rate used for calculating standard policy reserves, along with the lowering of insurance premiums mainly



for medical riders. Under this review, premiums mainly for savings-type products will increase, while those for some protection-type products will decrease, whereby the Company will further refine its sales capabilities appealing the value of protection unique to insurance. Besides, the Company will pursue its business model to provide heartfelt and friendly services to elderly customers, through further promotion of “Kampo Platinum Life Service.”

#### **Deployment of administrative and IT system**

For the “deployment of administrative and IT system,” the Company will ensure further enhancement of the quality and productivity of the administrative and system operations, starting with the renewal of the core IT system.

In addition, drawing on our knowhow from the introduction of IBM Watson in our benefit payment examination operations, we integrated IBM Watson into our call center operations in April 2017.

The Company will further pursue the establishment of simple, prompt and accurate administrative and system operations, while strengthening system development capabilities that serve as the basis for future growth and development.

#### **Improving capacity for earnings from investment**

For “improving capacity for earnings from investment,” in order to adequately respond to the changes in the market environment, the Company will continue to work on the issues including earning of yields by increasing investment in risk assets, expansion of the scope of investment through the shift to alternative investment vehicles, and strengthening of investment capabilities involving enhancement of human resource development, etc. in an aim to generate constant investment returns. Furthermore, the Company will be continuously engaged in investment activities based on the Environment, Society and Governance (ESG) perspective.

#### **Enhancing internal control system**

For “enhancing internal control system,” the Company will ensure the quality of its product solicitations and achieving thorough compliance, which are the bases and the main prerequisites of our management, and also promote initiatives to make use of its customers’ voices in management, while engaging in further enhancement of corporate governance as a listed company. Besides, the Company will further strengthen its internal audit system as well as risk management system with a view to ensuring management soundness and appropriateness.

**Enhancing human resource development**

For “enhancing human resource development,” the Company will further promote reforms of the work style, including management reinforcement and diversity promotion, aiming to provide a workplace where all employees can work with greater motivation and also achieve both personal and corporate growth

Going forward, the Company will work to upgrade and optimize business processes by actively implementing and utilizing advanced technologies. In addition, the Company will strive to thoroughly engage in warmhearted communication with customers.

[Reference]

## **Basic Policy for Customer-first Business Operations**

Established April 7, 2017

Under its management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” the Company has been providing customers with simple and easy-to-understand life insurance products with smaller coverage amounts through the nationwide post office network. In order to “deliver insurance services as a means of security to customers throughout Japan, thereby protecting the well-being of every one of them with the function of insurance and supporting local communities for years to come,” we believe that continuing to strive every day to gain the trust and confidence of our customers has been our mission to present and will be for the future too, and will lead to realizing “customer-first business operations.”

Our basic policy to realize “customer-first business operations” is set as follows.

### **1. Top Management Commitment**

- In our Management Philosophy and other policies, we have established the principle that all executives and employees will work together to be always close at hand and to protect the well-being of every one of our customers, and we will strive to realize this philosophy.
- An extensive range of customer feedback is a valuable asset, and our top management widely promotes the message, both internally and externally, that we will make use of this feedback in our ongoing efforts to increase customer satisfaction.
- We conduct analysis and review based on centrally compiled customer feedback, and continuously make improvements under the leadership of the management.
- We promote efforts aimed at the practice of customer-first business operations, in collaboration with our business partner, JAPAN POST Co., Ltd. (“Japan Post Co.”).
- We strive for human resource development based on the customer-first concept, in order to become an insurance company that grows together with our customers.

### **2. Fostering a Corporate Culture Related to Customer-first Business Operations**

- We have established the Code of Conduct, which lays out our “customer-first” policy as well as the attitude that is expected of members of the Company, and this standard guides our work efforts.
- We have established a system that pursues the best interests of our customers, whereby we

continuously generate new convenience for customers and pursue the provision of high quality services.

- We cultivate a customer-first attitude through measures such as conducting “heartfelt service” campaigns, improving services based on customer feedback, and implementing best practices.
- As a responsible institutional investor, we contribute to the growth of the Japanese economy as a whole by making investments and engaging in dialogue aimed at sustainable corporate growth.

### **3. Making Appropriate Product Proposals Based on Customers’ intentions**

- We will make appropriate product proposals based on our customers’ intentions, life plans, etc., and sell policies that customers fully understand and will be truly satisfied with.
- For elderly customers in particular, we offer carefully attentive services, including detailed and easy-to-understand explanations. We also have family members present when signing policies, to ensure that the policies are fully understood by and satisfactory to our elderly customers, as well as their families.
- We thoroughly manage any conflicts of interest involved in transactions with our customers to ensure that their interests are not harmed.
- We set insurance premiums received from customers and commission fees paid to Japan Post Co. at reasonable levels, according to the provided products and services.

### **4. Enhanced Provision of Information to Customers and Mutual Exchange of Information**

- We make ongoing efforts to help customers understand coverage details and other matters after a policy has been signed, through measures such as mailing out a “Notice of Policy Details” and conducting “Feel Secure with Kampo” activities.
- We provide a wide range of information and services that are useful to our customers’ lives and lifestyles, while further enhancing systems for directly hearing customer feedback and mutually exchanging information.

### **5. Simple, Prompt, and Accurate Payment of Insurance and Other Benefits to Customers**

- We strive to establish a claim payment management system at the industry’s highest level in order to make simple, prompt, and accurate payments of insurance and other benefits promised to customers.
- We also work to introduce cutting-edge technology and to simplify administrative procedures to enable simple, prompt, and accurate procedures for underwriting and maintaining insurance policies.

**6. Human Resource Development and Performance Evaluation**

- Our policy on human resource development is to cultivate human resources who are aware of our corporate social responsibilities and the customer-first concept, and we strive to provide our employees with the proper motivation to pursue customer-first business operations through human resource development programs and performance evaluations.
- We have set “increasing customer satisfaction” as one of the items included in employee evaluations to recognize employees who contribute to realizing “customer-first business operations.”

**7. Reviewing the Status of Efforts, etc.**

- We regularly check the status of efforts based on this policy, and make the results public.
- We regularly review this policy in light of changes in social conditions and the operating environment in order to achieve improved business operations.

Reference: Status of efforts for “Principles of Fiduciary Duties” announced by Financial Services Agency

Status of our efforts for and basic views on “Principles of Fiduciary Duties” are posted on our website at the following URL.

[http://www.jp-life.japanpost.jp/aboutus/company/abt\\_cmp\\_fiduciary.html](http://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html)

[Main performance of the Company]

<Policy amounts>

As for individual insurance, annualized premiums from new policies reached ¥507.9 billion (4.7% increase year on year), while those from policies in force reached ¥3,207.9 billion (12.0% increase year on year). Policy amount of new policies based on coverage amount reached ¥7,847.4 billion (9.5% increase year on year), while policy amount of policies in force based on coverage amount reached ¥50,097.9 billion (12.8% increase year on year).

As for individual annuities, annualized premiums from new policies reached ¥19.4 billion (81.5% decrease year on year), while those from policies in force reached ¥569.3 billion (13.2% decrease year on year). Policy amount of new annuity policies based on accumulated contribution payment and policy reserves reached ¥39.7 billion (81.9% decrease year on year), while policy amount of policies in force based on accumulated contribution payment and policy reserves reached ¥3,131.1 billion (9.9% decrease year on year).

(Billions of yen)

For the fiscal year ended March 31	2014	2015	2016	2017
Individual insurance (annualized premiums)				
New policies	439.0	457.8	485.3	507.9
Policies in force (As of March 31)	2,192.2	2,526.8	2,863.5	3,207.9
Individual annuities (annualized premiums)				
New policies	179.8	162.5	105.1	19.4
Policies in force (As of March 31)	661.4	673.8	656.0	569.3
Individual insurance (coverage amount)				
New policies	6,559.8	7,002.5	7,168.4	7,847.4
Decreased policies	1,304.8	1,579.2	1,921.2	2,155.7
Policies in force (As of March 31)	33,735.6	39,159.0	44,406.2	50,097.9
Individual annuities (accumulated contribution payment and policy reserves)				
New policies	524.0	493.5	219.7	39.7
Decreased policies	274.8	321.5	359.1	385.1
Policies in force (As of March 31)	3,443.8	3,615.9	3,476.4	3,131.1

Notes:

1. The figures are truncated.
2. The figures do not include the Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance in the form of reinsurance. Status of

reinsured Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance is described hereunder as a reference.

3. Accumulated contribution payment in individual annuities refer to the aggregate amount bound to be paid in the future for the annuity before payments commence, converted into the value as of the date of annuity payment commencement.
4. Policy reserves in individual annuities refer to the reserve to provide for the future payment of annuities for the annuity after payments have commenced.
5. The Company underwrites neither group insurance nor group annuities.

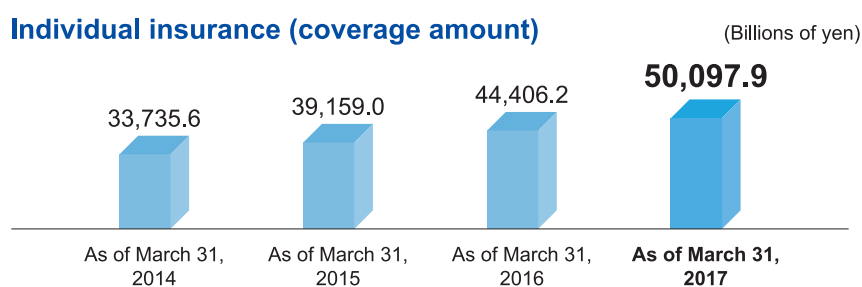
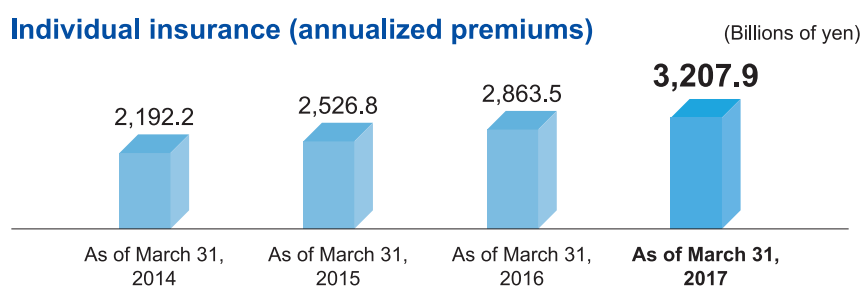
<Reference> Reinsured Postal Life Insurance Policies Received from the Management Organization for Postal Savings and Postal Life Insurance

(Billions of yen)

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017
Insurance (insured amount)	63,358.9	54,322.4	46,114.5	38,605.4
Annuities (annuity amount)	1,250.6	1,077.9	932.1	799.1

Note: These figures are based on standards applied by the Management Organization for Postal Savings and Postal Life Insurance when it calculates published numerical data, where the figures are rounded.

■ Policies in force



<Policy reserves>

(Billions of yen)

	As of March 31, 2014	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017
Policy reserves	77,745.4	75,112.6	72,362.5	70,175.2
Contingency reserve	2,588.7	2,498.7	2,374.8	2,254.0

Notes:

1. The figures are truncated.
2. Of the policy reserves as of March 31, 2017, policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Organization for Postal Savings and Postal Life Insurance, amounted to ¥42,010.6 billion, while contingency reserve is provided in the amount of ¥1,838.8 billion for the category of reinsurance.

<Indicators of core profit, etc.>

(Billions of yen)

For the fiscal year ended March 31	2014	2015	2016	2017
Core profit	482.0	515.4	464.2	390.0
Real net assets (as of March 31)	9,442.2	11,512.2	14,643.0	12,757.4
Solvency margin ratio (as of March 31)	1,623.4%	1,641.4%	1,568.1%	1,289.1%
Consolidated real net assets (as of March 31)	9,446.9	11,521.1	14,649.5	12,763.1
Consolidated solvency margin ratio (as of March 31)	1,625.1%	1,644.2%	1,570.3%	1,290.6%

Notes:

1. The figures for core profit, real net assets and consolidated real net assets are truncated.
2. Solvency margin ratio and consolidated solvency margin ratio are truncated to one decimal place.
3. Values of real net assets and consolidated real net assets as well as solvency margin ratio and consolidated solvency margin ratio from March 31, 2016 onward are based on the standard adopted from March 31, 2016, while those as of March 31, 2014 and as of March 31, 2015 are based on the standard adopted during fiscal year ended March 31, 2015 and before.



## 2. Financial Condition and Results of Operations of the Corporate Group and the Company

### 1) Financial condition and results of operations of the corporate group

(Millions of yen)

For the fiscal year ended March 31	2014	2015	2016	2017
Ordinary income	11,234,114	10,169,241	9,605,743	8,659,444
Ordinary profit	462,748	492,625	411,504	279,755
Net income attributable to Japan Post Insurance	62,802	81,323	84,897	88,596
Comprehensive income	91,810	457,932	(68,218)	4,342
Net assets	1,538,136	1,975,727	1,882,982	1,853,203
Total assets	87,092,800	84,915,012	81,545,182	80,336,760

Note: The figures are truncated.

### 2) Financial condition and results of operations of the Company

For the fiscal year ended March 31		2014	2015	2016	2017
		(Billions of yen)	(Billions of yen)	(Billions of yen)	(Billions of yen)
Policy amount in force as of the fiscal year-end	Individual insurance	33,735.6	39,159.0	44,406.2	50,097.9
	Individual annuities	3,443.8	3,615.9	3,476.4	3,131.1
	Group insurance	—	—	—	—
	Group annuities	—	—	—	—
	Other insurance	0.2	0.2	0.1	0.1
		(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
	Insurance premiums and others	5,911,643	5,956,716	5,413,862	5,041,868
	Investment income	1,540,615	1,460,745	1,354,966	1,367,937
	Insurance claims and others	10,160,877	9,059,549	8,550,474	7,550,323
	Ordinary profit	463,506	493,169	413,023	279,347
	Provision for reserve for policyholder dividends	242,146	200,722	178,004	152,679
	Net income	63,428	81,758	86,338	88,520
	Total assets	87,088,626	84,911,946	81,543,623	80,336,414
		(Yen)	(Yen)	(Yen)	(Yen)
	Net income per share	3,171.42	136.26	143.90	147.58

Notes:

- The figures are truncated. However, amount of net income per share is rounded.
- Policy amounts at each year-end do not include the Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance in the form of reinsurance. Status of reinsured Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance is described in the <reference> of 1. (1) [Main performance of the Company].
- Policy amounts for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves at the end of each fiscal year for the annuity after payments have commenced.
- The Company underwrites neither group insurance nor group annuities.

5. The Company implemented a 30:1 stock split effective August 1, 2015, and net income per share has been calculated assuming the stock split was implemented on April 1, 2014.
6. The Company established a Board Benefit Trust (BBT) from the fiscal year ended March 31, 2017. Shares of the Company held in the trust, which was recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating net income per share for the fiscal year ended March 31, 2017.

### 3. Main offices of the Corporate Group

Department	Name of company	Name of office	Location	Date of establishment
Insurance business and related business	The Company	Head Office	Chiyoda-ku, Tokyo	September 1, 2006
Information systems-related business	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Head Office	Shinagawa-ku, Tokyo	October 3, 2011

Note:

Date of establishment refers to the date of establishment of the Company for the insurance business and related business, while the date on which JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. became a subsidiary is stated for the information system-related business.

[Branches and agencies of the Company]

(Number of locations/ branches)

Category	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
Regional Headquarters	13	13	—
Branches	82	82	—
Agency	625	600	(25)
Japan Post Co.	1	1	—
Contracted post office	624	599	(25)

Notes:

1. Number of offices (post offices) of Japan Post Co. handling insurance solicitation business for the Company was 20,050 as of March 31, 2017 (a decrease of 6 year on year). In addition, 42 post offices are temporarily closed due to the Great East Japan Earthquake.
2. Number of contracted post offices represents those acting as insurance agencies handling the insurance solicitation business for the Company, while the number of contracted post offices commissioned to conduct customer referral (referral agencies) for Japan Post Co. which acts as an agency of the Company was 2,445 as of March 31, 2017 (an increase of 6 year on year). In addition, 4 contracted post offices acting as referral agencies are temporarily closed due to the Great East Japan Earthquake.

#### 4. Employees of the corporate group

(Persons)

Department	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)
Insurance business and related business	7,378	7,424	46
Information systems-related business	512	541	29
Total	7,890	7,965	75

Note: Number of employees (including those seconded from companies outside the Corporate Group, but excluding those seconded to companies outside the Corporate Group) represents the number of employees in full-time employment, and excludes those in temporary employment.

#### [Employees of the Company]

Category	As of March 31, 2016	As of March 31, 2017	Increase (Decrease)	As of March 31, 2017		
				Average age	Average years of service	Average monthly salary
	(Persons)	(Persons)	(Persons)	(Years old)	(Years)	(Thousand yen)
In-house employees	6,279	6,320	41	38.5	14.4	345
Sales employees	1,099	1,104	5	39.2		

Notes:

1. Number of employees represents the number of employees in full-time employment (including those seconded from other companies, but excluding those seconded to other companies), and excludes those in temporary employment.
2. Average number of years of service represents the number of years of continuous service including years at Ministry of Posts and Telecommunications, Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.
3. Average age and average years of service are based on ages and years counted by the western-style method as of March 31, 2017, and truncated to one decimal place.
4. Average monthly salary represents fixed salary as of March 2017, excluding overtime allowance and bonus. The figures are truncated.

#### 5. Major Creditors of the Corporate Group

Not applicable

#### 6. Financing of the Corporate Group

Not applicable

## 7. Capital Investment of the Corporate Group

### 1) Total amount of capital investment

(Millions of yen)

Department	Amount
Insurance business and related business	43,268
Information systems-related business	108

Note: The figures are truncated.

### 2) New installation, etc., of significant equipment

(Millions of yen)

Department	Details	Amount
Insurance business and related business	Equipment and software related to the renewal of the overall information systems for the Company	14,271
Information systems-related business	—	—

Note: The figures are truncated.

## 8. Principal Parent Company and Subsidiaries, etc.

### 1) Parent company

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of the Company held by the parent company	Others
Japan Post Holdings Co., Ltd.	Chiyoda-ku, Tokyo	A holding company	January 23, 2006	3,500,000 (Millions of yen)	89.00%	

Notes:

1. The figures are truncated.
2. Percentage of voting rights of the Company held by the parent company is rounded to two decimal places.

2) Principal subsidiaries, etc.

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of subsidiaries, etc., held by the Company	Others
JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Shinagawa-ku, Tokyo	Commissioning of design, development, maintenance and operation of information system	March 8, 1985	500 (Millions of yen)	100%	

Notes:

1. The figures are truncated.
2. JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. carried out a capital increase of ¥440 million on April 1, 2016, bringing its capital to ¥500 million.

9. Business Transfer, etc., of the Corporate Group

Not applicable.

10. Other Important Matters Concerning the Current State of the Corporate Group

Not applicable.

II. Matters Concerning Directors and Executive Officers

1. Directors and Executive Officers

[Directors]

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Masami Ishii	Director	Director of Japan Post Holdings Co., Ltd.	
Toshihisa Minakata	Director		
Kiyoshi Ido	Director	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Akira Anzai	Director Audit Committee Member		

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Masatsugu Nagato	Director Chairman of Nomination Committee, Compensation Committee Member	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST BANK Co., Ltd.	
Masaharu Hino	Director (Outside Director) Nomination Committee Member, Chairman of Audit Committee	Attorney-at-law Auditor of ZENKOKU HOSHO Co., Ltd.	Note 1
Kiyomi Saito	Director (Outside Director) Audit Committee Member	CEO of JBond Totan Securities Co., Ltd. Director of KAJIMA CORPORATION Auditor of Showa Denko K.K.	
Shin Yoshidome	Director (Outside Director) Audit Committee Member	Advisor of Daiwa Securities Co. Ltd. Director of Nojima Corporation	
Shinji Hattori	Director (Outside Director) Nomination Committee Member, Compensation Committee Member	Chairman & Group CEO of Seiko Holdings Corporation President & CEO of Seiko Watch Corporation	
Michiko Matsuda	Director (Outside Director) Audit Committee Member	Visiting Professor of Faculty of Applied Sociology, Kindai University Advisor of IHI Enviro Corporation	
Nobuhiro Endo	Director (Outside Director) Chairman of Compensation Committee	Chairman of the Board (Representative Director) of NEC Corporation	
Masako Suzuki	Director (Outside Director)	Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc.	

Notes:

1. Director Mr. Masaharu Hino is familiar with corporate legal affairs, etc., as an attorney-at-law while having considerable knowledge in finance and accounting.
2. Director Mr. Akira Anzai has been elected as standing member of the Audit Committee for the purpose of ensuring audit effectiveness.
3. Seven Directors Mr. Masaharu Hino, Ms. Kiyomi Saito, Mr. Shin Yoshidome, Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo and Ms. Masako Suzuki are Outside Directors and have been registered with the Tokyo Stock Exchange as independent officers.
4. At the Ordinary General Meeting of Shareholders held on June 22, 2016, four individuals Mr. Kiyoshi Ido, Mr. Masatsugu Nagato, Mr. Nobuhiro Endo and Ms. Masako Suzuki were newly elected as Directors, and assumed their posts on the same day. Meanwhile, at the meeting of the Board of Directors held on the same day, Mr. Masatsugu Nagato was elected as Chairman

of the Nomination Committee and a member of the Compensation Committee, Ms. Michiko Matsuda as a member of the Audit Committee, and Mr. Nobuhiro Endo as Chairman of the Compensation Committee, respectively, and assumed their posts on the same day.

5. Director Mr. Shin Yoshidome was appointed on April 1, 2016 as Advisor of Daiwa Securities Co. Ltd.
6. Important matters related to Directors for the period after March 31, 2017 are as follows.  
Director Mr. Shinji Hattori was appointed on April 1, 2017 as Chairman & CEO of Seiko Watch Corporation.

[Executive Officers]

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Masami Ishii	President, CEO Representative Executive Officer	Director of Japan Post Holdings Co., Ltd.	
Toshihisa Minakata	Deputy President Representative Executive Officer Assistant to the President, Secretariate, Regional Headquarters and in charge of 100th Anniversary Business *In charge of supervising the Executive Officers responsible for Compliance Control Department, Sales Quality Control Department and Customer Services Department		
Kiyoshi Ido	Deputy President Representative Executive Officer Assistant to the President, IT Systems Management Department, IT Systems Planning Department, Assistant to the Executive Officer responsible for Business Process Planning Department, Assistant to the Executive Officer responsible for Underwriting Department, Assistant to the Executive Officer responsible for Policy Administration Department, Assistant to the Executive Officer responsible for Claims-Related Services Department, Assistant to the Executive Officer responsible for Policy Assessment Department and Assistant to the Executive Officer responsible for Claim Payment Services Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Masaaki Horigane	Senior Managing Executive Officer Actuarial and Accounting Department, Policy Assessment Department, Claim Payment Services Department and Loan Department		

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Mitsuhiko Uehira	Senior Managing Executive Officer Product Planning Department, Sales Planning Department and Assistant to the Executive Officer responsible for Sales Promotion Department		
Yoshito Horie	Senior Managing Executive Officer Assistant to the Executive Officer responsible for Business Process Planning Department and Senior General Manager, Kinki Regional Headquarters		
Tetsuya Senda	Senior Managing Executive Officer Corporate Planning Department, Public Relations Department and Cash-Flow and Expense Management Department	Managing Executive Officer of Japan Post Holdings Co., Ltd. Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Yasuhiro Sadayuki	Managing Executive Officer Risk Management Department, Legal Affairs Department and Credit Department		
Yoshihiko Ido	Managing Executive Officer Sales Promotion Department, Sales Training Department, Assistant to the Executive Officer responsible for Sales Planning Department and Assistant to the Executive Officer responsible for Regional Headquarters		
Yoshio Inoue	Managing Executive Officer Internal Audit Department		
Hiromichi Udagawa	Managing Executive Officer Senior General Manager, Tokyo Regional Headquarters		
Hiroshi Nagaso	Managing Executive Officer Senior General Manager, Tokai Regional Headquarters		
Hisao Nishikawa	Managing Executive Officer Senior General Manager, Kyushu Regional Headquarters		
Masato Kawagoe	Managing Executive Officer Senior General Manager, Kanto Regional Headquarters		Note 7
Atsushi Tachibana	Managing Executive Officer Investment Planning Department, Investment Management Department and Credit and Alternative Investment Department		



(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Shinji Ando	Managing Executive Officer Assistant to the Executive Officer responsible for IT Systems Management Department, Assistant to the Executive Officer responsible for IT Systems Planning Department and Senior General Manager, IT Systems Management Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Nobuyasu Kato	Managing Executive Officer Compliance Control Department, Sales Quality Control Department, Customer Services Department, General Affairs Department, Human Resources Department and Human Resources Development Department		
Yasuaki Hironaka	Managing Executive Officer Corporate Planning Department (limited to duties related to Business Planning Office), Business Process Planning Department, Underwriting Department, Policy Administration Department, Claims-Related Services Department, Assistant to the Executive Officer responsible for Policy Assessment Department and Assistant to the Executive Officer responsible for Claim Payment Services Department		
Tomoaki Nara	Executive Officer Assistant to the Executive Officer responsible for Investment Planning Department and Senior General Manager, Investment Planning Department		

(As of March 31, 2017)

Name	Position and assignment	Significant concurrent positions	Others
Kieko Onoki	Executive Officer Assistant to the Executive Officer responsible for Human Resources Department (limited to duties related to Diversity Promotion Office), Assistant to the Executive Officer responsible for Business Process Planning Department, Assistant to the Executive Officer responsible for Underwriting Department, Assistant to the Executive Officer responsible for Policy Administration Department, Assistant to the Executive Officer responsible for Claims-Related Services Department, Assistant to the Executive Officer responsible for Policy Assessment Department, Assistant to the Executive Officer responsible for Claim Payment Services Department and General Manager, Sendai Administration Services Center		
Toru Onishi	Executive Officer Assistant to the Executive Officer responsible for Corporate Planning Department and Senior General Manager, Corporate Planning Department and Affiliated Business Office		
Keiki Ikejiri	Executive Officer Senior General Manager, Chugoku Regional Headquarters		
Hidekazu Sakamoto	Executive Officer Assistant to the Executive Officer responsible for Public Relations Department and Senior General Manager, Public Relations Department		
Junko Koie	Executive Officer Chief Actuary		

Notes:

1. President, CEO and Representative Executive Officer, Mr. Masami Ishii, Deputy President and Representative Executive Officer, Mr. Toshihisa Minakata, and Deputy President and Representative Executive Officer, Mr. Kiyoshi Ido concurrently serve as Directors.
2. At the meeting of the Board of Directors held on March 29, 2016, Mr. Keiki Ikejiri was newly elected as Executive Officer, and assumed the post on April 1, 2016.

3. At the meeting of the Board of Directors held on March 29, 2016, elections of, and changes to Executive Officers with titles were effected as follows.

Name	Position (Before)	Position (After)	Date of change
Yoshito Horiie	Managing Executive Officer	Senior Managing Executive Officer	April 1, 2016
Hikomichi Udagawa	Executive Officer	Managing Executive Officer	April 1, 2016
Hiroshi Nagaso	Executive Officer	Managing Executive Officer	April 1, 2016
Hisao Nishikawa	Executive Officer	Managing Executive Officer	April 1, 2016
Masato Kawagoe	Executive Officer	Managing Executive Officer	April 1, 2016

4. At the meeting of the Board of Directors held on May 13, 2016, Mr. Atsushi Tachibana was newly elected as Executive Officer, and assumed the post on the same day. At the same meeting of the Board of Directors, he was elected as Managing Executive Officer, and assumed the post on the same day.
5. At the meeting of the Board of Directors held on June 22, 2016, three individuals Mr. Kunio Tanigaki, Mr. Hidekazu Sakamoto and Ms. Junko Koie were newly elected as Executive Officers. Mr. Hidekazu Sakamoto and Ms. Junko Koie assumed their posts on the same day, and Mr. Kunio Tanigaki assumed his post on June 24, 2016.
6. At the meeting of the Board of Directors held on June 22, 2016, elections of, and changes to Executive Officers with titles were effected as follows.

Name	Position (Before)	Position (After)	Date of change
Kiyoshi Ido	Senior Managing Executive Officer	Deputy President and Representative Executive Officer	June 22, 2016
Kunio Tanigaki	(Newly appointed)	Deputy President and Executive Officer	June 24, 2016
Tetsuya Senda	Managing Executive Officer	Senior Managing Executive Officer	June 22, 2016
Shinji Ando	Executive Officer	Managing Executive Officer	June 22, 2016
Nobuyasu Kato	Executive Officer	Managing Executive Officer	June 22, 2016
Yasuaki Hironaka	Executive Officer	Managing Executive Officer	June 22, 2016

7. Mr. Masato Kawagoe resigned from the post of Executive Officer on March 31, 2017.
8. Managing Executive Officer Mr. Shinji Ando was appointed on June 23, 2016 as Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.
9. Important matters related to Executive Officers for the period after March 31, 2017 are as follows.

At the meeting of the Board of Directors held on March 27, 2017, three individuals Mr. Nobuatsu Uchikoba, Mr. Masamichi Yokoyama and Mr. Motonori Tanaka were newly elected as Executive Officers, and assumed their posts on April 1, 2017.

[Executive Officers Who Retired during the Fiscal Year Ended March 31, 2017]

(As of retirement date)

Name	Position and assignment	Significant concurrent positions	Others
Kunio Tanigaki	Deputy President and Executive Officer		Resigned on January 26, 2017
Yasumi Suzukawa	Executive Officer		Resigned on January 26, 2017

2. Compensation, etc., for Directors and Executive Officers

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.
Directors	9 persons	80 (of which, other than compensation: -)
Executive Officers	29 persons	737 (of which, other than compensation: -)
Total	38 persons	818 (of which, other than compensation: -)

Notes:

1. The figures are truncated.
2. As the Company does not give compensation, etc., for Directors who concurrently serve as Executive Officer of the Company or the parent company, etc., number of persons compensated does not include 6 Directors who concurrently serve as Executive Officer of the Company or the parent company, etc.
3. Number of persons compensated and compensation, etc., include compensation, etc., for 1 Director and 5 Executive Officers who have retired during the current fiscal year and 1 Executive Officer who has resigned on March 31, 2017.
4. Compensation, etc., for Executive Officers includes the amount (¥108 million) recorded as stock compensation expenses in the fiscal year ended March 31, 2017.

[Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers]

With respect to compensation for our Directors and Executive Officers, taking into account the scope and scale of responsibilities for management, the Compensation Committee has resolved the following “policy for determining the details of individual compensation for Directors and Executive Officers.”

[Compensation Policies for Directors and Executive Officers by Individual]

1 Compensation System

- (1) If a person serves concurrently as a Director and an Executive Officer, such person shall receive compensation as an Executive Officer.
- (2) Directors of the Company shall receive a fixed monetary compensation commensurate with their positions based on the scope and scale of their responsibilities for management, etc.
- (3) Executive Officers of the Company shall receive a basic compensation (fixed monetary compensation) commensurate with their duties and performance-linked stock compensation under a system that offers sound incentives for contributing to the sustainable growth of the Company.

2 Compensation for Directors

Compensation for Directors shall comprise a fixed monetary compensation of a certain level commensurate with their positions based on the primary role of supervision of management, and such level shall be an appropriate level that gives consideration to the extent of their duties as Directors and the current state of the Company.

3 Compensation for Executive Officers

Compensation for Executive Officers shall comprise a basic compensation (fixed monetary compensation) of a certain level commensurate with their duties in light of the differences in responsibilities depending on position, as well as performance-linked stock compensation that reflects factors such as the degree of achievement of management plans.

The level of a basic compensation shall be an appropriate level that gives consideration to the extent of duties of Executive Officers and the current state of the Company. However, should the compensation commensurate with the position of an Executive Officer who is in charge of a field that requires special business knowledge and skills fall significantly below the general level of compensation of an officer who is in charge of a similar field at another company, such Executive Officer shall receive a basic compensation based on the level of compensation of other companies, instead of compensation commensurate with his or her duties in the Company.

In terms of stock compensation, from the standpoint of offering sound incentives for contributing to the sustainable growth of the Company, Executive Officers shall be granted on a yearly basis basic points commensurate with their duties and the points calculated by multiplying evaluation points based on their individual evaluations by a coefficient that fluctuates according to factors such as the degree of achievement of management plans. At the time of retirement, Executive Officers shall receive stocks corresponding to the number of accumulated points and cash attainable through conversion of a certain portion of shares of the Company.

### 3. Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
Akira Anzai	The overview of contracts for limitation of liability entered into with Directors in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows. For liabilities provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.
Masatsugu Nagato	
Masaharu Hino	
Kiyomi Saito	
Shin Yoshidome	
Shinji Hattori	
Michiko Matsuda	
Nobuhiro Endo	
Masako Suzuki	

### III. Matters Concerning Outside Directors and Executive Officers

#### 1. Concurrent Positions and Other Details on Outside Directors and Executive Officers

(As of March 31, 2017)

Name	Concurrent positions and other details
Masaharu Hino	Auditor of ZENKOKU HOSHO Co., Ltd. (Outside Director) <Transactions and other relationships with the Company and each company> Not applicable
Kiyomi Saito	CEO of JBond Totan Securities Co., Ltd. Director of KAJIMA CORPORATION (Outside Director) Auditor of Showa Denko K.K. (Outside Director) <Transactions and other relationships with the Company and each company> Not applicable
Shin Yoshidome	Director of Nojima Corporation (Outside Director) <Transactions and other relationships with the Company and each company> Not applicable
Shinji Hattori	Chairman & Group CEO of Seiko Holdings Corporation President & CEO of Seiko Watch Corporation <Transactions and other relationships with the Company and each company> Not applicable
Michiko Matsuda	There are no significant matters to be stated on concurrent positions and other details.
Nobuhiro Endo	Chairman of the Board (Representative Director) of NEC Corporation <Transactions and other relationships with the Company and each company> Not applicable
Masako Suzuki	Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc. <Transactions and other relationships with the Company and each company> Not applicable

## 2. Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors, etc.
Masaharu Hino	10 years, 7 months	Attended 12 out of 12 meetings of the Board of Directors and 18 out of 18 meetings of the Audit Committee	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective as an attorney-at-law.
Kiyomi Saito	2 years, 9 months	Attended 11 out of 12 meetings of the Board of Directors and 18 out of 18 meetings of the Audit Committee	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
Shin Yoshidome	2 years, 9 months	Attended 12 out of 12 meetings of the Board of Directors and 18 out of 18 meetings of the Audit Committee	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Shinji Hattori	2 years, 9 months	Attended 11 out of 12 meetings of the Board of Directors	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Michiko Matsuda	1 year, 9 months	Attended 12 out of 12 meetings of the Board of Directors and 14 out of 14 meetings of the Audit Committee held after her assumption of office	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
Nobuhiro Endo	9 months	Attended 9 out of 10 meetings of the Board of Directors held after his assumption of office	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Masako Suzuki	9 months	Attended 10 out of 10 meetings of the Board of Directors held after her assumption of office	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.

Note: The term of office is the period up to March 31, 2017, and the period less than one month is truncated.

## 3. Compensation for Outside Directors

(Millions of yen)

	Compensation paid to	Compensation from the Company	Compensation from parent company of the Company
Total compensation	8 persons	54 (of which, other than compensation:-)	—

Note: The figures are truncated.

## 4. Opinions of Outside Directors and Executive Officers

Not applicable.



#### IV. Matters Concerning Shares

##### 1. Number of Shares

Total number of authorized shares	2,400,000 thousand shares
Total number of outstanding shares	600,000 thousand shares

2. Total Number of Shareholders as of March 31, 2017: 200,563

##### 3. Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
Japan Post Holdings Co., Ltd.	534,000 thousand shares	89.00%
Japan Trustee Services Bank, Ltd. (Trust Account)	2,194 thousand shares	0.37%
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,744 thousand shares	0.29%
JAPAN POST INSURANCE EMPLOYEE SHAREHOLDING ASSOCIATION	1,736 thousand shares	0.29%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,370 thousand shares	0.23%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	1,075 thousand shares	0.18%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	1,038 thousand shares	0.17%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	970 thousand shares	0.16%
JP MORGAN CHASE BANK 385151	853 thousand shares	0.14%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	822 thousand shares	0.14%

Notes:

1. Number of shares held are truncated.
2. Percentage of shares held are rounded to two decimal places.

##### 4. Other Significant Matters Concerning Shares

Not applicable.

#### V. Matters Concerning Stock Acquisition Rights, etc.

1. Stock Acquisition Rights, etc., Held by Directors and Executive Officers of the Company as of March 31, 2017

Not applicable.

2. Stock Acquisition Rights, etc., of the Company that have been Granted to Employees, etc., during the Fiscal Year Ended March 31, 2017  
Not applicable.

## VI. Matters Concerning Independent Auditor

### 1. Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2017	Others
KPMG AZSA LLC Yukihsa Tatsumi Designated Limited Liability Partner Noriyuki Akiyama Designated Limited Liability Partner Takahiro Toyama Designated Limited Liability Partner	165	<p>- The Audit Committee of the Company confirmed the validity and appropriateness of the audit plan formulated by the independent auditor through regularly exchanging opinions with and receiving reports from the independent auditor. The Audit Committee also confirmed and considered the validity of the basis of determining the unit rate of the compensation by receiving an explanation from the Executive Officers in charge. As a result, the Audit Committee determined that the compensation, etc. for the independent auditor was at an appropriate level, and has given consent pursuant to Article 399, Paragraph 1 of the Companies Act.</p> <p>- In addition to the above, the Company paid fees to the independent auditor for the advisory services related to accounting, finance and internal control, etc. (non-audit service) which are services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Law of Japan.</p>

#### Notes:

1. The figure is truncated.
2. The audit engagement entered into by the Company and the Independent Auditor does not clearly distinguish the amount of compensation, etc. for audits prescribed in the Companies Act and those prescribed in the Financial Instruments and Exchange Act. Therefore, above shows the total amount of compensation, etc., for the fiscal year ended March 31, 2017.
3. The total amount of monetary and other property benefits which are to be paid to the independent auditor by the Company and its subsidiary is ¥219 million.

2. Liability Limitation Agreement

Not applicable.

3. Other Matters Concerning Independent Auditor

The Company resolved the “Policy of determining the dismissal or refusal of reelection of an independent auditor” at the Audit Committee as follows:

The Audit Committee shall dismiss the independent auditor if it determines that the independent auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and causes a problem on the audit of the Company.

In addition, the Audit Committee takes into consideration such matters as status of performance of duties of the independent auditor, and if it determines necessary, it shall determine detail of proposals on the dismissal or refusal of reelection of the independent auditor to be submitted to the General Meeting of Shareholders.

VII. Basic Policy Regarding Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

VIII. Systems to Ensure the Appropriateness of Business Operations and Status of its Operation

(Systems to ensure the appropriateness of business operations)

The Company has formulated the following “Fundamental Policy for Establishment of Internal Control Systems” by resolution of the Board of Directors as a fundamental policy related to establishment of system for ensuring proper operations.

- Fundamental Policy for Establishment of Internal Control Systems

1. System for ensuring execution of duties by the Executive Officers and employees of the Company are in compliance with laws and regulations and the Articles of Incorporation

(1) In addition to the formulation of management philosophy and management policy, the Company shall ensure thorough understanding of all Executive Officers and employees of the compliance with laws and regulations in every aspect of its business activities, in accordance with the Japan Post Group’s Charter of Corporate Conduct established by Japan Post Holdings. Furthermore, the Company shall establish its compliance framework by formulating compliance rules.

(2) The Company shall establish a department that supervises compliance to promote compliance within the Company. Meanwhile, a Compliance Committee shall be established to deliberate on the management policies concerning compliance, specific compliance operations and response to various issues, and report important matters to the Executive Committee and the Audit Committee.

- (3) The Company shall prepare a Compliance Manual that serves as a guide to the laws and regulations and other rules concerning its corporate activities, while carrying out trainings on laws and regulations as well as internal regulations that must be observed by Executive Officers and employees, in order to ensure thorough implementation of compliance.
- (4) For the purpose of establishing compliance framework and ensuring sound business management, the Company shall set up a liaison meeting, comprised of the President and CEO and others, with Japan Post Co., which serves as the Company's insurance solicitor, to discuss matters related to the enhancement and reinforcement of the internal control systems of Japan Post Co., and shall take measures necessary for guidance and management of Japan Post Co.
- (5) The Company shall set out response as an organization to anti-social forces in the internal rules for dealing with anti-social forces, and cut off and exclude any relationship with anti-social forces that may threaten social order and sound corporate activities by firmly refusing their undue demand, while regularly cooperating with external expert bodies including the police.
- (6) In order to ensure adequacy of the documents related to financial accounting and other information, the Company shall strive to secure credibility of its financial reporting, and report important matters to the Executive Committee, the Audit Committee and the independent auditor, as appropriate.
- (7) The Company shall establish rules for reporting for any violations or suspected violations of compliance, and set up points of contact for whistleblowing both inside and outside the Company, the use of which shall be thoroughly informed to all Executive Officers and employees.
- (8) The Company shall formulate internal audit rules and develop an internal audit framework. Meanwhile, the Internal Audit Department independent of all departments to be audited shall conduct effective internal audits of compliance in the Company's business activities and report the status of internal audits to the Executive Committee and the Audit Committee.

## 2. System for retaining and managing information concerning the execution of duties by the Executive Officers

In the Executive Committee rules and the document management rules, the Company shall define the methods and system for retaining and managing various documents concerning the execution of duties by the Executive Officers, such as the minutes of the Executive Committee meetings and approval documents, in order to appropriately retain and manage such information. Documents shall be accessed or copied at the request of the Audit Committee or the Internal Audit Department.

3. System and rules for managing the risk of loss to the Company
  - (1) Through formulating basic risk management policies and other risk management rules, the Company shall present to Executive Officers and employees the basic matters related to risk management such as basic principles, the management framework and management methods, and implement risk management based on such basic policies and others.
  - (2) The Company shall establish a department that supervises risk management, identify the status of risks, and analyze and manage such risks. Meanwhile, a Risk Management Committee shall be established to deliberate on the policies concerning risk management, matters related to the development and operations of risk management system and matters related to the implementation of risk management and report important matters to the Executive Committee and the Audit Committee.
  - (3) The Company shall formulate crisis management rules and develop a crisis management framework to promptly and appropriately address and take necessary countermeasures in cases where risks that have a significant impact on the management arise.
  
4. System for ensuring the efficient execution of duties by the Executive Officers
  - (1) The Company shall, in principle, hold a meeting of the Executive Committee, comprised of Executive Officers, on a weekly basis, and discuss matters delegated from the Board of Directors and matters to be approved by the Board of Directors. Furthermore, specialized committees shall be established as advisory bodies to the Executive Committee as appropriate.
  - (2) The Company shall formulate organization rules and administrative authority rules and define the duties of each organizational unit, administrative authority and responsibility of each Executive Officer, and the procedures for approvals on business decisions, with a view to ensuring the efficient execution of duties by the Executive Officers.
  
5. System for ensuring proper operations within the corporate group comprising the Company and Japan Post Holdings, and subsidiaries of the Company
  - (1) The Company shall conclude the Japan Post Group Agreement with Japan Post Holdings, Japan Post Co. and Japan Post Bank, while concluding an agreement on the operations of the Japan Post Group and a memorandum of understanding on the rules for such operations with Japan Post Holdings, whereby prior consultation or reports shall be made over the matters necessary for proper and smooth operations of the Group.
  - (2) The Company shall formulate rules concerning the management of subsidiaries, and establish a framework for appropriately managing business operations of subsidiaries as follows.

- (i) The Company shall have subsidiaries to take measures based on the Japan Post Group Agreement which serves as a basis for the Group management.
  - (ii) The Company shall carry out management analysis, guidance on business operations, risk management, guidance on compliance, audits, etc., for subsidiaries.
  - (iii) Formulation of management policies, management plans and other important matters by subsidiaries shall be subject to the prior approval of the Company.
  - (iv) Matters filed to the authorities by subsidiaries, monthly business results, and the results of external audits shall be reported to the Company.
- (3) The Company shall formulate rules concerning the management of intra-Group transactions and ensure proper transactions with the Group companies based on the arm's length rule.

6. Matters concerning employees who are to assist the duties of the Audit Committee

The Company shall establish the Office of Audit Committee as an organization that provides assistance to the Audit Committee in performing its duties, and assign full-time employees with knowledge and ability necessary to assist the duties of the Audit Committee.

7. Matters related to maintaining the independence of employees who are to assist the duties of the Audit Committee from the Executive Officers, and matters related to ensuring the effectiveness of instructions given by the Audit Committee to these employees

The employees assigned to the Office of Audit Committee shall assist the duties of the Audit Committee under its sole direction. In addition, matters relating to recruitment, transfer, personnel evaluation or disciplinary actions involving the employees assigned to the Office of Audit Committee shall be subject to the approval of the Audit Committee or of a member of the Audit Committee appointed by the Audit Committee.

8. System for the Executive Officers and employees to report to the Audit Committee, and other systems of reporting to the Audit Committee

- (1) The Executive Officer in charge of internal controls shall regularly report to the Audit Committee on the status of the performance of duties related to internal controls of the Company and its subsidiaries.
- (2) Executive Officers and employees shall promptly report to the members of the Audit Committee on important matters that are likely to have a significant impact on the management of the Company or its subsidiaries.
- (3) The Executive Officer in charge of internal audits shall regularly report to the Audit Committee on the status and results of the internal audits of the Company and its subsidiaries, and report to the members of the Audit Committee on the important matters that are likely to have a significant impact on the management.
- (4) Executive Officers and employees shall report the matters related to the business execution of the Company or its subsidiaries, as required by the Audit Committee.
- (5) Executive Officers and employees shall promptly report to the members of the Audit Committee on any significant compliance violation (including any suspected matters) of the Company or its subsidiaries discovered through whistleblowing or by other means.
- (6) Any person who reported to the Audit Committee or any whistleblower within the Company shall not be subject to disadvantageous treatment on the ground of such report or whistleblowing.

9. Procedures for making advanced payment or reimbursement of expenses to be incurred in the execution of duties by the members of the Audit Committee, and matters concerning a policy for the handling of expenses or debts to be incurred in the execution of such duties

Executive Officers and employees may not deny a request for payment made by the members of the Audit Committee for expenses incurred in the course of audits carried out as part of the execution of duties of the Audit Committee, including fees for advice they sought from attorneys, certified

public accountants or other external experts, or duties they outsourced for investigation, appraisal or others, unless the Company proved that the aforementioned expenses were not necessary for the execution of duties of the Audit Committee.

#### 10. Other systems for ensuring effective audits by the Audit Committee

- (1) The President, CEO, Representative Executive Officer shall strive to exchange opinions with the Audit Committee regularly in an effort to enhance mutual understanding over the important management matters including basic management policy, issues to be addressed and the functional status of the internal control system.
- (2) The Audit Committee shall receive prior explanation about the audit plan from the independent auditor and regular reports on the status of audit implementation, and shall cooperate with the independent auditor through exchange of opinions as appropriate in order to be acquainted with important points concerning accounting audit at all times.
- (3) In executing its duties, the Audit Committee shall cooperate with the Audit Committee of Japan Post Holdings, through measures such as regular exchange of opinions.

(Status of operation of systems to ensure the appropriateness of business operations)

The Company has established and operated the internal control systems for ensuring proper operations based on the above “Fundamental Policy for Establishment of Internal Control Systems.” The Company has confirmed that the internal control systems of the Company was established and operated properly based on the “Fundamental Policy for Establishment of Internal Control Systems” for the fiscal year ended March 31, 2017 as well.

#### (1) Compliance

- The Company specified the matters concerning compliance in the management philosophy and the management plan, and also handed out compliance handbook to all officers and employees, which summarized matters to be complied with as employees of the Company, and continuously conducted trainings mainly on the handbook.
- The Company held the Compliance Committee once a month, where policies concerning compliance related to business management and various issues were deliberated. In addition, the status of occurrence of misconduct, etc. was reported to the monthly Executive Committee and the Audit Committee.
- As a liaison meeting between the Company and Japan Post Co., the Company regularly held the “Partner Meeting,” comprised of presidents of both companies and respective officers, and deliberated on measures related to the status of occurrence of misconduct, etc. in the course business of the Company.



## (2) Risk management system

- The Company held the Risk Management Committee once a month, where the status of risk management of the Company was deliberated and reported. Important matters were reported to the Executive Committee and the Audit Committee.
- The Company revised and formulated the crisis management rules and others, developed a crisis management framework, and also held the “Crisis Management Committee” regularly, where the Company formulated, promoted and revised plans, etc. related to crisis management, and deliberated on education and trainings, etc.
- In the wake of the 2016 Kumamoto Earthquake in April 2016, we held Crisis Management Committee meetings as required to grasp and confirm the situation of damage suffered by the local employees and of business operations as our initial action.

Given the seriousness of the damage, we decided upon and carried out immediate payments for emergency of normal insurance claims and ordinary loans receivable, etc. as well as special relief measures for interest rates applied on loans to policyholders.

## (3) Group internal control systems

- In accordance with the Japan Post Group Agreement and a memorandum of understanding on the rules for group operations, the Company conducted proper and smooth operations of the Group by prior consultations with and reports to Japan Post Holdings.
- For JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd., in accordance with the Business Management Contract for Subsidiaries, the Company conducted proper and smooth operations of the subsidiary by receiving prior consultations and reports, by deliberating on important matters at the Executive Committee of the Company, and by confirming the status of execution of business and the progress made on monthly performance regularly.

## (4) Systems for ensuring effective audits by the Audit Committee

- In accordance with rules such as those concerning establishment of systems for reporting to the Audit Committee, the Executive Officer in charge of internal control made regular reports to the Audit Committee on the status of execution of business, and also made reports promptly to the Audit Committee on important matters that may have material impacts on management.
- The President, CEO, Representative Executive Officer exchanged opinions with the Audit Committee regularly on important management matters including the basic management policy and the functional status of the internal control system. In addition, the Audit Committee regularly exchanged opinions not only with Executive Officers of the Company, but with the Internal Audit Department and independent auditor of the Company, and the Audit Committee of Japan Post Holdings.

## IX. Matters Concerning Specified Wholly-Owned Subsidiaries

Not applicable.

## X. Matters Concerning Transactions with Parent Company and Others

1. Points considered not to unfairly impair the benefits of the company when conducting such transaction (if not applicable, specify)

Business transactions between the Company and its parent company, Japan Post Holdings, and other companies belonging to the Japan Post Group, are conducted fairly, based on the Insurance Business Act, in accordance with the arm's length rule (the arm's length rule stipulates that insurance companies must not engage in business transactions, etc., with certain related parties including the parent company or subsidiaries of the parent under significantly different terms than normal transactions.)

2. Determination and reason by Directors of the company (or the Board of Directors in case of the Company with the Board of Directors; the same applies to 3.) on whether such transaction does not unfairly impair the benefits of the respective corporation.

In order to ensure the appropriateness of transactions within the Group, all transactions conducted by the Company are checked by the transacting department before the transactions take place to confirm whether or not they constitute intercompany transactions. In the case of transactions conducted with companies belonging to the Japan Post Group, we examine the transaction in advance, based on a fixed checklist, from the perspective of the necessity of an intercompany transaction, the appropriateness of the terms of the transaction, etc., to ensure the appropriateness of the transaction. In addition, a specialized department (Legal Affairs Department) confirms the appropriateness of this examination. Furthermore, the managing department (Corporate Planning Department) conducts an after-the-fact examination after the transaction is completed. Moreover, in order to ensure the properness of transaction terms related to intercompany transactions, we have established a system whereby a resolution is passed by the Board of Directors, including outside directors, when conducting important new transactions or changing the terms of important existing transactions. Thus, through the proper operation of the Company's arm's length rule check system, the Board of Directors confirms that the appropriateness of transactions with Japan Post Holdings is ensured.

3. In case of a company that has outside directors, the opinion of the outside directors in case the decision made by the directors in 2. above differs from the opinion of outside directors

Not applicable.

## XI. Matters Concerning Accounting Advisor

Not applicable.

## XII. Others

[Policy for the exercise of authority in case where there is a provision set in the Articles of Incorporation that cash dividends, etc., shall be determined by the Board of Directors]

The Company recognizes that the distribution of profit to shareholders is an important policy of management, and distributes profits to shareholders according to its business results, while securing management soundness.

Specifically, we aim for a steady increase in dividends per share, while maintaining a dividend payout ratio within the range of roughly 30% to 50% of consolidated net income, considering earning prospects, financial soundness and the balance between shareholder and policyholder dividends.

We secure internal reserves to fund stable business growth to enable us to respond to future changes in the business environment.

We have, in accordance with the provisions of Article 459 of the Companies Act, stipulated that it provides cash dividends based on the resolution of the Board of Directors in the Articles of Incorporation. We have decided to distribute a year-end dividend of 60 yen per share for the fiscal year ended March 31, 2017 based on the resolution at the Board of Directors meeting held on May 15, 2017.

The Company provides cash dividends on annual basis at the end of each fiscal year. Although we are permitted to declare interim dividends with a record date of September 30 under our Articles of Incorporation, we plan to declare annual dividends with a record date of March 31, considering business results.

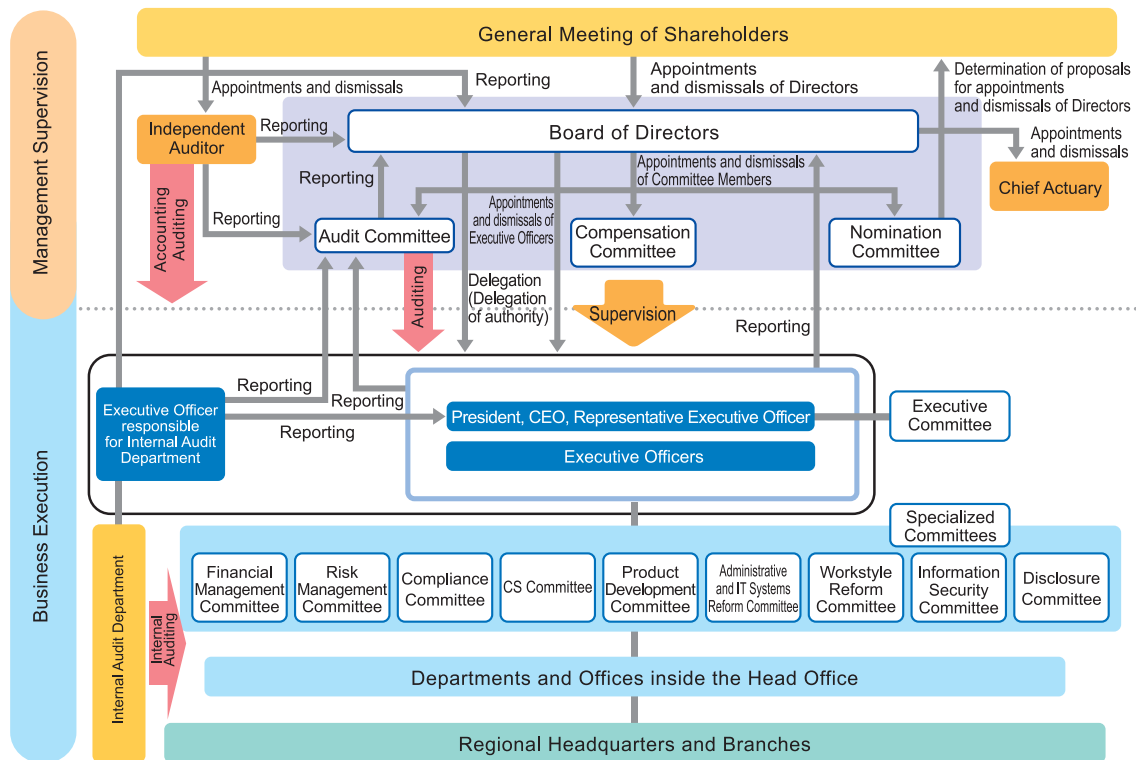
[Reference]

### Basic Views on Corporate Governance

The Company shall develop the corporate governance structure of the Group based on the following concept, with a view to ensuring sustainable growth of the Group and creating corporate value over the medium to long term.

- (1) The Company shall continue to create new convenience for customers and pursue the provision of high quality services, while generating consistent value by providing life insurance services through the post office network.
- (2) Fully recognizing its fiduciary responsibility to its shareholders, the Company shall give consideration to effectively secure rights and equal treatment of shareholders.
- (3) The Company shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, the Company shall strive to secure management transparency and commit to appropriate disclosure and provision of information.
- (4) The Company shall carry out swift and decisive decision-making and business execution under the effective supervision by the Board of Directors, in order to promptly cope with changes in social and economic environment and meet the expectation of all stakeholders.

### Corporate Governance Structure



**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Balance Sheet (As of March 31, 2017)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>1,366,086</b>
<b>Call loans</b>	<b>150,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,520,722</b>
<b>Monetary claims bought</b>	<b>27,561</b>
<b>Money held in trust</b>	<b>2,127,042</b>
<b>Securities</b>	<b>63,485,289</b>
<b>Loans</b>	<b>8,060,902</b>
<b>Tangible fixed assets</b>	<b>137,262</b>
Land	68,272
Buildings	44,664
Leased assets	2,047
Construction in progress	6,255
Other tangible fixed assets	16,022
<b>Intangible fixed assets</b>	<b>185,520</b>
Software	185,498
Other intangible fixed assets	21
<b>Agency accounts receivable</b>	<b>50,888</b>
<b>Reinsurance receivables</b>	<b>2,293</b>
<b>Other assets</b>	<b>371,905</b>
<b>Deferred tax assets</b>	<b>851,942</b>
<b>Reserve for possible loan losses</b>	<b>(658)</b>
<b>Total assets</b>	<b>80,336,760</b>

(Millions of yen)

Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>72,525,176</b>
Reserve for outstanding claims	577,376
Policy reserves	70,175,234
Reserve for policyholder dividends	1,772,565
<b>Reinsurance payables</b>	<b>4,774</b>
<b>Payables under securities lending transactions</b>	<b>4,889,066</b>
<b>Other liabilities</b>	<b>213,565</b>
<b>Liability for retirement benefits</b>	<b>62,184</b>
<b>Reserve for management board benefit trust</b>	<b>76</b>
<b>Reserve for price fluctuations</b>	<b>788,712</b>
<b>Total liabilities</b>	<b>78,483,557</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>500,044</b>
<b>Retained earnings</b>	<b>527,358</b>
<b>Treasury stock</b>	<b>(521)</b>
<b>Total shareholders' equity</b>	<b>1,526,882</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>321,904</b>
<b>Net deferred gains (losses) on hedges</b>	<b>50</b>
<b>Accumulated adjustments for retirement benefits</b>	<b>4,366</b>
<b>Total accumulated other comprehensive income</b>	<b>326,321</b>
<b>Total net assets</b>	<b>1,853,203</b>
<b>Total liabilities and net assets</b>	<b>80,336,760</b>

**Consolidated Statement of Income** (From April 1, 2016 to March 31, 2017)

(Millions of yen)

Account	Amount
<b>ORDINARY INCOME</b>	<b>8,659,444</b>
<b>Insurance premiums and others</b>	<b>5,041,868</b>
<b>Investment income</b>	<b>1,367,937</b>
Interest and dividend income	1,226,193
Gains on money held in trust	56,535
Gains on sales of securities	85,142
Gains on redemption of securities	33
Reversal of reserve for possible loan losses	11
Other investment income	21
<b>Other ordinary income</b>	<b>2,249,639</b>
Reversal of reserve for outstanding claims	57,790
Reversal of policy reserves	2,187,268
Other ordinary income	4,579
<b>ORDINARY EXPENSES</b>	<b>8,379,689</b>
<b>Insurance claims and others</b>	<b>7,550,323</b>
Insurance claims	6,487,267
Annuity payments	371,216
Benefits	57,111
Surrender benefits	433,053
Other refunds	185,982
Reinsurance premiums	15,692
<b>Provision for policy reserves and others</b>	<b>25</b>
Provision for interest on policyholder dividends	25
<b>Investment expenses</b>	<b>160,414</b>
Interest expenses	2,218
Losses on sales of securities	124,734
Losses on redemption of securities	7,480
Losses on derivative financial instruments	20,599
Losses on foreign exchanges	3,362
Other investment expenses	2,018
<b>Operating expenses</b>	<b>560,423</b>
<b>Other ordinary expenses</b>	<b>108,502</b>
<b>ORDINARY PROFIT</b>	<b>279,755</b>
<b>EXTRAORDINARY GAINS</b>	<b>—</b>
<b>EXTRAORDINARY LOSSES</b>	<b>6,892</b>
<b>Losses on sales and disposal of fixed assets</b>	<b>448</b>
<b>Provision for reserve for price fluctuations</b>	<b>6,444</b>
<b>Provision for reserve for policyholder dividends</b>	<b>152,679</b>
<b>Income before income taxes</b>	<b>120,182</b>
<b>Income taxes - Current</b>	<b>136,749</b>
<b>Income taxes - Deferred</b>	<b>(105,163)</b>

(Millions of yen)

Account	Amount
<b>Total income taxes</b>	<b>31,586</b>
<b>Net income</b>	<b>88,596</b>
<b>Net income attributable to non-controlling interests</b>	—
<b>Net income attributable to Japan Post Insurance</b>	<b>88,596</b>



## Consolidated Statement of Changes in Net Assets (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at the beginning of the fiscal year</b>	500,000	500,044	472,362	—	1,472,406
<b>Changes in the fiscal year</b>					
Cash dividends			(33,600)		(33,600)
Net income attributable to Japan Post Insurance			88,596		88,596
Purchases of treasury stock				(538)	(538)
Disposals of treasury stock				17	17
Net changes in items other than shareholders' equity in the fiscal year					
<b>Net changes in the fiscal year</b>	—	—	54,996	(521)	54,475
<b>Balance at the end of the fiscal year</b>	500,000	500,044	527,358	(521)	1,526,882

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
<b>Balance at the beginning of the fiscal year</b>	405,412	140	5,022	410,575	1,882,982
<b>Changes in the fiscal year</b>					
Cash dividends					(33,600)
Net income attributable to Japan Post Insurance					88,596
Purchases of treasury stock					(538)
Disposals of treasury stock					17
Net changes in items other than shareholders' equity in the fiscal year	(83,507)	(90)	(655)	(84,254)	(84,254)
<b>Net changes in the fiscal year</b>	(83,507)	(90)	(655)	(84,254)	(29,778)
<b>Balance at the end of the fiscal year</b>	321,904	50	4,366	326,321	1,853,203

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**Non-Consolidated Balance Sheet (As of March 31, 2017)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>1,360,137</b>
Cash	1,464
Deposits	1,358,673
<b>Call loans</b>	<b>150,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,520,722</b>
<b>Monetary claims bought</b>	<b>27,561</b>
<b>Money held in trust</b>	<b>2,127,042</b>
<b>Securities</b>	<b>63,486,273</b>
Japanese government bonds	42,732,364
Japanese local government bonds	9,226,804
Japanese corporate bonds	5,698,945
Stocks	59,305
Foreign securities	4,351,731
Other securities	1,417,122
<b>Loans</b>	<b>8,060,902</b>
Policy loans	118,141
Industrial and commercial loans	873,720
Loans to the Management Organization	7,069,040
<b>Tangible fixed assets</b>	<b>136,928</b>
Land	68,272
Buildings	44,483
Leased assets	2,004
Construction in progress	6,255
Other tangible fixed assets	15,911
<b>Intangible fixed assets</b>	<b>189,809</b>
Software	189,788
Other intangible fixed assets	21
<b>Agency accounts receivable</b>	<b>50,888</b>
<b>Reinsurance receivables</b>	<b>2,293</b>
<b>Other assets</b>	<b>372,248</b>
Accounts receivable	160,780
Prepaid expenses	1,589
Accrued income	176,280
Money on deposit	6,941
Derivative financial instruments	22,068
Suspense payments	2,990
Other assets	1,597
<b>Deferred tax assets</b>	<b>852,263</b>
<b>Reserve for possible loan losses</b>	<b>(658)</b>
<b>Total assets</b>	<b>80,336,414</b>

(Millions of yen)	
Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>72,525,176</b>
Reserve for outstanding claims	577,376
Policy reserves	70,175,234
Reserve for policyholder dividends	1,772,565
<b>Reinsurance payables</b>	<b>4,774</b>
<b>Other liabilities</b>	<b>5,101,380</b>
Payables under securities lending transactions	4,889,066
Income taxes payable	68,075
Accounts payable	25,227
Accrued expenses	30,065
Deposits received	2,660
Deposits from the Management Organization	50,481
Derivative financial instruments	26,653
Lease obligations	2,153
Asset retirement obligation	15
Suspense receipt	6,411
Other liabilities	568
<b>Reserve for employees' retirement benefits</b>	<b>67,040</b>
<b>Reserve for management board benefit trust</b>	<b>76</b>
<b>Reserve for price fluctuations</b>	<b>788,712</b>
<b>Total liabilities</b>	<b>78,487,161</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>500,044</b>
Legal capital surplus	405,044
Other capital surplus	95,000
<b>Retained earnings</b>	<b>527,775</b>
Legal retained earnings	32,209
Other retained earnings	495,565
Retained earnings brought forward	495,565
<b>Treasury stock</b>	<b>(521)</b>
<b>Total shareholders' equity</b>	<b>1,527,298</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>321,904</b>
<b>Net deferred gains (losses) on hedges</b>	<b>50</b>
<b>Total valuation and translation adjustments</b>	<b>321,954</b>
<b>Total net assets</b>	<b>1,849,253</b>
<b>Total liabilities and net assets</b>	<b>80,336,414</b>

**Non-Consolidated Statement of Income** (From April 1, 2016 to March 31, 2017)

(Millions of yen)

Account	Amount
<b>ORDINARY INCOME</b>	<b>8,659,442</b>
<b>Insurance premiums and others</b>	<b>5,041,868</b>
Insurance premiums	5,034,273
Reinsurance income	7,594
<b>Investment income</b>	<b>1,367,937</b>
Interest and dividend income	1,226,193
Interest on deposits	22
Interest and dividends on securities	1,037,359
Interest on loans	14,037
Interest on loans to the Management Organization	170,098
Other interest and dividend income	4,676
Gains on money held in trust	56,535
Gains on sales of securities	85,142
Gains on redemption of securities	33
Reversal of reserve for possible loan losses	11
Other investment income	21
<b>Other ordinary income</b>	<b>2,249,636</b>
Reversal of reserve for outstanding claims	57,790
Reversal of policy reserves	2,187,268
Other ordinary income	4,577
<b>ORDINARY EXPENSES</b>	<b>8,380,094</b>
<b>Insurance claims and others</b>	<b>7,550,323</b>
Insurance claims	6,487,267
Annuity payments	371,216
Benefits	57,111
Surrender benefits	433,053
Other refunds	185,982
Reinsurance premiums	15,692
<b>Provision for policy reserves and others</b>	<b>25</b>
Provision for interest on policyholder dividends	25
<b>Investment expenses</b>	<b>160,414</b>
Interest expenses	2,218
Losses on sales of securities	124,734
Losses on redemption of securities	7,480
Losses on derivative financial instruments	20,599
Losses on foreign exchanges	3,362
Other investment expenses	2,018
<b>Operating expenses</b>	<b>560,206</b>
<b>Other ordinary expenses</b>	<b>109,124</b>
Taxes	60,956
Depreciation and amortization	47,607
Provision for reserve for employees' retirement benefits	221
Other ordinary expenses	338

(Millions of yen)

Account	Amount
<b>ORDINARY PROFIT</b>	<b>279,347</b>
<b>EXTRAORDINARY GAINS</b>	—
<b>EXTRAORDINARY LOSSES</b>	<b>6,897</b>
Losses on sales and disposal of fixed assets	453
Provision for reserve for price fluctuations	6,444
Provision for reserve for policyholder dividends	152,679
Income before income taxes	119,770
Income taxes - Current	136,507
Income taxes - Deferred	(105,257)
Total income taxes	31,250
Net income	88,520

## Non-Consolidated Statement of Changes in Net Assets (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings
					Retained earnings brought forward		
<b>Balance at the beginning of the fiscal year</b>	500,000	405,044	95,000	500,044	25,489	447,365	472,855
<b>Changes in the fiscal year</b>							
Cash dividends					6,720	(40,320)	(33,600)
Net income						88,520	88,520
Purchases of treasury stock							
Disposals of treasury stock							
Net changes in items other than shareholders' equity in the fiscal year							
<b>Net changes in the fiscal year</b>	—	—	—	—	6,720	48,200	54,920
<b>Balance at the end of the fiscal year</b>	500,000	405,044	95,000	500,044	32,209	495,565	527,775

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
<b>Balance at the beginning of the fiscal year</b>	—	1,472,899	405,412	140	405,553	1,878,452
<b>Changes in the fiscal year</b>						
Cash dividends		(33,600)				(33,600)
Net income		88,520				88,520
Purchases of treasury stock	(538)	(538)				(538)
Disposals of treasury stock	17	17				17
Net changes in items other than shareholders' equity in the fiscal year			(83,507)	(90)	(83,598)	(83,598)
<b>Net changes in the fiscal year</b>	(521)	54,399	(83,507)	(90)	(83,598)	(29,199)
<b>Balance at the end of the fiscal year</b>	(521)	1,527,298	321,904	50	321,954	1,849,253

## Audit Report

### Copy of the Independent Auditor's Report on Consolidated Financial Statements

(The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.)

#### **Independent Auditor's Report**

May 11, 2017

To the Board of Directors  
JAPAN POST INSURANCE Co., Ltd.

**KPMG AZSA LLC**

Yukihisa Tatsumi (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Noriyuki Akiyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Toyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST INSURANCE Co., Ltd. as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 444-4 of the Companies Act.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of JAPAN POST INSURANCE Co., Ltd. and its consolidated subsidiary for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

#### Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report  
Copy of the Independent Auditor's Report

(The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.)

**Independent Auditor's Report**

May 11, 2017

To the Board of Directors  
JAPAN POST INSURANCE Co., Ltd.

**KPMG AZSA LLC**

Yukihisa Tatsumi (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Noriyuki Akiyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Toyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST INSURANCE Co., Ltd. as at March 31, 2017 and for the year from April 1, 2016 to March 31, 2017 in accordance with Article 436-2-1 of the Companies Act.

**Management's Responsibility for the Non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of JAPAN POST INSURANCE Co., Ltd. for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.



**Audit Report**

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST INSURANCE Co., Ltd. (the "Company") during the 11th fiscal year from April 1, 2016 to March 31, 2017 and hereby reports the auditing method and the results thereof as follows:

**1. Auditing Method and Details Thereof**

The Audit Committee received reports regularly from Executive Officers on matters concerning internal control system set forth in the Companies Act and the status of the establishment and operation of the systems, requested explanations when necessary, and expressed its opinions regarding such reports. In addition, the Audit Committee conducted an audit according to the following methods.

- 1) In accordance with the audit policies, etc. stipulated by the Audit Committee, and working closely with the internal control divisions, the Audit Committee attended important meetings, or otherwise had employees who are to assist the duties of the Audit Committee attend said meetings, received reports from Directors, Executive Officers, and employees regarding the matters related to the execution of duties, requested explanations when necessary, reviewed important documents for approval, and meeting minutes, etc., and examined the business and financial condition.

With regard to subsidiaries, the Audit Committee communicated and exchanged opinions with the Directors and Corporate Auditors, etc. of the subsidiaries, and received reports concerning business as necessary.

- 2) The Audit Committee monitored and verified as to whether the independent auditor conducted audits in an appropriate manner while maintaining an independent positioning, received reports from the independent auditor on the execution status of its duties, and, when necessary, requested explanations. The Audit Committee also received notification from the independent auditor that the "system for ensuring appropriate execution of duties of the independent auditor" is developed in accordance with the "Quality Control Standards for Auditing" and other relevant standards, and, when necessary, requested explanations.

Based on the above-described methods, the Audit Committee examined the business report, the non-consolidated financial statements, the supplementary schedules thereto, and the consolidated financial statements for the fiscal year ended March 31, 2017.

**2. Audit Results****(1) Audit Results on the Business Report, etc.**

- 1) In our opinion, the business report and the supplementary schedules present fairly the condition of the Company in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- 2) With regard to the execution of duties by Directors and Executive Officers, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- 3) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out regarding the contents described in the Business Report about such internal control system and the execution of duties by Directors and Executive Officers.
- 4) Regarding transactions with the parent company as described in the Business Report, we found no matters to be pointed out on the matters that were considered not to harm interests of the Company for implementing such transactions and on the judgment and the reason thereof of the Board of Directors concerning whether such transactions will harm interests of the Company or not.

**(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules**

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

**(3) Results of Audit of Consolidated Financial Statements**

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

May 15, 2017

Audit Committee of JAPAN POST INSURANCE Co., Ltd.

Audit Committee Member

Masaharu Hino (seal)

Audit Committee Member

Akira Anzai (seal)

Audit Committee Member

Kiyomi Saito (seal)

Audit Committee Member

Shin Yoshidome (seal)

Audit Committee Member

Michiko Matsuda (seal)

(Note) Audit Committee Members, Mr. Masaharu Hino, Ms. Kiyomi Saito, Mr. Shin Yoshidome, and Ms. Michiko Matsuda are Outside Directors stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Ms. Michiko Matsuda assumed the office of Audit Committee Member on June 22, 2016.

# Information Map of the General Meeting of Shareholders

(The venue has been changed from the previous year.)

**Venue** **Yokohama Arena**  
10, Shin-Yokohama 3-chome, Kohoku-ku,  
Yokohama-shi, Kanagawa, Japan

**Date and Time** Wednesday, June 21, 2017 at 10:00 a.m. Japan time  
**Reception starts at 9:00 a.m.**

\*The reception may open earlier depending on the state of congestion, etc.



**Transportation Guide**

Approx. 5-minute walk from **Yokohama Arena Exit** of JR **Shin-Yokohama Station**

Approx. 4-minute walk from **Exit No.7** of Yokohama Municipal Subway Blue Line, **Shin-Yokohama Station**

No parking is available. Please use public transportation.

- Souvenirs will not be offered at this Ordinary General Meeting of Shareholders.
- For shareholders attending the meeting, please submit your Voting Right Exercise Form at the reception.
- Please bring this convocation notice to conserve paper resources.