

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.

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2016 [Under Japanese GAAP]



November 14, 2016

Company Name: JAPAN POST INSURANCE Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Code Number: 7181 URL: <http://www.jp-life.japanpost.jp/>
Representative: Masami Ishii, Director and President, CEO, Representative Executive Officer
Scheduled date of filing quarterly securities report: November 25, 2016
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing materials on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2016 (April 1, 2016 to September 30, 2016)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2016	4,333,877	(11.2)	107,866	(50.7)	42,526	(12.3)
Six months ended September 30, 2015	4,881,336	-	218,787	-	48,515	-

(Note) Comprehensive Income (Loss) Six months ended September 30, 2016 ¥(66,257) million [-%]
Six months ended September 30, 2015 ¥(42,520) million [-%]

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2016	70.90	-
Six months ended September 30, 2015	80.86	-

(Note) Diluted net income per share is not presented as potential common stock did not exist. 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, 2015.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2016	80,492,230	1,782,598	2.2
As of March 31, 2016	81,545,182	1,882,982	2.3

Net assets attributable to the Company's shareholders as of September 30, 2016 and March 31, 2016 were ¥1,782,598 million and ¥1,882,982 million, respectively.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year- end	Annual
Fiscal year ended March 31, 2016	Yen -	Yen 0.00	Yen -	Yen 56.00	Yen 56.00
Fiscal year ending March 31, 2017	-	0.00			
Fiscal year ending March 31, 2017 (Forecast)			-	60.00	60.00

Notes: 1. Revisions to the most recently announced dividend forecast: No
2. Dividend per share for the fiscal year ending March 31, 2017 (forecast) will consist of ¥58.00 for ordinary dividend and ¥2.00 for commemorative dividend.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	8,490,000	(11.6)	310,000	(24.7)	86,000	1.3	143.38

(Note) Revisions to the most recently announced financial results forecast: No

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of shares issued (common stock)
 - 1) Total number of shares issued at the end of the period:
 - September 30, 2016: 600,000,000 shares
 - March 31, 2016: 600,000,000 shares
 - 2) Total number of treasury stock at the end of the period:
 - September 30, 2016: 223,600 shares
 - March 31, 2016: - shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2016: 599, 831,870 shares
 - Six months ended September 30, 2015: 600,000,000 shares

- Notes:
- 1. The Company implemented a 30:1 stock split effective August 1, 2015, and total number of shares issued (common stock) has been calculated assuming the stock split was implemented on April 1, 2015.
 - 2. Shares of the Company held in trust, which was recorded as treasury stock under the category of shareholders' equity, were 223,600 shares in the above stated "Total number of treasury stock at the end of the period" as of September 30, 2016, while 168,129 shares of the Company held in trust were deducted from the "Average number of shares during the period" for the six months ended September 30, 2016.

*** Presentation regarding the implementation status of the interim audit procedures**

This summary of quarterly consolidated financial results is outside the scope of interim audit procedures based on the Financial Instruments and Exchange Act of Japan. At the time of disclosure of these financial results, the interim audit procedures based on the Act have not been completed.

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

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

[Attachment]

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

1. Unaudited Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
ASSETS:		
Cash and deposits	1,862,636	1,352,159
Call loans	360,000	355,000
Receivables under securities borrowing transactions	3,008,591	3,054,016
Monetary claims bought	430,150	197,074
Money held in trust	1,644,547	1,771,607
Securities	63,609,906	63,612,684
Loans	8,978,437	8,571,997
Tangible fixed assets	145,855	142,963
Intangible fixed assets	185,300	192,664
Agency accounts receivable	81,193	54,566
Reinsurance receivables	1,368	1,763
Other assets	525,835	383,355
Deferred tax assets	712,132	803,084
Reserve for possible loan losses	(772)	(707)
Total assets	81,545,182	80,492,230
LIABILITIES:		
Policy reserves and others	74,934,165	74,011,952
Reserve for outstanding claims	635,167	600,176
Policy reserves	72,362,503	71,557,294
Reserve for policyholder dividends	1,936,494	1,854,481
Reinsurance payables	3,377	3,976
Payables under securities lending transactions	3,648,478	3,681,831
Other liabilities	233,106	196,299
Liability for retirement benefits	60,803	62,849
Reserve for management board benefit trust	-	82
Reserve under the special law	782,268	752,641
Reserve for price fluctuations	782,268	752,641
Total liabilities	79,662,200	78,709,631
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	500,044	500,044
Retained earnings	472,362	481,288
Treasury stock	-	(526)
Total shareholders' equity	1,472,406	1,480,806
Net unrealized gains (losses) on available-for-sale securities	405,412	296,885
Net deferred gains (losses) on hedges	140	110
Accumulated adjustments for retirement benefits	5,022	4,795
Total accumulated other comprehensive income	410,575	301,791
Total net assets	1,882,982	1,782,598
Total liabilities and net assets	81,545,182	80,492,230

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

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
ORDINARY INCOME	4,881,336	4,333,877
Insurance premiums and others	2,746,776	2,812,554
Investment income	688,854	678,347
Interest and dividend income	661,954	614,361
Gains on money held in trust	26,074	22,159
Gains on sales of securities	236	41,795
Gains on redemption of securities	20	19
Gains on derivative financial instruments	520	-
Reversal of reserve for possible loan losses	4	3
Other investment income	42	8
Other ordinary income	1,445,705	842,975
Reversal of reserve for outstanding claims	30,922	34,991
Reversal of policy reserves	1,412,887	805,208
Other ordinary income	1,896	2,775
ORDINARY EXPENSES	4,662,549	4,226,011
Insurance claims and others	4,349,885	3,793,188
Insurance claims	3,896,062	3,283,314
Annuity payments	166,261	181,367
Benefits	22,959	27,133
Surrender benefits	171,816	203,068
Other refunds	88,040	91,098
Reinsurance premiums	4,744	7,205
Provision for policy reserves and others	182	17
Provision for interest on policyholder dividends	182	17
Investment expenses	4,263	105,232
Interest expenses	2,272	876
Losses on sales of securities	934	71,061
Losses on valuation of securities	-	20,484
Losses on redemption of securities	97	2,978
Losses on derivative financial instruments	-	7,432
Losses on foreign exchanges	485	1,678
Other investment expenses	474	720
Operating expenses	260,988	278,049
Other ordinary expenses	47,229	49,523
Ordinary profit	218,787	107,866
EXTRAORDINARY GAINS	341	29,627
Gains on sales of fixed assets	341	-
Reversal of reserve for price fluctuations	-	29,627
EXTRAORDINARY LOSSES	31,311	51
Losses on sales and disposal of fixed assets	923	51
Provision for reserve for price fluctuations	30,388	-
Provision for reserve for policyholder dividends	119,559	77,989
Income before income taxes	68,257	59,451
Income taxes - Current	82,298	64,850
Income taxes - Deferred	(62,556)	(47,925)
Total income taxes	19,741	16,925
Net income	48,515	42,526
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	48,515	42,526

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2015	Six months ended September 30, 2016
Net income	48,515	42,526
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	(90,838)	(108,526)
Net deferred gains (losses) on hedges	33	(30)
Adjustments for retirement benefits	(231)	(226)
Total other comprehensive income (loss)	(91,036)	(108,783)
Comprehensive income (loss)	(42,520)	(66,257)
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	(42,520)	(66,257)
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	411,992	-	1,412,036
Changes in the period					
Cash dividends			(24,527)		(24,527)
Net income attributable to Japan Post Insurance			48,515		48,515
Purchases of treasury stock				-	-
Disposals of treasury stock				-	-
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	23,988	-	23,988
Balance at the end of the period	500,000	500,044	435,980	-	1,436,024

	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	
Balance at the beginning of the fiscal year	558,033	22	5,635	563,691	1,975,727
Changes in the period					
Cash dividends					(24,527)
Net income attributable to Japan Post Insurance					48,515
Purchases of treasury stock					-
Disposals of treasury stock					-
Net changes in items other than shareholders' equity in the period	(90,838)	33	(231)	(91,036)	(91,036)
Net changes in the period	(90,838)	33	(231)	(91,036)	(67,048)
Balance at the end of the period	467,194	56	5,404	472,655	1,908,679

Six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	472,362	-	1,472,406
Changes in the period					
Cash dividends			(33,600)		(33,600)
Net income attributable to Japan Post Insurance			42,526		42,526
Purchases of treasury stock				(538)	(538)
Disposals of treasury stock				11	11
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	8,926	(526)	8,399
Balance at the end of the period	500,000	500,044	481,288	(526)	1,480,806

	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	
Balance at the beginning of the fiscal year	405,412	140	5,022	410,575	1,882,982
Changes in the period					
Cash dividends					(33,600)
Net income attributable to Japan Post Insurance					42,526
Purchases of treasury stock					(538)
Disposals of treasury stock					11
Net changes in items other than shareholders' equity in the period	(108,526)	(30)	(226)	(108,783)	(108,783)
Net changes in the period	(108,526)	(30)	(226)	(108,783)	(100,383)
Balance at the end of the period	296,885	110	4,795	301,791	1,782,598

(4) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Additional Information)

Effective from the six months ended September 30, 2016, the Company has adopted the “Implementation Guidance on Recoverability of Deferred Tax Assets” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 26, March 28, 2016).