

Financial Results for the Six Months Ended September 30, 2015

November 20, 2015



JAPAN POST INSURANCE

Agenda

1

Management Strategy

- **Overview of Kampo / Market Environment / Customer Base / Growth Strategy**
-

2

Financial Results for the Six Months Ended September 30, 2015 and Business Update

- **Financial Highlights / Overview of Financial Statements / New Policy Acquisition / Sales Channel / Policies in Force / Operating Expenses / Administrative and IT System / Asset Management / Embedded Value / Policy of Shareholder Return**

1

Management Strategy

Overview of Kampo

History:

99 years

- Founded in 1916
- Re-established as a corporation in 2007

Channel:

Nationwide network of over 20,000 post offices

- Greater than total domestic bank branches (approx. 13,000)



Customer base:

Approx. 33 mn policies in force

- Approx. 25 mn insured (approx. 20% of the total population of Japan)

Known in Japan as “Kampo,” meaning “life insurance that can be used easily,” Kampo was originally founded with social mission of “providing basic measures of life with simple procedures for the people of Japan”

Scale:

Approx. ¥85 tn of total assets

- No.1 share in domestic life insurance sector (approx. 20% of market)

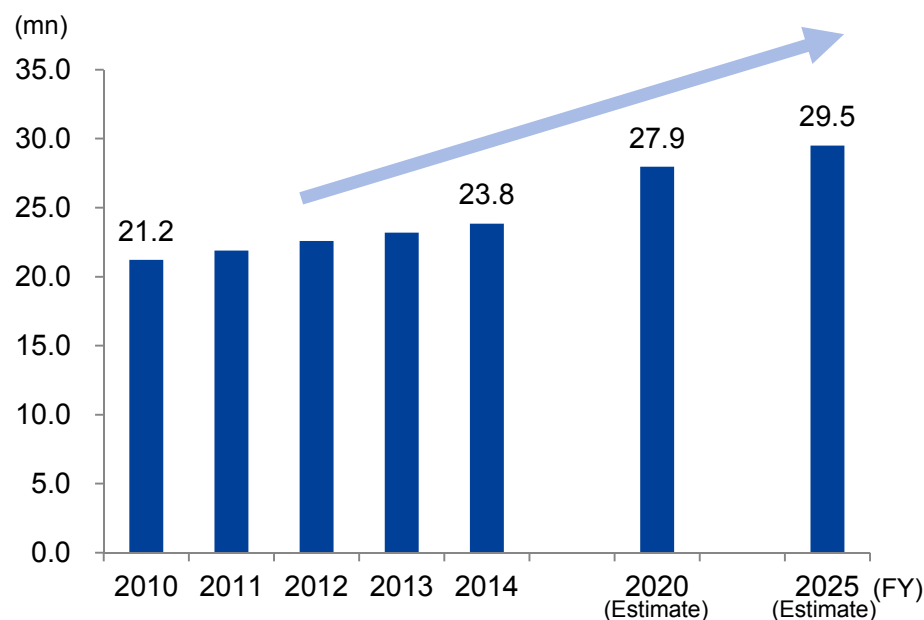
One of the largest life insurance companies in Japan

Source: Japanese Bankers Association, The Life Insurance Association of Japan
Note: Channel data are as of March 2014, and data for customer base and scale are as of the end of March 2015.

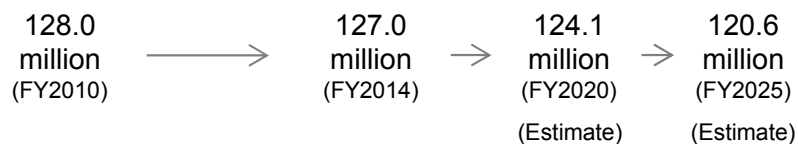
Environment around Life Insurance Industry in Japan

- Although Japan's population continues to shrink due to falling birth rate, older adult population has been increasing
- As national medical expenditures continue to increase due to the aging population, private health insurance is playing more important role to supplement self-pay medical cost

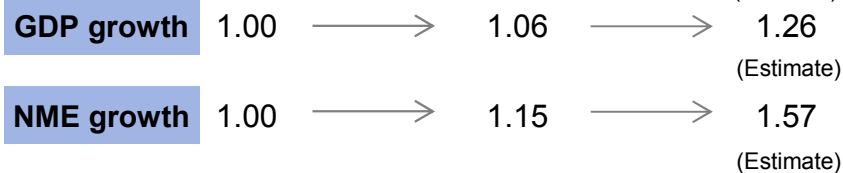
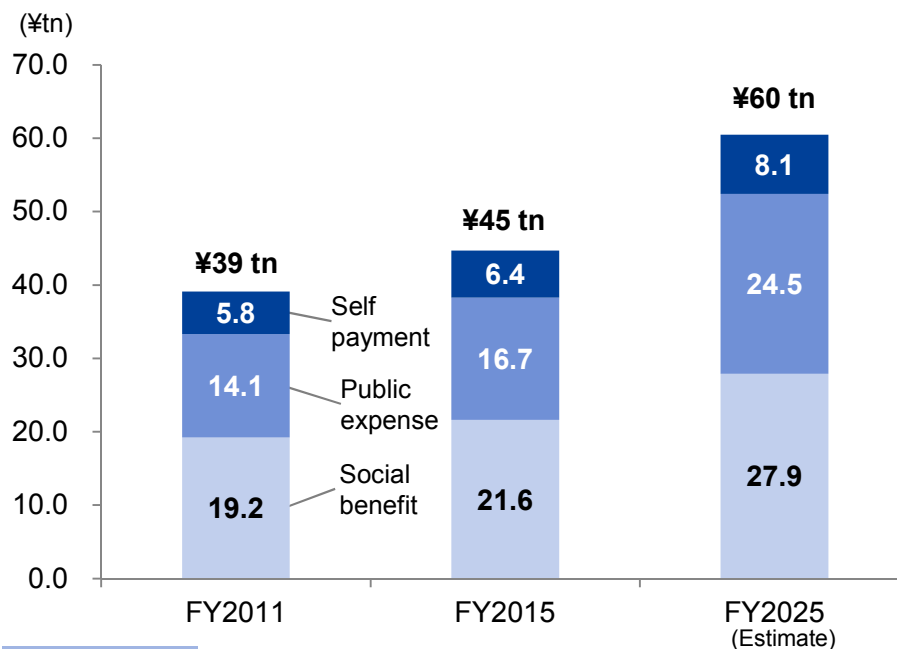
Population in Japan (70 years old or above)



Total Population in Japan



Outlook for National Medical Expenditure ("NME")



Sources: Ministry of Internal Affairs and Communications Statistics Bureau
National Institute of Population and Society research "Population Projections for Japan (as of January 2012)"

Source: Ministry of Health, Labour and Welfare ("MHLW"), Cabinet Office, "Overview of Interim Report of the Next Generation Health Care Industry Commission" (METI, June 5, 2014)

Note: Figures are estimated amount at official announcement.

Cultivate Existing Customer Base

- Implement “Kampo Platinum Life Services” to provide trustworthy and reliable services that cater to older adult customers
- Introduce “Feel secure with Kampo” activities in collaboration with Japan Post Co., which enables us to reconfirm contractual coverage of policies with policyholders, explain the procedure of receiving benefits, and notify new products

Kampo Platinum Life Services

かんぽ
プラチナライフサービス

Products and Services

- Increasing the age limit for insurance products
 - Endowment insurance policies: from 75 to 80 years old
 - Whole life insurance policies: from 65 to 85 years old

Call Centers

- Set up a call center exclusively for older adult customers
 - Skilled operators handle the inquiries

Briefing for Customers and Process to Buy Insurances

- Implementation of paperless application
 - Enables simple and convenient procedure for customers with substantially lighten their burdens (to be implemented from April 2016)

“Feel secure with Kampo” activities



Reconfirm of Contractual Coverage of Policies

- Review details of policies with policyholders such as coverage and beneficiary

Ensure Payments of Policy Benefits

- Support customers to designate bank account for receiving policy benefit, and explain the process to receive policy benefit

Providing Information such as New Products and Various Services

- Provide customers with information about new products, benefit payments made and an option that allows a designated third party to request benefits

Growth Strategy for a “Big & Unique” Company

One of Japan's largest life insurance companies,
in terms of both policies and premiums

- Total assets: ¥84.9 tn * Actual figures at the end of FY2014
- Number of policies in force (individual insurance): 33.4 mn policies
- Annualized premiums from new policies (individual insurance): ¥457.8 bn

Providing simple products with smaller coverage
amounts through post office channel

- Strong customer base of women, middle-aged and older adult customers
- Ability to meet universal service obligation of Japan Post
- “Kampo” has established a trustworthy and reliable brand through collaboration with post office

Refine “Big & Unique” Business Model

Develop a business model for older adult customers with attentive and caring services given Japan’s aging society in anticipation of baby boomers turning 70 years old or above in 2020

Growth Strategy

1. Implement “Kampo Platinum Life Services” to provide trustworthy and reliable services for older adult customers
⇒ Strengthen our face-to-face customer interactions through field sales personnel and post office counters
2. Develop products and services to help reduce medical and nursing care expenditures by supplementing social security system
⇒ Provide solutions for an aging society (setting insurance premiums based on individuals’ health condition and risk status)
3. Further refine our insurance benefit payment operations by making use of IBM’s Watson in conjunction with strategic use of big data generated from Japan’s largest number of policies in force
⇒ Develop operational system base that enables simple, prompt and accurate handling of operations from underwriting to benefit payments

**Building a solid business model that is both stable and innovative,
with the goal of continuing to increase our corporate value**

2

**Financial Results for the Six Months
Ended September 30, 2015 and
Business Update**

Financial Highlights (Consolidated)

- Although net income of the second quarter was down 4.5% from a year ago, we are at 57.8% of the full-year financial results forecast , signifying steady progress

Financial Highlights

(¥bn)

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

(¥bn)

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

Financial Result Forecasts

(¥bn)

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

1. Net income attributable to Japan Post Insurance.

Overview of Financial Statements (Consolidated)

Statement of Income

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

(¥bn)

Balance Sheets

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

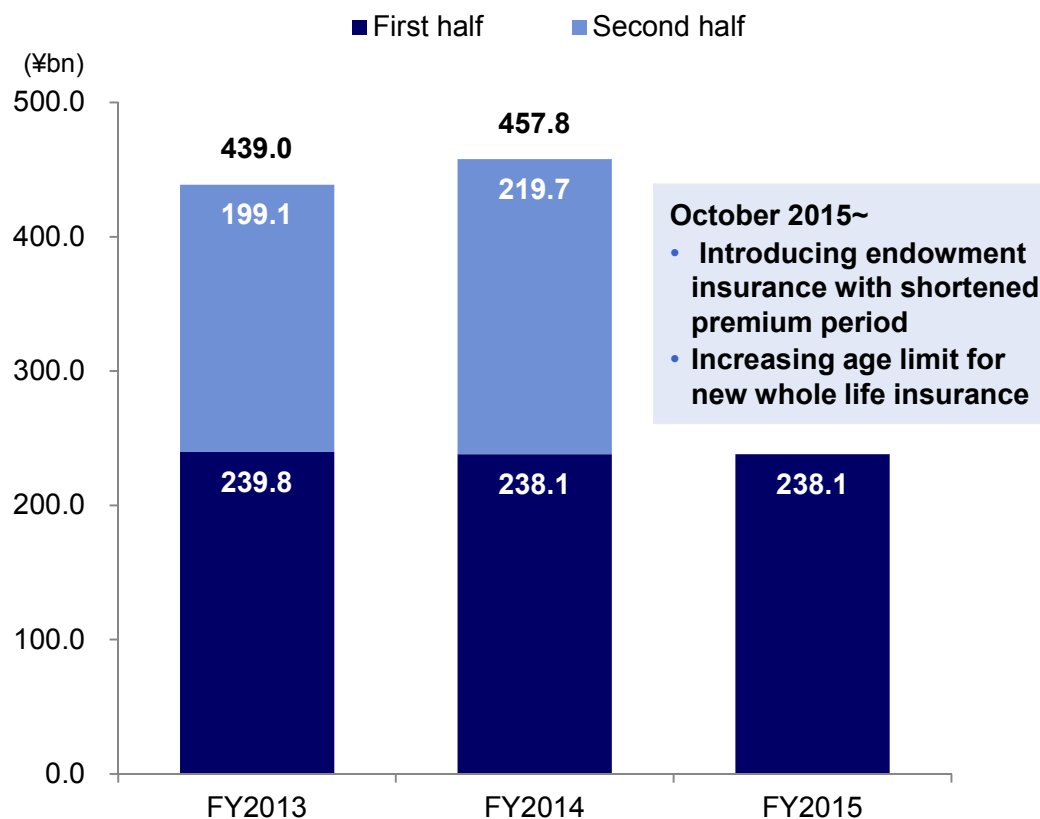
(¥bn)

Note: Only major line items are shown.

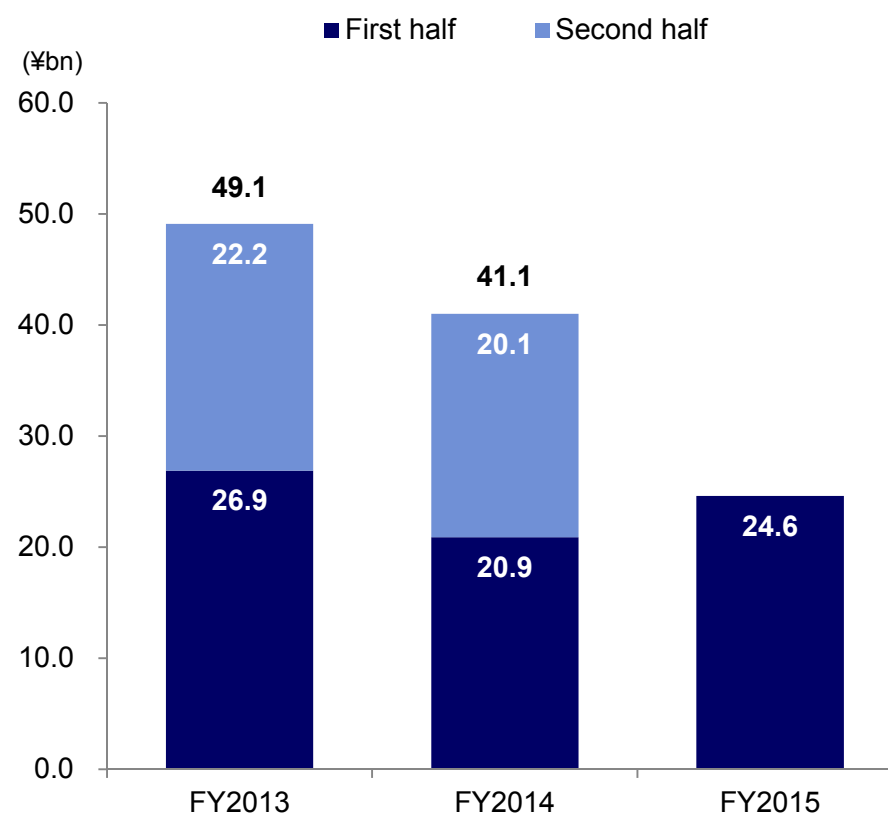
New Policy Sales

- Annualized premiums from new policies amounted to ¥238.1bn, flat compared to the same period a year ago
- Annualized premiums from medical care products reached ¥24.6bn, showing a recovery trend with 17.7% increase compared to a year ago

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)



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

Enhancing Sales Force of Distribution Channel

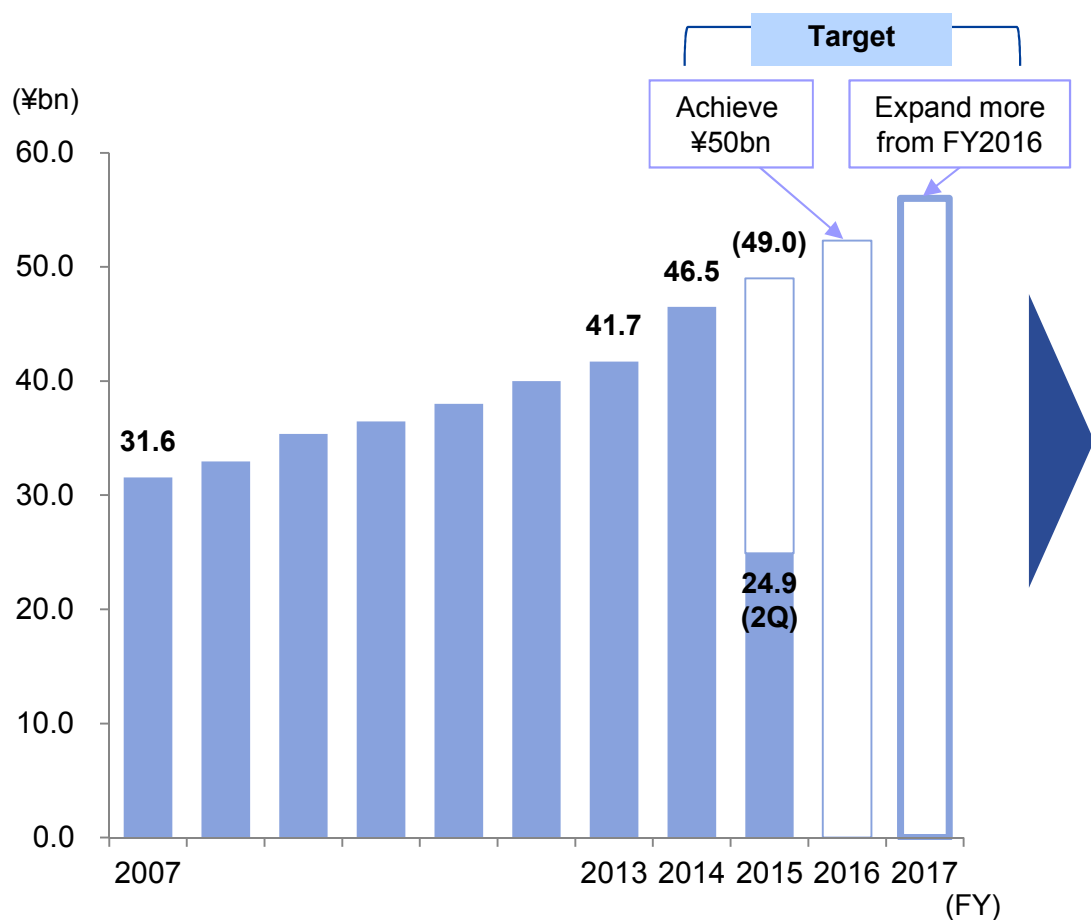
- Together with Japan Post Co., strengthen sales force of post office channel to promote universal service products; endowment and whole life insurance
- Reinforce directly-managed wholesale channel to expand sales from corporate client, worksite, and internal market within Japan Post group



Reversal and Growth of Policies in Force

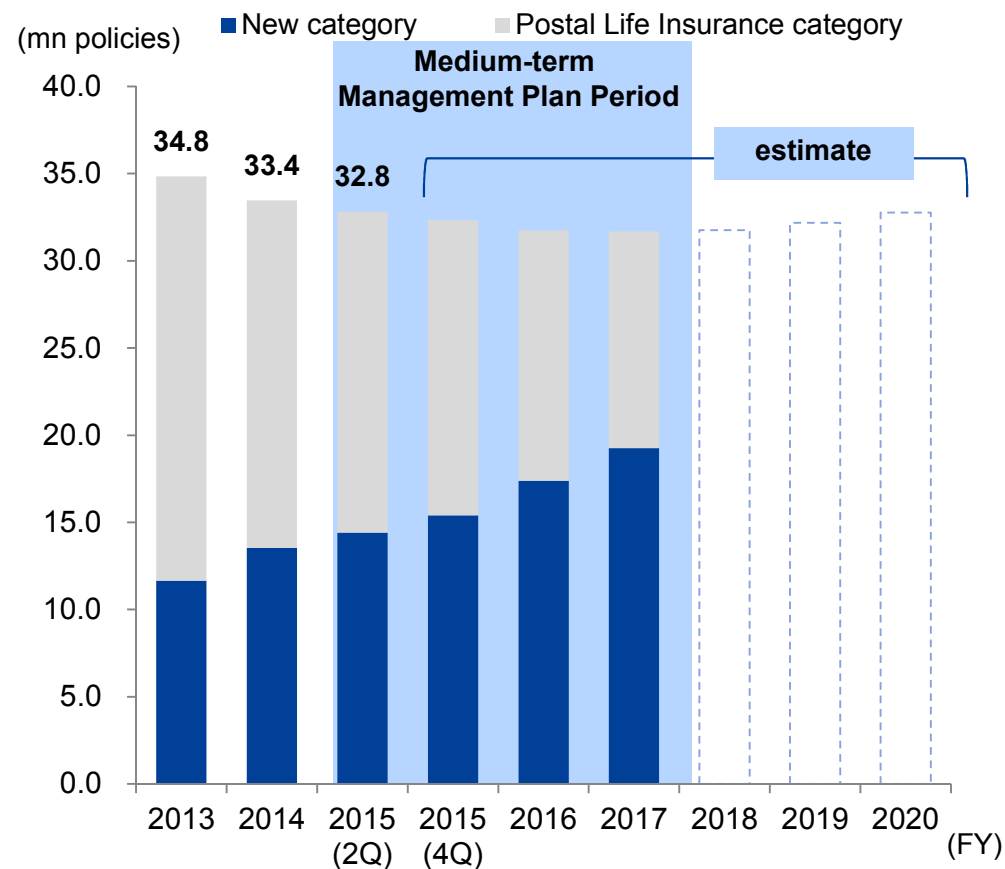
- Accelerate expansion of new policy sales by strengthening quality and quantity of sales force
- Aim to reverse the decreasing trend of policies in force after the mid-term management plan's final year (FY2017) and enter into a growth phase

Contracted Monthly Insurance Premiums from New Policies¹



1. Internal data used for sales promotion management.

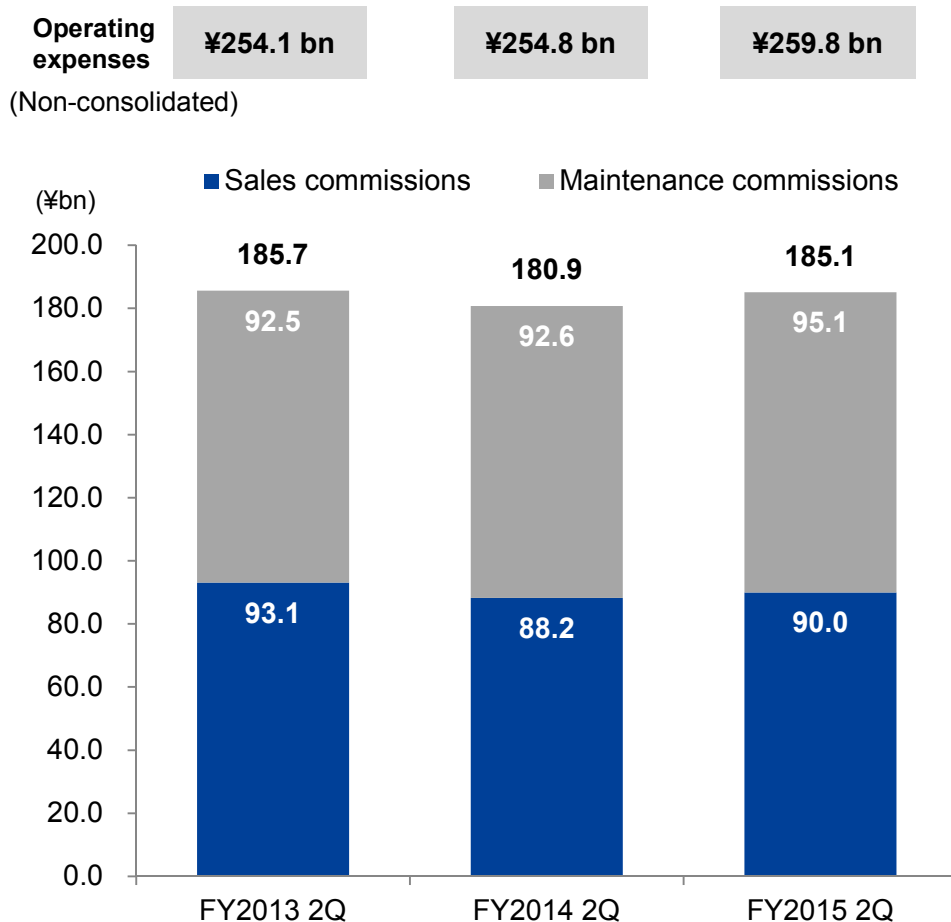
Number of Policies in Force



Operating Expenses

- Commissions to Japan Post Co. occupy approximately 70% of our operating expenses
- Strictly in accordance with the Insurance Business Act and other rules and regulations, calculations of commission must be made on a cost-benefit basis to ensure neither Kampo nor Japan Post Co. enjoys an advantage over the other

Commissions to Japan Post Co.



Commissions Structure

- Commissions paid to Japan Post Co. need to be determined on an arm's-length basis as required by the Insurance Business Act, as well as the inspection manual as stipulated by the FSA to prevent excessive favorable treatment of any specific agent
- Therefore, there is little discretion in the determination of commissions between Kampo and Japan Post Co. Proposed changes to calculation methods are subject to review by regulatory authorities

Sales Commissions

- Linked mainly to new policy acquisition volume (paid in installments, typical in the industry)
- Incentive bonus is payable if targets are reached



Maintenance Commissions

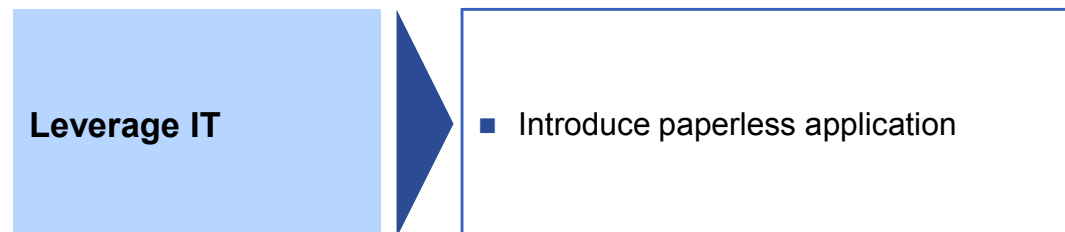
- For operations outsourced to Japan Post Co., rates are set based on the reasonable length of time needed to perform the operations at post offices
- A part of these commissions is calculated based on the number of policies in force and the after service activities. Another part is based primarily on the number of post offices

Development of Administrative and IT System

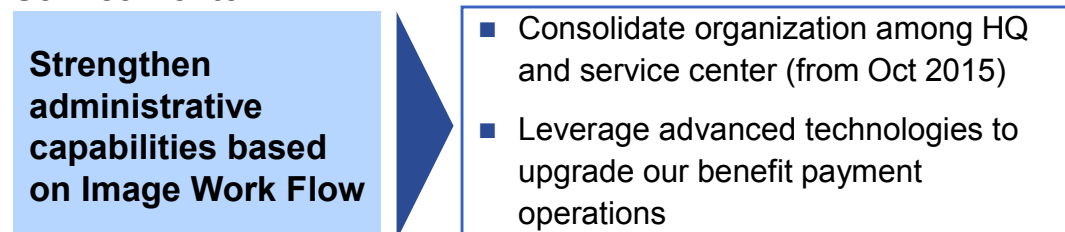
- Build administrative and IT system that enables simple, prompt and accurate handling of our operations from underwriting to benefit payments, and strengthen our capability to manage policies
- Plan to invest in administrative and IT system as well as facilities and equipment with aim of establishing a management foundation for future growth

Developing Infrastructure

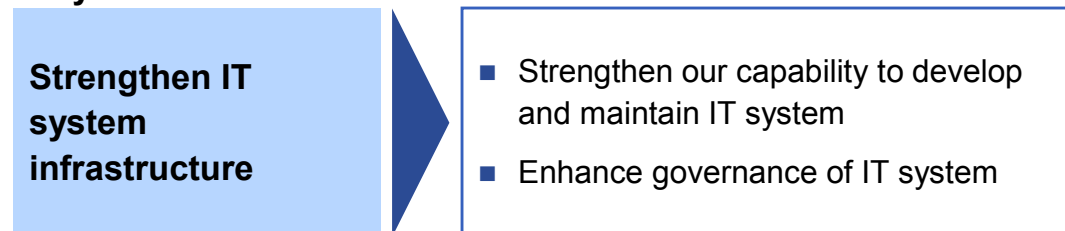
Post Office



Service Center



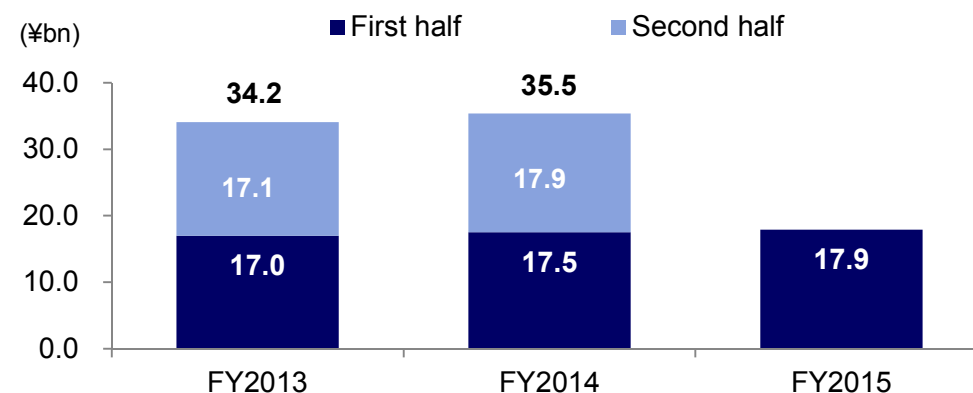
IT system



Major Investment Plans for FY2015 - FY2017

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

Depreciation and amortization (Non-consolidated)



Asset Management

- Reflecting the recent low-interest rate environment, we continue to increase our exposure to risk assets, such as foreign securities and domestic stocks
- Spread has been positive and stable thanks to decline in average assumed rates of return due primarily to maturities of policies with high assumed rates of return

Assets Portfolio

(¥bn, %)

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

1. Risk assets include assets invested in money held in trust.
2. Foreign bonds etc. include investment trusts classified as other securities.

Investment Yield

(¥bn)

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

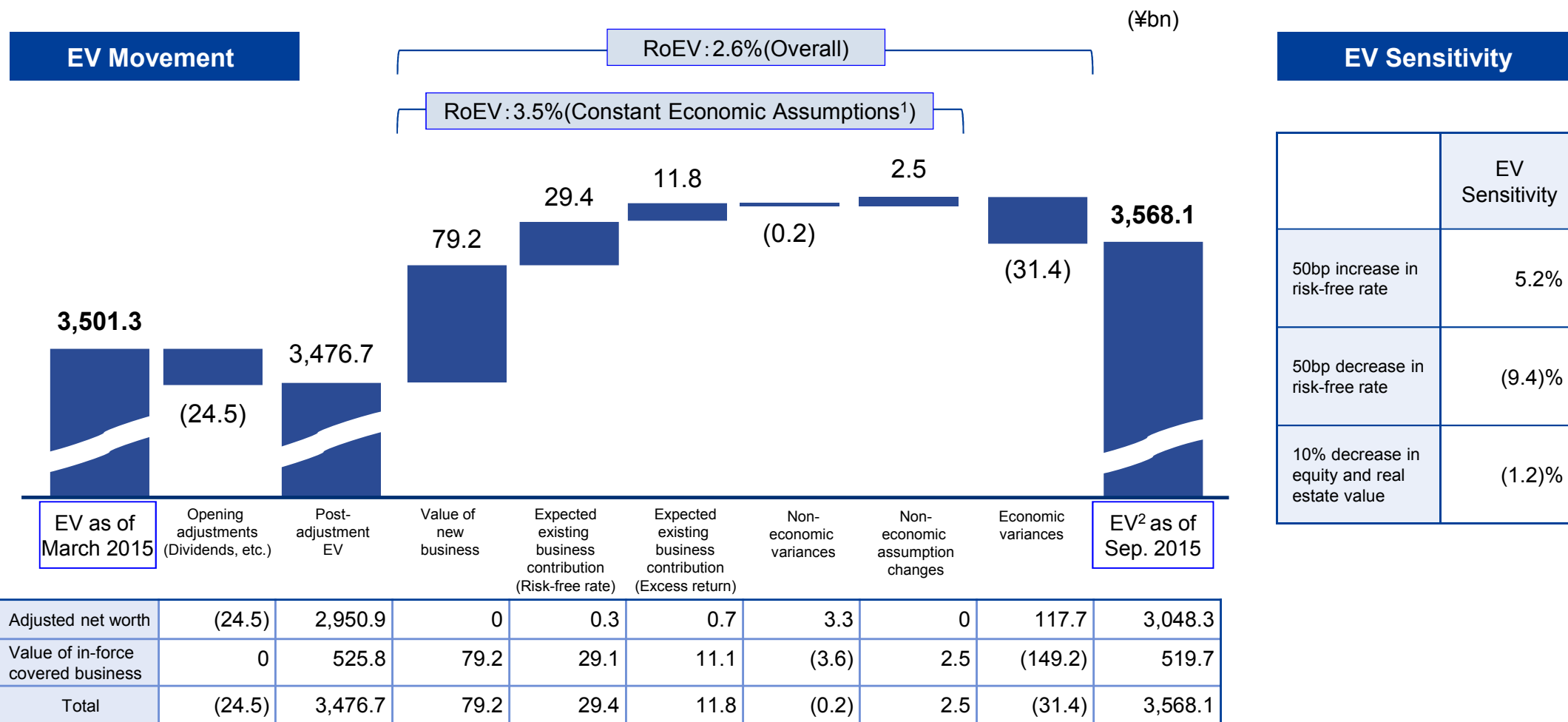
Net capital gains	38.2	8.2	64.1
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	Sep-14	Sep-15	Mar-15
Interest rate (10Y JGB)	0.525 %	0.350 %	0.400 %

1. Average assumed rates of return is the return on general account policy reserves.
2. Investment return on core profit is the return with respect to earned policy reserves.

EV Movement and Sensitivity Analysis

- EV growth as at the end of September 2015 compared to the end of March 2015 was 2.6%, and 3.5% assuming constant economic assumptions
- EV sensitivity to equity is low because of limited exposure to risk assets



1. Constant economic assumption rate excludes economic variance factor.

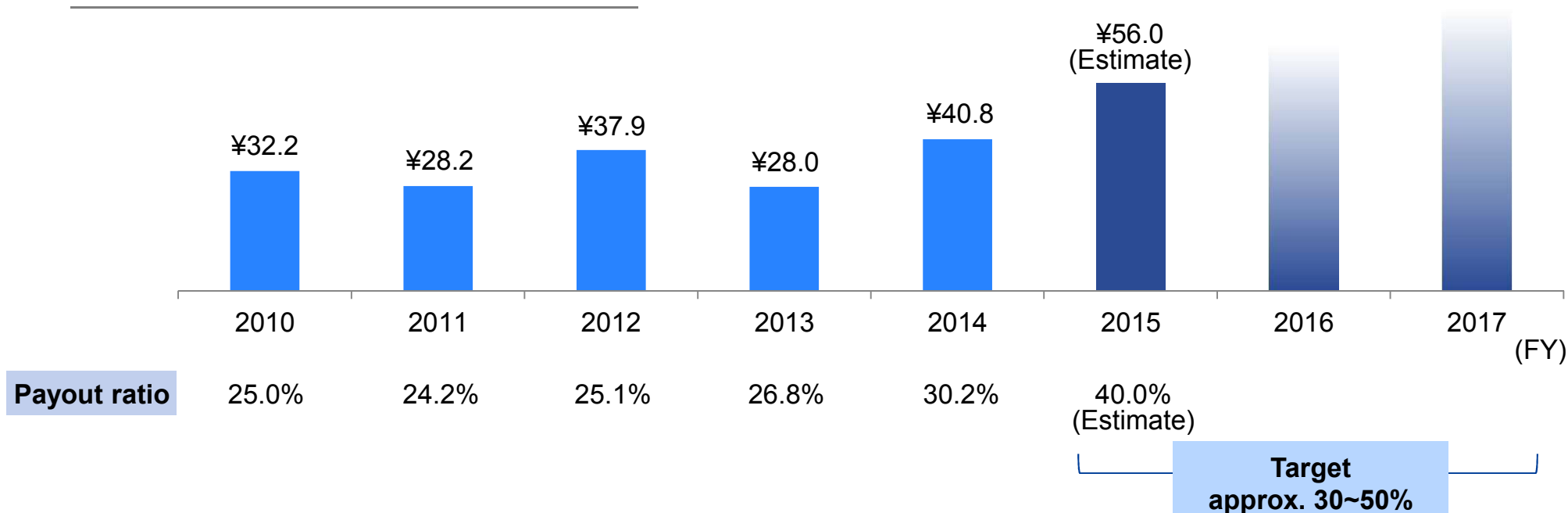
2. EV as of September 30, 2015 includes transfers from the value of in-force covered business (adjusted net worth value of -¥24.8 bn, value of in-force covered business +¥24.8 bn)

Shareholder Return Policy

Stable growth of dividend

- Determine the shareholder dividends considering financial soundness, earning prospects 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 our consolidated net income

Dividend per share and payout ratio

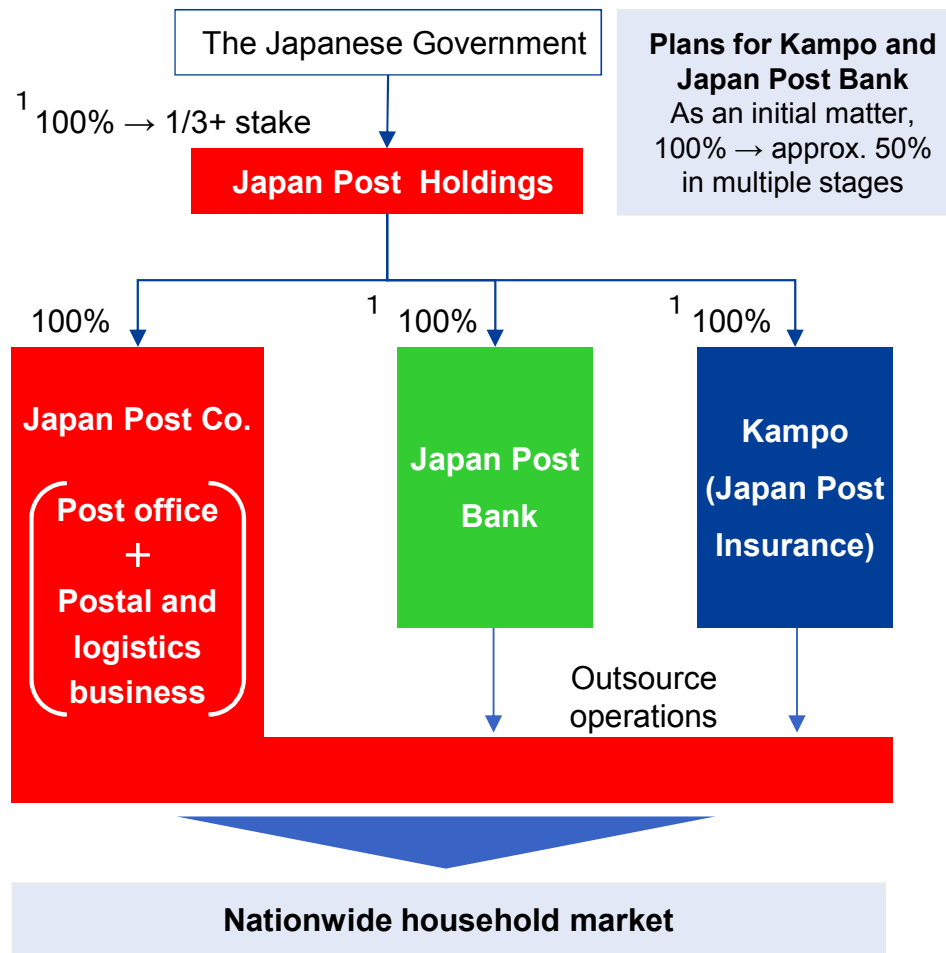


APPENDIX

Position within Japan Post Group (before listing)

- Life insurance business is one of the three main businesses of Japan Post Group
- Japan Post Co. has a strong contact with household market
- Once Japan Post Holdings disposes of 50% or more of its equity interest in us, the regulatory approval requirement for new businesses will be lifted and only regulatory notification will be required

Structure of Japan Post Group and Privatization Plans



¹ : share holding percentage before listing

Postal Service Privatization Act

Category	Content
Universal service obligation	<ul style="list-style-type: none"> ■ Japan Post Holdings and Japan Post Co. are obligated to provide universal services including mail, banking and life insurance businesses
Shareholdings	<ul style="list-style-type: none"> ■ Japan Post Holdings aims to dispose of its entire equity interest in the Kampo and Japan Post Bank as soon as possible
Additional regulatory restrictions	Limitation on new business <ul style="list-style-type: none"> ■ Current: regulatory approval required ■ After disposal of 50% or more of Japan Post Holdings' equity interest in us: regulatory notification required
	Limitation on coverage amount <ul style="list-style-type: none"> ■ Prescribed in cabinet order
	Removal of restrictions <ul style="list-style-type: none"> ■ After disposal of 50% or more of Japan Post Holdings' equity interest in us, the Prime Minister and Minister of Internal Affairs and Communications will consider lifting the current additional regulatory restrictions on our business

Additional Restrictions under the Postal Service Privatization Act

- Additional regulatory restrictions relating to new businesses under Postal Service Privatization Act will change from an approval system to a notification system upon disposal of half or more of Kampo’s shares by Japan Post Holdings, although regulations imposed under the Insurance Business Act will continue to be applicable
- The limit on the coverage amount is prescribed in cabinet order, and any revision will require a hearing at the Postal Services Privatization Committee

Category	Contents
New business	<p>【Until Japan Post Holdings disposes of half or more of all the shares of Kampo】</p> <ul style="list-style-type: none"> ■ Approval by specified ministers¹ (a hearing at the Postal Service Privatization Committee is required) <p>【After Japan Post Holdings disposes of a half or more of all the shares of Kampo until the designated date²】</p> <ul style="list-style-type: none"> ■ Notification to competent ministers (obligation to consider competitors, notification to Postal Service Privatization Committee is required) <p>【After designated date²】</p> <ul style="list-style-type: none"> ■ No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue)
Limit on coverage amount	<ul style="list-style-type: none"> ■ Prescribed in cabinet order (a hearing at the Postal Service Privatization Committee is required to revise) <ul style="list-style-type: none"> — Limit on coverage amount: in principle, ¥10 mn, total of ¥13 mn after 4 years have elapsed since start of coverage (age 20-55) <p>【After designated date²】</p> <ul style="list-style-type: none"> ■ No regulations based on Postal Service Privatization Act

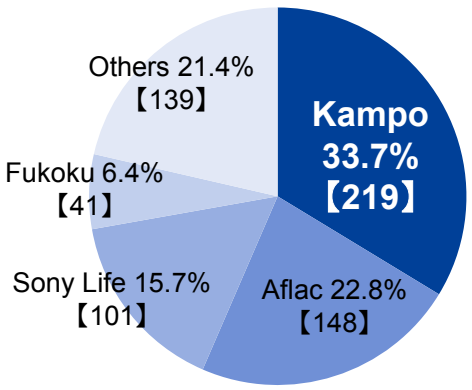
1. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister of Internal Affairs and Communications
 2. Designated date: Earlier of (i) the disposal of 50% or more of Japan Post Holdings’ equity interest in Kampo and the determination by the Prime Minister and the Minister for Internal Affairs and Communications that the additional restriction can be lifted and (ii) the disposal of Japan Post Holdings’ entire equity interest in Kampo

Market Share of Educational Endowment Insurance

- It took 1.5 years to obtain approval for revised educational endowment insurance (applied for the approval in September 2012, and started to sell in April 2014)
- Our educational endowment's new policy acquisition in FY2014 amounted to 667 thousand policies, +274% year on year increase, contributed to expand market size

FY2012

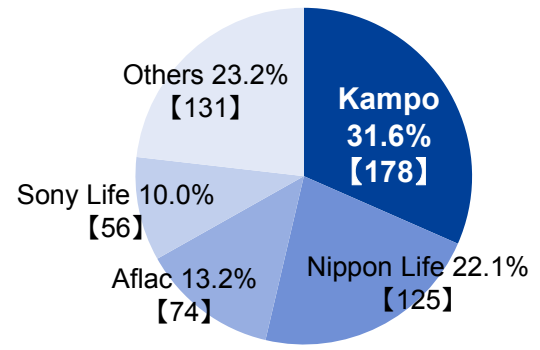
Number of New Policies
(Total of 43 companies: 649 thousand)
(in thousand policies)



■ Application for revision of educational endowment in September 2012

FY2013

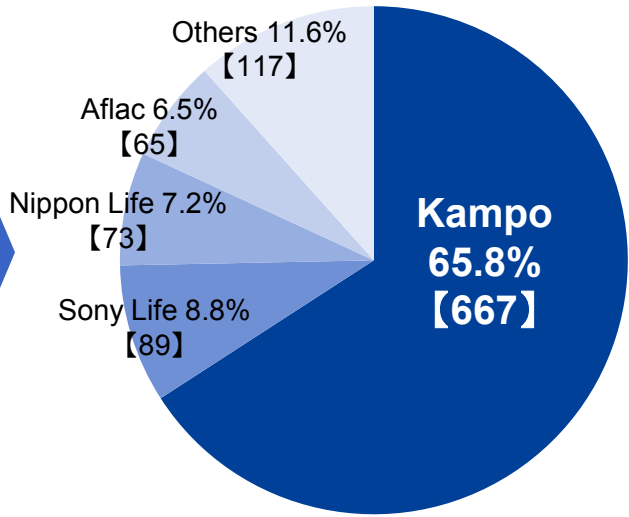
Number of New Policies
(Total of 43 companies: 566 thousand)
(in thousand policies)



■ Other companies started to sell educational endowment products

FY2014

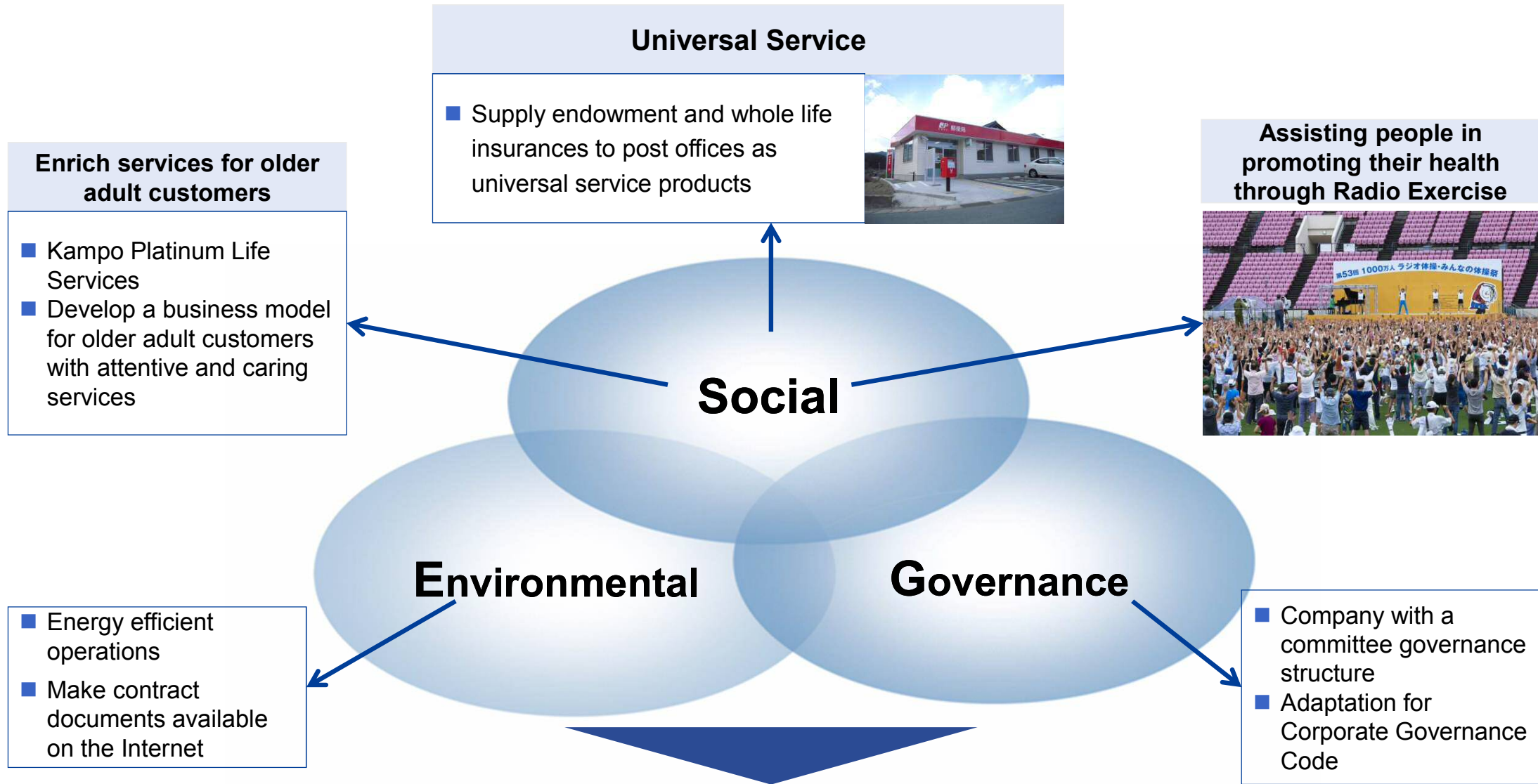
Number of New Policies
(Total of 42 companies: 1,014 thousand)
(in thousand policies)



■ Kampo started to sell revised educational endowment in April 2014

Source: Statistics of Life Insurance Business in Japan (2013, 2014, 2015)

Initiatives for “ESG”

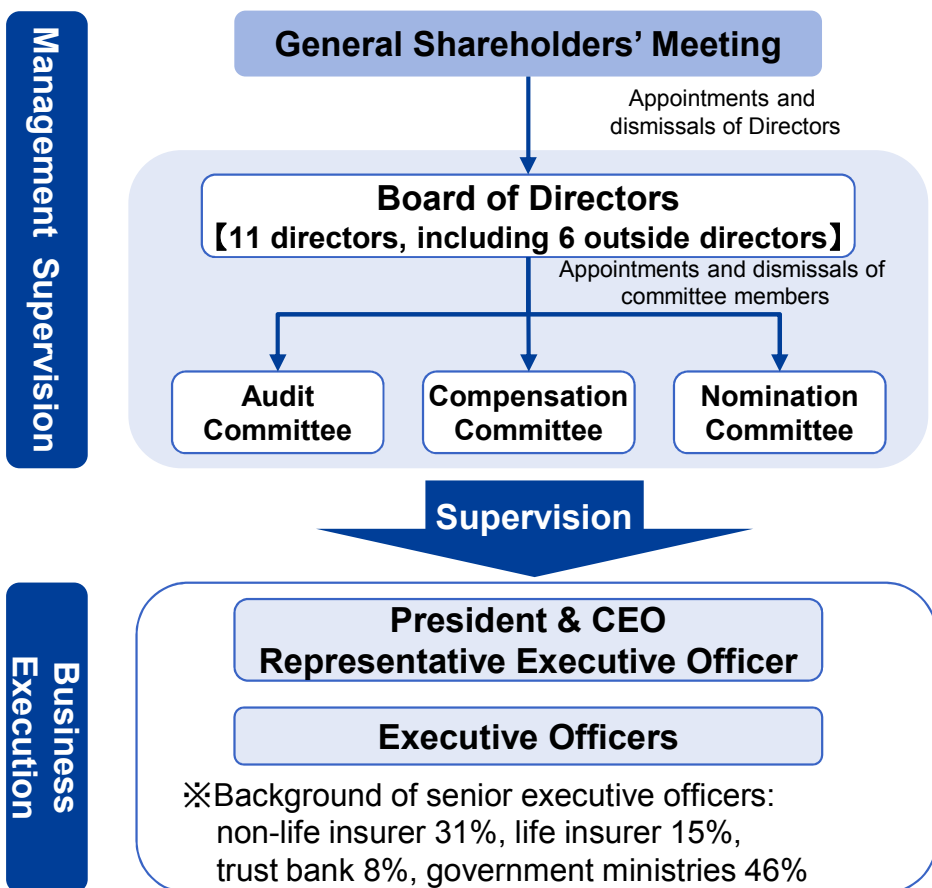


Contribute to realize a sustainable society through addressing challenges related to ESG

Corporate Governance

- We employ the committee system and outside directors represent the majority of the board. This strengthens corporate governance as well as expedites decision making
- Adopt Corporate Governance Code appropriately, and aim for sustainable growth and increasing corporate value through transparent management

Corporate Governance “Committee System”



Adaptation for Corporate Governance Code

Enacted
“Basic Principles as to Corporate Governance Code”
(October 28, 2015)

Aim for transparent management with focus on dialogues with stakeholders such as customers and shareholders

Consider introducing incentive schemes for management compensation linked to performance to increase corporate value

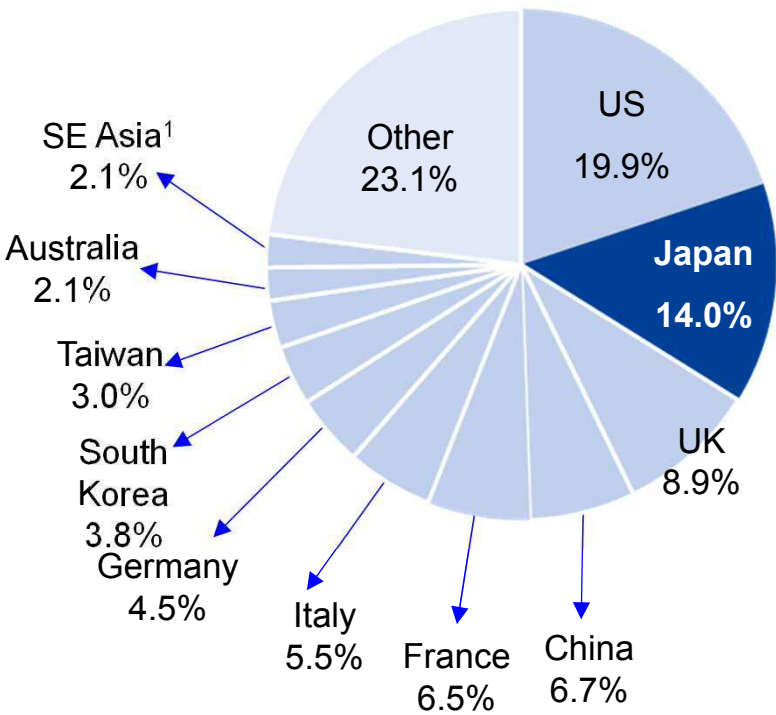
Aim for sustainable growth and increase corporate value

Overview of Life Insurance Market

- Japan is the second largest life insurance market in the world (approx. 7 times the combined total of 6 Southeast Asian countries¹)
- Individual financial assets are increasing in recent years. Insurance and annuities offered by life and non-life insurers represent approx. 20% of the total

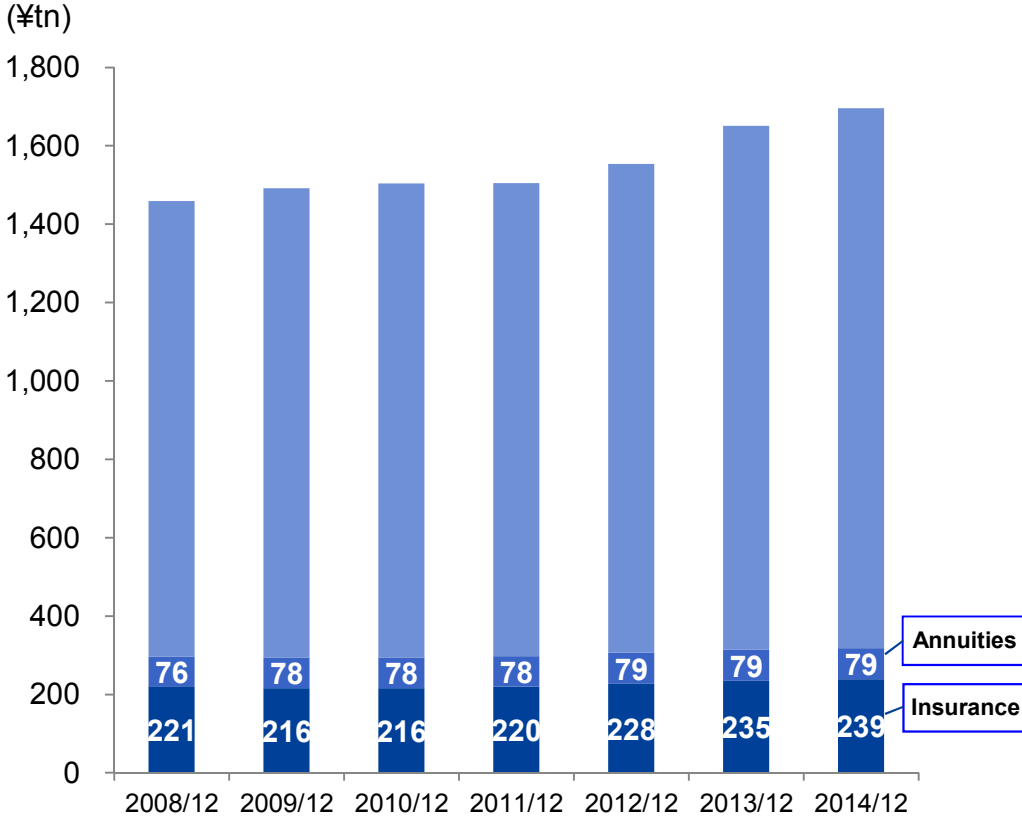
Life Insurance Premium Income by Country (2014)

Insurance premium income : \$2.6 tn



Source: Swiss Re, sigma No 4/2015
 1. The total of Singapore, Thailand, Malaysia, Indonesia, Philippines, Vietnam.

Amount of Financial Assets in Household Sector in Japan

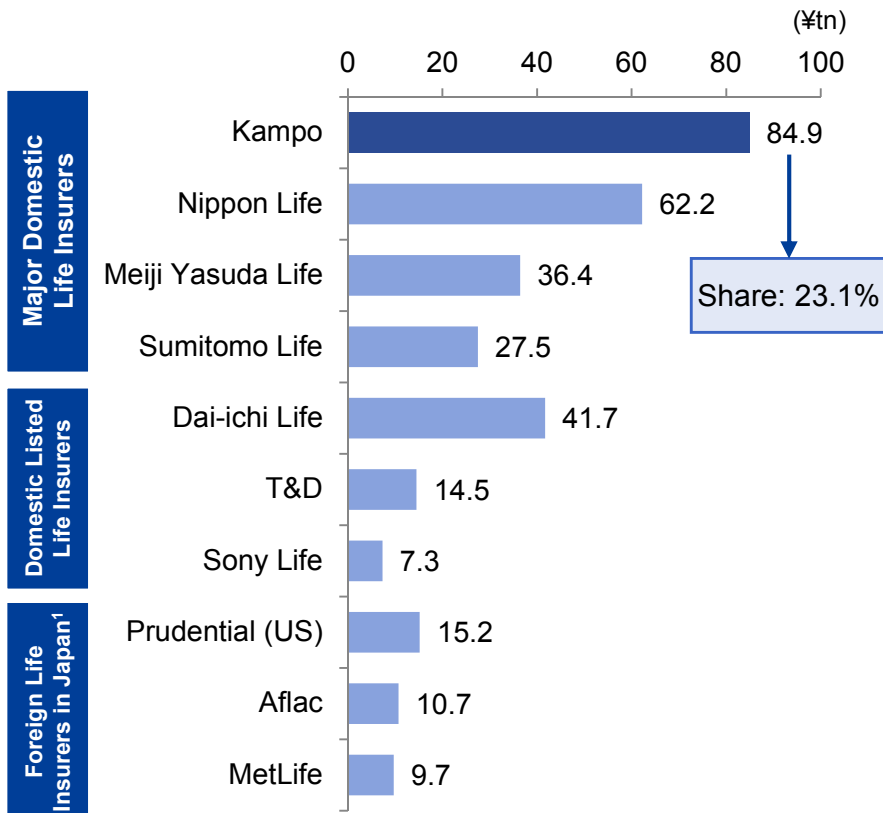


Source: Bank of Japan "Flow of Funds Accounts"

Largest Asset Size in the Japanese Life Insurance Market

- Kampo is a leading company with the largest total assets in Japanese life insurance market
- As to Postal Life Insurance Policies, the Management Organization ceded all insurance liabilities to Kampo

Total Assets (3/2015)

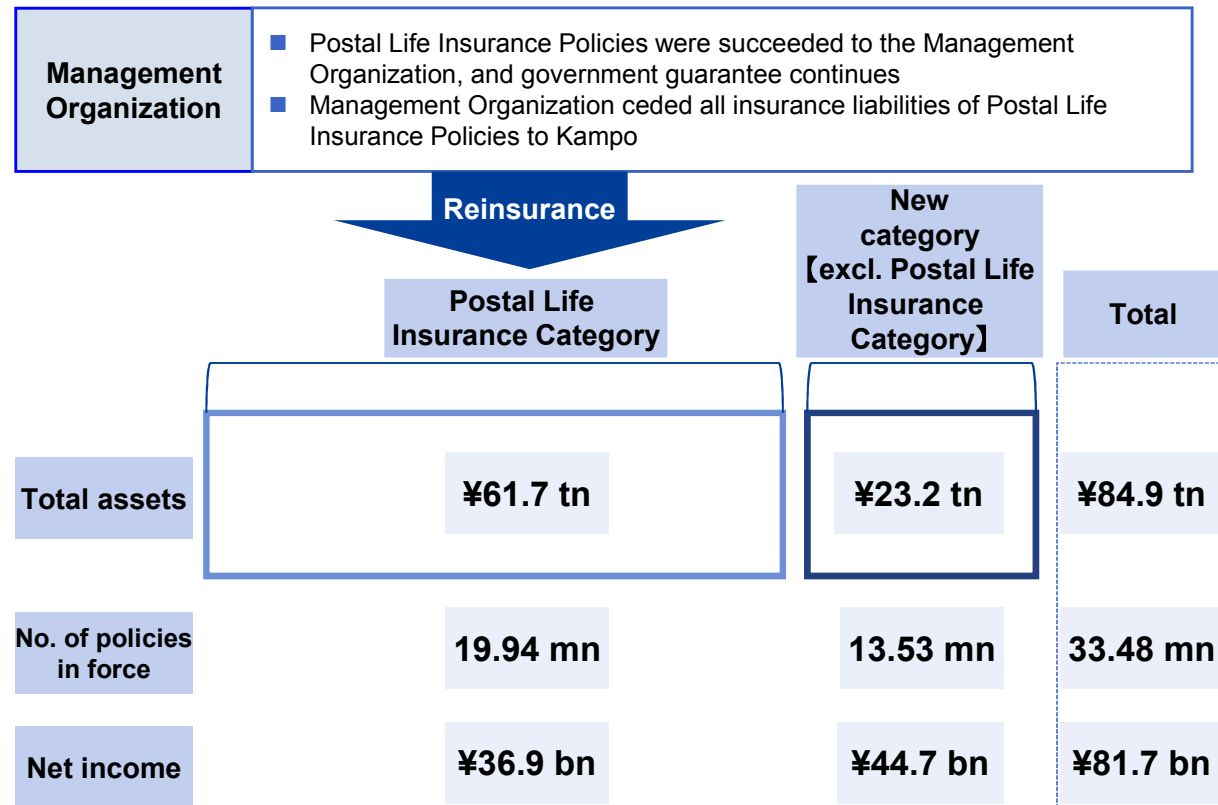


Source: Company disclosures, The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan (FY2014)

Note: Combined figures for life insurance subsidiaries of Sumitomo, Dai-ichi, T&D and Prudential (US).

1. Figures of Japanese subsidiaries of foreign life insurers.

Relationship with Management Organization



Note: Figures are as of the end of FY2014.

Outstanding Presence in the Large Japanese Market

- Kampo is ranked first in the industry in terms of annualized premiums from policies in force (individual insurance)
- Though Kampo offers medical care insurance only in the form of policy riders, its market share exceeds 10%

Individual Insurance (FY2014)

Rank	Company	Annualized Premiums from Policies in Force (¥bn)	Share (%)
1	Kampo	5,182.5	24.3
2	Nippon Life	2,459.1	11.5
3	Dai-ichi Life	1,748.9	8.2
4	Sumitomo Life	1,492.5	7.0
5	Meiji Yasuda Life	1,477.2	6.9
6	Prudential (US)	1,401.9	6.6
7	Aflac	1,290.0	6.1
8	T&D	1,011.3	4.7
9	MetLife	824.0	3.9
10	Sony	714.6	3.4
Life insurance total (42 companies)		21,303.8	100.0

Source: Company disclosures, The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan (FY2014)

Note: Figures for Kampo include reinsured postal life insurance policies. Figures for Dai-ichi Life, Sumitomo Life, Prudential (US) and T&D are the total of the life insurance companies within each group.

Medical Care Insurance (FY2014)

Rank	Company	Annualized Premiums from Policies in Force (¥bn)	Share (%)
1	Aflac	1,025.9	16.6
2	Kampo	748.0	12.1
3	Nippon Life	600.2	9.7
4	Dai-ichi Life	557.0	9.0
5	Sumitomo Life	523.4	8.4
6	Meiji Yasuda Life	353.7	5.7
7	MetLife	348.6	5.6
8	Prudential (US)	277.7	4.5
9	NN	212.8	3.4
10	Axa	202.4	3.3
Life insurance total (42 companies)		6,195.3	100.0

Source: Company disclosures, The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan (FY2014)

Note: Figures for Kampo include reinsured postal life insurance policies. Figures for Dai-ichi Life, Sumitomo Life and Prudential (US) are the total of the life insurance companies within each group.

Differentiated Business Model

- Kampo offers simple products in small amounts to retail households through the nationwide post office network

Kampo's Business Model

Product

Simple products with small amounts

(Coverage amount is capped by regulation, generally up to ¥10mn per individual)

- Focus on endowment and whole life (with medical care riders) with installment premiums
- No medical examination, screening by health check questionnaire

Channel

Nationwide network of over 20,000 post offices

- Working to build a 20,000-person network of post office based field sales personnel (Currently operates with approx. 18,000)

Customers

Focus on households

- Further deepen customer base with 33 mn policies in force and 25 mn insured
- Strength with women (approx. 60% share¹), middle-aged and older adult
- Approx. 60%² of our policyholders are middle-aged and older adult customers age 50 or older

Other Major Japanese Life Insurers

Package products with large amounts
(No limitation on coverage amount)

- Focus on whole life with term riders
- Medical examination, handled by doctors

Approx. 150,000 in-house sales personnel
(sum of 4 major Japanese life insurers)

Focus on worksites

- Strength with male customers and heads of household

Source: Company disclosures

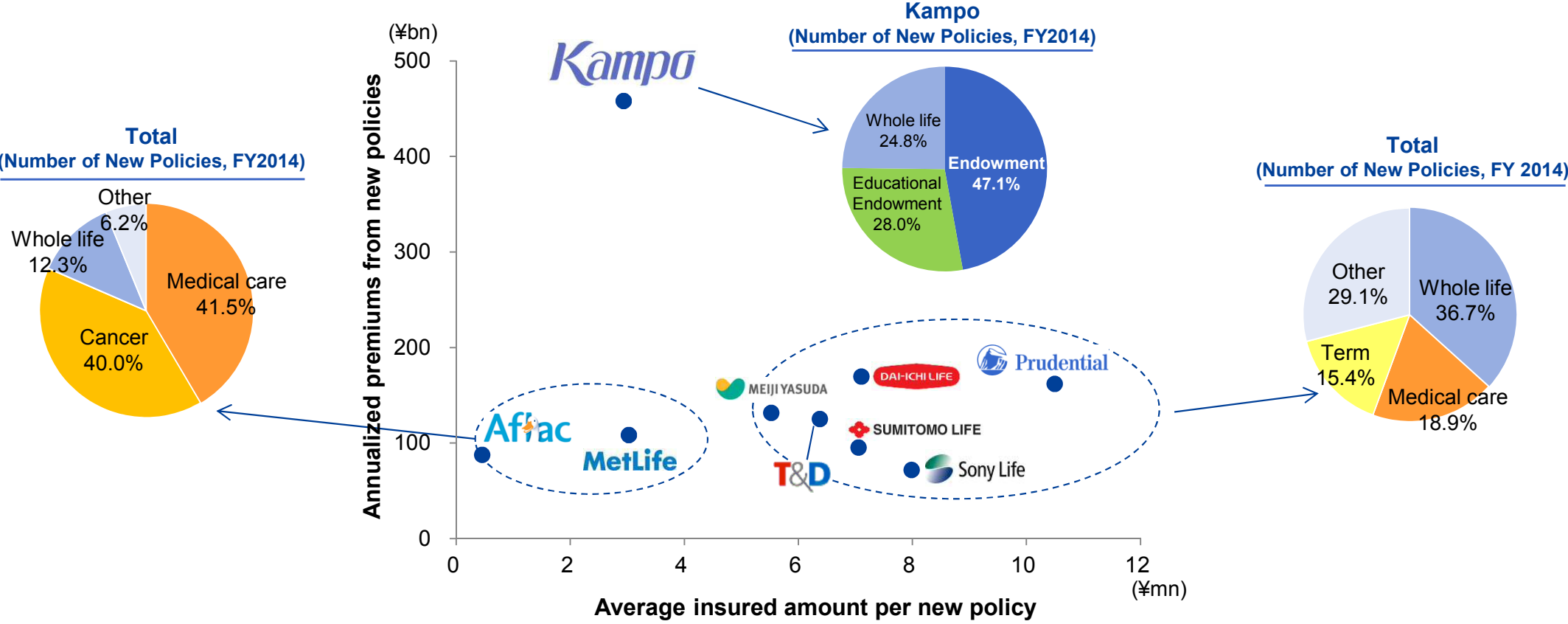
1. Based on number of policies in force as of March 31, 2015

2. Based on number of new policy sales in FY2014

Differentiated Product Mix

■ Kampo has a differentiated product mix by focusing on endowment and whole life insurance with relatively small amounts of death benefits

Mapping of the Product Mix in Japanese Life Insurance Market



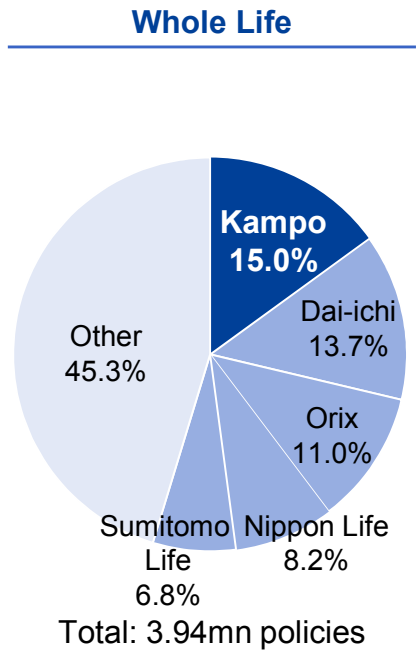
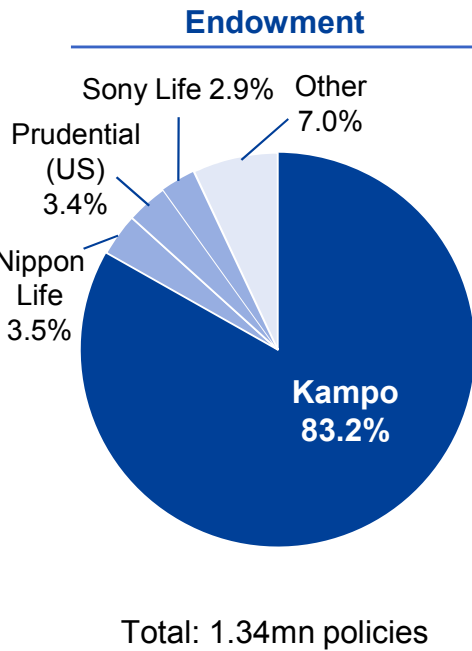
Source: Statistics of Life Insurance Business in Japan (2015)
 Note: Figures for Prudential (US), Dai-ichi Life, Sumitomo Life and T&D are the total of the life insurance companies within each group.

Endowment and Whole Life with Medical Care Riders

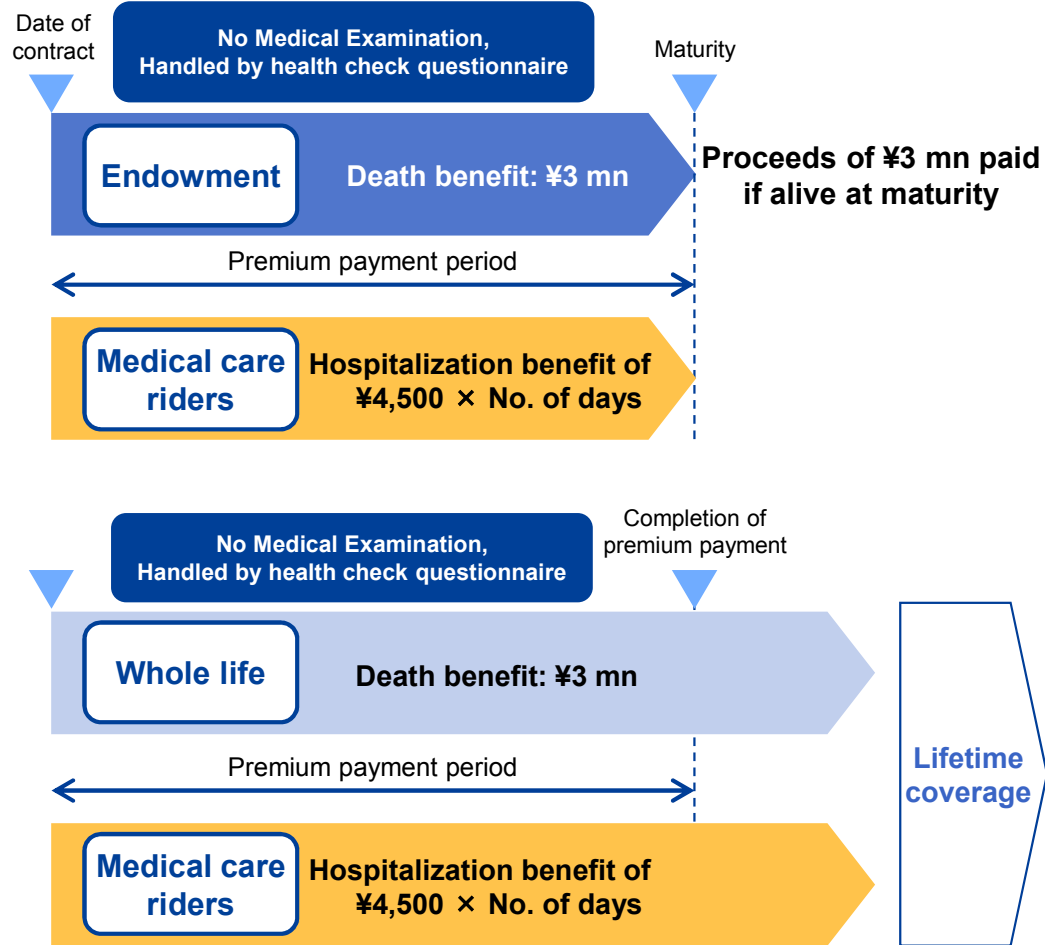
- Kampo's core products hold top shares in respective product segments
- Our basic strategy is to sell universal service products with medical care riders

Market Share (Number of New Policies, FY2014)

Endowment and Whole Life Insurance are Designated as Universal Service Products



Typical Examples of Kampo's Products

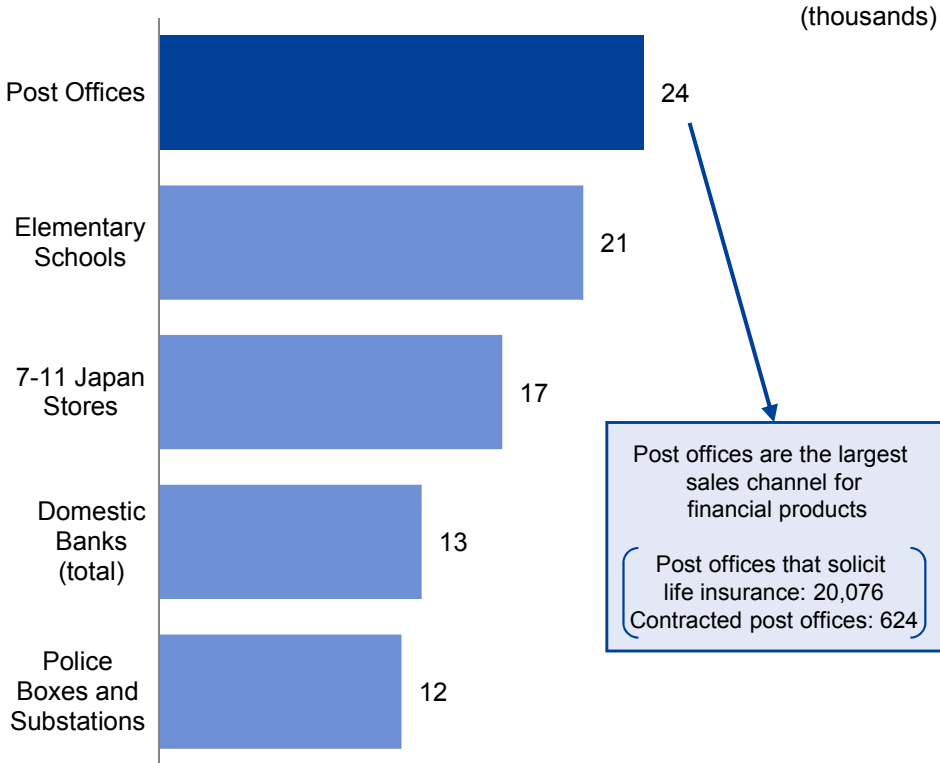


Source: Statistics of Life Insurance Business in Japan (2015)

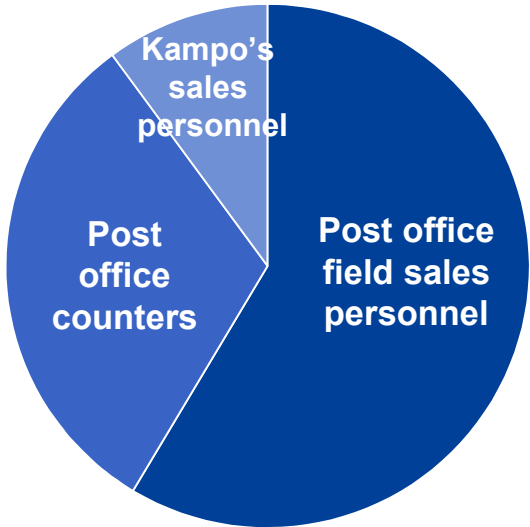
Expansive Nationwide Distribution Network

- Nationwide, comprehensive network of post offices is Kampo's core sales channel
- New policies are mainly acquired through post office field sales personnel and post office counters

Number of Locations¹



Breakdown of New Policy Sales¹ by Channel (FY2014)



Source: Company disclosures, Ministry of Education, Culture, Sports, Science and Technology, Japanese Bankers Association, National Police Agency

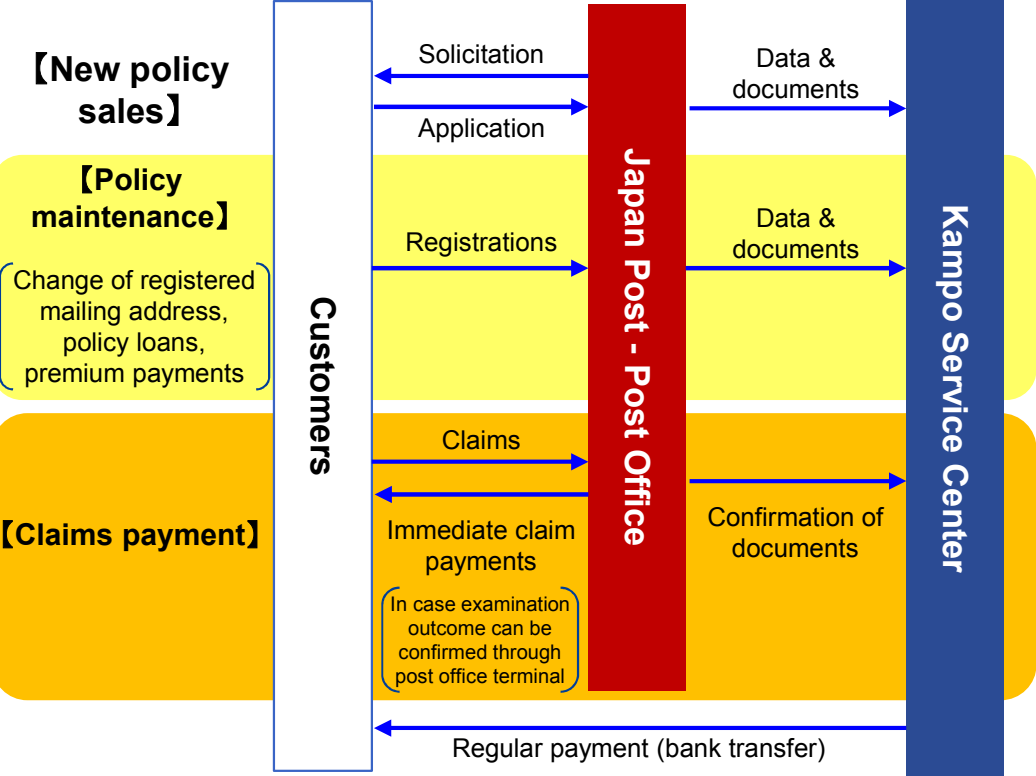
1. Post offices and Seven-Eleven Japan Stores are as of the end of March 2015. Elementary schools and domestic banks are as of March 2014. Police boxes and substations are as of April 2013.

1. Calculated based on the contracted monthly insurance premiums of each policy sold in the FY2014.

Strong Support for Highly Convenient Post Office Channel

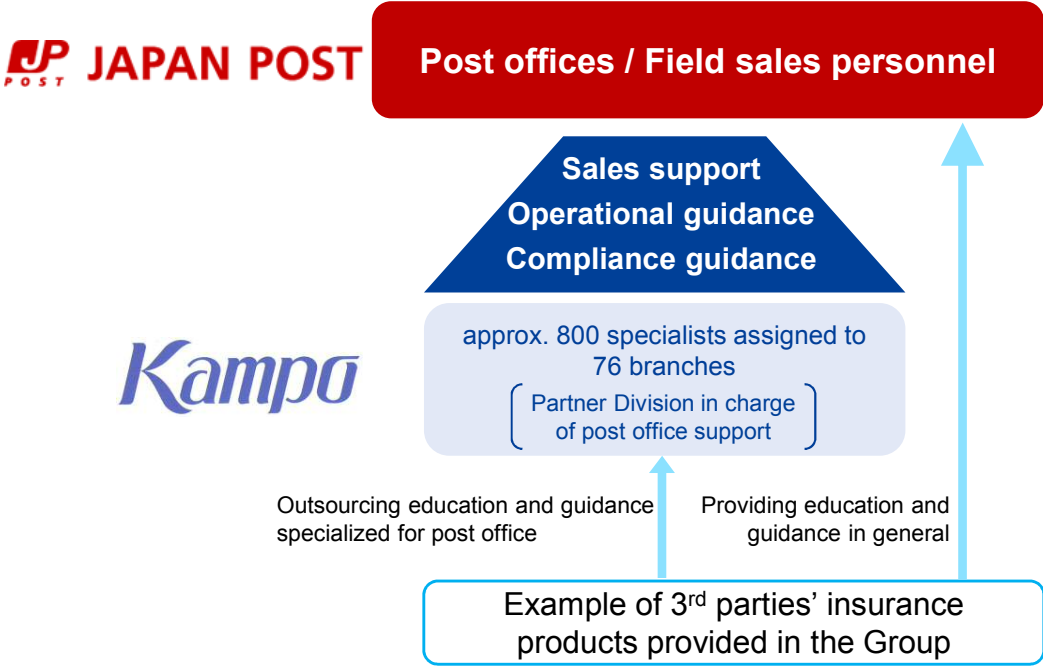
- High customer convenience as policy maintenance and claims payment procedures as well as new policy sales are handled by nationwide post offices
- Assign specialists across the county to support post offices and have established a closer partnership with post offices

Cooperate with Post Offices



- Comprehensive infrastructure has been established between Kampo and post offices, including after service

Competitive Advantage to Support Post Office



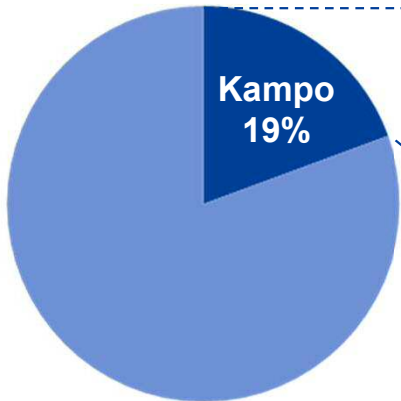
- Post office support arrangements for insurance companies outside the group
- For example, Aflac has developed a Japan Post Group dedicated cancer insurance product, with features that lessen competition with Kampo's medical care riders. As a result, achieved sales increases for both Kampo and Aflac

Strength among Women, Middle-Aged and Older Adult Customers

- We insure approx. 25 mn people, representing approx. 20% of the total population of Japan
- Approx. 60%¹ of our insured are women
- The middle-aged and older adult age groups (50 years and older) account for approx. 60%² of our policyholders

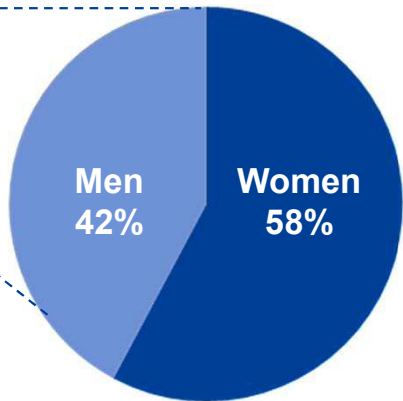
Gender Composition of Insured (Number of Policies in Force, FY2014)

Insured as share of total population



	Number of people (mn)	(%)
Total population	126.91	100%
No. of insured by Kampo	24.63	19%

Gender composition (Kampo)

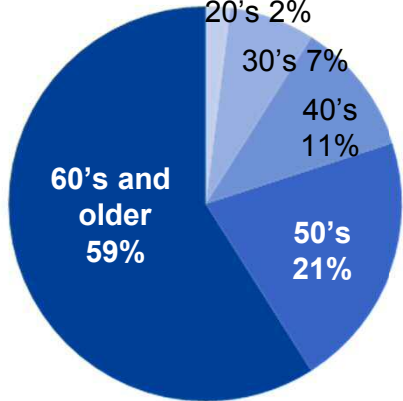


	Number of insured ¹ (mn)	(%)
Women	14.23	58%
Men	10.39	42%

* Gender composition of new policy for other life insurers is about 50:50

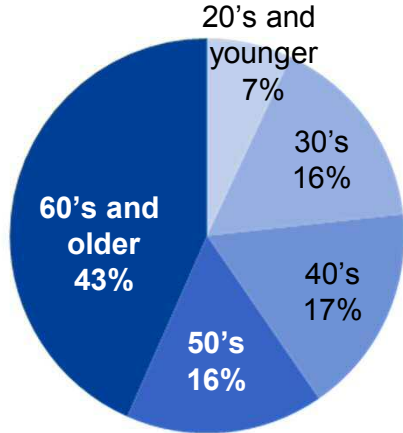
Age Composition of Policyholders (Number of New Policies, FY2014)

Age composition of financial assets holders



■ People over 50 hold approx. 80% of individual financial assets in Japan

Age composition (Kampo)



■ Policyholders over 50 comprise approx. 60%

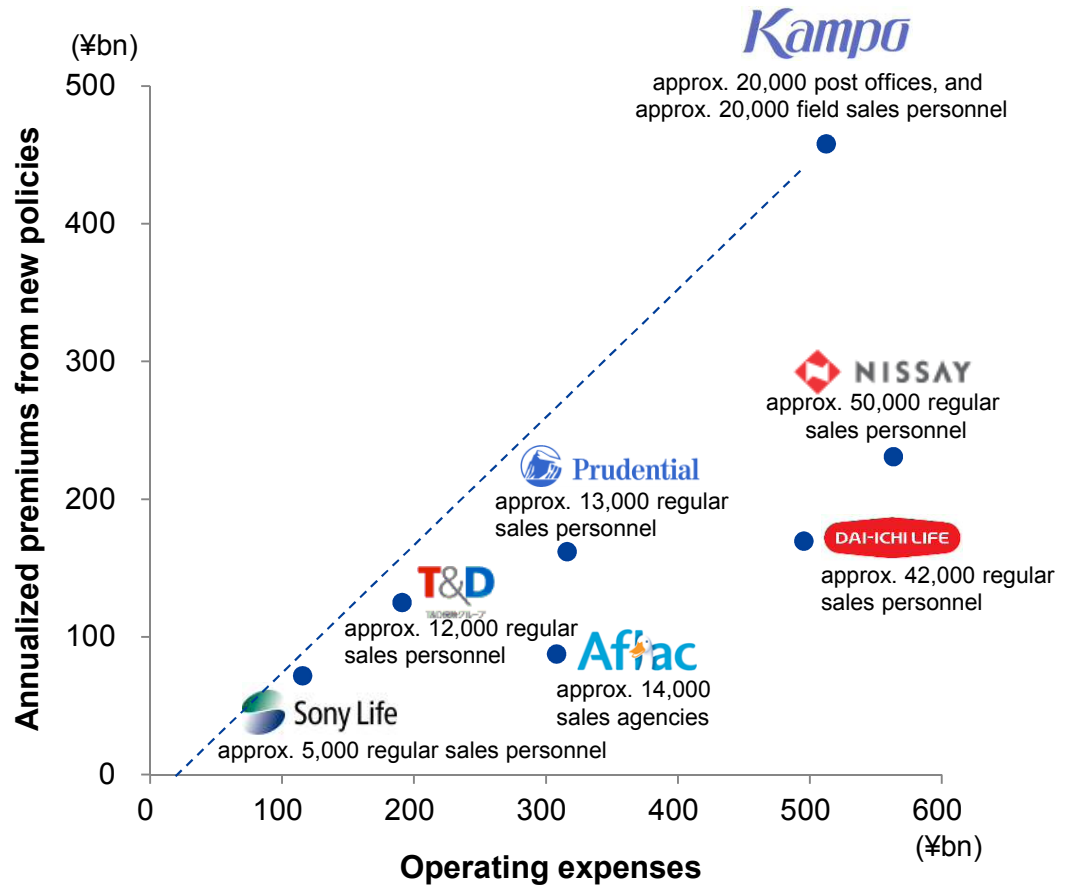
Sources: Ministry of Internal Affairs and Communications Statistics Bureau (as of April 1, 2015)
 1. Based on number of policies in force as of March 31, 2015
 2. Based on number of new policy sales in FY2014

Source: Bank of Japan, The Central Council for Financial Services Information (The public opinion survey on financial behavior of households 2014)

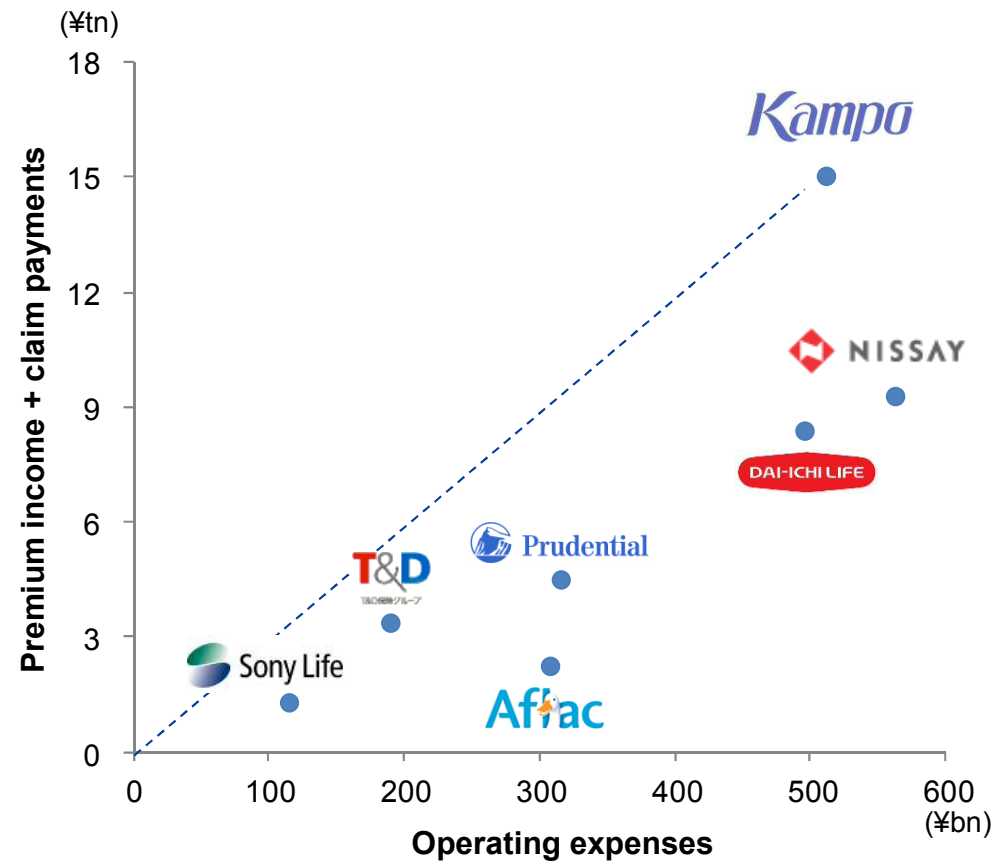
Operational Efficiency

■ Efficient business operations compared to other life insurers

Operating Expenses and Annualized Premiums from New Policies (Individual Insurance) (FY2014)



Operating Expenses and “Premium Income + Claim Payments” (FY2014)



Source: Company disclosures
 Note: Figures for Prudential (US), Dai-ichi and T&D include life insurance subsidiaries within the groups.

Source: Company disclosures
 Note: Figures for Prudential (US), Dai-ichi and T&D include life insurance subsidiaries within the groups.

Level of Commissions

Examples			
Type of Insurance	Insurance Amount	Total Insurance Premiums	Sales Commission Rates ¹
Endowment Insurance [With medical care rider]	<p>Ordinary endowment insurance (¥2 mn)</p> <p>Policyholder: 40-year-old woman Insurance period: 10-year</p>	<p>¥2.10 mn</p>	<p>Approx. 3%</p>
Whole Life Insurance [With medical care rider]	<p>Ordinary whole life insurance (¥2 mn)</p> <p>Policyholder: 40-year-old woman Payment period: 20-year</p>	<p>¥2.42 mn</p>	<p>Approx. 3%</p>
Educational Endowment Insurance [With medical care rider]	<p>Educational endowment insurance (¥2 mn)</p> <p>Policyholder: 30-year-old man Insured person: 0 years old Payment period: 18-year</p>	<p>¥1.98 mn</p>	<p>Approx. 2%</p>

1. Sales commission rates are the ratio of sales commissions ((1) applicable sales commission rate for the type of policy and (2) incentive bonuses, which are payable if Japan Post Co. meets certain sales targets, divided by number of new policies acquired. Numbers are based on FY3/2015 actual results) over insurance premium. The level of sales commission may vary as the incentive fee fluctuates.

Pursue Upside Through Diversification of Investment Portfolio

- Based on appropriate ALM, portfolio mainly consists of yen-denominated fixed income assets. Kampo has limited exposure to risk assets (i.e. foreign securities, domestic stocks)
- Reflecting the recent low-interest environment, Kampo has been gradually increasing exposure to foreign securities and domestic stocks within its risk tolerance

Investment Portfolio

		3/2011		3/2015	
		Amount (¥bn)	Share (%)	Amount (¥bn)	Share (%)
Corporate and government bonds		76,449.3	79.0	64,294.7	75.7
JGB		64,103.0	66.2	48,086.4	56.6
Local government bonds		6,255.7	6.5	9,555.8	11.3
Corporate bonds		6,090.5	6.3	6,652.4	7.8
Risk assets		868.7	0.9	3,363.1	4.0
Foreign securities		723.7	0.7	2,366.2	2.8
Domestic stocks		145.0	0.1	996.9	1.2
Loans		14,547.4	15.0	9,977.3	11.7
Real estate		152.9	0.2	112.3	0.1
Other		4,768.2	4.9	7,167.4	8.4
Total assets		96,786.7	100.0	84,915.0	100.0

Note: Foreign securities include non-listed foreign stocks.
 Figures at 3/2011 are on a non-consolidated basis, and figures at 3/2015 are on consolidated basis.

Other 4 Major Japanese Life Insurers¹

		3/2015	
		Amount (¥bn)	Share (%)
Corporate and government bonds		17,458.4	42.9
JGB		14,643.6	35.9
Local government bonds		607.0	1.5
Corporate bonds		2,207.7	5.4
Risk assets		15,154.8	37.2
Foreign securities		10,197.7	25.0
Domestic stocks		4,957.1	12.2
Loans		4,690.4	11.5
Real estate		1,117.6	2.7
Other		2,314.0	5.7
Total assets		40,735.4	100.0

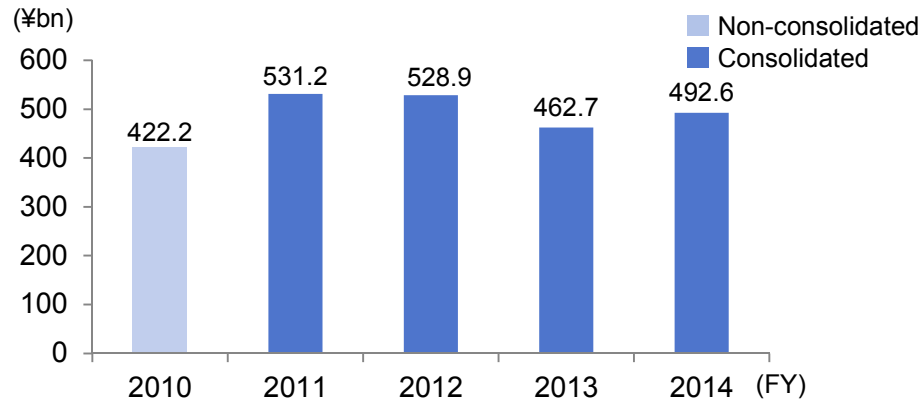
Source: Company disclosures

1. Average of Nippon Life, Dai-ichi Life, Meiji Yasuda Life, and Sumitomo Life.

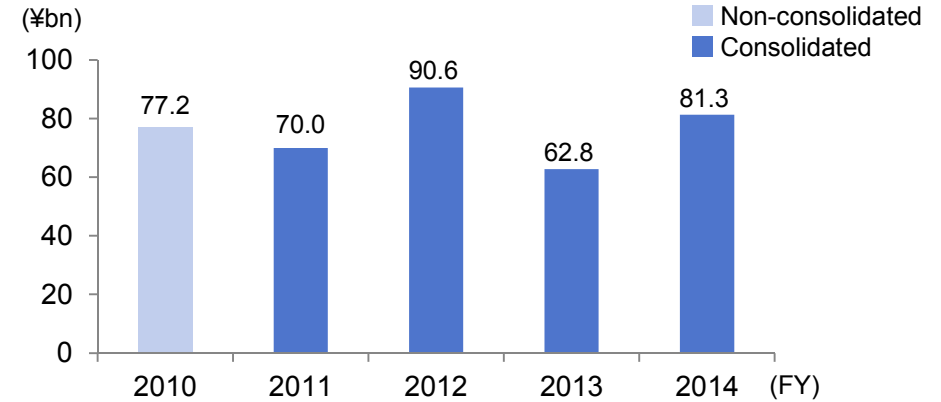
Track Record of Stable Profit Generation and Shareholder Dividends

- Ordinary profit has been stable. Provision for policyholder dividends is on a declining trend due to a decrease in the number of Postal Life Insurance Policies
- Net income and shareholder dividends have also been stable. Going forward, we aim for a steady increase in dividends per share with a dividend payout ratio of roughly 30-50% of our consolidated net income

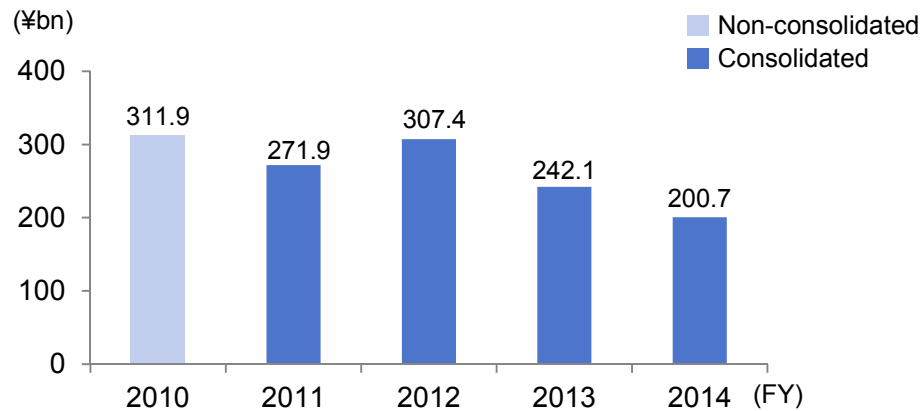
Ordinary Profit¹



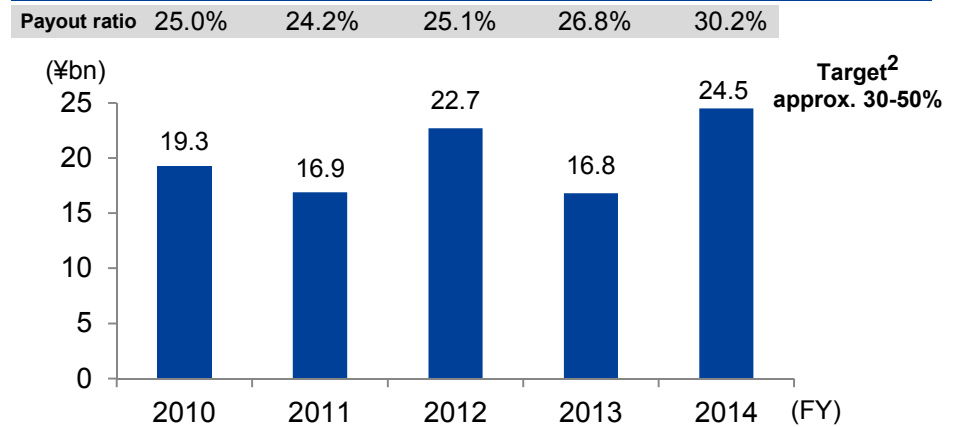
Net Income¹



Provision for Policyholder Dividends¹



Shareholder Dividends¹



1. Kampo started preparing consolidated financial statements from FY2011 as Japan Post Life Insurance System Solutions, Ltd. became a subsidiary.

2. Target through the year ending March 2018.

EV (Embedded Value)

- The EV for Kampo as of September 30, 2015 was ¥3.5 tn (adjusted net worth: ¥3.0 tn, value of in-force covered business: ¥0.5 tn)

	September 30, 2015
Adjusted net worth	¥3.0 tn
Value of in-force covered business	¥0.5 tn
EV	¥3.5 tn

Value of new business was ¥79.2 bn (FY2015 2Q)

- If there is a profit from Postal Life Insurance policies, 80% will be disbursed to the policyholders of Postal Life Insurance and the remainder booked as EV based upon the reinsurance policy with the Management Organization for Postal Savings and Postal Life Insurance
- Internal reserves and unrealized gains from Postal Life Insurance policies are not included in adjusted net worth. They are included in the value of in-force covered business under the assumption that they will be released in the future

Note: Postal Life Insurance was established in 1916. The Management for Postal Savings and Postal Life Insurance (the "Management Organization") is an independent government agency established to hold Postal Savings Deposits and Postal Life Insurance Policies transferred from Japan Post Corporation in 2007. All Postal Life Insurance Policies are reinsured by us.



	September 30, 2015		
	New	Postal Life Insurance	Total
Total net assets on the balance sheet	1,436.0	—	1,436.0
Reserves for price fluctuations	109.1	633.3	742.5
Contingency reserves	339.7	2,097.6	2,437.4
Unrealized gains/losses on securities	1,759.3	4,479.7	6,239.1
Unrealized gains/losses on loans, etc	57.6	722.1	779.8
Tax effect on the above	(653.6)	(2,285.4)	(2,939.1)
Adjusted net worth	3,048.3	5,647.5	8,695.8

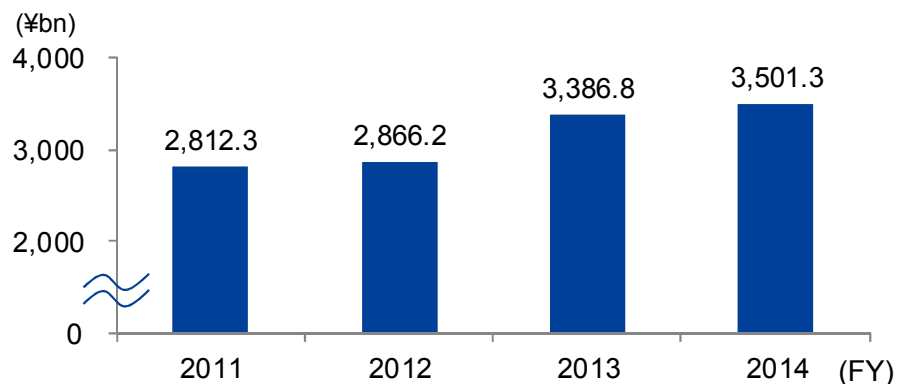
(¥bn)

Steady Growth in EV and Sound Financial Base

- Embedded Value (“EV”), an indicator of corporate value on an economic value basis, has been increasing
- Economic Solvency Ratio (“ESR”) is at an appropriate level and Kampo has a sound financial base, which provides a strong foundation for shareholder returns

EV

Average RoEV¹ for FY2012~FY2014: +8.4% (overall),
+9.2% (constant economic assumptions)



EV Sensitivity (3/2015)

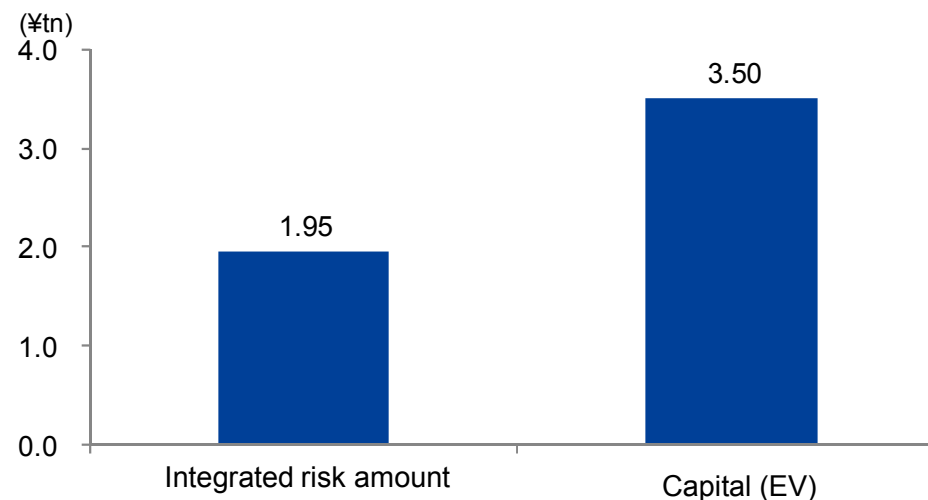
	Kampo	Dai-ichi Group	T&D Group	Sony Life
50bp increase in risk-free rate	5.3%	6.1%	6.8%	5.1%
50bp decrease in risk-free rate	(10.1)%	(7.9)%	(7.7)%	(10.0)%
10% decrease in equity and real estate value	(1.0)%	(7.3)%	(4.9)%	(1.6)%

Source: Company disclosures

1. RoEV (Return on Embedded Value) is a growth indicator of corporate value (net increase in EV is considered as an adjusted profit after considering the features of Japanese insurance accounting). Average rate for the past 3 years is shown as a compound annual growth rate. Constant economic assumption rate excludes economic variance factor. (See “EV Movement and Sensitivity Analysis” for more details.)

ESR (3/2015)

ESR = Capital (EV) / Integrated Risk Amount¹ : 179%



Aim for stable and sustainable growth of profits and corporate value by optimizing the balance between financial soundness and capital efficiency (profitability) through ERM

1. Integrated risk amount is calculated based on our internal model, which is generally in line with principles of the EU Solvency II directive. The calculation sees a change in EV as risk with confidence level of 99.5% in one-year period on a post-tax basis, taking into account the effects of diversification, and loss absorption of tax/policyholder dividends. We may revise our internal model time to time, and the calculation method and the results may be affected by such revisions.

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

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

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

Major Financial Results (Consolidated)

	(¥bn)					
	FY2011	FY2012	FY2013	FY2014	FY2014 2Q	FY2015 2Q
Insurance premiums and others	6,856.4	6,481.7	5,911.6	5,956.7	3,078.1	2,746.7
Ordinary profit	531.2	528.9	462.7	492.6	263.5	218.7
Provision for reserve for policyholder dividends	271.9	307.4	242.1	200.7	135.4	119.5
Net income	70.0	90.6	62.8	81.3	50.8	48.5
Net assets	1,294.4	1,466.7	1,538.1	1,975.7	1,694.3	1,908.6
Total assets	93,690.8	90,463.5	87,092.8	84,915.0	85,882.3	84,691.8
Return on equity	5.6%	6.6%	4.2%	4.6%	-	-
Return on shareholders' equity	5.8%	7.1%	4.7%	5.9%	-	-
Dividend to shareholders	16.9	22.7	16.8	24.5	-	-
Payout ratio	24.2%	25.1%	26.8%	30.2%	-	-
[Reference] Core profit (Non-consolidated)	571.6	570.0	482.0	515.4	268.0	239.9

<Disclaimer>

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