

**Conference Call on
Financial Results for the Nine Months Ended December 31, 2015:
Summary of Q&A**

Date: February 12, 2016, 5:10–5:55 p.m.

* The details have been partially rewritten and revised for easier understanding.

Earnings

Q. Why did the annualized premiums from new policies increase since October 2015? In addition, will this trend continue?

- The annualized premiums from new policies increased steadily in Q3 due to the launch of endowment insurance with a shortened premium period as well as the increase in the age limit for whole life insurance in October 2015.
- Next fiscal year’s business plan is currently being formulated, but we intend to continue our sales promotions that ensure growth in new policies.

Q. I understand the net income has been progressed steadily so far, but could you indicate the expected impact of the decrease in deferred tax assets resulting from the decrease in the corporate tax rate?

- The decrease in deferred tax assets had a negative impact on net income of approximately 15 billion yen last fiscal year, and we are projecting an impact of about half that level this fiscal year.

Q. Please indicate the breakdown of the positive spread to the “New category.”

- The breakdown of the positive spread to the “New category” and the “Postal Life Insurance Category” is not disclosed, but the “Postal Life Insurance Category” had a slight negative spread.

Shareholder Return Policy

Q. Please provide your thoughts on shareholder dividend and stock buy-back in relation to shareholder returns.

- As current fiscal year earnings are to date progressing steadily, we think it will be possible to pay the dividend as indicated in the earnings forecasts (dividend of 56 yen per share).
- In terms of stock buy-backs from Japan Post Holdings, this could be an option as long as they are suited to our financial conditions and the intention of Japan Post Holdings, but no concrete decisions have been made at the present point in time.

Asset Management

Q. Please indicate your plan for asset management after the introduction of a monetary policy with a negative interest rate in Japan. Is there any change to your plan to increase risk assets up to the level of about 10%?

- Under the recent low interest rate environment, we have been slowing down the pace of extension of asset duration while increasing the exposures to risk assets to 6.4% of total assets (as of the end of December 2015), with our plan to increase this ratio to about 10%. Currently, the plan remains unchanged, even after the introduction of a monetary policy with a negative interest rate.
- Please be noted that we will continue to respond to market movements through careful monitoring, taking into consideration the balance between risk tolerance and return.

Q. Please indicate the hedging ratio for foreign exchange risk of foreign bonds.

- Roughly 50% of foreign bonds are being hedged for foreign exchange risk this fiscal year.

Assumed Rate of Return

Q. Given the reduction of the standard assumed yield in April 2017, are the sales of savings products likely to remain viable if you cut the assumed rates of return? Please indicate the level of impact on your earnings if you don't cut the assumed rates of return.

- The impact of the reduction of standard assumed yield is currently under discussion, and we intend to decide our countermeasures by taking into consideration the impact on sales of products, the provision of policy reserves, and earnings comprehensively.

Q. In case you cut the assumed rates of return, are there any procedures specific to Japan Post Insurance, such as discussions in the Postal Privatization Committee?

- There are no procedures for research and discussions in the Postal Privatization Committee, and in fact, when we revised the assumed rates of return for medical care riders in FY2013, the revision was implemented with the same lead time as other insurers.

Reinsurance

Q. Please indicate the background and future schedule in respect of the application for approval of underwriting of reinsurance submitted in January 2016.

- The subjects of reinsurance by this application for approval are insurance policies that Japan Post Co. or our company were entrusted from other life insurance companies. We aim to improve the soundness of financial conditions by diversification of revenue and risk, as well as to strengthen cooperation with other insurance companies.
- It is currently under discussions in the Postal Privatization Committee, and if approval is obtained, the business will commence once internal preparations have been made and a contract executed with primary insurers.

Q. Is it fair to understand that there is ample underwriting capacity for reinsurance in terms of ESR, etc.?

- We think there is no problem with reinsurance underwriting based on the current financial soundness, risk management systems, etc.

Q. Do you think the products targeted for reinsurance will be for companies or individuals?

- If approval is obtained, we intend to respond to a wide range of customer needs in consultation with primary insurers.

EV

Q. Please indicate the EV and the value of new business calculated on the basis of the latest economic assumptions.

- As EV is disclosed on a quarterly basis, we would like to refrain from disclosing the interim figures. For your information, a reasonably close approximation can be made if you look at the sensitivity analysis relative to the figures announced as at the end of September 2015.

Q. Please indicate the maturity at which interest rates are most sensitive to EV in respect of assets and liabilities.

- While it is difficult to generalize because impacts differ depending on the state of assets and liabilities at the time the projections were made, overall sensitivity to interest rates is large for maturities longer than 20 years.

Q. When thinking about EV, how should we view the exposures to stocks and foreign bonds by the “New category” and the “Postal Life Insurance Category”?

- Currently, approximately 40% of the 5.3 trillion yen of risk assets are in the “New Category.”
- Since roughly 50% of foreign bonds are hedged for foreign exchange risk, they have limited impact on the sensitivity of EV.

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 from the forecast figures due to various factors including changes in the assumptions regarding the operating environment.