



Outline of Financial Results for the Fiscal Year Ended March 31, 2016

May 13, 2016



JAPAN POST INSURANCE

Summary of Financial Results

- **Net income was ¥84.8 billion, securing an increase in profit (a 4.4% increase year on year). Compared with the financial result forecasts, 101.1% has been achieved.**
- **Annualized premiums from new policies for individual insurance amounted to ¥485.3 billion, a 6.0% increase year on year. Annualized premiums from new policies for medical care was on a recovery track at ¥49.5 billion, or a 20.6% increase year on year.**
- **Number of new policies increased both in endowment insurance (an 11.6% increase year on year) and whole life insurance (a 12.2% increase year on year), as a result of launching of endowment insurance with a shortened premium period as well as increasing the age limit for whole life insurance in October 2015.**
- **Under the current low interest rate environment, exposures to investments in risk assets (foreign securities and domestic stocks) were increased to ¥5,401.6 billion (6.6% of total assets).**
- **Embedded value (EV) decreased by ¥782.9 billion from the end of the previous fiscal year to ¥2,718.3 billion, due to a substantial decline in interest rates.**

Financial Highlights

Financial Highlights

(¥bn)

	Year ended Mar-15	Year ended Mar-16	Year on year
Ordinary income	10,169.2	9,605.7	(5.5)%
Ordinary profit	492.6	411.5	(16.5)%
Provision for reserve for policyholder dividends	200.7	178.0	(11.3)%
Net income ¹	81.3	84.8	+4.4%

(¥bn)

	Mar-15	Mar-16	Change
Total assets	84,915.0	81,545.1	(4.0)%
Net assets	1,975.7	1,882.9	(4.7)%
Total shareholders' equities	1,412.0	1,472.4	+4.3%

Financial Result Forecasts

(¥bn)

Year ended Mar-16 (Initial forecast)	Achievement
9,550.0	100.6%
350.0	117.6%
190.0	93.7%
84.0	101.1%

1. Net income attributable to Japan Post Insurance

Overview of Financial Statements (Consolidated)

Statement of Income

(¥bn)

	Year ended Mar-15	Year ended Mar-16	Change
Ordinary income	10,169.2	9,605.7	(563.4)
Insurance premiums and others	5,956.7	5,413.8	(542.8)
Investment income	1,460.7	1,354.9	(105.7)
Reversal of policy reserves	2,632.8	2,750.0	117.2
Ordinary expenses	9,676.6	9,194.2	(482.3)
Insurance claims and others	9,059.5	8,550.4	(509.0)
Investment expenses	10.9	9.7	(1.2)
Operating expenses	513.1	538.5	25.3
Ordinary profit	492.6	411.5	(81.1)
Extraordinary profit and loss	(99.3)	(71.5)	27.8
Provision for reserve for policyholder dividends	200.7	178.0	(22.7)
Income before income taxes	192.5	161.9	(30.5)
Total income taxes	111.2	77.0	(34.1)
Net income attributable to Japan Post Insurance	81.3	84.8	3.5

Note: Only major line items are shown.

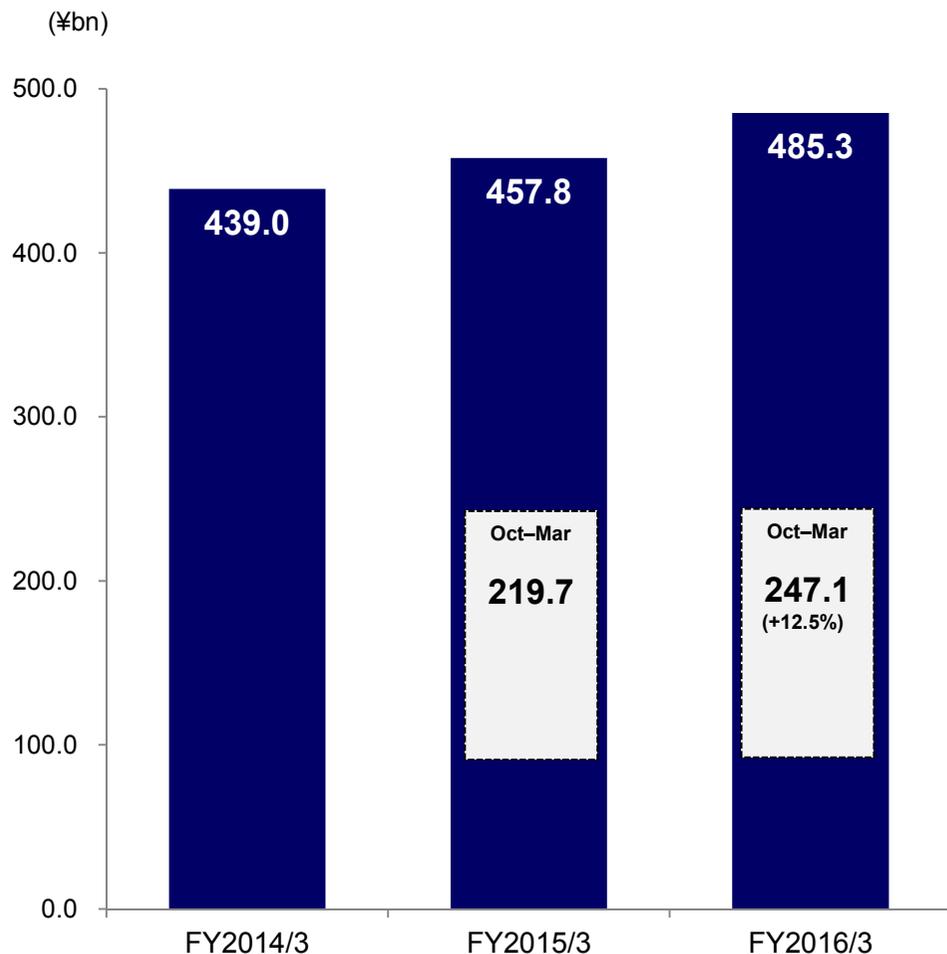
Balance Sheets

(¥bn)

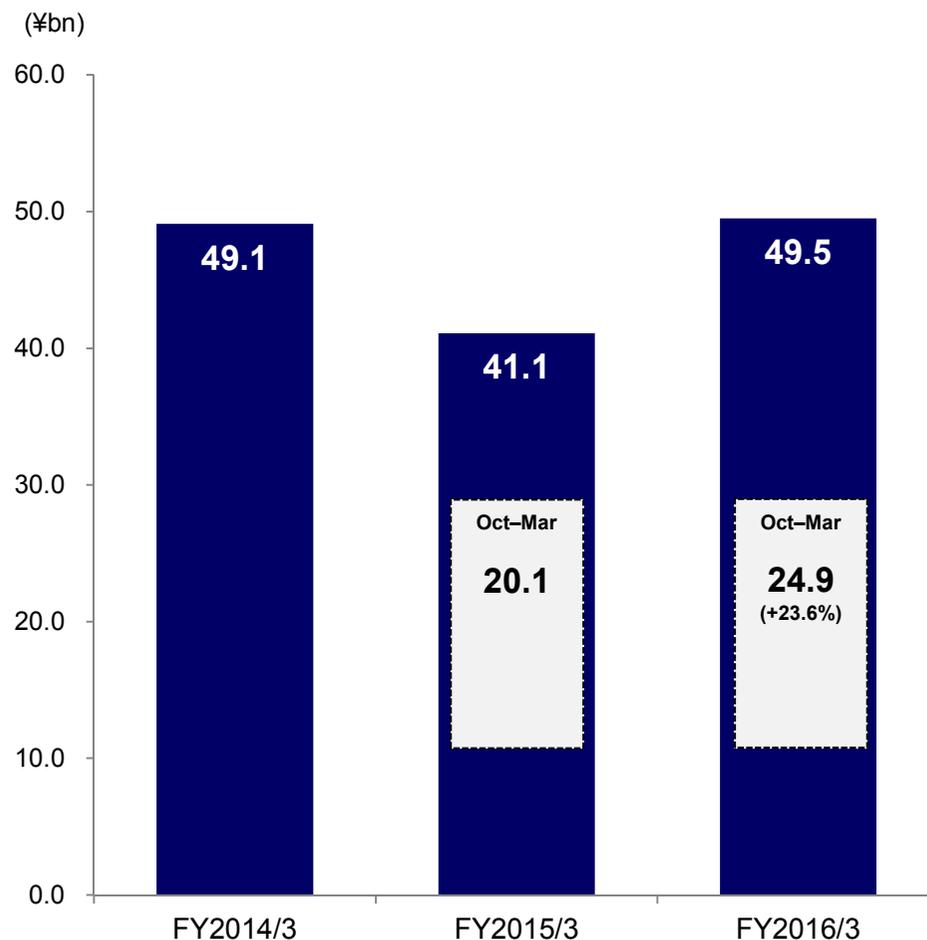
	Mar-15	Mar-16	Change
Assets	84,915.0	81,545.1	(3,369.8)
Cash and deposits	2,213.7	1,862.6	(351.1)
Money held in trust	1,434.9	1,644.5	209.6
Securities	66,276.2	63,609.9	(2,666.3)
Loans	9,977.3	8,978.4	(998.9)
Fixed assets	286.8	331.1	44.2
Deferred tax assets	547.0	712.1	165.0
Liabilities	82,939.2	79,662.2	(3,277.0)
Policy reserves	75,112.6	72,362.5	(2,750.0)
Reserve for price fluctuations	712.1	782.2	70.1
Net assets	1,975.7	1,882.9	(92.7)
Total shareholders' equities	1,412.0	1,472.4	60.3
Total accumulated other comprehensive income	563.6	410.5	(153.1)

Policy Sales (1) Annualized Premiums from New Policies

Annualized Premiums from New Policies
(Individual Insurance)



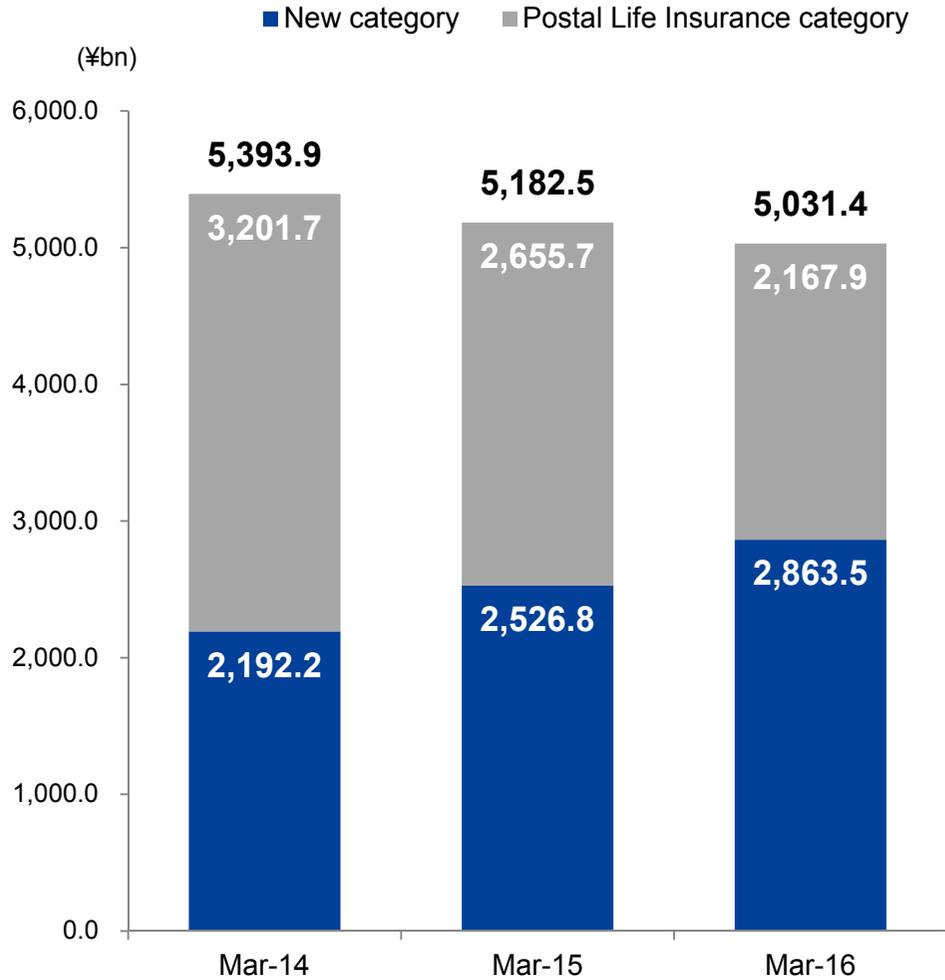
Annualized Premiums from New Policies
(Medical Care)



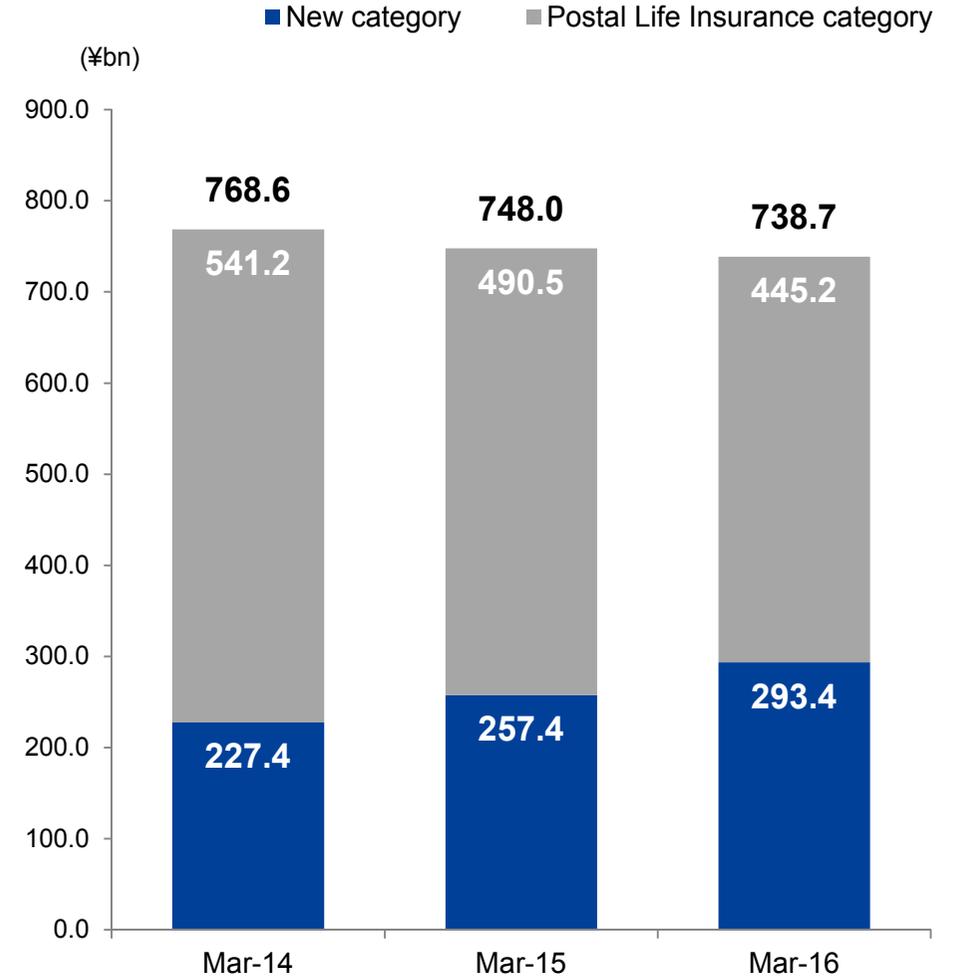
Note: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium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

Policy Sales (2) Annualized Premiums from Policies in Force

Annualized Premiums from Policies in Force
(Individual Insurance)



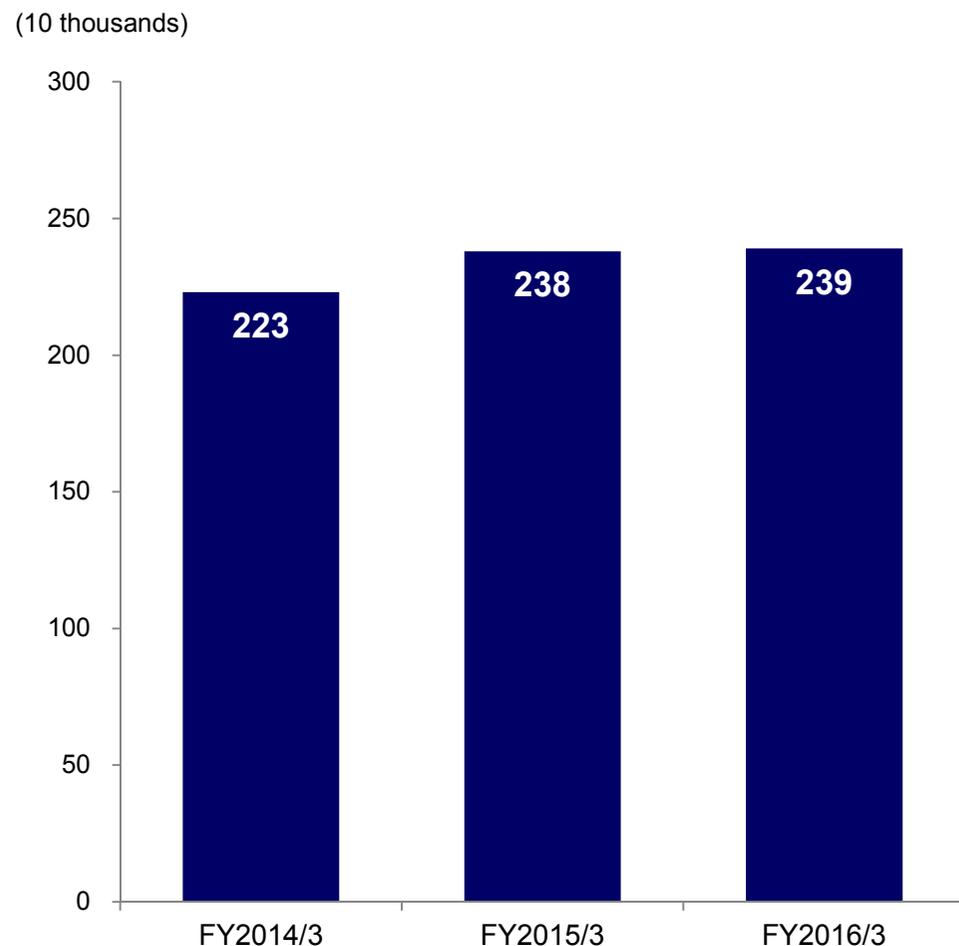
Annualized Premiums from Policies in Force
(Medical Care)



Note: "New category" shows individual insurance policies underwritten by Japan Post Insurance.
 "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.

Policy Sales (3) Number of New Policies

Number of New Policies (Individual Insurance)



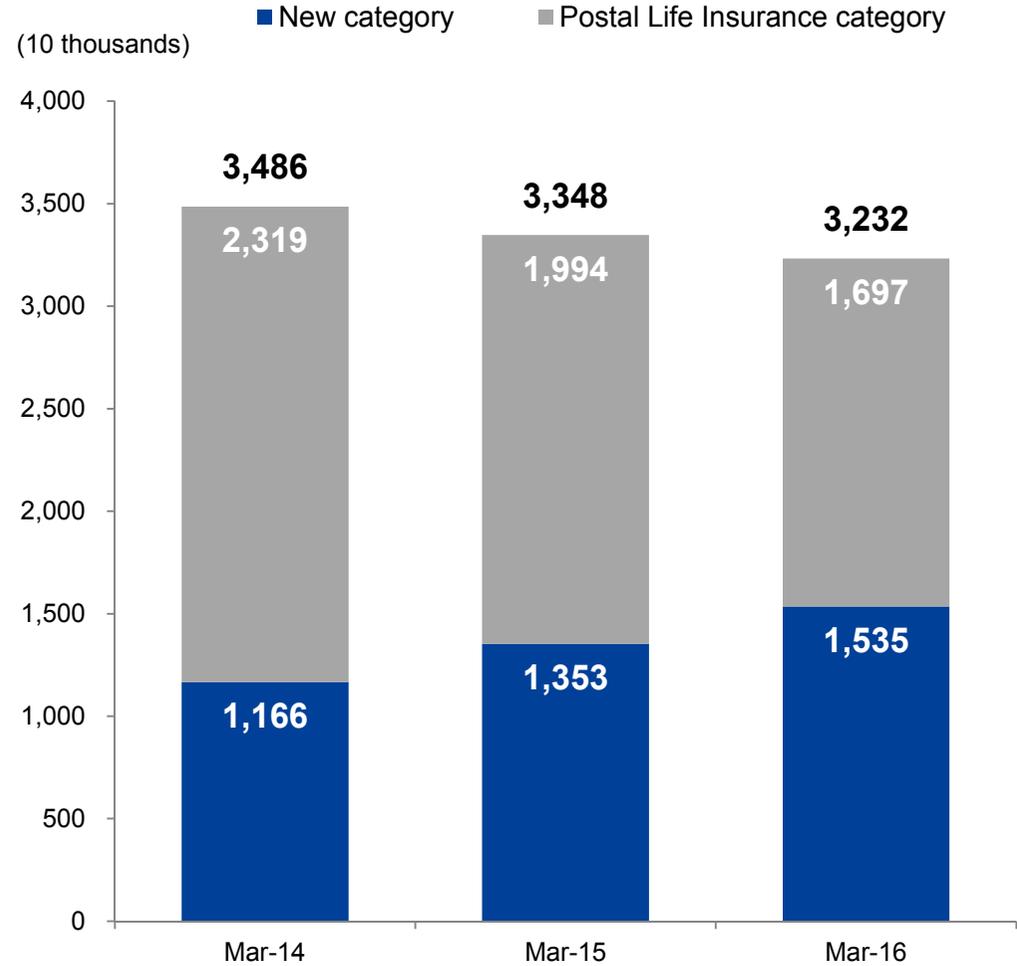
Breakdown of New Policies

(10 thousands)

	Year ended Mar-15		Year ended Mar-16	
	Number of policies	Share	Number of policies	Share
Individual insurance	238	100.0 %	239	100.0 %
Endowment insurance	112	47.1 %	125	52.3 %
Whole life insurance	59	24.8 %	66	27.6 %
Educational endowment insurance	66	28.0 %	48	20.1 %
Other insurance	0	0.0 %	0	0.0 %

Policy Sales (4) Number of Policies in Force

Number of Policies in Force (Individual Insurance)



Note: "New category" shows individual insurance policies underwritten by Japan Post Insurance.
 "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from the Management Organization for Postal Savings and Postal Life Insurance.

Breakdown of Policies in Force

(10 thousands)

	Mar-15		Mar-16	
	Number of policies	Share	Number of policies	Share
Individual insurance	3,348	100.0 %	3,232	100.0 %
Endowment insurance	1,555	46.4 %	1,440	44.6 %
Whole life insurance	1,230	36.7 %	1,241	38.4 %
Educational endowment insurance	547	16.4 %	535	16.6 %
Other insurance	15	0.5 %	14	0.5 %

Investments (1) Asset Portfolio

Asset Portfolio

(¥bn, %)

	Mar-15		Mar-16	
	Amount	Share	Amount	Share
Bonds	64,294.7	75.7	59,821.0	73.4
Japanese government bonds	48,086.4	56.6	44,178.6	54.2
Japanese local government bonds	9,555.8	11.3	9,405.4	11.5
Japanese corporate bonds	6,652.4	7.8	6,236.9	7.6
Risk assets	3,363.1	4.0	5,401.6	6.6
Domestic stocks ¹	996.9	1.2	1,202.5	1.5
Foreign stocks ¹	214.5	0.3	229.4	0.3
Foreign bonds etc. ^{1,2}	2,151.6	2.5	3,969.7	4.9
Loans	9,977.3	11.7	8,978.4	11.0
Others	7,279.7	8.6	7,344.0	9.0
Cash and deposits, call loans	2,659.2	3.1	2,222.6	2.7
Receivables under securities borrowing transactions	2,720.8	3.2	3,008.5	3.7
Total assets	84,915.0	100.0	81,545.1	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)

	Year ended Mar-15	Year ended Mar-16
Positive spread	66.9	97.4
Average assumed rates of return ¹	1.80 %	1.76 %
Investment return on core profit ²	1.89 %	1.90 %

Net capital gains	64.1	4.4
-------------------	------	-----

	Mar-15	Mar-16
Interest rate (10Y JGB)	0.400 %	(0.050) %

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

Investments (2) Fair Value Information of Securities

Fair Value Information of Securities

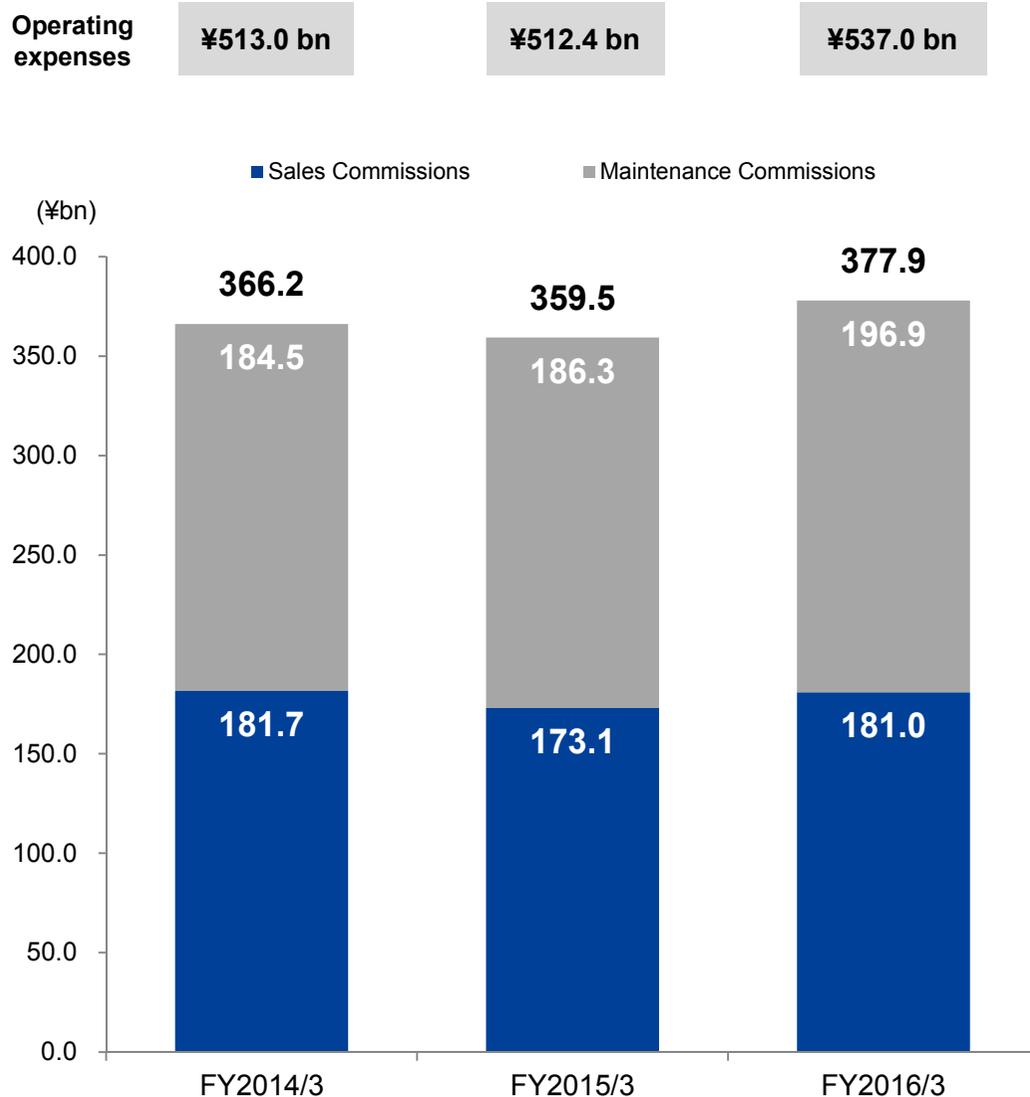
(¥bn)

	Mar-15			Mar-16		
	Book value	Fair value	Net unrealized gains (losses)	Book value	Fair value	Net unrealized gains (losses)
Total	68,673.5	75,167.6	6,494.0	65,753.0	75,326.4	9,573.3
Held-to-maturity bonds	43,695.5	48,232.6	4,537.1	42,239.8	49,752.9	7,513.0
Policy-reserve-matching bonds	15,493.2	16,668.4	1,175.2	13,563.4	15,062.1	1,498.7
Available-for-sale securities	9,484.7	10,266.5	781.7	9,949.8	10,511.3	561.5
Securities	8,405.0	8,831.5	426.4	8,469.2	8,866.8	397.5
Bonds	5,105.3	5,203.9	98.6	4,012.9	4,115.7	102.8
Foreign stocks	20.0	20.0	-	-	-	-
Foreign bonds	1,537.7	1,863.4	325.7	3,299.3	3,590.8	291.4
Other securities	-	-	-	100.0	100.0	0
Deposits	1,741.9	1,744.0	2.0	1,056.9	1,060.1	3.1
Money held in trust	1,079.7	1,434.9	355.2	1,480.5	1,644.5	163.9
Domestic stocks	713.2	996.9	283.7	1,065.4	1,202.5	137.0
Foreign stocks	158.0	194.5	36.5	222.2	229.4	7.1
Foreign bonds	155.1	190.1	34.9	161.1	180.9	19.7

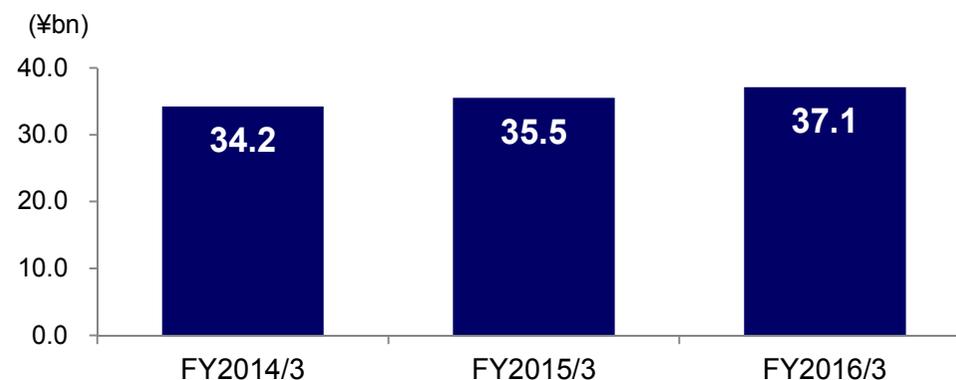
1. This table includes the handling of securities under the Financial Instruments and Exchange Act.
2. Total money held in trust includes cash and deposits and others.

Expenses (Non-Consolidated)

Commissions to Japan Post Co.



Depreciation and amortization



(Reference) Major Investment Plans for FY2016/3 – FY2018/3

	Measures	Amount	Effect
Administration / IT system	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)
Facilities / equipment	Renovation of branch offices and service centers	¥ 46 bn	Improving worksite environment which has been aging, narrow, decentralized

Source: Japan Post Group, medium-term business plan

Financial Soundness

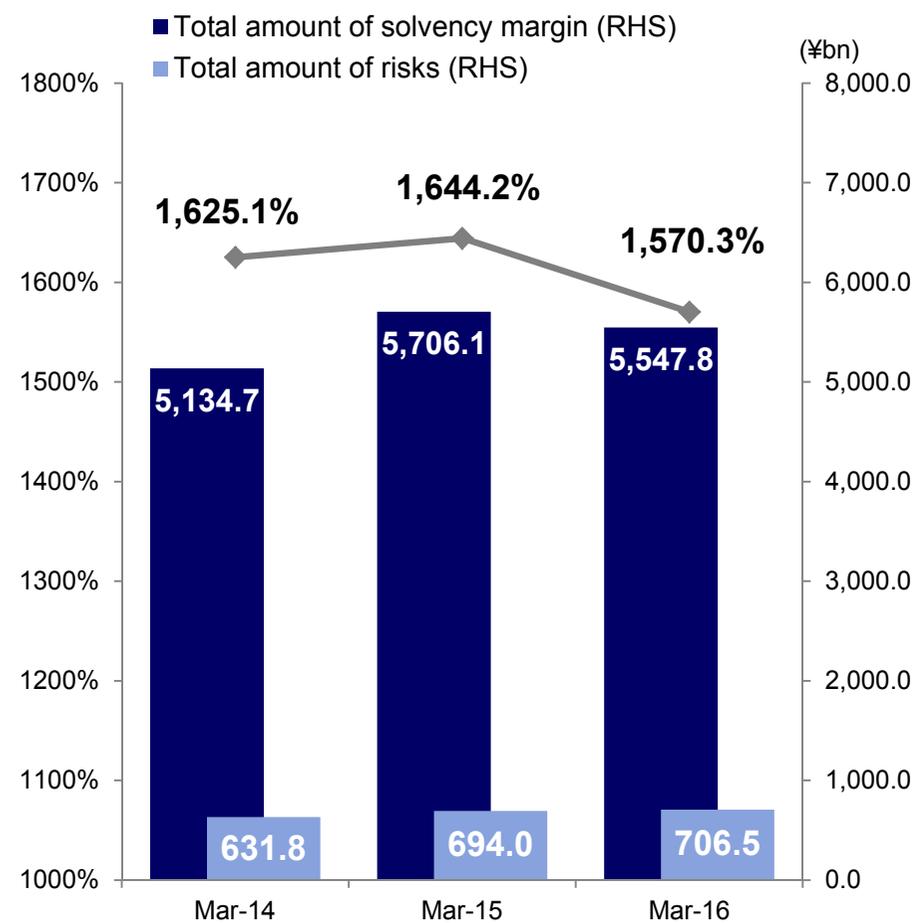
Internal Reserves

	Mar-15	Mar-16	(¥bn)
			Provisions in the period ²
Contingency reserve	2,498.7	2,374.8	(123.8)
Postal Life Insurance Category	2,182.8	2,011.6	(171.1)
New Category	315.8	363.1	47.3
Price fluctuations reserve	712.1	782.2	70.1
Postal Life Insurance Category	626.8	635.8	8.9
New Category	85.3	146.4	61.1
Additional policy reserve ¹	6,067.0	6,011.5	(55.5)
Postal Life Insurance Category	6,067.0	6,011.5	(55.5)
New Category	-	-	-

Notes: "New category" show the figures after deduction of "Postal Life Insurance category" from the total.

1. Additional policy reserve includes the amount determined to be additionally provided over 10 years from the year ended March 31, 2011 for reinsured annuity assumed from the Management Organization for Postal Savings and Postal Life Insurance (for the year ended March 31, 2016, the amount of additional provision was ¥179.5 bn and the accumulated amount was ¥1,030.0 bn).
2. Provisions in the period includes the excess provision of ¥89.8 bn exceeding the provision requirements for contingency reserve and price fluctuations reserves.

Solvency Margin Ratio (Consolidated)



(Real Net Assets)

¥9,446.9bn

¥11,521.1bn

¥14,649.5bn

Embedded Value (Preliminary Figures)

Breakdown of EV

(¥bn)

	Mar-15	Mar-16*	Change
EV	3,501.3	2,718.3	(782.9)
Adjusted net worth	1,739.6	1,894.3	154.6
Value of in-force covered business	1,761.6	824.0	(937.6)

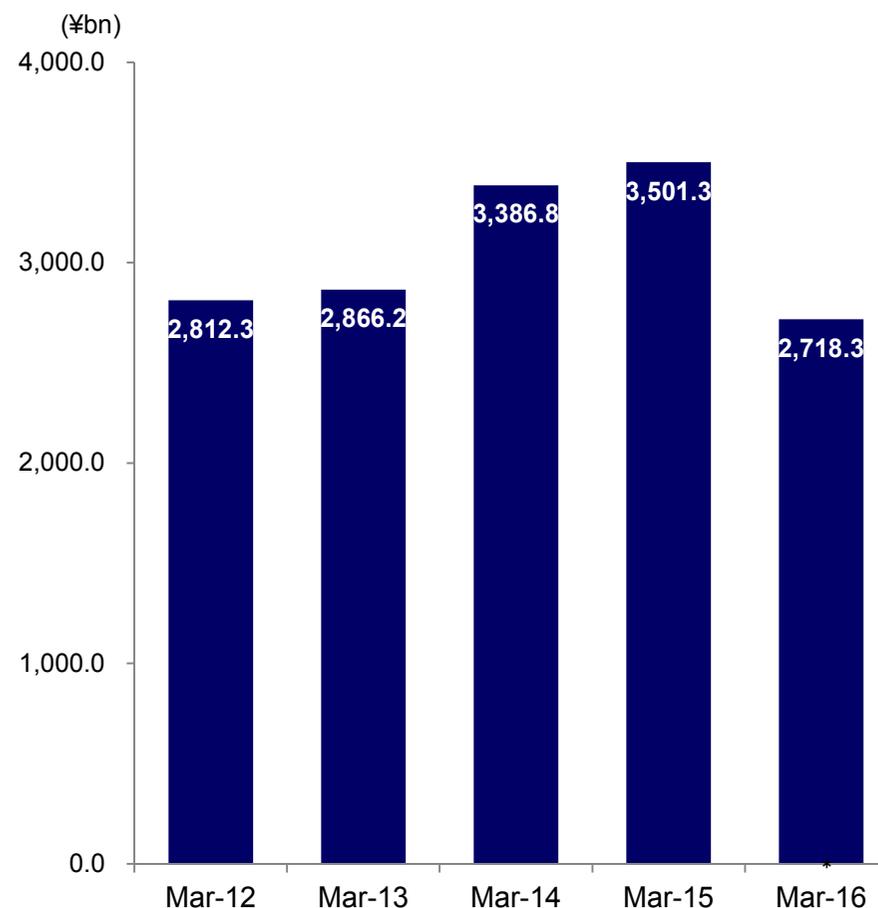
	Year ended Mar-15	Year ended Mar-16*	Change
Value of new business ¹	134.2	118.2	(15.9)

1. Starting from the disclosure under review, the Company has decided to present unrealized gains/losses on securities, etc. classified under the New Category, which generally are assets and liabilities attributable to policies the Company has underwritten since its privatization, as value of in-force covered business. This revision also applies to the presentation of the EV as of March 31, 2015, and has no impact on the total amount of the EV itself.

2. Value of new business is calculated by using the economic assumptions as of the end of September.

* Please note that calculation of EV above has not been verified by a third party. For details on EV verified by a third party, please refer to "Disclosure of European Embedded Value as of March 31, 2016" to be announced on May 19, 2016.

EV



Financial Results Forecasts for the Year Ending March 31, 2017 (Consolidated)

Financial Results Forecasts (Consolidated)

(¥bn)

	Year ended Mar-16 (Actual)	Year ending Mar-17 (Forecast)	Change
Ordinary income	9,605.7	8,490.0	(11.6) %
Ordinary profit	411.5	310.0	(24.7) %
Net income ¹	84.8	86.0	+ 1.3 %

1. Net income attributable to Japan Post Insurance

Shareholder Return Policy

Stable growth in dividends

- 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 our consolidated net income.

Dividends Per Share

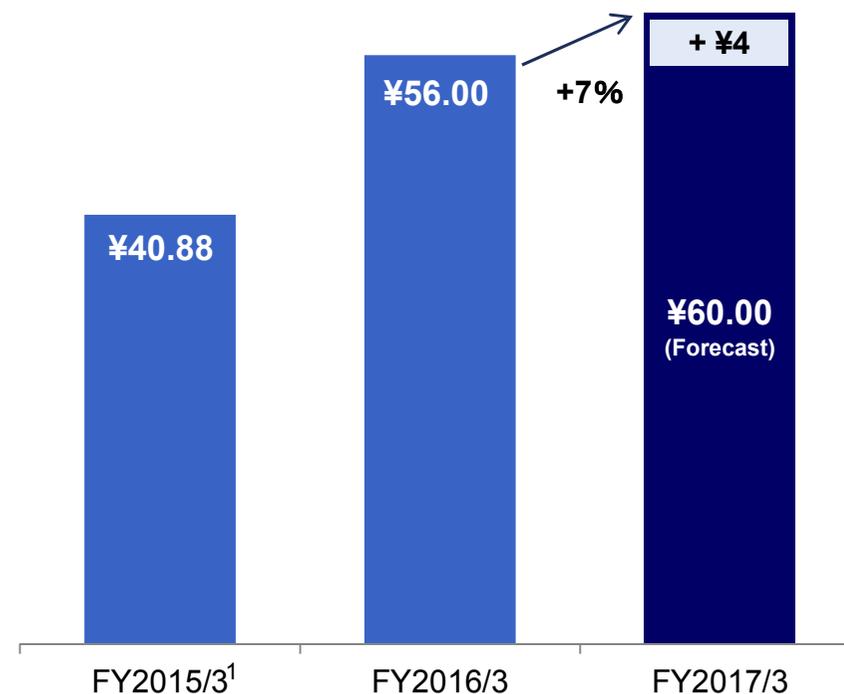
(Payout Ratio)

30.2 %

39.6 %

41.9 %

¥2 increase of ordinary dividends,
¥2 commemorative dividend
for the 100th anniversary



1. The Company conducted a 30-for-1 stock split of its common stock effective August 1, 2015. Dividends per share for the year ended March 31, 2015 was calculated assuming that the stock split was conducted on April 1, 2014.

APPENDIX

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

		FY2012/3	FY2013/3	FY2014/3	FY2015/3	FY2016/3
Total assets	¥mn	93,688,672	90,462,364	87,088,626	84,911,946	81,543,623
Postal Life Insurance category		80,024,630	73,793,953	67,560,915	61,703,013	55,832,787
New category		13,664,042	16,668,410	19,527,711	23,208,932	25,710,836
Number of policies in force	(000)	39,034	36,805	34,864	33,489	32,323
Postal Life Insurance category (insurance)		31,015	26,933	23,195	19,949	16,972
New category (individual insurance)		8,018	9,871	11,668	13,539	15,350
Insurance premiums and others	¥mn	6,856,486	6,481,772	5,911,643	5,956,716	5,413,862
Postal Life Insurance category		3,292,716	2,685,558	2,155,398	1,697,140	1,322,308
New category		3,563,769	3,796,214	3,756,245	4,259,576	4,091,554
Ordinary profit	¥mn	531,388	529,375	463,506	493,169	413,023
Postal Life Insurance category		460,482	424,511	382,325	377,145	258,059
New category		70,906	104,864	81,181	116,024	154,963
Net income	¥mn	67,734	91,000	63,428	81,758	86,338
Postal Life Insurance category		48,429	56,816	43,689	36,969	32,850
New category		19,304	34,184	19,739	44,789	53,487
Contingency reserve (reversal) provision	¥mn	(102,240)	(100,149)	(94,807)	(90,087)	(123,864)
Postal Life Insurance category		(152,519)	(159,710)	(164,732)	(167,144)	(171,199)
New category		50,278	59,561	69,924	77,057	47,335
Price fluctuations reserves (reversal) provision	¥mn	48,541	64,656	91,360	97,934	70,100
Postal Life Insurance category		35,893	43,374	73,857	72,126	8,957
New category		12,647	21,282	17,502	25,808	61,143
Additional policy reserve (reversal) provision	¥mn	(107,885)	(92,835)	(77,134)	(68,347)	(55,533)
Postal Life Insurance category		(107,885)	(92,835)	(77,134)	(68,347)	(55,533)
New category		-	-	-	-	-

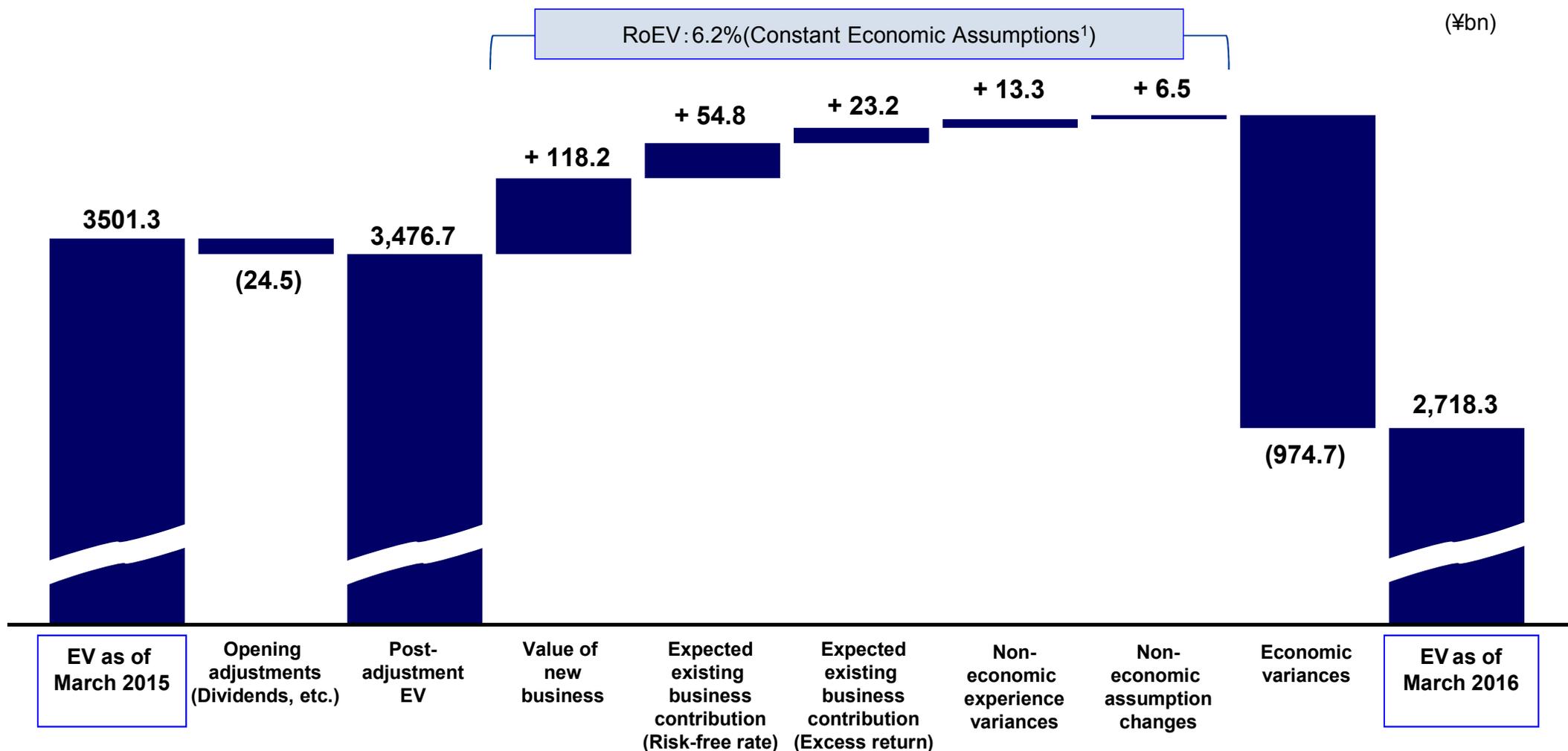
Note: "New category" shows the figure after deduction of "Postal Life Insurance category" from the total.

Major Financial Results (Consolidated)

	(¥bn)				
	FY2012/3	FY2013/3	FY2014/3	FY2015/3	FY2016/3
Insurance premiums and others	6,856.4	6,481.7	5,911.6	5,956.7	5,413.8
Ordinary profit	531.2	528.9	462.7	492.6	411.5
Provision for reserve for policyholder dividends	271.9	307.4	242.1	200.7	178.0
Net income	70.0	90.6	62.8	81.3	84.8
Net assets	1,294.4	1,466.7	1,538.1	1,975.7	1,882.9
Total assets	93,690.8	90,463.5	87,092.8	84,915.0	81,545.1
Return on equity	5.6%	6.6%	4.2%	4.6%	4.4%
Return on shareholders' equity	5.8%	7.1%	4.7%	5.9%	5.9%
Dividend to shareholders	16.9	22.7	16.8	24.5	33.6
Payout ratio	24.2%	25.1%	26.8%	30.2%	39.6%
[Reference] Core profit (Non-consolidated)	571.6	570.0	482.0	515.4	464.2

EV Movement (Preliminary Figures)

Average RoEV Over the Past 4 Years (FY2013/3-FY2016/3): +8.5% (Constant Economic Assumptions)



1. Constant economic assumption rate excludes economic variance factor.

* Please note that none of the aforementioned values of EV movement have been verified by a third party.

<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.

Contact information

**IR Office, Corporate Planning Department
JAPAN POST INSURANCE Co., Ltd.**