

**Conference Call on  
Financial Results for the Fiscal Year Ended March 31, 2017:  
Summary of Q&A**

Date: May 15, 2017, 6:00-6:40 p.m.

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

**【Sales and Financial Results】**

**Q** How will the insurance premium revision in April 2017 impact new policies?

- Annualized premiums from new policies for individual insurance in the fourth quarter (January to March) increased by 2.1% year on year. As insurance premiums were also revised in August 2016, there was no noticeable rush in demand due to this revision.
- Meanwhile, annualized premiums from new policies for medical care increased significantly by 34.9% year on year, as the percentage of whole life insurance, for which the insurance premium increase in April 2017 was relatively large, increased its share.

**Q** How will the revision to the standard assumed yield in April 2017 impact the requirements for accumulating policy reserve?

- We expect several tens of billion yen in income before income taxes and policyholder dividends, but expect the impact on the bottom line net income to be in the billions of yen.

Q Please tell us the excess provision amount for contingency reserve and price fluctuation reserve, for the year ended March 31, 2017. What is your plan for the year ending March 31, 2018?

- The amount of excess provision for contingency reserve for the year ended March 31, 2017 is ¥41.6 billion in the New Category (as shown in page 11, Note 2 of the Conference Call Material). We have not accumulated excess provision for price fluctuation reserve.
- While we have not announced the plan for excess provision for the year ending March 31, 2018, a certain amount of excess provision has been incorporated into the plan. However, the amount of excess provision for price fluctuation reserve will fluctuate depending on the level of net capital gains and losses.

Q Depreciation and amortization increased by ¥19.3 billion for the fourth quarter (January to March). Does this include temporary factors?

- The increase of approximately ¥10.0 billion from the third quarter (October to December) includes the effect of about ¥6.0 billion in updating our core IT system (to continue into the next fiscal year) and the one-time effect of about ¥4.0 billion in shortening, etc. the depreciation period for the previous system.
- We expect depreciation and amortization in the mid-range of ¥60.0 billion for the year ending March 31, 2018, which is not a significant change to the amount planned in our Medium-term Management Plan.

### **【Transfer of Fixed Assets】**

Q What led to the transfer of fixed assets?

- After relocating the back-office function of the former Tokyo Service Center to the new site in Osaki, we had been considering the usage of this property, and had reached a decision to sell the asset in order to achieve effective utilization of assets and reduce maintenance and administrative costs.
- With regard to how we will sell the asset, from a fair, transparent and economically rational viewpoint, we plan to sell by bidding, but details on the method and timing are to be undecided.

Q The solvency margin ratio indicates that the unrealized gain for the land is not substantial. Why do you expect gains on sales?

- The solvency margin ratio uses roadside value to calculate the evaluated price, which is why it differs from the results of the real estate appraisal, etc. to which we referred for this disclosure. The actual sale price has not been determined yet.

Q Do you have any other real estate with unrealized gains?

- This is the only real estate with significant impact on earnings, etc.

Q Do you intend to offset the ¥30.0 billion profit increase from transfer of fixed assets, with net capital loss, etc.?

- Details of the sales price, etc. have not been determined yet, and nothing has been decided on how gains on sales will be handled.

Q With regard to the gains on sales from fixed assets, why wouldn't you reward shareholders with dividends?

- The profit increase from transfer of fixed assets is a temporary factor, and as dividends to policyholders will not be paid from the gains on sales, there are no plans for special dividends to shareholders as well.

**【EV】**

Q What is the value of new business based on the economic assumption as of the end of March 2017 (not as of the end of September 2016)?

- Although we have not calculated the value based on the economic assumption as of the end of March 2017, considering that interest rates rose by 30 to 40 bps from the end of September 2016, we assume that the value will be over ¥100.0 billion.

**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.