

**Conference Call on
Financial Results for the Nine Months Ended December 31, 2016:
Summary of Q&A**

Date: February 14, 2017, 5:10-5:50 p.m.

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

Investments

Q Risk assets have reached 9.9% of the total assets, but will they continue to be accumulated at the current pace?

- Our investment strategy for this fiscal year is to respond flexibly to the market environment. In the first half, because the domestic interest rates were at a low level, we prioritized our investments in risk assets centered on hedged foreign bonds and, as a result, risk assets reached nearly the 10% level.
- If the low interest rate environment is to continue, we will keep on investing in risk assets in order to secure stable margins, but at this point we have not set a target percentage.

Q The figures for the gains and losses on sales of securities have increased. What investment policy do you use to determine the selling behavior?

- The gains of ¥72.7 billion and losses of ¥109.9 billion on sales of securities for this fiscal year have mostly incurred as a result of bond switching corresponding to the changes in allocation of foreign bonds.
- While the securing of income gains is a prerequisite for life insurance business, in the case of foreign bond management, we will continue to carry out rebalancing flexibly with consideration to the total return.

Q What is the full-year outlook for capital gains and losses as well as provision and reversal of reserve for price fluctuations?

- Regarding capital gains and losses, if the present market condition is to continue, we will not expect any significant increases in capital losses.
- Concerning reserve for price fluctuations, provisions and reversals are made in response to capital gains and losses, but other than that, it will be accumulated.

Q Please indicate the portion of risk assets both in the New category and Postal Life Insurance category and the hedging ratio of foreign bonds.

- Though we will not disclose the details regarding the New category and Postal Life category of risk assets, domestic stocks have a higher portion of the Postal Life Insurance category, and foreign bonds have a higher portion of the New category.
- The hedging ratio of foreign bonds is roughly 60% as a whole, and this has not changed greatly since the end of September 2016.

Products and Sales

Q Following the August 2016 revision of insurance premiums, the percentage of whole life insurance among new policies has increased. Were there any changes in the breakdowns such as in fixed amount type and increased amount type?

- Since we have placed great importance on customer protection regarding whole life insurance, we don't see substantial changes in the number of new policies before and after the revision of insurance premiums, but for products that offer strong savings benefits such as short-term premium payment endowment insurance and educational endowment insurance, the sales volume has decreased due to the influence of the insurance premium revisions.
- We plan to disclose the detailed breakdown of products in our year-end annual report.

Q Please tell us about the percentage of policies with medical care riders.

- After the revision of the insurance premiums, we placed a greater than ever emphasis on sales that offered protection and there is an upward trend in policies with medical care riders. For the nine months ended December 31, 2016, the percentage of policies with medical care riders is at about 70%, the same level as the previous fiscal year.

Q What is your response to the decrease in standard assumed yield in April? If the assumed rates of return are decreased, won't the appeal of educational endowment insurance also decrease?

- We are considering the planned revision of the insurance premiums in line with revisions to the standard assumed yield and will announce the details once determined.
- With the revision of insurance premiums in August 2016, there was an increase in the price of educational endowment insurance and this had a certain effect on sales volume. The current environment is one in which customers with savings needs are not likely to enroll even with products with a strong savings advantage, and so we are strongly pushing those offering protection needs.
- Talking about the external environment, the decrease in standard assumed yield in April does not only affect our company, but our competitor products as well. We will make thorough adjustments towards the insurance premium revisions in consideration of our experiences with the August 2016 revisions, and with the cooperation of post offices.

Q What was the reason for maintaining the assumed rates of return upon revision to standard assumed yield in April 2013?

- Concerning basic policies, we decided to maintain the rates based upon the state of financial condition, sales trends, and interest rate forecast at the time. Furthermore, regarding medical care riders, the assumed rates of return were lowered by 0.2% in October 2013.

EV

Q Please explain the reasons for the movements in EV. Has interest rate volatility increased since the end of September 2016?

- Compared with the end of March 2016, there has been an increase of about ¥150.0 billion due to an increase in interest rate, and about a ¥100.0 billion decrease due to an increase in interest rate volatility.
- Since the effects of interest rate volatility caused an increase of ¥60.0 billion as of the end of September 2016, it is a ¥160.0 billion decrease as compared to the end of September and December.

Q What is the approximate value of new business using the economic assumption as of the end of December 2016?

- Since we did not make estimation under the economic assumptions as of the end of December 2016, we would like you to estimate it based on the sensitivity analysis conducted at the end of September.

Other

Q Please give us an update on the progress of business alliance with Dai-ichi Life Holdings.

- Since the alliance announcement in March 2016, both parties are proceeding with discussions in the three areas of overseas life insurance business, asset management business, and research on domestic life insurance business.
- Regarding the overseas life insurance business, we have begun preparing for provision of sales support to Vietnam Post, and we are now proceeding with discussions regarding a minority stake in Dai-ichi Life Vietnam.
- Concerning the asset management business, we have already announced our investment to Trust & Custody Services Bank, Ltd. Also, we are currently considering management via outsourcing as well as cultivation of new alternative fields. We would like to disclose the results achieved in each areas once they come into shape.

Q Please indicate the details of the statement that said "Deferred tax assets were recorded additionally due to an increase in deductible temporary differences" on page 3 of the Summary of Consolidated Financial Results.

- This is because the quarter-on-quarter difference of non-consolidated income taxes-deferred exceeded the standard amount for timely disclosures (0.3% of consolidated ordinary income = ¥28.8 billion, using the immateriality standards).
- There are not much quarterly fluctuations in income taxes-deferred, and the quarterly recorded amount is just under about ¥30.0 billion. Accordingly, there will be no issues to be concerned such as changes in the earnings forecast or unexpected influence on net income.

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.