

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

**Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2017
[Under Japanese GAAP]**



May 15, 2017

Company Name: JAPAN POST INSURANCE Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Code Number: 7181 URL: <http://www.jp-life.japanpost.jp/>
Representative: Masami Ishii, Director and President, CEO, Representative Executive Officer
Scheduled date of General Shareholder's Meeting: June 21, 2017
Scheduled date of commencing dividend payments: June 22, 2017
Scheduled date of filing securities report: June 23, 2017
Availability of supplementary briefing materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	8,659,444	(9.9)	279,755	(32.0)	88,596	4.4
Fiscal year ended March 31, 2016	9,605,743	(5.5)	411,504	(16.5)	84,897	4.4

(Note) Comprehensive Income (Loss) Fiscal year ended March 31, 2017 ¥4,342 million [-%]
Fiscal year ended March 31, 2016 ¥(68,218) million [-%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	147.71	-	4.7	0.3	3.2
Fiscal year ended March 31, 2016	141.50	-	4.4	0.5	4.3

(Note) Diluted net income per share is not presented as potential common stock did not exist. The Company implemented a 30:1 stock split effective August 1, 2015, and net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	80,336,760	1,853,203	2.3	3,089.81
As of March 31, 2016	81,545,182	1,882,982	2.3	3,138.30

Net assets attributable to the Company's shareholders as of March 31, 2017 and 2016 were ¥1,853,203 million and ¥1,882,982 million, respectively.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2017	(2,090,939)	1,629,012	(34,622)	1,366,086
Fiscal year ended March 31, 2016	(2,922,978)	2,596,907	(25,080)	1,862,636

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2016	-	0.00	-	56.00	56.00	33,600	39.6	1.7
Fiscal year ended March 31, 2017	-	0.00	-	60.00	60.00	36,000	40.6	1.9
Fiscal year ending March 31, 2018 (Forecast)	-	0.00	-	64.00	64.00		44.6	

- Notes:
1. Dividend per share for the fiscal year ended March 31, 2017 consists of ¥58.00 for ordinary dividend and ¥2.00 for commemorative dividend.
 2. With regard to dividend per share for the fiscal year ending March 31, 2018 (forecast), special dividend is not planned to be paid when extraordinary gains are recorded for fixed asset transfers (please refer to the “Notice Regarding Transfer of Fixed Assets” announced today).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,690,000	(11.2)	250,000	(10.6)	86,000	(2.9)	143.39

(Note) With regard to “Net income attributable to Japan Post Insurance,” an approximate increase of ¥30.0 billion is expected due to the impact of fixed asset transfers (please refer to the “Notice Regarding Transfer of Fixed Assets” announced today) but is not included in the figure above since the details are not yet determined.

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of shares issued (common stock)
- 1) Total number of shares issued at the end of the period:
March 31, 2017: 600,000,000 shares
March 31, 2016: 600,000,000 shares
 - 2) Total number of treasury stock at the end of the period:
March 31, 2017: 221,200 shares
March 31, 2016: - shares
 - 3) Average number of shares during the period:
Fiscal year ended March 31, 2017: 599,804,339 shares
Fiscal year ended March 31, 2016: 600,000,000 shares

- Notes:
1. The Company implemented a 30:1 stock split effective August 1, 2015, and total number of shares issued (common stock) has been calculated assuming the stock split was implemented on April 1, 2015.
 2. 221,200 shares included in the total number of treasury stock as of March 31, 2017 are shares of the Company held in the Board Benefit Trust (BBT). The average number of treasury stock held in the BBT (195,660 shares) was deducted from the calculation of the average number of shares during the fiscal year ended March 31, 2017.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Non-Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2017	8,659,442	(9.9)	279,347	(32.4)	88,520	2.5
Fiscal year ended March 31, 2016	9,605,818	(5.5)	413,023	(16.3)	86,338	5.6

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2017	147.58	-
Fiscal year ended March 31, 2016	143.90	-

(Note) Diluted net income per share is not presented as potential common stock did not exist. The Company implemented a 30:1 stock split effective August 1, 2015, and net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2017	80,336,414	1,849,253	2.3	3,083.23
As of March 31, 2016	81,543,623	1,878,452	2.3	3,130.75

Net assets attributable to the Company's shareholders as of March 31, 2017 and 2016 were ¥1,849,253 million and ¥1,878,452 million, respectively.

* Summary of consolidated financial results is outside the scope of audit.

This summary of consolidated financial results is outside the scope of audit procedures based on the Financial Instruments and Exchange Act of Japan. At the time of disclosure of these financial results, the audit procedures based on the Act have not been completed.

* Explanation on the appropriate use of financial results forecasts, and other notes

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by the Company 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 operating environment.

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* The Company has prepared supplementary briefing materials, etc. in relation to financial information, which can be viewed on the Company's website.

1. Overview of Consolidated Results of Operations, etc.

(1) Overview of Consolidated Results of Operations and Consolidated Financial Position for the Current Fiscal Year

1) Overview of consolidated results of operations for the current fiscal year

Ordinary income amounted to ¥8,659.4 billion (9.9% decrease year on year), comprising the sum of insurance premiums and others of ¥5,041.8 billion (6.9% decrease year on year), investment income of ¥1,367.9 billion (1.0% increase year on year), and other ordinary income of ¥2,249.6 billion (20.7% decrease year on year).

Ordinary expenses amounted to ¥8,379.6 billion (8.9% decrease year on year), comprising the sum of insurance claims and others of ¥7,550.3 billion (11.7% decrease year on year), investment expenses of ¥160.4 billion (1,545.3% increase year on year), operating expenses of ¥560.4 billion (4.1% increase year on year), other ordinary expenses of ¥108.5 billion (13.8% increase year on year) and others.

As a result, ordinary profit amounted to ¥279.7 billion (32.0% decrease year on year), and net income attributable to Japan Post Insurance amounted to ¥88.5 billion (4.4% increase year on year), which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends and total income taxes from ordinary profit.

2) Overview of consolidated financial position for the current fiscal year (overview of assets, liabilities and net assets)

Total assets at the end of the current fiscal year amounted to ¥80,336.7 billion (1.5% decrease year on year).

Total assets are mainly comprised of ¥63,485.2 billion of securities (0.2% decrease year on year), primarily including Japanese government bonds, ¥8,060.9 billion of loans (10.2% decrease year on year) and ¥2,127.0 billion of money held in trust (29.3% increase year on year).

Total liabilities amounted to ¥78,483.5 billion (1.5% decrease year on year), mainly comprising ¥72,525.1 billion of policy reserves and others (3.2% decrease year on year).

Total net assets amounted to ¥1,853.2 billion (1.6% decrease year on year). Under net assets, net unrealized gains on available-for-sale securities amounted to ¥321.9 billion (20.6% decrease year on year) due to a decrease in unrealized gains on available-for-sale securities accompanying the rising interest rates, etc.

3) Overview of cash flows for the current fiscal year

Net cash used in operating activities decreased ¥832.0 billion compared with the previous fiscal year to ¥2,090.9 billion.

Net cash provided by investing activities decreased ¥967.8 billion compared with the previous fiscal year to ¥1,629.0 billion.

Net cash used in financing activities increased ¥9.5 billion compared with the previous fiscal year to ¥34.6 billion.

As a result, balance of cash and cash equivalents at the end of the current fiscal year decreased ¥496.5 billion from the balance at the beginning of the current fiscal year, and amounted to ¥1,366.0 billion.

(2) Forecast

In the consolidated results forecast for the next fiscal year (fiscal year ending March 31, 2018), ordinary income of ¥7,690.0 billion, ordinary profit of ¥250.0 billion and net income attributable to Japan Post Insurance of ¥86.0 billion are projected.

(3) Basic Policy for the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years

JAPAN POST INSURANCE Co., Ltd. (the “Company”) recognizes that the distribution of profit to shareholders is an important policy of management, and distributes profits to shareholders according to its business results, while securing management soundness.

Specifically, the Company aims for a steady increase in dividends per share, while maintaining a dividend payout ratio within the range of roughly 30% to 50% of consolidated net income, considering earning prospects, financial soundness and the balance between shareholder and policyholder dividends.

The Company secures internal reserves to fund stable business growth to enable it to respond to future changes in the business environment.

The Company has, in accordance with the provisions of Article 459 of the Companies Act, stipulated that it provides cash dividends based on the resolution of the Board of Directors in the Articles of Incorporation. As for the year-end dividend for the fiscal year ended March 31, 2017, payment of ¥60 per share was decided at the Board of Directors’ meeting held today.

The year-end dividend for the fiscal year ending March 31, 2018 is scheduled to be ¥64 per share including a dividend increase of ¥4 per share.

The Company provides cash dividends on annual basis at the end of each fiscal year. Although the Company is permitted to declare interim dividends with a record date of September 30 under its Articles of Incorporation, the Company plans to declare annual dividends with a record date of March 31, considering business results.

2. Management Policy

(1) Basic Management Policy of the Company

The Company revised its Management Philosophy during the fiscal year ended March 31, 2017 to mark the major milestone of listing on the Tokyo Stock Exchange and 100 years since the establishment of Postal Life Insurance Services. The Management Philosophy is a determination that all executives and employees will work together to be always close at hand and to protect the well-being of every one of its customers. To realize its Management Philosophy, the Company has established the Management Policy, defining in concrete terms the attitude the Company should aim toward.

[Management Philosophy]

Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.

[Management Policy]

We aim to become the No.1 Japanese insurance company selected by customers.

- 1) We are always close to people's lives, offering easy-to-understand products and high-quality services.
- 2) We always ensure that employees who have contact with our customers make full use of their strengths to offer better customer services.
- 3) We create a working environment in which all employees can develop their talents and work with energy and vitality.
- 4) We practice sound management based on strong corporate governance, constantly creating new value to achieve sustainable growth.
- 5) We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.
- 6) We work to communicate closely with all stakeholders.

(2) Medium- to Long-term Management Strategy of the Company and Issues to be Addressed by the Company

In the fiscal year ending March 31, 2018, the final year of the Medium-term Management Plan, the Company will, under the policy of aiming to become the “No. 1 Japanese Insurance Company Selected by Customers,” achieve the reversal of the decreasing trend of policies in force at an earlier time and move toward sustainable growth based on a stable portfolio of policies in force. Meanwhile, the Company continuously makes efforts to earn trust and confidence from customers, in order to deliver insurance services as a means of security to customers throughout Japan, thereby protecting the well-being of every one of them with the function of insurance and supporting local communities for years to come. Based on the belief that this continuity of efforts is the core mission of the Company, which enables it to attain “customer-first business operations,” the Company announced the “Basic Policy for Customer-first Business Operations” in April 2017. Through practicing customer-first business operations, the Company will strive to earn yet more sense of familiarity and credibility from customers, which constitute its strength.

Specifically, the Company will focus on implementing the following key measures.

As for “enhancing sales force of distribution channel,” the Company will be committed to concluding contracts that truly satisfy customers by adequately addressing their intention, based on thoroughgoing customer-first solicitation activities. In addition, the Company will develop sales personnel by training and increase sales opportunities by promoting the use of campaigns and life plan consultation meetings, etc., in order to secure new sales of policies.

In April 2017, the Whole Sales Department was established to promote sales targeting large corporate clients and deal with measures involving the setting up of large organizations and worksite sales. Accordingly, the Company will work to capture new markets including the development of large corporate clients and large-scale worksite market.

As part of an effort for the “product development corresponding to customers’ needs and improvement of services for older adult,” the Company applied for an approval of new operations in March 2017, with a view to strengthening the sales of protection-type products.

Furthermore, in April 2017, the Company implemented overall revision of the insurance premiums from the perspective of maintaining its product attractiveness, which includes the revision of assumed rates of return based on the lowered standard assumed yield, which is the interest rate used for calculating standard policy reserves, along with the lowering of insurance premiums mainly for medical riders. Under this review, premiums mainly for savings-type products will increase, while those for some protection-type products will decrease, whereby the Company will further refine its sales capabilities appealing the value of protection unique to insurance. Besides, the Company will pursue its business model to provide heartfelt and friendly services to elderly customers, through further promotion of “Kampo Platinum Life Service.”

For the “deployment of administrative and IT system,” the Company will ensure further enhancement of the quality and productivity of the administrative and system operations, starting with the renewal of the core IT system.

In addition, IBM Watson was introduced to the benefit payment examination and call center operations.

The Company will further pursue the establishment of simple, prompt and accurate administrative and system operations, while strengthening system development capabilities that serve as the basis for future growth and development.

For “improving capacity for earnings from investment,” in order to adequately respond to the changes in the market environment, the Company will continue to work on the issues including earning of yields by increasing investment in risk assets, expansion of the scope of investment through the shift to alternative investment vehicles, and strengthening of investment capabilities involving enhancement of human resource development, etc. in an aim to generate constant investment returns. Furthermore, the Company will be continuously engaged in investment activities based on the Environment, Society and Governance (ESG) perspective.

To “enhance internal control system,” the Company will ensure the quality of its product solicitations and

achieving thorough compliance, which are the bases and the main prerequisites, and also promote initiatives to make use of its customers' voices in management, while engaging in further enhancement of corporate governance as a listed company. Besides, the Company will further strengthen its internal audit system as well as risk management system with a view to ensuring management soundness and appropriateness.

To “enhance human resource development,” the Company will further promote reforms of the work style, including management reinforcement and diversity promotion, aiming to provide a workplace where all employees can work with greater motivation and also achieve both personal and corporate growth.

Going forward, the Company will work to upgrade and optimize business processes by actively implementing and utilizing advanced technologies. In addition, the Company will strive to thoroughly engage in warmhearted communication with customers.

3. Basic Approach Concerning Selection of Accounting Standards

The Company prepares its consolidated financial statements based on Japanese GAAP. The Company discloses its consolidated financial statements in accordance with the “Ordinance for Enforcement of the Insurance Business Act” (Ordinance No. 5 issued by the Ministry of Finance in 1996).

4. Unaudited Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
ASSETS:		
Cash and deposits	1,862,636	1,366,086
Call loans	360,000	150,000
Receivables under securities borrowing transactions	3,008,591	3,520,722
Monetary claims bought	430,150	27,561
Money held in trust	1,644,547	2,127,042
Securities	63,609,906	63,485,289
Loans	8,978,437	8,060,902
Tangible fixed assets	145,855	137,262
Land	68,262	68,272
Buildings	49,502	44,664
Leased assets	1,780	2,047
Construction in progress	6,176	6,255
Other tangible fixed assets	20,133	16,022
Intangible fixed assets	185,300	185,520
Software	185,281	185,498
Leased assets	0	-
Other intangible fixed assets	18	21
Agency accounts receivable	81,193	50,888
Reinsurance receivables	1,368	2,293
Other assets	525,835	371,905
Deferred tax assets	712,132	851,942
Reserve for possible loan losses	(772)	(658)
Total assets	81,545,182	80,336,760
LIABILITIES:		
Policy reserves and others	74,934,165	72,525,176
Reserve for outstanding claims	635,167	577,376
Policy reserves	72,362,503	70,175,234
Reserve for policyholder dividends	1,936,494	1,772,565
Reinsurance payables	3,377	4,774
Payables under securities lending transactions	3,648,478	4,889,066
Other liabilities	233,106	213,565
Liability for retirement benefits	60,803	62,184
Reserve for management board benefit trust	-	76
Reserve under the special law	782,268	788,712
Reserve for price fluctuations	782,268	788,712
Total liabilities	79,662,200	78,483,557
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	500,044	500,044
Retained earnings	472,362	527,358
Treasury stock	-	(521)
Total shareholders' equity	1,472,406	1,526,882
Net unrealized gains (losses) on available-for-sale securities	405,412	321,904
Net deferred gains (losses) on hedges	140	50
Accumulated adjustments for retirement benefits	5,022	4,366
Total accumulated other comprehensive income	410,575	326,321
Total net assets	1,882,982	1,853,203
Total liabilities and net assets	81,545,182	80,336,760

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
ORDINARY INCOME	9,605,743	8,659,444
Insurance premiums and others	5,413,862	5,041,868
Investment income	1,354,966	1,367,937
Interest and dividend income	1,308,679	1,226,193
Gains on money held in trust	44,939	56,535
Gains on sales of securities	1,241	85,142
Gains on redemption of securities	36	33
Reversal of reserve for possible loan losses	6	11
Other investment income	63	21
Other ordinary income	2,836,914	2,249,639
Reversal of reserve for outstanding claims	82,988	57,790
Reversal of policy reserves	2,750,098	2,187,268
Other ordinary income	3,827	4,579
ORDINARY EXPENSES	9,194,239	8,379,689
Insurance claims and others	8,550,474	7,550,323
Insurance claims	7,577,151	6,487,267
Annuity payments	340,904	371,216
Benefits	49,192	57,111
Surrender benefits	378,862	433,053
Other refunds	193,610	185,982
Reinsurance premiums	10,754	15,692
Provision for policy reserves and others	132	25
Provision for interest on policyholder dividends	132	25
Investment expenses	9,749	160,414
Interest expenses	4,370	2,218
Losses on sales of securities	1,592	124,734
Losses on redemption of securities	664	7,480
Losses on derivative financial instruments	1,511	20,599
Losses on foreign exchanges	402	3,362
Other investment expenses	1,209	2,018
Operating expenses	538,510	560,423
Other ordinary expenses	95,371	108,502
Ordinary profit	411,504	279,755
EXTRAORDINARY GAINS	341	-
Gains on sales of fixed assets	341	-
EXTRAORDINARY LOSSES	71,847	6,892
Losses on sales and disposal of fixed assets	1,747	448
Provision for reserve for price fluctuations	70,100	6,444
Provision for reserve for policyholder dividends	178,004	152,679
Income before income taxes	161,994	120,182
Income taxes - Current	174,316	136,749
Income taxes - Deferred	(97,219)	(105,163)
Total income taxes	77,096	31,586
Net income	84,897	88,596
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	84,897	88,596

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income	84,897	88,596
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	(152,621)	(83,507)
Net deferred gains (losses) on hedges	118	(90)
Adjustments for retirement benefits	(613)	(655)
Total other comprehensive income (loss)	(153,116)	(84,254)
Comprehensive income (loss)	(68,218)	4,342
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	(68,218)	4,342
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	411,992	-	1,412,036
Changes in the fiscal year					
Cash dividends			(24,527)		(24,527)
Net income attributable to Japan Post Insurance			84,897		84,897
Purchases of treasury stock				-	-
Disposals of treasury stock				-	-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	-	60,370	-	60,370
Balance at the end of the fiscal year	500,000	500,044	472,362	-	1,472,406

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	558,033	22	5,635	563,691	1,975,727
Changes in the fiscal year					
Cash dividends					(24,527)
Net income attributable to Japan Post Insurance					84,897
Purchases of treasury stock					-
Disposals of treasury stock					-
Net changes in items other than shareholders' equity in the fiscal year	(152,621)	118	(613)	(153,116)	(153,116)
Net changes in the fiscal year	(152,621)	118	(613)	(153,116)	(92,745)
Balance at the end of the fiscal year	405,412	140	5,022	410,575	1,882,982

Fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	472,362	-	1,472,406
Changes in the fiscal year					
Cash dividends			(33,600)		(33,600)
Net income attributable to Japan Post Insurance			88,596		88,596
Purchases of treasury stock				(538)	(538)
Disposals of treasury stock				17	17
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	-	54,996	(521)	54,475
Balance at the end of the fiscal year	500,000	500,044	527,358	(521)	1,526,882

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	405,412	140	5,022	410,575	1,882,982
Changes in the fiscal year					
Cash dividends					(33,600)
Net income attributable to Japan Post Insurance					88,596
Purchases of treasury stock					(538)
Disposals of treasury stock					17
Net changes in items other than shareholders' equity in the fiscal year	(83,507)	(90)	(655)	(84,254)	(84,254)
Net changes in the fiscal year	(83,507)	(90)	(655)	(84,254)	(29,778)
Balance at the end of the fiscal year	321,904	50	4,366	326,321	1,853,203

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	161,994	120,182
Depreciation and amortization	36,700	46,819
Net change in reserve for outstanding claims	(82,988)	(57,790)
Net change in policy reserves	(2,750,098)	(2,187,268)
Provision for interest on policyholder dividends	132	25
Provision for reserve for policyholder dividends	178,004	152,679
Net change in reserve for possible loan losses	(170)	(114)
Net change in liability for retirement benefits	2,446	1,381
Net change in reserve for management board benefit trust	-	76
Net change in reserve for price fluctuations	70,100	6,444
Interest and dividend income (accrual basis)	(1,308,679)	(1,226,193)
Net (gains) losses on securities	978	47,039
Interest expenses (accrual basis)	4,370	2,218
Net (gains) losses on foreign exchanges	402	3,362
Net (gains) losses on tangible fixed assets	999	183
Net change in agency accounts receivable	13,829	30,304
Net change in reinsurance receivables	(738)	(924)
Net change in other assets (excluding those related to investing activities and financing activities)	(42,294)	141,332
Net change in reinsurance payables	1,360	1,396
Net change in other liabilities (excluding those related to investing activities and financing activities)	(22,185)	(1,914)
Other, net	(44,128)	(30,292)
Subtotal	(3,779,964)	(2,951,050)
Interest and dividend received (cash basis)	1,376,599	1,315,932
Interest paid (cash basis)	(4,401)	(2,142)
Policyholder dividends paid	(316,246)	(316,351)
Other, net	32	-
Income taxes paid	(198,998)	(137,326)
Net cash used in operating activities	(2,922,978)	(2,090,939)

(Millions of yen)

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of call loans	(36,244,900)	(26,495,000)
Proceeds from redemption of call loans	36,330,328	26,705,000
Net change in receivables under securities borrowing transactions	(287,734)	(512,131)
Purchases of monetary claims bought	(2,508,852)	(1,616,999)
Proceeds from sale and redemption of monetary claims bought	2,474,034	2,018,804
Purchases of money held in trust	(400,400)	(215,000)
Proceeds from decrease in money held in trust	40,000	-
Purchases of securities	(4,264,540)	(8,424,473)
Proceeds from sale and redemption of securities	6,728,431	8,107,266
Payments for loans	(1,172,737)	(1,065,448)
Proceeds from collection of loans	2,171,621	1,982,969
Net change in payables under securities lending transactions	(10,013)	1,240,587
Other, net	(163,575)	(43,843)
Total of net cash provided by investment transactions	2,691,662	1,681,731
Total of net cash provided by (used in) operating activities and investment transactions	(231,316)	(409,207)
Purchases of tangible fixed assets	(31,889)	(3,219)
Purchases of intangible fixed assets	(62,952)	(49,347)
Other, net	86	(152)
Net cash provided by investing activities	2,596,907	1,629,012
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease obligations	(552)	(519)
Purchases of treasury stock	-	(538)
Dividends paid	(24,527)	(33,564)
Net cash used in financing activities	(25,080)	(34,622)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net change in cash and cash equivalents	(351,150)	(496,549)
Cash and cash equivalents at the beginning of the fiscal year	2,213,786	1,862,636
Cash and cash equivalents at the end of the fiscal year	1,862,636	1,366,086

(5) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Additional Information)

Effective from the fiscal year ended March 31, 2017, the Company has adopted the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

(Segment Information and Others)

[Segment Information]

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) and fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

Segment information is omitted as the Company and its subsidiary (the “Group”) has only one segment, namely, the life insurance business in Japan.

[Other Related Information]

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) and fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

1. Information by product and service

Information by product and service is omitted as the Group’s products and services are placed under one category.

2. Information by geographical region

Information by geographical region is omitted as ordinary income in Japan exceeded 90% of ordinary income in the consolidated statements of income and the balance of tangible fixed assets in Japan exceeded 90% of the total balance on the consolidated balance sheets.

3. Information by major customer

Information by major customer is omitted as no customer accounted for 10% or more of ordinary income in the consolidated statements of income.

[Information Concerning Impairment Loss on Fixed Assets by Reporting Segment]

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) and fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

Not applicable.

[Information Concerning Amortized Amounts and Unamortized Balance of Goodwill by Reporting Segment]

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) and fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

Not applicable.

[Information Concerning Gain on Negative Goodwill by Reporting Segment]

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016) and fiscal year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)

Not applicable.

(Per Share Data)

	(Yen)	
	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets per share	3,138.30	3,089.81
Net income per share	141.50	147.71

Notes: 1. Diluted net income per share is not presented for the fiscal years ended March 31, 2017 and 2016 as potential common stock did not exist.

2. Net income per share was calculated based on the following:

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net income attributable to Japan Post Insurance (Millions of yen)	84,897	88,596
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income pertaining to common stock attributable to Japan Post Insurance (Millions of yen)	84,897	88,596
Average number of common stock during the fiscal year (Thousand shares)	600,000	599,804

3. Net assets per share were calculated based on the following:

	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2017
Net assets (Millions of yen)	1,882,982	1,853,203
Amount deducted from total net assets (Millions of yen)	-	-
Net assets pertaining to common stock (Millions of yen)	1,882,982	1,853,203
Number of common stock at the fiscal year-end used for the calculation of net assets per share (Thousand shares)	600,000	599,778

4. The Company implemented a 30:1 stock split effective August 1, 2015, and net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

5. The Company established a Board Benefit Trust (BBT) from the fiscal year ended March 31, 2017. Shares of the Company held in trust, which was recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year for the purpose of calculating net income per share, and in treasury stock to be deducted from the calculation of the total number of shares issued at the fiscal year-end for the purpose of calculating net assets per share.

For the fiscal year ended March 31, 2017, the average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share was 195,660 shares, and the total number of treasury stock at the fiscal year-end which were deducted from the calculation of net assets per share was 221,200 shares.

(Subsequent Events)

Not applicable.