

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.



Outline of Financial Results for the Nine Months Ended December 31, 2014

1 Insurance Policies	1	4 Investments	6
2 Profits and Losses	4	5 Core Profit	8
3 Assets and Liabilities	5	6 Financial Soundness	9



JAPAN POST INSURANCE

February 10, 2015

*1 All data are presented on a non-consolidated basis.

*2 Unless specifically stated otherwise, figures of amounts are rounded down to the nearest unit.

*3 This document is intended for the sole purpose of providing information to the general public, and should not be construed as solicitation or an offer to invest in any securities including shares in the Company.

1. Insurance Policies (1)

- 1,795 thousand new individual insurance policies were sold with a total policy amount of ¥5,248.7 billion.
- 110 thousand new individual annuity policies were sold with a total policy amount of ¥393.1 billion.

< Breakdown of New Policies >

(Rounded to the nearest one decimal place)

		9 months ended Dec-14		9 months ended Dec-13	
		Number of policies (10 thousands)	Policy amount (¥ bn)	Number of policies (10 thousands)	Policy amount (¥ bn)
Individual insurance		179.5	5,248.7	172.6	5,039.2
	Whole life insurance	43.6	1,504.1	50.5	1,671.2
	Endowment insurance	85.2	2,682.8	107.8	3,213.9
	Educational endowment insurance	50.6	1,059.7	14.3	153.0
Individual annuities		11.0	393.1	12.0	425.2

*1 Main categories are presented.

*2 Policy amounts for individual insurance are the insured amount paid on death etc.

*3 Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.

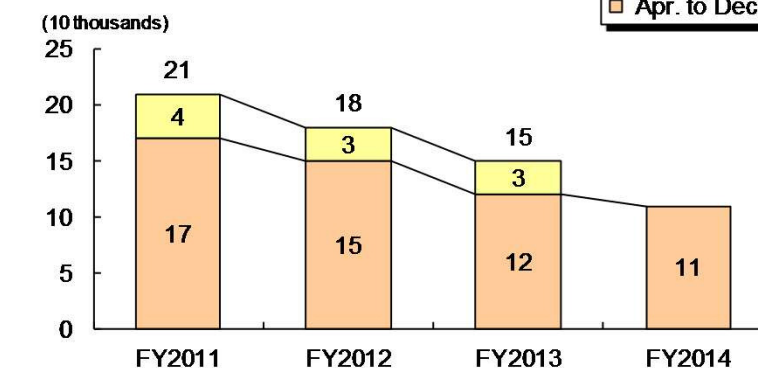
*4 Figures of the "Educational endowment insurance" for the nine months ended December 31, 2014 represent the number of policies or the policy amount of the educational endowment insurance launched in April 2014 (Hajime no Kanpo).

< Changes in New Policies >

Individual insurance (Number of policies)



Individual annuities (Number of policies)



1. Insurance Policies (2)

- Policies in force of Japan Post Insurance comprises 13.09 million individual insurance policies with a total policy amount of ¥37,828.8 billion and 1.29 million individual annuity policies with a total policy amount of ¥3,599.7 billion.
- The total number of policies in force for individual insurance policies and the insurance policies of Postal Life Insurance was 33.83 million.

< Breakdown of Policies in Force of Japan Post Insurance >

(Rounded to the nearest one decimal place)

		Dec-14		Mar-14	
		Number of policies (10 thousands)	Policy amount (¥ bn)	Number of policies (10 thousands)	Policy amount (¥ bn)
Individual insurance		1,309	37,828.8	1,167	33,735.7
	Whole life insurance	313	10,320.2	278	9,133.8
	Endowment insurance	816	24,516.4	756	22,736.4
	Educational endowment insurance	179	2,974.8	132	1,848.5
Individual annuities		129	3,599.7	119	3,443.9

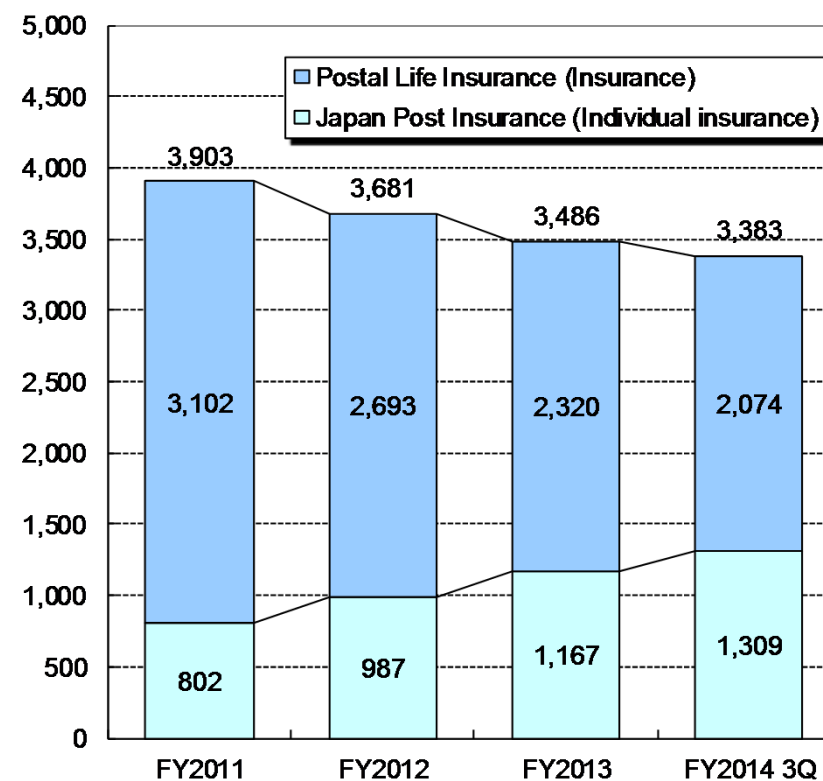
*1 Main categories are presented.

*2 Policy amounts for individual insurance are the insured amount paid on death etc.

*3 Policy amounts for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) amount of policy reserves for the annuity after payments have commenced.

< Changes in Policies in Force >

(10 thousands)



1. Insurance Policies (3)

- Annualized premiums from new policies consisted of ¥344.9 billion for individual insurance policies and ¥133.9 billion for individual annuity policies.
- Annualized premiums from policies in force consisted of ¥2,448.6 billion for individual insurance policies and ¥668.8 billion for individual annuity policies.

< Breakdown of Annualized Premiums >

<<New Policies>>

(Rounded to the nearest one decimal place)

	9 months ended Dec-14 (¥ bn)	9 months ended Dec-13 (¥ bn)
Individual insurance	344.9	338.8
Individual annuities	133.9	147.0

<<Policies in Force>>

(Rounded to the nearest one decimal place)

	Dec-14 (¥ bn)	Mar-14 (¥ bn)
Individual insurance	2,448.6	2,192.2
Individual annuities	668.8	661.4

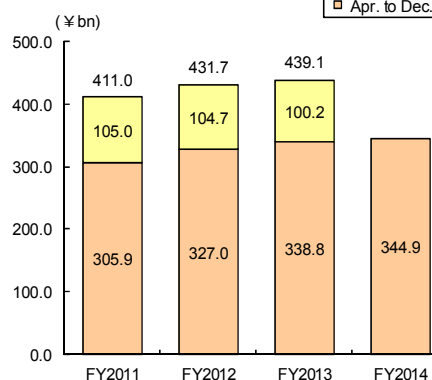
*1 Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured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

*2 Policies in force are those of Japan Post Insurance and do not include Postal Life Insurance Policies.

< Changes in Annualized Premiums >

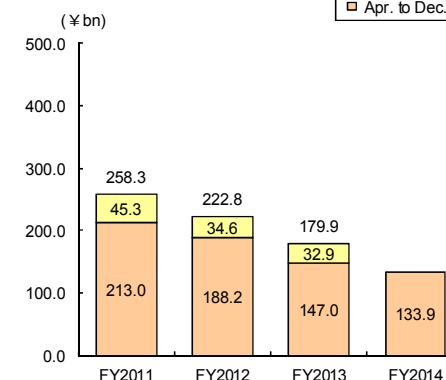
New policies (Individual insurance)

■ Jan. to Mar.
■ Apr. to Dec.

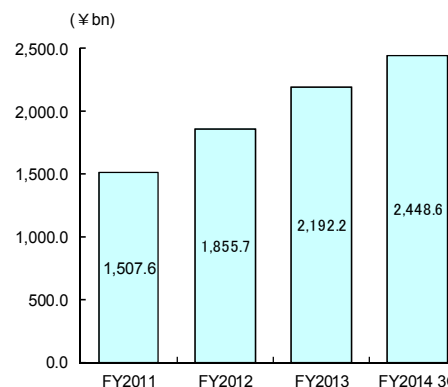


New policies (Individual annuities)

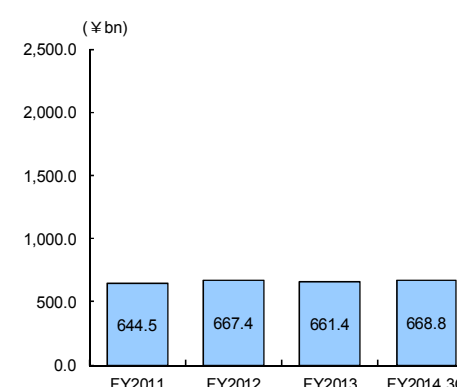
■ Jan. to Mar.
■ Apr. to Dec.



Policies in force (Individual insurance)



Policies in force (Individual annuities)



2. Profits and Losses

- Ordinary profit amounted to ¥377.7 billion and net income amounted to ¥73.7 billion.

< Outline of Statements of Income >

	9 months ended Dec-14	9 months ended Dec-13	Change	Year ended Mar-14	(¥ bn)
Ordinary income	7,723.3	8,401.6	(678.2)	11,233.9	* Main items of the Statements of Income are presented. Note 1 Investment income comprised mainly of ¥1,032.6 billion of interest and dividend income and ¥51.1 billion of gains on sales of securities.
Insurance premiums and others	4,487.9	4,514.9	(26.9)	5,911.6	
Investment income (Note 1)	1,105.4	1,155.1	(49.7)	1,540.6	
Reversal of policy reserves	1,990.7	2,514.3	(523.5)	3,656.4	
Ordinary expenses	7,345.6	8,072.5	(726.8)	10,770.4	Note 2 Investment expenses comprised mainly of ¥4.9 billion of losses on sales of securities.
Insurance claims and others	6,884.6	7,617.0	(732.3)	10,160.8	
Investment expenses (Note 2)	9.3	16.4	(7.0)	18.1	
Operating expenses	379.5	377.8	1.7	513.0	
Ordinary profit	377.7	329.0	48.6	463.5	Note 3 Extraordinary losses comprised mainly of ¥78.7 billion of provision for reserve for price fluctuations.
Extraordinary losses (Note 3)	(78.8)	(67.3)	(11.5)	(99.9)	
Provision for reserve for policyholder dividends	192.3	186.5	5.7	242.1	
Income before income taxes	106.5	75.1	31.3	121.3	
Total income taxes	32.8	33.8	(0.9)	57.9	
Net income	73.7	41.3	32.3	63.4	

3. Assets and Liabilities

- Total assets amounted to ¥85 trillion and net assets amounted to ¥1.8 trillion.

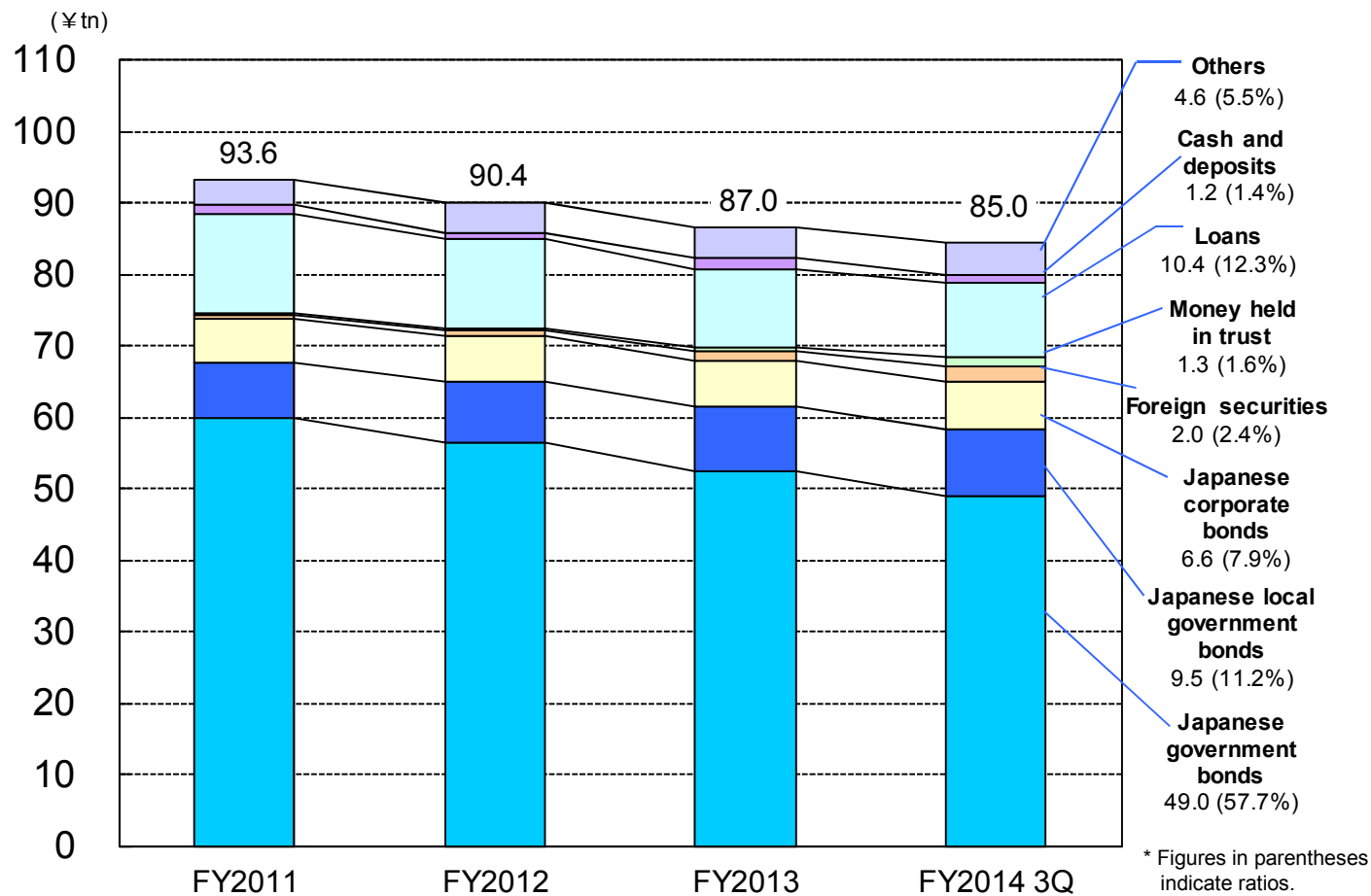
< Outline of Balance Sheets >

	Dec-14	Mar-14	Change	(¥ bn)
				* Main items of the Balance Sheets are presented.
Assets	85,012.6	87,088.6	(2,075.9)	
Cash and deposits	1,229.5	1,663.5	(433.9)	
Money held in trust	1,331.7	581.6	750.0	
Securities	67,308.3	69,378.9	(2,070.5)	
Japanese government bonds	49,072.3	52,522.9	(3,450.5)	
Japanese local government bonds	9,535.2	9,173.7	361.4	
Japanese corporate bonds	6,693.1	6,441.8	251.3	
Foreign securities	2,006.5	1,239.4	767.1	
Loans (Note 1)	10,482.0	11,020.5	(538.5)	Note 1 Loans are composed ¥9,616.5 billion of loans to the Management Organization, ¥797.3 billion of industrial and commercial loans and ¥68.1 billion of policy loans.
Deferred tax assets	582.3	592.6	(10.3)	
Liabilities and net assets	85,012.6	87,088.6	(2,075.9)	
Liabilities	83,126.0	85,554.1	(2,428.1)	
Policy reserves and others (Note 2)	78,595.8	80,799.9	(2,204.0)	Note 2 Policy reserves and others comprised ¥75,754.7 billion of policy reserves, ¥695.8 billion of reserve for outstanding claims and ¥2,145.3 billion of reserve for policyholder dividends.
Reserve for price fluctuations	692.9	614.2	78.7	
Net assets	1,886.6	1,534.4	352.1	
Total shareholders' equity (Note 3)	1,403.0	1,349.6	53.3	Note 3 The ¥53.3 billion increase in total shareholders' equity was attributable to ¥3.5 billion of reversal of beginning balance following the amendment to the Accounting Standard for Retirement Benefits, ¥16.8 billion of dividend payment to shareholders and the recording of net income of ¥73.7 billion.
Total valuation and translation adjustments	483.5	184.7	298.7	

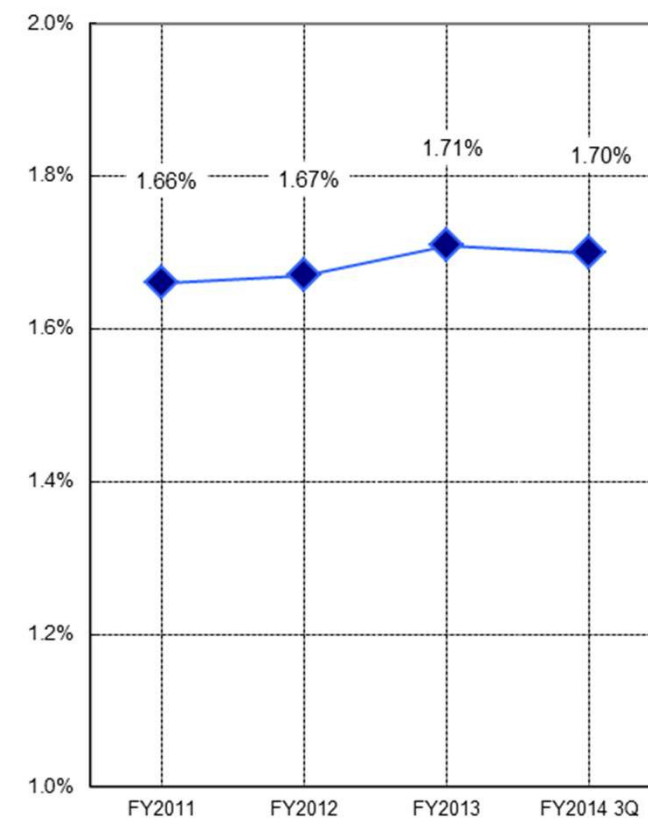
4. Investments (1)

- Investments were composed mainly in securities of ¥67 trillion, primarily in Japanese government bonds, and in loans of ¥10 trillion.

< Changes in Composition of Assets >



< Changes in Investment Yield >



* Investment yield comprises capital gains (losses), etc.

4. Investments (2)

- The Company recorded net unrealized gain on securities in total including held-to-maturity bonds and policy-reserve-matching bonds of ¥7,048.7 billion.
- The Company recorded net unrealized gains on available-for-sale securities of ¥696.0 billion (¥483.5 billion after tax effects).

< Net Unrealized Gains (Losses) >

(¥ bn)

	Dec-14		Mar-14	
	Book value	Unrealized gains (losses)	Book value	Unrealized gains (losses)
Total	69,258.8	7,048.7	70,505.8	4,534.4
Held-to-maturity bonds	44,232.4	5,033.6	45,257.3	3,169.7
Policy-reserve-matching bonds	15,888.6	1,319.0	17,953.6	1,099.1
Available-for-sale securities	9,137.7	696.0	7,294.8	265.5
Money held in trust	1,068.8	262.9	499.0	82.5

* The amount of net unrealized gains (losses) on available-for-sale securities is before tax effects. Net unrealized gains (losses) after tax effects are ¥483.5 billion (as of December 31, 2014) and ¥184.7 billion (as of March 31, 2014).

< The Stock Price Level at which Net Unrealized Gains (Losses) of Domestic Stocks Held as Money Held in Trust Become Zero >

	Nikkei Stock Average
Dec-14	13,700 yen
Mar-14	12,000 yen
Mar-13	9,800 yen
Mar-12	9,900 yen

* The stock price level at which net unrealized gains (losses) of domestic stocks held as money held in trust become zero is calculated assuming that the fair value of stocks held at the end of the fiscal year fluctuates in line with the Nikkei Stock Average (amounts of less than 100 yen are rounded down).

< Reference Indicator >

	Nikkei Stock Average	Yen/U.S. dollar exchange rate	Yen/euro exchange rate	Yen interest rate (10Y JGB)
Dec-14	17,450 yen	120.55 yen	146.54 yen	0.330 %
Mar-14	14,827 yen	102.92 yen	141.65 yen	0.640 %
Mar-13	12,397 yen	94.05 yen	120.73 yen	0.560 %
Mar-12	10,083 yen	82.19 yen	109.80 yen	0.985 %

* Data sources: Nomura Research Institute, Ltd. Bloomberg and (c) Nikkei Inc.

5. Core Profit

- Core profit amounted to ¥389.2 billion due to the mortality and morbidity rate margin and an increase in positive spread.

< Core Profit Breakdown (Three Major Profit Sources) >

(¥bn)				
	9 months ended Dec-14	9 months ended Dec-13	Change	Year ended Mar-14
Core profit	389.2	352.6	36.5	482.0
Mortality and morbidity rate margin	262.8	211.5	51.2	290.4
Administrative expense margin	82.4	108.3	(25.9)	137.3
(Negative)/Positive Spread	43.9	32.7	11.1	54.2

* Core profit is determined by deducting “net capital gains (losses)” including gains (losses) on sales of securities and “other one-time profits (losses)” including provision for and reversal of contingency reserve from ordinary profit. The breakdown of core profit is calculated for the purpose of internal control, and the “mortality and morbidity rate margin” arises from the difference between expected claim or benefit payment and the actual payments (including the accumulated amount of standard policy reserve required by laws and regulations), the “administrative expense margin” arises from the difference between expected administrative expenses and the actual administrative expenses and “(negative)/positive spread” arises from the difference between the average assumed rates of return and the actual investment return on core profit.

< (Reference) Average Assumed Rates of Return on Core Profit >

	9 months ended Dec-14	9 months ended Dec-13	Change	Year ended Mar-14
Average assumed rates of return	1.81%	1.84%	(0.04)%	1.84%
Investment return on core profit	1.88%	1.90%	(0.02)%	1.91%

*1 Average assumed rates of return is the return of assumed interest on general account policy reserves.

General account policy reserves are calculated from policy reserves excluding contingency reserve using the following formula.

(Policy reserves at the beginning of the relevant period + policy reserves at the end of the relevant period – assumed interest) × 1/2

*2 Investment return on core profit (excluding net capital gains (losses)), etc. is the return on general account policy reserves.

6. Financial Soundness

- Internal reserves accumulated as liabilities amounted to ¥3,214.0 billion, which is the sum of ¥2,521.1 billion of contingency reserve and ¥692.9 billion of reserve for price fluctuations.
- Additional policy reserve amounted to ¥6,086.7 billion.

< Status of Accumulation of Internal Reserves >

(¥ bn)

	Dec-14	Mar-14
Contingency reserve	2,521.1	2,588.7
Reserve for price fluctuations	692.9	614.2
Total internal reserves	3,214.0	3,203.0

< Status of Accumulation of Additional Policy Reserve >

(¥ bn)

Dec-14	Mar-14
6,086.7	6,135.3

- Additional policy reserves includes the amount determined to be additionally provided over 10 years from the fiscal year ended March 31, 2011 for reinsured whole life annuities from Management Organization for Postal Savings and Postal Life Insurance (for the nine months ended December 31, 2014, the amount of additional provision was ¥132.5 billion and the accumulated amount was ¥806.5 billion).

< Solvency Margin Ratio >

Dec-14	Mar-14
1,648.7%	1,623.4%

* The figure for the solvency margin ratio as of December 31, 2014 is calculated based on the provisions of laws and regulations.

< Real Net Assets >

(¥ bn)

Dec-14	Mar-14
12,052.0	9,442.2

* Real net assets is calculated by subtracting the amount of liabilities, other than contingency reserve, reserve for price fluctuations and others, from the amount of assets measured at fair value and reflecting net unrealized gains (losses) on securities.