

**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 Three Months Ended June 30, 2015  
[Under Japanese GAAP]**



August 7, 2015

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 filing quarterly securities report: —  
Scheduled date of commencing dividend payments: —  
Availability of supplementary briefing materials on quarterly financial results: No  
Schedule of quarterly financial results briefing session: No

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

**1. Consolidated Financial Results for the Three Months Ended June 30, 2015 (April 1, 2015 to June 30, 2015)**

(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	%
Three months ended June 30, 2015	2,473,125	(4.6)	107,412	(17.8)	22,936	(9.3)
Three months ended June 30, 2014	2,592,711	(6.2)	130,670	40.9	25,287	104.6

(Note) Comprehensive Income      Three months ended June 30, 2015      ¥41,965 million      [(29.0)%]  
Three months ended June 30, 2014      ¥59,078 million      [-%]

	Net income per share	Diluted net income per share (Note)
	Yen	Yen
Three months ended June 30, 2015	38.23	-
Three months ended June 30, 2014	42.15	-

(Note) Diluted net income per share is not presented for the three months ended June 30, 2015 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, 2014.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2015	84,545,168	1,993,165	2.4
As of March 31, 2015	84,915,012	1,975,727	2.3

Net assets attributable to the Company's shareholders as of June 30, 2015 and March 31, 2015 were ¥1,993,165 million and ¥1,975,727 million, respectively.

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year ended March 31, 2015	Yen -	Yen 0.00	Yen -	Yen 1,226.38	Yen 1,226.38
Fiscal year ending March 31, 2016	-				
Fiscal year ending March 31, 2016 (Forecast)		0.00	-	56.00	56.00

The Company implemented a 30:1 stock split effective August 1, 2015. Dividend per share for the fiscal year ending March 31, 2016 (forecast) has been calculated taking into account said stock split.

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% 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	9,550,000	(6.1)	350,000	(29.0)	84,000	3.3	140.00

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

**\* Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Adoption of special accounting methods in the preparation of the consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: No
  - 3) Changes in accounting estimates: No
  - 4) Retrospective restatement: No
- (4) Total number of shares issued (common stock)
  - 1) Total number of shares issued at the end of the period:
    - June 30, 2015: 600,000,000 shares
    - March 31, 2015: 600,000,000 shares
  - 2) Total number of treasury stock at the end of the period:
    - June 30, 2015: - shares
    - March 31, 2015: - shares
  - 3) Average number of shares during the period:
    - Three months ended June 30, 2015: 600,000,000 shares
    - Three months ended June 30, 2014: 600,000,000 shares

(Note) 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, 2014.

**\* Presentation regarding the implementation status of the quarterly review procedures**

This summary of quarterly consolidated financial results is outside the scope of quarterly review procedures based on the Financial Instruments and Exchange Act of Japan. However, at the time of disclosure of these financial results, the quarterly review procedures based on the Act have 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.

[Attachment]

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Consolidated Results of Operations

During the three months ended June 30, 2015, while the number of endowment insurance policies sold increased due to enhanced collaboration with Japan Post Co., Ltd., one year into the launch of *Hajime no Kanpo* educational endowment insurance, the number of policies sold decreased compared with the initial launch. As a result, Japan Post Insurance Co., Ltd. (the “Company”) sold 0.577 million individual insurance policies with an insured amount of ¥1,720.1 billion and 0.02 million individual annuity policies with an annuity amount of ¥72.2 billion.

Ordinary income amounted to ¥2,473.1 billion, comprising the sum of items including insurance premiums and others of ¥1,351.5 billion, investment income of ¥344.6 billion, and reversal of policy reserves of ¥752.8 billion. Meanwhile, ordinary expenses amounted to ¥2,365.7 billion, comprising the sum of items including insurance claims and others of ¥2,210.7 billion, investment expenses of ¥2.4 billion, and operating expenses of ¥127.8 billion. As a result, ordinary profit amounted to ¥107.4 billion.

Net income attributable to Japan Post Insurance amounted to ¥22.9 billion due to the recording of items including ¥19.2 billion of provision for reserve for price fluctuations under extraordinary losses, ¥56.3 billion of provision for reserve for policyholder dividends, and ¥9.0 billion of total income taxes.

### (2) Consolidated Financial Position

As of June 30, 2015, total assets amounted to ¥84,545.1 billion, mainly comprising ¥66,966.9 billion of securities and ¥9,949.2 billion of loans.

Total liabilities amounted to ¥82,552.0 billion, comprising ¥77,102.2 billion of policy reserves and others.

Total net assets amounted to ¥1,993.1 billion, comprising ¥577.1 billion of net unrealized gains on available-for-sale securities.

### (3) Forward-looking Information Including Consolidated Financial Results Forecast

As for the financial results forecast for the fiscal year ending March 31, 2016, the Company forecasts ordinary income of ¥9,550.0 billion, ordinary profit of ¥350.0 billion and net income attributable to Japan Post Insurance of ¥84.0 billion.

(Overall forecast on life insurance market)

The Japanese economy is expected to be on a recovery trend due to a pick-up in personal consumption and increased exports and capital investment.

In the life insurance industry, the older adult market is expanding as aging of the society progresses amid a population decline due to the declining birthrate. Moreover, the customer needs are shifting from “death benefit product” to “living benefit product,” led by a change in population structure and an increasing number of one-person households.

## (Ordinary income)

Our new policy sales has been expanding after postal service privatization in October 2007 as a result of efforts to develop our younger customer base through educational endowment insurance, deepen the existing customer base by expanding the scope of our insurance underwriting, and develop the older adult market through increasing the subscription age limit. During the fiscal year ending March 31, 2016, we expect an increase in monthly premiums of new policy sales mainly in endowment and whole life insurance (¥49.0 billion, 5% year-on-year increase) as a result of efforts including bolstered sales capabilities in sales channels (including increasing post office external sales personnel) and enriched product development and older adult services responding to customer needs (including increasing the subscription age limit and the launch of short-term payment endowment insurance). We expect smaller growth compared to the fiscal year ended March 31, 2015, which experienced substantial growth (¥46.5 billion, 12% year-on-year increase) due to the effect of the launch of revised educational endowment insurance products (April 2014).

Meanwhile, insurance premiums and others are forecasted at ¥5,430.0 billion (9% year-on-year decrease) due to decreased policies in force (32.00 million policies, 4% year-on-year decrease) (the total of postal life insurance reinsured by us from the Management Organization for Postal Savings and Postal Life Insurance and insurance policies), resulting from maturing policies. Investment income are forecasted at ¥1,320.0 billion (10% year-on-year decrease) due to decreased total assets resulting from decreased policies in force during the prolonged period of low interest rates.

The Japanese government bonds yield is based on the implied forward rate as of the end of December 2014, and others are based on the economic conditions as of December 31, 2014, and economic conditions as of March 31, 2016 are as follows.

10-year Japanese government bonds yield	0.47%
10-year US Treasury bonds yield	2.17%
Nikkei Stock Average	17,450 yen
Foreign Exchange Rate (USD/JPN)	120 yen

Other ordinary income is forecasted at ¥2,800.0 billion (2% year-on-year increase) due to increased reversal of policy reserves led mainly by decreased policies in force.

As a result, ordinary income is expected to be ¥9,550.0 billion (6% year-on-year decrease).

## (Ordinary profit)

Insurance claims and others are forecasted at ¥8,550.0 billion (6% year-on-year decrease) mainly due to a decrease in maturing policies. Operating expenses are forecasted at ¥540.0 billion (5% year-on-year increase) due to increased costs for commission of insurance solicitation resulting from new policy sales. In addition, ordinary expenses are forecasted at ¥9,200.0 billion (5% year-on-year decrease) taking into account mainly depreciation and amortization of our assets held.

As a result, ordinary profit is forecasted at ¥350.0 billion yen (29% year-on-year decrease).

(Net income)

Provision for reserve for policyholder dividends is forecasted at ¥190.0 billion (5% year-on-year decrease), as a result of decreased participating policies mainly led by decreased policies in force. In addition, as a result of deducting extraordinary losses in line with provision for reserve for price fluctuations and income taxes, net income is forecasted at ¥84.0 billion (3% year-on-year increase).

Total income taxes for the fiscal year ending March 31, 2016 (¥34.0 billion, 69% year-on-year decrease) is expected to decrease due to disintegration of the effect of decreased deferred tax assets caused by lowered corporate tax rate in the previous fiscal year.

## 2. Matters Concerning Summary Information (Notes)

Changes in accounting policies, changes in accounting estimates and retrospective restatement

(Changes in accounting policies due to the revision of accounting standards)

Effective from the three months ended June 30, 2015, the Company adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and others, and changed the presentation of net income and other related items accordingly. To reflect this change in presentation, the reclassification of accounts has been made to the financial statements for the three months ended June 30, 2014.

## 3. Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
<b>ASSETS:</b>		
Cash and deposits	2,213,786	1,091,923
Call loans	445,428	450,526
Receivables under securities borrowing transactions	2,720,856	2,712,309
Monetary claims bought	449,068	259,470
Money held in trust	1,434,943	1,615,412
Securities	66,276,260	66,966,919
Loans	9,977,345	9,949,240
Tangible fixed assets	131,790	140,334
Intangible fixed assets	155,067	158,939
Agency accounts receivable	95,023	90,783
Reinsurance receivables	630	838
Other assets	468,700	534,697
Deferred tax assets	547,053	574,747
Reserve for possible loan losses	(943)	(973)
<b>Total assets</b>	<b>84,915,012</b>	<b>84,545,168</b>
<b>LIABILITIES:</b>		
Policy reserves and others	77,905,677	77,102,239
Reserve for outstanding claims	718,156	694,997
Policy reserves	75,112,601	74,359,760
Reserve for policyholder dividends	2,074,919	2,047,482
Reinsurance payables	2,017	2,263
Other liabilities	4,261,065	4,656,751
Liability for retirement benefits	58,356	59,367
Reserve under the special law	712,167	731,380
Reserve for price fluctuations	712,167	731,380
<b>Total liabilities</b>	<b>82,939,284</b>	<b>82,552,002</b>
<b>NET ASSETS:</b>		
Capital stock	500,000	500,000
Capital surplus	500,044	500,044
Retained earnings	411,992	410,401
<b>Total shareholders' equity</b>	<b>1,412,036</b>	<b>1,410,445</b>
Net unrealized gains (losses) on available-for-sale securities	558,033	577,176
Net deferred gains (losses) on hedges	22	23
Accumulated adjustments for retirement benefits	5,635	5,520
<b>Total accumulated other comprehensive income</b>	<b>563,691</b>	<b>582,720</b>
<b>Total net assets</b>	<b>1,975,727</b>	<b>1,993,165</b>
<b>Total liabilities and net assets</b>	<b>84,915,012</b>	<b>84,545,168</b>

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

Consolidated Statements of Income  
Three months ended June 30

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
ORDINARY INCOME	2,592,711	2,473,125
Insurance premiums and others	1,511,994	1,351,573
Investment income	374,673	344,642
Interest and dividend income	347,298	329,424
Gains on money held in trust	2,530	14,226
Gains on sales of securities	24,675	—
Gains on redemption of securities	10	12
Gains on derivative financial instruments	—	956
Gains on foreign exchanges	135	—
Reversal of reserve for possible loan losses	12	—
Other investment income	10	22
Other ordinary income	706,043	776,910
Reversal of reserve for outstanding claims	79,639	23,158
Reversal of policy reserves	625,454	752,841
Other ordinary income	948	910
ORDINARY EXPENSES	2,462,040	2,365,713
Insurance claims and others	2,305,836	2,210,799
Insurance claims	2,114,330	1,987,135
Annuity payments	72,484	83,070
Benefits	9,877	11,431
Surrender benefits	68,415	83,801
Other refunds	39,490	43,181
Reinsurance premiums	1,238	2,177
Provision for policy reserves and others	348	232
Provision for interest on policyholder dividends	348	232
Investment expenses	6,249	2,427
Interest expenses	1,066	1,061
Losses on sales of securities	4,963	—
Losses on redemption of securities	13	21
Losses on foreign exchanges	—	1,257
Losses on derivative financial instruments	138	—
Provision for reserve for possible loan losses	—	2
Other investment expenses	68	84
Operating expenses	125,010	127,825
Other ordinary expenses	24,595	24,429
Ordinary profit	130,670	107,412

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
EXTRAORDINARY GAINS	—	340
Gains on sales of fixed assets	—	340
EXTRAORDINARY LOSSES	27,510	19,433
Losses on sales and disposal of fixed assets	6	221
Provision for reserve for price fluctuations	27,504	19,212
Provision for reserve for policyholder dividends	66,546	56,371
Income before income taxes	36,613	31,948
Income taxes - Current	52,025	43,909
Income taxes - Deferred	(40,699)	(34,898)
Total income taxes	11,326	9,011
Net income	25,287	22,936
Net income attributable to non-controlling interests	—	—
Net income attributable to Japan Post Insurance	25,287	22,936

## Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Net income	25,287	22,936
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	33,817	19,143
Net deferred gains (losses) on hedges	25	0
Adjustments for retirement benefits	(51)	(115)
Total other comprehensive income	33,791	19,029
Comprehensive income	59,078	41,965
Total comprehensive income attributable to:		
Japan Post Insurance	59,078	41,965
Non-controlling interests	—	—

(3) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Subsequent Events)

(Stock Split)

1) Purpose of stock split

The Company implemented a stock split effective August 1, 2015 in order to improve liquidity for a stock and expand the investor base.

2) Method of stock split

The Company implemented a 30:1 stock split with July 31, 2015 as the record date for all shares of common stock held by shareholders listed in the final shareholder registry on the same date.

3) Increase in number of shares as a result of the stock split

Common stock      580,000,000 shares