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May 15, 2015

JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for the Fiscal Year Ended
March 31, 2015**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; Masami Ishii, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015).

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[Attached document] Outline of Financial Results for the Fiscal Year Ended March 31, 2015

End

* 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. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of March 31	2014				2015			
	Number of policies		Policy amount		Number of policies		Policy amount	
		% of March 31, 2013 total		% of March 31, 2013 total		% of March 31, 2014 total		% of March 31, 2014 total
Individual insurance	11,668	118.2	33,735.6	118.5	13,539	116.0	39,159.0	116.1
Individual annuities	1,194	112.9	3,443.8	107.8	1,318	110.4	3,615.9	105.0
Group insurance	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-

- Notes: 1. The amount of individual annuities is the total of annuity resources at the beginning of the payout phase and policy reserves for policies in the payout phase.
2. Figures and amounts which were previously rounded to the nearest unit are rounded down from the end of the fiscal year (including the figures and amounts for the previous fiscal year).

▪ New Policies

(Thousands of policies, billions of yen, %)

Fiscal years ended March 31	2014						2015					
	Number of policies		Policy amount				Number of policies		Policy amount			
		% of March 31, 2013 total		% of March 31, 2013 total	New policies	Net increase arising from the conversion		% of March 31, 2014 total		% of March 31, 2014 total	New policies	Net increase arising from the conversion
Individual insurance	2,233	101.2	6,559.8	100.7	6,559.8	-	2,381	106.6	7,002.5	106.8	7,002.5	-
Individual annuities	148	81.8	524.0	82.7	524.0	-	137	92.7	493.5	94.2	493.5	-
Group insurance	-	-	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-	-	-

- Notes: 1. The amount of individual annuities is the annuity resources at the beginning of the payout phase.
2. Figures and amounts which were previously rounded to the nearest unit are rounded down from the end of the fiscal year (including the figures and amounts for the previous fiscal year).

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of March 31	2014		2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	2,192.2	118.1	2,526.8	115.3
Individual annuities	661.4	99.1	673.8	101.9
Total	2,853.6	113.1	3,200.6	112.2
Medical coverage, living benefits and other	227.4	121.1	257.4	113.2

▪ New Policies

(Billions of yen, %)

Fiscal years ended March 31	2014		2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Individual insurance	439.0	101.7	457.8	104.3
Individual annuities	179.8	80.7	162.5	90.4
Total	618.9	94.6	620.4	100.2
Medical coverage, living benefits and other	49.1	120.4	41.1	83.6

- Notes: 1. Annualized premiums are one-time insurance premiums factored according to the payment method and calculated as insurance premiums for one year. (Single payments are insurance premiums divided by the term of coverage.)
2. "Medical coverage, living benefits and other" includes medical benefits (hospitalization and surgery benefits, etc.), living benefits (limited illness and nursing care benefits, etc.) and premium payment waivers (excluding disability and including specified diseases and nursing) and is recorded as annualized premiums.
3. Figures for annualized premiums, which were previously rounded to the nearest unit are rounded down to the nearest unit from the end of the fiscal year (including the figures for the previous fiscal year).

(3) Key Income and Expenses

(Billions of yen, %)

Fiscal years ended March 31	2014		2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Insurance premiums and others	5,911.6	91.2	5,956.7	100.8
Investment income	1,540.6	98.7	1,460.7	94.8
Insurance claims and others	10,160.8	95.2	9,059.5	89.2
Investment expenses	18.1	61.4	10.9	60.7
Ordinary profit	463.5	87.6	493.1	106.4

(4) Total Assets

(Billions of yen, %)

As of March 31	2014		2015	
		% of March 31, 2013 total		% of March 31, 2014 total
Total assets	87,088.6	96.3	84,911.9	97.5

2. Policy in Force by Benefit Type as of March 31, 2015

(Thousands of policies, billions of yen)

Items		Individual insurance		Individual annuities		Group insurance		Total	
		Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Death benefit	General death	12,877	37,768.8	-	-	-	-	12,877	37,768.8
	Accidental death	19,716	46,526.0	4	15.4	-	-	19,720	46,541.4
	Other conditional death	-	-	-	-	-	-	-	-
Living benefit		661	1,390.1	1,318	3,615.9	-	-	1,979	5,006.0
Hospitalization benefit	Hospitalization due to accident	10,343	42.6	6	0.0	-	-	10,350	42.6
	Hospitalization due to illness	10,140	41.9	1	0.0	-	-	10,142	41.9
	Other conditional hospitalization	10,343	7.0	6	0.0	-	-	10,350	7.0
Injury benefit		9,451	-	4	-	-	-	9,455	-
Surgery benefit		10,343	-	6	-	-	-	10,350	-

Items	Group annuities		Asset formation insurance / asset formation annuities		Total	
	Number of policies	Policy amount	Number of policies	Policy amount	Number of policies	Policy amount
Living benefit	-	-	0	0.2	0	0.2

Items	Medical benefit insurance	
	Number of policies	Policy amount
Hospitalization benefit	-	-

Items	Disability benefit insurance	
	Number of policies	Policy amount
Disability benefit	-	-

- Notes:
1. The number of asset-formation insurance / asset-formation annuities indicates the number of the insured.
 2. For living benefit, amounts for individual annuities and asset formation annuities are the total of annuity resources at the beginning of the payout phase and policy reserves for policies in the payout phase, and the amount for asset formation insurance is the amount of policy reserves.
 3. Amount for hospitalization benefit is the amount of daily hospitalization benefits.
 4. As reinsurance, the Company holds 19,949 thousand policies or ¥54,322.3 billion for life insurance, and 2,950 thousand policies or ¥1,077.9 billion for annuities.
 5. Figures and amounts which were previously rounded to the nearest unit are rounded down from the end of the fiscal year (including the figures for the previous fiscal year).

3. Policyholder Dividends Based on the Financial Results for the Fiscal Year Ended March 31, 2015

(1) The overview of policyholder dividends determined based on the financial results for the fiscal year ended March 31, 2015 is as follows:

1. Japan Post Insurance policies (individual insurance policies / individual annuities, etc. purchased on and after October 1, 2007)
 - (1) The Company overall raised the payout ratio for dividends from mortality and morbidity rate margin and from the surplus in rider payments. The ratio varies depending on the age and gender of the policyholder.
 - (2) The Company lowered the payout ratio for dividends from administrative expense margin and from spread.
2. Former postal life insurance policies (postal life insurance policies concluded by September 30, 2007)

In accordance with the reinsurance agreement with the Management Organization for Postal Savings and Postal Life Insurance, the Company posted provision for reserve for policyholder dividends of ¥190,363 million, based on the performance of the segment related to reinsurance.

Policyholder dividends on former postal life insurance policies will be determined by the Management Organization for Postal Savings and Postal Life Insurance.

(2) Policyholder dividends on Japan Post Insurance policies based on the financial results for the fiscal year ended March 31, 2015 are as detailed below:

Ex. 1 Ordinary endowment insurance

[Concluded at age of 40 and matured at 50; premium monthly paid; ¥1 million maturity benefit]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥103,320 ¥102,840	¥0 ¥0

Ex. 2 Special endowment insurance

[Concluded at age of 40 and matured at 60; premium monthly paid; ¥2 million death benefit; ¥1 million maturity benefit]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥55,440 ¥52,800	¥492 ¥109

Ex. 3 Ordinary term insurance

[Concluded at age of 40 and matured at 50; premium monthly paid; ¥1 million death benefit]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥5,040 ¥3,840	¥606 ¥388

Ex. 4 Educational endowment insurance

[Concluded at when the insured is at the age of 0 and the policyholder at 40; living benefit at maturity (when the insured at 18); premium monthly paid; ¥1 million basic benefit]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥56,760 ¥56,280	¥0 ¥0

Notes: 1. The genders of the policyholder and the insured are assumed to be the same.
2. A living benefit of ¥100,000 is paid when the insured turns 12 and 15, with a maturity benefit of ¥800,000.

Ex. 5 Ordinary whole life insurance

[Concluded at age of 40; premium paid until the age of 60; premium monthly paid; ¥1 million death benefit (¥200,000 after completion of premium payment)]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥12,600 ¥10,200	¥451 ¥259

Ex. 6 Accident rider

[Concluded at age of 40; premium monthly paid; ¥1 million rider benefit; added to ordinary endowment insurance policy (purchased at the age of 40 and matured at the age of 50)]

Year of purchase <number of lapsed years>	Gender	Insurance premium (on an annual basis)	Policies in force (dividend for the fiscal year)
Fiscal year ended March 31, 2011 <five years>	Male Female	¥600 ¥360	¥130 ¥80

These dividends are basically the total of a., b., c., and d., by type of rider:

a. Dividend from mortality and morbidity rate margin [Increased at large]

Calculated by multiplying amount at risk by a payout ratio according to the insured's age, gender and category in an expected mortality table

(Ex.) Ordinary endowment insurance, age 40, male

Year of purchase	Payout ratio for dividend from mortality and morbidity rate margin (per amount at risk of ¥1 million)
October 2007 to March 2013	¥230
April 2013 to March 2015	¥0

b. Dividend from surplus in rider payments [Increased at large]

Calculated by multiplying rider payments by a rider payments payout ratio according to the insured's age, gender and category in an expected rider payment rate table

(Ex.) Accidental death rider, age 40, male

Year of purchase	Payout ratio for dividend from the surplus in rider payments (per rider benefit of ¥1 million)
October 2007 to March 2013	¥130
April 2013 to March 2015	¥0

c. Dividend from administrative expense margin [Decreased]

Calculated by multiplying claim payments etc., by a payout ratio for dividend from administrative expense margin

(Ex.) Ordinary endowment insurance

Year of purchase	Payout ratio for dividend from administrative expense margin	
October 2007 to March 2013	Payout ratio for dividend from administrative expense margin in proportion to claim payment (per claim payment of ¥1 million)	¥160
	Payout ratio for dividend from administrative expense margin in proportion to claim payment (per monthly premium of ¥10,000)	¥509
April 2013 to March 2015	Payout ratio for dividend from administrative expense margin in proportion to claim payment (per claim payment of ¥1 million)	¥0
	Payout ratio for dividend from administrative expense margin in proportion to claim payment (per monthly premium of ¥10,000)	¥0

d. Dividend from spread [Decreased]

Calculated by multiplying policy reserves by a payout ratio for spread dividend

Payout ratio for dividend from spread	1.1% (target dividend yield) – assumed interest rate
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Please note that the dividend is ¥0 if the total of a., b., c., and d. is negative.

The dividend shall be ¥0 for single premium annuities and their additional riders.

4. Investment Overview for the Fiscal Year Ended March 31, 2015 (General Account)

(1) Investment Environment

1) Investment environment

Although the U.S. economy was brisk, the world economy once again managed only weak growth as the economies of Japan, Europe as well as emerging countries recorded slower growth. The U.S. economy rebounded at a steady pace under a gradual recovery in employment conditions. In the Japanese economy, domestic demand such as private consumption and housing residential investment declined in the wake of a consumption tax rate increase in April, while a subsequent pickup in the economy was also sluggish. In the European economy, the pace of recovery was weak due to ongoing softness in the economies of several countries where structural reforms have lagged and to deteriorating conditions in the Ukraine. The Chinese economy is continuing to slow amid the implementation of structural reforms aimed transforming to a personal consumption-driven economy.

The BOJ, European Central Bank (ECB) and other central banks of developed countries acted to strengthen easy money policies. However, the United States moved in the opposite direction as Japan and Europe by ending quantitative easing policies and preparing for an increase in interest rates. Under these economic circumstances, the investment environment was as follows.

Domestic Bond Market

The yield on 10-year Japanese government bonds (JGBs) started the period at the 0.6% level and declined to the 0.4% level at the end of the period.

The long-term yield in the first half continued to decline moderately and dipped to near 0.5% in the last part of August, reflecting tight supply-demand in the bond market resulting from the BOJ's bond-buying operations, which were ongoing from the previous year, and lower interest rates in Europe and the United States. Entering September, the yield temporarily rose to the vicinity of 0.6% in reaction to rising interest rates due to growing expectations of an early rate hike in the United States. However, the yield then reversed course and once again headed downward, briefly reaching the 0.1% range in January corresponding to the BOJ's decision on October 31, 2014 to adopt additional monetary easing measures and to a decline in U.S. interest rates amid concerns about waning inflation expectations accompanying plunging crude oil prices. From February, the yield changed direction and climbed to the 0.4% range due to a halt in the decline in crude oil prices and a rise in U.S. interest rates spurred by favorable U.S. employment statistics. Subsequently, the yield seesawed within a range between the 0.3% level and the 0.4% level amid debate concerning the timing for the start of interest rate increases in the United States.

Domestic Stock Market

The Nikkei Stock Average began the period at the ¥14,000 level and despite some wide fluctuations during the period climbed to the ¥19,000 level at the end of the fiscal year. In the first half, the Nikkei Stock Average briefly slid under the ¥14,000 level in April in reaction to the BOJ's deferral of additional monetary easing measures. Despite some volatile swings, the Nikkei Stock Average subsequently trended moderately and rose to the ¥16,000 level in September on expectations of a change in the Government Pension Investment Fund's (GPIF) investment policy and high U.S. stock prices propelled by a rebound in the U.S. economy. Entering the second half, the Nikkei Stock Average briefly retreated to the ¥14,000 level upon growing concerns over the domestic economy and the advancing appreciation of the yen. However, the Nikkei Stock Average then soared and climbed to the ¥17,000 level at year-end following the BOJ's decision in October to adopt additional monetary easing measures and the announcement of a change in the GPIF's Base Portfolio. After the start of the new year as well, the Nikkei Stock Average rose in response to the halt to the decline in crude oil prices and mounting expectations of a recovery in domestic demand, and reached the ¥19,000 level at the end of the fiscal year.

Foreign Exchange Markets

The U.S. dollar/yen exchange rate began the period at the ¥103/U.S. dollar level before the yen weakened to the lower ¥120/U.S. dollar level at fiscal year-end. In the first half, the yen trended stably at around ¥102/U.S. dollar up from April to July. From August onward, however, the yen continued to weaken sharply owing to the global-wide strengthening of the dollar spurred by the robust U.S. economic recovery, and the yen hit the ¥109/U.S. dollar level at the end of September. Entering the second half, although at one point the yen strengthened to the ¥105/U.S. dollar level on concerns of a slowing U.S. economy due to a strong dollar, the

yen once again began weakening against the U.S. dollar in response to the BOJ's decision in October to adopt additional monetary easing measures, and the yen temporarily reached the ¥121/U.S. dollar level in December. From the start of the new year, the yen trended within a range between the ¥116/U.S. dollar level to the ¥121/U.S. dollar level, influenced by the debate on the timing of the Federal Reserve's first rate hike.

The euro/yen exchange rate began the period at the ¥142/EUR level and despite some wide fluctuations in the second half the yen strengthened and reached the vicinity of ¥130/EUR at the end of the period.

In the first half, the euro almost consistently weakened on concerns of a slowdown in the Euro zone economy and a decline in interest rates by the ECB's implementation of additional monetary easing measures in Europe. Entering the second half, the euro/yen exchange rate reversed course rapidly and the weakening of the yen against the euro progressed and the yen temporarily weakened sharply to the ¥149/EUR level in December. From the beginning of the year, however, the yen once again began strengthening against the euro in response to the decision by the ECB to implement quantitative easing measures and the yen momentarily strengthened to the ¥127/EUR level.

2) Investment Policies of the Company

The Company's operations are based on the concept of asset-liability management (ALM) in order to maintain sound management and ensure the payment of insurance claims and other obligations to policyholders. Our specific fundamental management approach is to match the cash flow required for our liabilities accruing in the future with the cash flow we receive from yen-denominated interest-bearing assets that have a high level of affinity with the particular characteristics of those liabilities. With this approach our aim is to earn stable profits while mitigating interest risk.

3) Performance Overview

[Assets]

At the end of March 2015, total assets of Japan Post Insurance amounted to ¥84.9 trillion, a decrease of ¥2.1 trillion from ¥87.0 trillion at the end of fiscal 2014.

In terms of investment, the Company continued to invest primarily in yen-denominated interest-bearing assets that provide stable interest income.

For corporate and government bonds, the Company invested primarily in long-term and super long-term bonds, in view of their value as assets that secure stable income.

The investments of money held in trust centered on domestic stocks and others.

For loans, the Company provided loans including syndicated loans, loans to local governments and policy loans. The amount of loans decreased due to the repayment of loans to the Management Organization for Postal Savings and Postal Life Insurance.

[Investment income and expenses]

As of March 31, 2015, investment income of the Company decreased by ¥79.8 billion from the previous corresponding period to ¥1,460.7 billion mainly due to a decrease in interest and dividend income.

Investment expenses decreased by ¥7.1 billion from the previous corresponding period to ¥10.9 billion mainly due to a decrease in losses on sales of securities.

As a result, investment income and expenses amounted to ¥1,449.7 billion, a decrease of ¥72.7 billion from the previous corresponding period.

(2) Asset Composition

(Billions of yen, %)

As of March 31	2014		2015	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,893.6	2.2	2,651.3	3.1
Receivables under resale agreements	-	-	-	-
Receivables under securities borrowing transactions	2,822.1	3.2	2,720.8	3.2
Monetary claims bought	107.4	0.1	449.0	0.5
Trading account securities	-	-	-	-
Money held in trust	581.6	0.7	1,434.9	1.7
Securities	69,378.9	79.7	66,277.2	78.1
Corporate and government bonds	68,138.5	78.2	64,294.7	75.7
Domestic stocks	0.9	0.0	0.9	0.0
Foreign securities	1,239.4	1.4	1,981.4	2.3
Foreign corporate and government bonds	1,099.4	1.3	1,961.4	2.3
Foreign stocks and other securities	140.0	0.2	20.0	0.0
Other securities	-	-	-	-
Loans	11,020.5	12.7	9,977.3	11.8
Real estate	75.6	0.1	112.2	0.1
Deferred tax assets	592.6	0.7	548.2	0.6
Other	616.9	0.7	741.5	0.9
Reserve for possible loan losses	(1.0)	(0.0)	(0.9)	(0.0)
Total	87,088.6	100.0	84,911.9	100.0
Foreign currency-denominated assets	1,128.7	1.3	2,196.3	2.6

Note: "Real estate" includes the total of land, buildings and construction in progress.

(3) Increase/Decrease in Assets

(Billions of yen)

Fiscal years ended March 31	2014	2015
Cash, deposits, call loans	965.9	757.7
Receivables under resale agreements	-	-
Receivables under securities borrowing transactions	490.9	(101.3)
Monetary claims bought	(319.9)	341.6
Trading account securities	-	-
Money held in trust	324.7	853.3
Securities	(3,179.2)	(3,101.7)
Corporate and government bonds	(3,516.4)	(3,843.7)
Domestic stocks	-	-
Foreign securities	337.2	742.0
Foreign corporate and government bonds	337.2	862.0
Foreign stocks and other securities	-	(120.0)
Other securities	-	-
Loans	(1,670.9)	(1,043.2)
Real estate	1.6	36.6
Deferred tax assets	131.1	(44.4)
Other	(118.1)	124.6
Reserve for possible loan losses	0.0	0.0
Total	(3,373.7)	(2,176.6)
Foreign currency-denominated assets	469.8	1,067.5

Note: "Real estate" includes the total of land, buildings and construction in progress.

(4) Investment Income

(Billions of yen)

Fiscal years ended March 31	2014	2015
Interest and dividend income	1,458.1	1,365.7
Interest on deposits	0.4	0.6
Interest and dividends on securities	1,180.3	1,119.3
Interest on loans	12.4	13.4
Interest on loans to the Management Organization	260.7	227.6
Rent revenue from real estate	-	-
Other interest and dividend income	4.1	4.5
Gains on trading account securities	-	-
Gains on money held in trust	9.7	32.7
Gains on trading securities	-	-
Gains on sales of securities	71.0	61.9
Gains on sales of Japanese government bonds and other bonds	70.9	56.8
Gains on sales of domestic stocks and other securities	-	-
Gains on sales of foreign securities	0.1	5.0
Other gains on sales of securities	-	-
Gains on redemption of securities	0.0	0.0
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	1.4	0.0
Reversal of reserve for possible loan losses	-	0.0
Other investment income	0.1	0.2
Total	1,540.6	1,460.7

(5) Investment Expenses

(Billions of yen)

Fiscal years ended March 31	2014	2015
Interest expenses	4.9	4.2
Losses on trading account securities	-	-
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	10.2	4.9
Losses on sales of Japanese government bonds and other bonds	2.9	-
Losses on sales of domestic stocks and other securities	-	-
Losses on sales of foreign securities	7.2	4.9
Other losses on sales of securities	-	-
Losses on valuation of securities	-	-
Losses on valuation of Japanese government bonds and other bonds	-	-
Losses on valuation of domestic stocks and other securities	-	-
Losses on valuation of foreign securities	-	-
Other losses on valuation of securities	-	-
Losses on redemption of securities	0.0	0.0
Losses on derivative financial instruments	2.1	0.7
Losses on foreign exchanges	-	-
Provision for reserve for possible loan losses	0.0	-
Write-off loans	-	-
Depreciation of real estate for lease and other assets	-	-
Other investment expenses	0.7	0.9
Total	18.1	10.9

(6) Investment Related Efficiency

1) Yield by Asset Type

(%)		
Fiscal years ended March 31	2014	2015
Cash, deposits and call loans	0.05	0.05
Receivables under resale agreements	-	-
Receivables under securities borrowing transactions	-	-
Monetary claims bought	0.34	0.32
Trading account securities	-	-
Money held in trust	3.04	3.54
Securities	1.71	1.73
Corporate and government bonds	1.71	1.70
Domestic stocks	-	-
Foreign securities	1.95	2.87
Loans	2.31	2.25
Real estate	-	-
General account total	1.71	1.70
Overseas loans and investments	1.98	2.88

- Notes: 1. Yields are calculated by dividing investment income less investment expenses by the daily average balance based on book value.
2. General account total includes assets related securities trust.
3. "Overseas loans and investments" is the total of assets denominated in foreign-currencies and yen-denominated assets.

2) Net Valuation Gain/Loss of Trading Securities

The Company does not hold securities for trading.

3) Fair Value Information of Securities (with Fair Value, Other than Trading Securities)

(Billions of yen)

As of March 31		2014					2015				
		Book value	Fair value	Net unrealized gains			Book value	Fair value	Net unrealized gains		
				(losses)		(losses)					
				Gains	Losses	Gains			Losses		
	Held-to-maturity bonds	45,257.3	48,427.0	3,169.7	3,174.1	4.3	43,695.5	48,232.6	4,537.1	4,537.6	0.5
	Policy-reserve matching bonds	17,953.6	19,052.8	1,099.1	1,100.4	1.3	15,493.2	16,668.4	1,175.2	1,175.4	0.2
	Stocks of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
	Available-for-sale securities	7,148.5	7,414.1	265.5	278.0	12.4	9,411.4	10,193.2	781.7	784.4	2.7
	Corporate and government bonds	4,927.7	5,025.5	97.8	100.0	2.2	5,105.3	5,203.9	98.6	99.1	0.5
	Domestic stocks	337.7	412.2	74.4	78.0	3.5	713.2	996.9	283.7	285.5	1.8
	Foreign securities	1,072.5	1,164.5	92.0	98.7	6.6	1,850.9	2,248.2	397.3	397.6	0.3
	Foreign corporate and government bonds	917.5	1,001.4	83.9	90.6	6.6	1,537.7	1,863.4	325.7	326.1	0.3
	Foreign stocks and other securities	155.0	163.1	8.1	8.1	-	313.1	384.7	71.5	71.5	-
	Other securities	-	-	-	-	-	-	-	-	-	-
	Monetary claims bought	106.2	107.4	1.1	1.1	0.0	446.9	449.0	2.0	2.0	-
	Negotiable certificates of deposit	704.3	704.3	-	-	-	1,295.0	1,295.0	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-
	Total	70,359.5	74,894.0	4,534.4	4,552.5	18.1	68,600.2	75,094.3	6,494.0	6,497.5	3.5
	Corporate and government bonds	68,040.7	72,403.6	4,362.9	4,370.8	7.9	64,196.1	70,003.2	5,807.0	5,808.3	1.3
	Domestic stocks	337.7	412.2	74.4	78.0	3.5	713.2	996.9	283.7	285.5	1.8
	Foreign securities	1,170.5	1,266.3	95.8	102.4	6.6	1,948.9	2,350.1	401.2	401.5	0.3
	Foreign corporate and government bonds	1,015.5	1,103.2	87.7	94.3	6.6	1,635.7	1,965.3	329.6	330.0	0.3
	Foreign stocks and other securities	155.0	163.1	8.1	8.1	-	313.1	384.7	71.5	71.5	-
	Other securities	-	-	-	-	-	-	-	-	-	-
	Monetary claims bought	106.2	107.4	1.1	1.1	0.0	446.9	449.0	2.0	2.0	-
	Negotiable certificates of deposit	704.3	704.3	-	-	-	1,295.0	1,295.0	-	-	-
	Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes the handling of securities under the Financial Instruments and Exchange Act.

2. This table includes money held in trust other than trading securities and its book value is and ¥1,026.4 billion with net unrealized gains of ¥355.2 billion as of March 31, 2015 and ¥492.7 billion with net unrealized gains of ¥82.5 billion as of March 31, 2014.

The book values for securities that fair values are deemed extremely difficult to determine are as follows.

(Billions of yen)

As of March 31	2014	2015
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Others	-	-
Policy-reserve-matching bonds	-	-
Stocks of subsidiaries and affiliates	0.9	0.9
Available-for-sale securities	140.0	20.0
Unlisted domestic stocks (excluding OTC traded equities)	-	-
Unlisted foreign stocks (excluding OTC traded equities)	140.0	20.0
Unlisted foreign bonds	-	-
Others	-	-
Total	140.9	20.9

4) Data on Fair Value of Money Held in Trust

(Billions of yen)

As of March 31	2014					2015				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	581.6	581.6	-	-	-	1,434.9	1,434.9	-	-	-

- Money held in trust for trading purposes

The Company does not hold money held in trust for trading purposes.

- Assets held-to-maturity in trust/assets held for reserves in trust/other money held in trust

(Billions of yen)

As of March 31	2014					2015				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	499.0	581.6	82.5	86.1	3.5	1,079.7	1,434.9	355.2	357.0	1.8

5. UNAUDITED NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

Year As of March 31, 2014 Amount	As of March 31, 2015 Amount	Year As of March 31, 2014 Amount	As of March 31, 2015 Amount		
Items		Items			
ASSETS:		LIABILITIES:			
Cash and deposits	1,663,576	2,205,969	Policy reserves and others	80,799,941	77,905,677
Cash	4,258	3,118	Reserve for outstanding claims	831,690	718,156
Deposits	1,659,318	2,202,851	Policy reserves	77,745,490	75,112,601
Call loans	230,025	445,428	Reserve for policyholder dividends	2,222,759	2,074,919
Receivables under securities borrowing transactions	2,822,188	2,720,856	Reinsurance payables	1,234	2,017
Monetary claims bought	107,448	449,068	Other liabilities	4,077,493	4,257,294
Money held in trust	581,627	1,434,943	Payables under securities lending transactions	3,703,176	3,658,492
Securities	69,378,975	66,277,244	Income taxes payable	15,804	19,452
Japanese government bonds	52,522,914	48,086,445	Accounts payable	229,922	463,217
Japanese local government bonds	9,173,780	9,555,857	Accrued expenses	15,626	16,218
Japanese corporate bonds	6,441,832	6,652,464	Unearned revenue	4	-
Stocks	984	984	Deposits received	12,172	11,184
Foreign securities	1,239,464	1,981,492	Deposits from the Management Organization	66,221	59,058
Loans	11,020,585	9,977,345	Derivative financial instruments	15,805	12,866
Policy loans	54,271	74,097	Lease obligations	1,528	2,105
Industrial and commercial loans	763,298	806,259	Asset retirement obligation	15	15
Loans to the Management Organization	10,203,015	9,096,988	Suspense receipt	16,433	13,963
Tangible fixed assets	89,322	131,672	Other liabilities	781	719
Land	40,726	68,350	Reserve for possible claim payments	1,881	-
Buildings	33,287	34,176	Reserve for employees' retirement benefits	59,385	65,645
Leased assets	1,456	1,970	Reserve for price fluctuations	614,233	712,167
Construction in progress	1,648	9,759	Total liabilities	85,554,169	82,942,802
Other tangible fixed assets	12,204	17,415	NET ASSETS:		
Intangible fixed assets	126,040	157,580	Capital stock	500,000	500,000
Software	126,022	157,564	Capital surplus	500,044	500,044
Other intangible fixed assets	18	15	Legal capital surplus	405,044	405,044
Agency accounts receivable	102,651	95,023	Other capital surplus	95,000	95,000
Reinsurance receivables	234	630	Retained earnings	349,627	411,043
Other assets	374,320	468,916	Legal retained earnings	17,222	20,584
Accounts receivable	172,115	259,663	Other retained earnings	332,404	390,459
Prepaid expenses	814	924	Retained earnings brought forward	332,404	390,459
Accrued income	195,169	184,944	Total shareholders' equity	1,349,671	1,411,088
Money on deposit	2,158	7,243	Net unrealized gains (losses) on available-for-sale securities	184,774	558,033
Derivative financial instruments	166	13,393	Net deferred gains (losses) on hedges	11	22
Suspense payments	787	589	Total valuation and translation adjustments	184,785	558,055
Other assets	3,108	2,157			
Deferred tax assets	592,665	548,210	Total net assets	1,534,457	1,969,143
Reserve for possible loan losses	(1,036)	(943)			
Total assets	87,088,626	84,911,946	Total liabilities and net assets	87,088,626	84,911,946

6. UNAUDITED NON-CONSOLIDATED STATEMENTS of INCOME

(Millions of yen)

Items	Year	From April 1, 2013 to March 31, 2014	From April 1, 2014 to March 31, 2015
		Amount	Amount
ORDINARY INCOME		11,233,925	10,169,236
Insurance premiums and others		5,911,643	5,956,716
Insurance premiums		5,911,269	5,954,839
Reinsurance income		374	1,876
Investment income		1,540,615	1,460,745
Interest and dividend income		1,458,190	1,365,796
Interest on deposits		465	694
Interest and dividends on securities		1,180,339	1,119,333
Interest on loans		12,478	13,489
Interest on loans to the Management Organization		260,797	227,682
Other interest and dividend income		4,109	4,596
Gains on money held in trust		9,736	32,762
Gains on sales of securities		71,074	61,908
Gains on redemption of securities		54	36
Gains on foreign exchanges		1,452	12
Reversal of reserve for possible loan losses		-	14
Other investment income		107	215
Other ordinary income		3,781,665	2,751,774
Reversal of reserve for outstanding claims		115,432	113,534
Reversal of policy reserves		3,656,490	2,632,889
Reversal of reserve for possible claim payments		5,122	1,881
Reversal of reserve for directors' retirement benefits		164	-
Other ordinary income		4,455	3,468
ORDINARY EXPENSES		10,770,418	9,676,067
Insurance claims and others		10,160,877	9,059,549
Insurance claims		9,511,326	8,253,973
Annuity payments		256,746	304,096
Benefits		33,941	41,538
Surrender benefits		220,263	291,290
Other refunds		135,968	162,462
Reinsurance premiums		2,631	6,188
Provision for policy reserves and others		4,627	1,497
Provision for interest on policyholder dividends		4,627	1,497
Investment expenses		18,122	10,994
Interest expenses		4,963	4,298
Losses on sales of securities		10,205	4,963
Losses on redemption of securities		62	44
Losses on derivative financial instruments		2,161	773
Provision for reserve for possible loan losses		8	-
Other investment expenses		721	915
Operating expenses		513,046	512,417
Other ordinary expenses		73,744	91,608
Taxes		38,193	54,238
Depreciation and amortization		34,217	35,552
Provision for reserve for employees' retirement benefits		608	1,099
Other ordinary expenses		725	717
ORDINARY PROFIT		463,506	493,169
EXTRAORDINARY GAINS		-	-
EXTRAORDINARY LOSSES		99,999	99,366
Losses on sales and disposal of fixed assets		8,638	1,432
Provision for reserve for price fluctuations		91,360	97,934
Provision for reserve for policyholder dividends		242,146	200,722
Income before income taxes		121,361	193,080
Income taxes - Current		200,701	208,234
Income taxes - Deferred		(142,768)	(96,912)
Total income taxes		57,932	111,321
Net income		63,428	81,758

7. UNAUDITED NON-CONSOLIDATED STATEMENTS of CHANGES in NET ASSETS

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

(millions of yen)

	Shareholders' equity					Total shareholders' equity
	Capital stock	Capital surplus		Retained earnings		
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings	
					Retained earnings brought forward	
Balance at the beginning of the fiscal year	500,000	405,044	95,000	12,672	296,276	1,308,993
Changes in the fiscal year						
Cash dividends				4,550	(27,300)	(22,750)
Net income					63,428	63,428
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	-	4,550	36,128	40,678
Balance at the end of the fiscal year	500,000	405,044	95,000	17,222	332,404	1,349,671

	Valuation and translation adjustments	
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges
Balance at the beginning of the fiscal year	155,778	-
Changes in the fiscal year		
Cash dividends		
Net income		
Net changes in items other than shareholders' equity in the fiscal year	28,996	11
Net changes in the fiscal year	28,996	11
Balance at the end of the fiscal year	184,774	11

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Retained earnings		Total shareholders' equity
		Legal capital surplus	Other capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	
Balance at the beginning of the fiscal year	500,000	405,044	95,000	17,222	332,404	1,349,671
Cumulative effects of changes in accounting policies					(3,533)	(3,533)
Restated balance	500,000	405,044	95,000	17,222	328,871	1,346,138
Changes in the fiscal year						
Cash dividends				3,361	(20,170)	(16,808)
Net income					81,758	81,758
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	-	3,361	61,588	64,949
Balance at the end of the fiscal year	500,000	405,044	95,000	20,584	390,459	1,411,088

	Valuation and translation adjustments	
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges
Balance at the beginning of the fiscal year	184,774	11
Cumulative effects of changes in accounting policies		
Restated balance	184,774	11
Changes in the fiscal year		
Cash dividends		
Net income		
Net changes in items other than shareholders' equity in the fiscal year	373,258	11
Net changes in the fiscal year	373,258	11
Balance at the end of the fiscal year	558,033	22

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2015

(Notes to the Unaudited Non-Consolidated Balance Sheet)

1. Significant Accounting Policies

(1) Valuation Criteria and Methods for Securities

Securities including cash and deposits and monetary claims bought which are equivalent to securities, and securities invested in money held in trust, are recorded based on the following:

1) Held-to-maturity Bonds

Held-to-maturity bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.

2) Policy-reserve-matching Bonds

In accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.

3) Stocks of Subsidiaries and Affiliates (stocks issued by subsidiaries as defined in Article 2, Paragraph 12 of the Insurance Business Act and closely related parties (excluding subsidiaries) and affiliates as defined in Article 13-5-2, Paragraph 3 of the Order for Enforcement of the Insurance Business Act)

Carried at cost and the cost of these securities sold is calculated using the moving-average method.

4) Available-for-sale Securities

(i) Available-for-sale Securities, at Fair Value

Available-for-sale securities, at fair value are carried at their fiscal year-end market price, of which average market prices during the final month of the fiscal year is used to value stocks and stock mutual funds. Cost of securities sold is calculated using the moving-average method.

(ii) Available-for-sale Securities for Which Fair Values are Deemed Extremely Difficult to Determine

(a) Government and corporate bonds (including foreign bonds) without market price whose premium or discount represents the interest adjustments are carried at amortized cost (the straight-line method) using the moving-average method.

(b) Other securities are carried at cost using the moving-average method.

Net unrealized gains (losses) on available-for-sale securities, net of income taxes, are included in net assets.

(2) Valuation Criteria and Methods for Derivative Transactions

All derivative transactions are valued at fair value.

(3) Depreciation Method for Fixed Assets

1) Tangible Fixed Assets (excluding leased assets)

Depreciation of tangible fixed assets is computed using the straight-line method based on the following useful lives:

(i) Buildings: 2-55 years

(ii) Other tangible fixed assets: 2-20 years

2) Intangible Fixed Assets (excluding leased assets)

The capitalized development costs of software intended for internal use are amortized over the expected useful life of mainly 5 years using the straight-line method.

3) Leased Assets

Finance lease transactions that do not transfer ownership are depreciated to a residual value of zero using the straight-line method over the lease term.

(4) Recognition of Reserves

1) Reserve for Possible Loan Losses

Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are also recorded.

All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant

departments, reviews these self-assessments. The above reserves and allowances are recorded based on the results of these assessments.

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy, civil rehabilitation, or considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2015 was ¥294 million.

2) Reserve for Employees' Retirement Benefits

In order to provide for payment of retirement benefits to employees, a reserve is provided in the amount expected to be incurred at the end of the fiscal year based on projected obligations.

(i) Method for Attributing Expected Benefits to Periods

In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to respective service period.

(ii) Method for Recognizing Actuarial Differences and Prior Service Cost

Actuarial difference is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.

Prior service cost is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service lives for employees in the fiscal year of incurrence.

(Additional information)

Effective from April 1, 2015, the Company has revised its retirement allowance regulations and its lump-sum severance indemnity plan has been changed from a final salary formula to a point system. As a result, projected benefit obligation decreased and prior service cost of ¥5,174 million was recognized for the fiscal year ended March 31, 2015.

(5) Reserve for Price Fluctuations

Reserve for price fluctuations in security investments is computed based on Article 115 of the Insurance Business Act.

(6) Hedge Accounting

1) Methods for Hedge Accounting

The Company applies fair value hedge accounting for foreign currency exchange contracts to hedge foreign exchange fluctuation risk for a portion of its foreign-currency-denominated bonds, and the exceptional treatment and deferred hedge accounting for interest rate swaps to hedge variability in cash flows on a portion of loans in accordance with the "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan ("ASBJ") Statement No. 10).

2) Hedging Instruments and Hedged Items

- | | |
|--------------------------|-------------------------------------|
| (i) Hedging instrument: | Foreign currency exchange contracts |
| Hedged item: | Foreign-currency-denominated bonds |
| (ii) Hedging instrument: | Interest rate swaps |
| Hedged item: | Loans |

3) Hedging Policies

Foreign currency exchange contracts are used to hedge fluctuations in foreign currency exchange rates of foreign-currency-denominated bonds within a predetermined range. Interest rate swap contracts are used to hedge fluctuations in interest rates of loans within a certain range.

4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed by comparing the aggregate changes in quotations or cash flows of hedged items and hedging instruments. The evaluation of hedge effectiveness is omitted in cases of foreign exchange contracts where there is a high correlation between hedged items and hedging instruments, or interest rate swap contracts which applied the exceptional treatment for interest rate swaps.

(7) Policy Reserves

Policy reserves are reserves provided in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are recorded based on the following methodology:

- 1) Reserves for contracts subject to the standard policy reserves are computed in accordance with the method prescribed by the Commissioner for Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
- 2) Reserves for other contracts are computed based on the net level premium method.

Pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, effective from the fiscal year ended March 31, 2011, additional policy reserves are accumulated, in preparation for future performance of obligations, over a 10-year period for a portion of reinsurance contracts from the Management Organization for Postal Savings and Postal Life Insurance (hereinafter referred to as the “Management Organization”), which is an independent administrative institution. As a result, the amount of provision for policy reserves for the fiscal year ended March 31, 2015 was ¥176,491 million.

(8) Employee’s Retirement Benefits Accounting

Unrecognized actuarial differences and unrecognized prior service cost related to retirement benefits are treated differently from the consolidated financial statements.

(9) Consumption Taxes

All figures are net of consumption taxes.

(10) Consolidated Tax Payment System

The Company adopts the consolidated tax payment system, under which Japan Post Holdings Co., Ltd. is the parent company.

2. Changes in Accounting Policies

Effective from the fiscal year ended March 31, 2015, with respect to the application of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter referred to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015; hereinafter referred to as the “Guidance on Retirement Benefits”), the Company has adopted provisions stated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Guidance on Retirement Benefits. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected benefit to each fiscal year from the straight-line basis to the benefit formula basis. In addition, the method for determining the discount rate has been changed from the method using a discount rate based on the number of years which approximates the estimated average remaining service lives for employees to the method using a single-weighted average discount rate which reflects the estimated payment periods of retirement benefits and the amounts in the respective estimated payment periods.

In accordance with the transitional application provided for in Paragraph 37 of the Retirement Benefits Accounting Standard, the effects of changes of the calculation methods for retirement benefit obligations and service cost are recognized in retained earnings brought forward at the beginning of the fiscal year ended March 31, 2015.

As a result, reserve for employees’ retirement benefits increased by ¥5,104 million and retained earnings brought forward decreased by ¥3,533 million at the beginning of the fiscal year ended March 31, 2015.

The effect of these changes on ordinary profit and income before income taxes for the fiscal year ended March 31, 2015 was immaterial.

3. The balance sheet amount, fair value and the outline of risk management policy of policy-reserve-matching bonds were as follows:

- (1) The balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥15,493,208 million and ¥16,668,447 million, respectively.
- (2) The outline of the risk management policy of policy-reserve-matching bonds is as follows:

The Company categorizes its insurance products into sub-groups below based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts the management policy where the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.

- 1) Postal Life Insurance Contracts
 - 2) Japan Post Insurance life insurance contracts (general)
 - 3) Japan Post Insurance life insurance contracts (lump-sum payment annuity)
4. Securities lent under lending agreements in the amount of ¥3,211,916 million were included in “Securities” in the balance sheets as of March 31, 2015.
 5. There were no bankrupt loans, non-interest accrual loans, past due loans for three months or more, and restructured loans as of March 31, 2015. Definitions for each of the respective loans are as follows:
 Bankrupt loans refer to non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3-(a) to (e) and Item 4 of the Enforcement Ordinance of the Corporation Tax Act (Ordinance No. 97 in 1965). Interest accruals of such loans are suspended since the principal or interest on such loans is unlikely to be collected due to delinquency in payments for them for a considerable period of time or other reasons.
 Non-interest accrual loans are those loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their business.
 Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date, excluding those classified as bankrupt loans and non-accrual loans.
 Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as bankrupt loans, non-interest accrual loans, and past due loans for three months or more.
 6. The amount of unused commitments as of March 31, 2015 was ¥1,250 million.
 7. Accumulated depreciation for tangible fixed assets as of March 31, 2015 was ¥63,535 million.
 8. Total monetary claims and total monetary obligations with respect to subsidiaries and affiliates amounted to ¥314 million and ¥107,445 million, respectively.
 9. Total deferred tax assets and total deferred tax liabilities were ¥778,215 million and ¥227,057 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥2,947 million.
 Significant components of deferred tax assets include ¥559,683 million of policy reserves, ¥134,860 million of reserve for price fluctuations, ¥49,850 million of reserve for outstanding claims, ¥18,936 million of reserve for employees’ retirement benefits, and ¥769 million of unrealized losses on available-for-sale securities.
 Significant components of deferred tax liabilities include ¥224,458 million of unrealized gains on available-for-sale securities.
 10. The statutory tax rate for the fiscal year ended March 31, 2015 was 30.78%. Primary factors for the difference between the statutory tax rate and the effective income tax rate after tax effect accounting include a reduction of 26.76% in net deferred tax assets as of the end of the fiscal year resulting from tax rate changes.
 11. During the fiscal year ended March 31, 2015, the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9 of 2015) was promulgated on March 31, 2015 and, as a result, the statutory tax rate used to measure the Company’s deferred tax assets and liabilities was changed from 30.78% to 28.85% from the fiscal year beginning on or after April 1, 2015. Due to this tax rate change, deferred tax assets and deferred tax liabilities decreased by ¥51,900 million and ¥15,200 million, respectively, and deferred income taxes increased by ¥51,675 million for the fiscal year ended March 31, 2015.

12. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2015 were as follows:

a. Balance at the beginning of the fiscal year	¥2,222,759 million
b. Policyholder dividends paid	¥349,687 million
c. Interest accrual	¥1,497 million
d. Reduction due to the acquisition of additional annuity	¥372 million
e. Provision for reserve for policyholder dividends	¥200,722 million
f. Balance at the end of the fiscal year	¥2,074,919 million

13. Stocks of subsidiaries and affiliates amounted to ¥984 million.

14. Assets pledged as collateral consisted of the following:

Securities ¥3,211,916 million

Liabilities corresponding to assets pledged as collateral consisted of the following:

Payables under securities lending transactions ¥3,658,492 million

All of securities above were pledged as collateral for securities lending transactions with cash collateral.

15. Reserve for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter referred to as “reserve for outstanding claims-ceded”), as of March 31, 2015 was ¥285 million. Policy reserves for reinsured portion defined in Article 71, Paragraph 1 of the said Regulations (hereinafter referred to as “policy reserves-ceded”) as of March 31, 2015 was ¥314 million.

16. Net assets per share were ¥98,457.19.

17. The Company has the right to sell or pledge securities borrowed under borrowing agreements. The fair value of such securities held in hand was ¥2,701,601 million as of March 31, 2015.

18. The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥22,829 million as of March 31, 2015 pursuant to Article 259 of the Insurance Business Act. This obligation is recognized as operating expenses when it is made.

19. Policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Organization, amounted to ¥52,156,724 million and are provided at amounts calculated based on the statement of calculation procedures for the Company’s insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance Policy Reserves in accordance with the Act on Management Organization for Postal Savings and Postal Life Insurance (Act No. 101 of 2005). In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥2,182,885 million and ¥626,849 million, respectively, for the category of reinsurance.

20. Deposits from the Management Organization refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Organization, which was deposited at the time of privatization based on the outsourcing agreements with the Management Organization for the administrative operation of the Postal Life Insurance.

(Notes to the Unaudited Non-Consolidated Statement of Income)

1. Total income from transactions with subsidiaries and affiliates amounted to ¥0 million, and total expenses amounted to ¥12,535 million.
2. Gains on sales of securities comprise domestic bonds of ¥56,869 million and foreign securities of ¥5,038 million.
3. Losses on sales of securities comprise foreign securities of ¥4,963 million.
4. Gains on money held in trust include losses on valuation of ¥442 million.
5. The amount of provision for reserve for outstanding claims-ceded that is added to the calculation of reversal of reserve for outstanding claims for the fiscal year ended March 31, 2015 was ¥203 million. The amount of provision for policy reserve-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2015 was ¥130 million.
6. Net income per share for the fiscal year ended March 31, 2015 was ¥4,087.92.
7. Insurance premiums assumed based on reinsurance contracts with the Management Organization included in insurance premiums and others for the fiscal year ended March 31, 2015 were ¥1,697,140 million.
8. Insurance claims based on reinsurance contracts with the Management Organization included in insurance claims for the fiscal year ended March 31, 2015 were ¥8,208,198 million.
9. Provision for reserve for policyholder dividends, which is provided for the Management Organization based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with the Management Organization, were ¥190,363 million for the fiscal year ended March 31, 2015.
10. Transactions of the Company with related parties are as follows:

(1) Parent company, major corporate shareholders, and others

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Parent company	Japan Post Holdings Co., Ltd.	Directly owned 100%	Business management Interlocking officers	Payments for business management fees (Note 1)	¥3,030 million	Accounts payable	¥272 million

Conditions of transactions and policies to decide the conditions

Notes: (1) Determined based on total cost incurred of the outsourced company in relation to the business management of the parent company.

(2) Transaction amount does not include consumption taxes. Year-end balance includes consumption taxes.

(2) Subsidiaries of the parent company and others

Type	Company name	Percentage of voting rights	Relationship	Transaction	Transaction amount	Account	Year-end balance
Subsidiary of parent company	Japan Post Co., Ltd.	None	Insurance agency Interlocking officers	Payments for commission of agency services (Note 1)	¥359,536 million	Agency accounts payable	¥37,087 million

Conditions of transactions and policies to decide the conditions

Notes: (1) Determined based on total cost incurred of the outsourced company in relation to the outsourcing services.

(2) Transaction amount does not include consumption taxes. Year-end balance includes consumption taxes.

(Notes to the Unaudited Non-Consolidated Statement of Changes in Net Assets)

Type and number of treasury stock

Not applicable.

8. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Fiscal years ended March 31		2014	2015
Core profit	A	482,052	515,417
Capital gains		82,269	94,683
Gains on money held in trust		9,736	32,762
Gains on trading securities		-	-
Gains on sales of securities		71,074	61,908
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		1,452	12
Other capital gains		5	-
Capital losses		20,493	30,527
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		10,205	4,963
Losses on valuation of securities		-	-
Losses on derivative financial instruments		2,161	773
Losses on foreign exchanges		-	-
Other capital losses		8,126	24,790
Net capital gains	B	61,776	64,156
Core profit including net capital gains (losses)	A+B	543,828	579,573
One-time income		94,807	90,087
Reinsurance income		-	-
Reversal of contingency reserve		94,807	90,087
Reversal of individual reserve for possible loan losses		-	-
Other one-time income		-	-
One-time expenses		175,129	176,491
Reinsurance premiums		-	-
Provision for contingency reserve		-	-
Provision for individual reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other one-time expenses		175,129	176,491
Net one-time income	C	(80,322)	(86,403)
Ordinary profit	A+B+C	463,506	493,169

- Notes: 1. Amount equivalent to income gains associated with money held in trust (¥8,126 million for 2014 and ¥24,790 million for 2015) is recognized as "other capital losses" and included in core profit.
2. Amount equivalent to capital gains in other investment income (¥5 million for 2014) is not included in core profit and is recognized as "other capital losses."
3. Amount equivalent to capital losses out of other investment expenses (¥0 million for 2014) is not included in core profit and is recognized as "other capital losses."
4. "Other one-time expenses" includes the amount of additional policy reserves accumulated pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act (¥175,129 million for 2014 and ¥176,491 million for 2015).

(Reference) Core Profit Breakdown (Three Major Profit Sources)

(Billions of yen)

Fiscal years ended March 31	2014	2015
Core profit	482.0	515.4
(Negative)/Positive spread	54.2	66.9
Mortality and morbidity rate margin	290.4	342.0
Administrative expense margin	137.3	106.3

Notes: 1. The (negative)/positive spread is calculated according to the following formula:

(Negative)/Positive spread = [investment return on core profit – average assumed rates of return] × general account policy reserves
 [1.89%] [1.80%] ¥73,226.7 billion

- The investment return on core profit is the return on general account policy reserves after deducting the provision for interest on policyholder dividends from general account investment revenue included in core profit.
- The average assumed rates of return is the return of assumed interest on general account policy reserves.
- The general account policy reserves are calculated as follows for policy reserves in the general account, excluding the contingency reserve:
 (Policy reserve at beginning of period + policy reserves at end of period – assumed interest) × 1/2
- Policy reserves and assumed interest are calculated based on the actual cumulative amount.
- 2. Mortality and morbidity rate margin arises from the difference between expected claim or benefit payments and the actual payments.
- 3. Administrative expense margin arises from the difference between expected administrative expenses and the actual administrative expenses.

9. Loans by Borrower Category

(Millions of yen, %)

As of March 31	2014	2015
Bankrupt or quasi-bankrupt loans	-	-
Doubtful loans	-	-
Substandard loans	-	-
Subtotal	-	-
(Percentage in total)	(-)	(-)
Normal loans	11,385,224	10,291,347
Total	11,385,224	10,291,347

- Notes: 1. Bankrupt or quasi-bankrupt loans are loans to borrowers who have fallen into bankruptcy for reasons such as the commencement of bankruptcy proceedings or reorganization proceedings, or the petition for commencement of rehabilitation proceedings, and loans similar to these.
2. Doubtful loans refer to loans which principal and interest are unlikely to be collected or received as stipulated in an agreement due to the borrower's deteriorating financial conditions and results even though the borrower is not fallen into bankruptcy.
3. Substandard loans are past due loans for three months or more and restructured loans.
 "Past due loans for three months or more" are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date (excluding the loans noted in 1 and 2).
 "Restructured loans" are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business (excluding the loans noted in 1 and 2, and past due loans for three months or more).
4. Normal loans are loans which do not fall under the loans noted in 1 to 3 above as there are no particular problems found with the borrower's financial conditions and results.

10. Status of Risk-Monitored Loans

Not applicable.

11. Solvency Margin Ratio

(Millions of yen)

As of March 31	2014	2015
Total amount of solvency margin (A)	5,130,031	5,697,257
Capital stock, etc.	1,332,862	1,386,560
Reserve for price fluctuations	614,233	712,167
Contingency reserve	2,588,798	2,498,711
General reserve for possible loan losses	91	77
Net unrealized gains (losses) on available-for-sale securities × 90% (if negative, × 100%)	238,976	703,549
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(3,465)	(10,077)
Excess of continued Zillmerised reserve	358,533	406,267
Capital raised through debt financing	-	-
Amounts within “excess of continued Zillmerised reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	-	-
Other	-	-
Total amount of risk $\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$ (B)	632,004	694,176
Insurance risk R_1	168,426	163,796
Underwriting risk of third-sector insurance R_8	99,913	88,568
Anticipated yield risk R_2	198,138	184,450
Minimum guarantee risk R_7	-	-
Investment risk R_3	355,852	443,294
Business management risk R_4	16,446	17,602
Solvency margin ratio $\frac{(A)}{(1/2 \times (B))} \times 100$	1,623.4%	1,641.4%

Note: These figures are calculated based on Article 86 and Article 87 of the Ordinance for Enforcement of the Insurance Business Act and the provisions of Ordinance No. 50 issued by the Ministry of Finance in 1996.

12. Separate Account for the Fiscal Year Ended March 31, 2015

Not applicable.

13. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Items	2014	2015
Ordinary income	11,234,114	10,169,241
Ordinary profit	462,748	492,625
Net income	62,802	81,323
Comprehensive income	91,810	457,932

As of March 31	2014	2015
Total assets	87,092,800	84,915,012
Consolidated solvency margin ratio	1,625.1%	1,644.2%

(2) Scope of Consolidation and Application of the Equity Method

- Number of consolidated subsidiaries: 1
- Number of non-consolidated subsidiaries accounted for under the equity method: 0
- Number of affiliates accounted for under the equity method: 0

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Year Items	As of March 31, 2014	As of March 31, 2015	Year Items	As of March 31, 2014	As of March 31, 2015
	Amount	Amount		Amount	Amount
ASSETS:			LIABILITIES:		
Cash and deposits	1,670,837	2,213,786	Policy reserves and others	80,799,941	77,905,677
Call loans	230,025	445,428	Reserve for outstanding claims	831,690	718,156
Receivables under securities borrowing transactions	2,822,188	2,720,856	Policy reserves	77,745,490	75,112,601
Monetary claims bought	107,448	449,068	Reserve for policyholder dividends	2,222,759	2,074,919
Money held in trust	581,627	1,434,943	Reinsurance payables	1,234	2,017
Securities	69,377,991	66,276,260	Other liabilities	4,080,744	4,261,065
Loans	11,020,585	9,977,345	Reserve for possible claim payments	1,881	-
Tangible fixed assets	89,453	131,790	Liability for retirement benefits	56,627	58,356
Land	40,726	68,350	Reserve for price fluctuations	614,233	712,167
Buildings	33,353	34,237	Total liabilities	85,554,663	82,939,284
Leased assets	1,507	2,009	NET ASSETS:		
Construction in progress	1,648	9,759	Capital stock	500,000	500,000
Other tangible fixed assets	12,218	17,433	Capital surplus	500,044	500,044
Intangible fixed assets	124,161	155,067	Retained earnings	351,010	411,992
Software	124,130	155,045	Total shareholders' equity	1,351,054	1,412,036
Leased assets	12	5	Net unrealized gains (losses) on available-for-sale securities	184,774	558,033
Other intangible fixed assets	18	16	Net deferred gains (losses) on hedges	11	22
Agency accounts receivable	102,651	95,023	Accumulated adjustments for retirement benefits	2,296	5,635
Reinsurance receivables	234	630	Total accumulated other comprehensive income	187,082	563,691
Other assets	374,099	468,700			
Deferred tax assets	592,532	547,053			
Reserve for possible loan losses	(1,036)	(943)	Total net assets	1,538,136	1,975,727
Total assets	87,092,800	84,915,012	Total liabilities and net assets	87,092,800	84,915,012

(4) Unaudited Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Consolidated Statements of Income)

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
		Amount	Amount
ORDINARY INCOME		11,234,114	10,169,241
Insurance premiums and others		5,911,643	5,956,716
Investment income		1,540,615	1,460,745
Interest and dividend income		1,458,190	1,365,796
Gains on money held in trust		9,736	32,762
Gains on sales of securities		71,074	61,908
Gains on redemption of securities		54	36
Gains on foreign exchanges		1,452	12
Reversal of reserve for possible loan losses		-	14
Other investment income		107	215
Other ordinary income		3,781,854	2,751,779
Reversal of reserve for outstanding claims		115,432	113,534
Reversal of policy reserves		3,656,490	2,632,889
Other ordinary income		9,931	5,354
ORDINARY EXPENSES		10,771,365	9,676,616
Insurance claims and others		10,160,877	9,059,549
Insurance claims		9,511,326	8,253,973
Annuity payments		256,746	304,096
Benefits		33,941	41,538
Surrender benefits		220,263	291,290
Other refunds		135,968	162,462
Reinsurance premiums		2,631	6,188
Provision for policy reserves and others		4,627	1,497
Provision for interest on policyholder dividends		4,627	1,497
Investment expenses		18,122	10,994
Interest expenses		4,963	4,298
Losses on sales of securities		10,205	4,963
Losses on redemption of securities		62	44
Losses on derivative financial instruments		2,161	773
Provision for reserve for possible loan losses		8	-
Other investment expenses		721	915
Operating expenses		513,999	513,159
Other ordinary expenses		73,738	91,415
ORDINARY PROFIT		462,748	492,625
EXTRAORDINARY GAINS		-	-
EXTRAORDINARY LOSSES		100,030	99,366
Losses on sales and disposal of fixed assets		8,670	1,432
Provision for reserve for price fluctuations		91,360	97,934
Provision for reserve for policyholder dividends		242,146	200,722
Income before income taxes		120,571	192,536
Income taxes - Current		200,724	208,365
Income taxes - Deferred		(142,955)	(97,152)
Total income taxes		57,769	111,213
Net income		62,802	81,323
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		62,802	81,323

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
		Amount	Amount
Net income		62,802	81,323
Other comprehensive income		29,007	376,609
Net unrealized gains (losses) on available-for-sale securities		28,996	373,258
Net deferred gains (losses) on hedges		11	11
Adjustments for retirement benefits		-	3,339
Total comprehensive income		91,810	457,932
Comprehensive income attributable to Japan Post Insurance		91,810	457,932
Comprehensive income attributable to non-controlling interests		-	-

(5) Unaudited Consolidated Statements of Cash Flows

(Millions of yen)

Items	Year	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
		Amount	Amount
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income taxes		120,571	192,536
Depreciation and amortization		34,074	35,224
Net change in reserve for outstanding claims		(115,432)	(113,534)
Net change in policy reserves		(3,656,490)	(2,632,889)
Provision for interest on policyholder dividends		4,627	1,497
Provision for reserve for policyholder dividends		242,146	200,722
Net change in reserve for possible loan losses		(59)	(92)
Net change in reserve for possible claim payments		(5,122)	(1,881)
Net change in reserve for directors' retirement benefits		(173)	-
Net change in liability for retirement benefits		(2,193)	(3,375)
Net change in reserve for price fluctuations		91,360	97,934
Interest and dividend income (accrual basis)		(1,458,190)	(1,365,796)
Net (gains) losses on securities		(60,861)	(56,937)
Interest expenses (accrual basis)		4,963	4,298
Net (gains) losses on foreign exchanges		(1,452)	(12)
Net (gains) losses on tangible fixed assets		280	1,310
Net change in agency accounts receivable		31,259	7,628
Net change in reinsurance receivables		(234)	(396)
Net change in other assets (excluding those related to investing activities and financing activities)		(26,487)	(86,519)
Net change in reinsurance payables		1,043	782
Net change in other liabilities (excluding those related to investing activities and financing activities)		(11,090)	(8,926)
Other, net		2,263	(28,995)
Subtotal		(4,805,197)	(3,757,421)
Interest and dividend received (cash basis)		1,653,556	1,438,805
Interest paid (cash basis)		(4,911)	(4,311)
Policyholder dividends paid		(420,523)	(349,687)
Income taxes paid		(174,063)	(215,874)
Net cash used in operating activities		(3,751,139)	(2,888,489)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of call loans		(32,758,125)	(33,053,228)
Proceeds from redemption of call loans		32,731,552	32,837,825
Net change in receivables under securities borrowing transactions		(490,901)	101,332
Purchases of monetary claims bought		(2,746,495)	(3,417,540)
Proceeds from sale and redemption of monetary claims bought		3,066,421	3,131,989
Purchases of money held in trust		(290,000)	(550,000)
Proceeds from sale of money held in trust		13,813	-
Purchases of securities		(6,587,951)	(3,849,529)
Proceeds from sale and redemption of securities		9,806,272	7,196,095
Payments for loans		(1,610,231)	(1,354,547)
Proceeds from collection of loans		3,273,164	2,397,748
Net change in payables under securities lending transactions		588,617	(44,684)
Other, net		(229,212)	144,115
Total of net cash provided by investment transactions		4,766,922	3,539,576
Total of net cash provided by operating activities and investment transactions		1,015,783	651,086
Purchases of tangible fixed assets		(6,052)	(28,399)
Purchases of intangible fixed assets		(39,808)	(56,722)
Other, net		(2,540)	(5,692)
Net cash provided by investing activities		4,718,522	3,448,761
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease obligations		(444)	(514)
Dividends paid		(22,750)	(16,808)
Net cash used in financing activities		(23,195)	(17,322)
Effect of exchange rate changes on cash and cash equivalents		-	-
Net change in cash and cash equivalents		944,187	542,949
Cash and cash equivalents at the beginning of the fiscal year		726,649	1,670,837
Cash and cash equivalents at the end of the fiscal year		1,670,837	2,213,786

(6) Unaudited Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	310,958	1,311,002
Changes in the fiscal year				
Cash dividends			(22,750)	(22,750)
Net income			62,802	62,802
Net changes in items other than shareholders' equity in the fiscal year				
Net changes in the fiscal year	-	-	40,052	40,052
Balance at the end of the fiscal year	500,000	500,044	351,010	1,351,054

	Accumulated other comprehensive income		
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits
Balance at the beginning of the fiscal year	155,778	-	-
Changes in the fiscal year			
Cash dividends			
Net income			
Net changes in items other than shareholders' equity in the fiscal year	28,996	11	2,296
Net changes in the fiscal year	28,996	11	2,296
Balance at the end of the fiscal year	184,774	11	2,296

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	351,010	1,351,054
Cumulative effects of changes in accounting policies			(3,533)	(3,533)
Restated balance	500,000	500,044	347,477	1,347,521
Changes in the fiscal year				
Cash dividends			(16,808)	(16,808)
Net income			81,323	81,323
Net changes in items other than shareholders' equity in the fiscal year				
Net changes in the fiscal year	-	-	64,514	64,514
Balance at the end of the fiscal year	500,000	500,044	411,992	1,412,036

	Accumulated other comprehensive income		
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits
Balance at the beginning of the fiscal year	184,774	11	2,296
Cumulative effects of changes in accounting policies			
Restated balance	184,774	11	2,296
Changes in the fiscal year			
Cash dividends			
Net income			
Net changes in items other than shareholders' equity in the fiscal year	373,258	11	3,339
Net changes in the fiscal year	373,258	11	3,339
Balance at the end of the fiscal year	558,033	22	5,635

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE FISCAL YEAR ENDED MARCH 31, 2015

(Basis for Preparation of the Unaudited Consolidated Financial Statements)

1. Scope of Consolidation
All subsidiaries are consolidated.
Number of consolidated subsidiaries: 1
Name of consolidated subsidiary: JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.
2. Fiscal Year-end Date of the Consolidated Subsidiary
The fiscal year-end date of the consolidated subsidiary is the same as the consolidated balance sheet date.

(Notes to the Unaudited Consolidated Balance Sheet)

1. Significant Accounting Policies
 - (1) Valuation Criteria and Methods for Securities
Securities including cash and deposits and monetary claims bought which are equivalent to securities, and securities invested in money held in trust, are recorded based on the following:
 - 1) Held-to-maturity Bonds
Held-to-maturity bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.
 - 2) Policy-reserve-matching Bonds
In accordance with “Temporary Treatment of Accounting and Auditing Concerning Policy-reserve-matching Bonds in the Insurance Industry” (Japanese Institute of Certified Public Accountants (“JICPA”) Industry Audit Committee Report No. 21), policy-reserve-matching bonds are carried at amortized cost and the cost of these securities sold is calculated using the moving-average method. Amortization is calculated using the straight-line method.
 - 3) Available-for-sale Securities
 - (i) Available-for-sale securities, at fair value
Available-for-sale securities, at fair value are carried at their fiscal year-end market price, of which average market prices during the final month of the fiscal year is used to value stocks and stock mutual funds. Cost of securities sold is calculated using the moving-average method.
 - (ii) Available-for-sale Securities for Which Fair Values are Deemed Extremely Difficult to Determine
 - (a) Government and corporate bonds (including foreign bonds) without market price whose premium or discount represents the interest adjustments are carried at amortized cost (the straight-line method) using the moving-average method.
 - (b) Other securities are carried at cost using the moving-average method.
 - (2) Valuation Criteria and Methods for Derivative Transactions
All derivative transactions are valued at fair value.
 - (3) Depreciation Methods for Depreciable Assets
 - 1) Tangible Fixed Assets (excluding leased assets)
Depreciation of tangible fixed assets is computed using the straight-line method based on the following useful lives:
 - (i) Buildings: 2-55 years
 - (ii) Other tangible fixed assets: 2-20 years
 - 2) Intangible Fixed Assets (excluding leased assets)
The capitalized development costs of software intended for internal use are amortized over the expected useful life of mainly 5 years using the straight-line method.
 - 3) Leased Assets
Finance lease transactions that do not transfer ownership are depreciated to a residual value of zero using the straight-line method over the lease term.

(4) Recognition of Reserves

Reserve for possible loan losses

Reserve for possible loan losses is provided pursuant to the Company's standards for self-assessment of asset quality, and general allowance is provided using a rate based on historical collectability experience. In addition, specific allowances, which are determined based on individual collectability of accounts, are also recorded.

All loans and claims are assessed initially by the relevant departments based on internal rules for self-assessment of asset quality. The asset evaluation department, which is independent from the relevant departments, reviews these self-assessments. The above reserves and allowances are recorded based on the results of these assessments.

For loans and guaranteed loans that were extended to borrowers that have filed for bankruptcy including legal bankruptcy, civil rehabilitation, or considered substantially bankrupt, an allowance is provided for in the amount of loans, net of collateral value or the amounts expected to be recoverable under guarantees. Reserve for possible loan losses also includes amounts set aside for other assets subject to valuation allowance. The amount written off for loans and other assets during the fiscal year ended March 31, 2015 was ¥294 million.

(5) Accounting Treatment for Retirement Benefits

1) Method for Attributing Expected Benefits to Periods

In calculating the projected benefit obligation, the benefit formula basis is used to attribute the expected benefit to respective service period.

2) Method for Recognizing Actuarial Differences and Prior Service Cost

Actuarial difference is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service period for employees from the fiscal year following the respective fiscal year in which the difference is incurred.

Prior service cost is amortized using the straight-line method over a period of 14 years, which is less than the estimated average remaining service lives for employees in the fiscal year of incurrence.

(Additional information)

Effective from April 1, 2015, the Company has revised its retirement allowance regulations and its lump-sum severance indemnity plan has been changed from a final salary formula to a point system. As a result, projected benefit obligation decreased and prior service cost of ¥5,174 million was recognized for the fiscal year ended March 31, 2015.

3) Application of the Simplified Method by Small Companies

The consolidated subsidiary adopts the simplified method in calculating its liability for retirement benefits and retirement benefit costs.

(6) Reserve for Price Fluctuations

Reserve for price fluctuations in security investments is computed based on Article 115 of the Insurance Business Act.

(7) Hedge Accounting

1) Methods for Hedge Accounting

The Company and its subsidiary (the "Group") applies fair value hedge accounting for foreign currency exchange contracts to hedge foreign exchange fluctuation risk for a portion of its foreign-currency-denominated bonds, and the exceptional treatment and deferred hedge accounting for interest rate swaps to hedge variability in cash flows on a portion of loans in accordance with the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).

2) Hedging Instruments and Hedged Items

- | | | |
|------|---------------------|-------------------------------------|
| (i) | Hedging instrument: | Foreign currency exchange contracts |
| | Hedged item: | Foreign-currency-denominated bonds |
| (ii) | Hedging instrument: | Interest rate swaps |
| | Hedged item: | Loans |

3) Hedging Policies

Foreign currency exchange contracts are used to hedge fluctuations in foreign currency exchange rates of foreign-currency-denominated bonds within a predetermined range. Interest rate swap contracts are used to hedge fluctuations in interest rates of loans within a certain range.

4) Assessment of Hedge Effectiveness

Hedge effectiveness is assessed by comparing the aggregate changes in quotations or cash flows of hedged items and hedging instruments. The evaluation of hedge effectiveness is omitted in cases of foreign exchange contracts where there is a high correlation between hedged items and hedging instruments, or interest rate swap contracts which applied the exceptional treatment for interest rate swaps.

(8) Policy Reserves

Policy reserves are reserves provided in accordance with Article 116 of the Insurance Business Act. Insurance premium reserves are recorded based on the following methodology:

- 1) Reserves for contracts subject to the standard policy reserves are computed in accordance with the method prescribed by the Commissioner for Financial Services Agency (Ordinance No. 48 issued by the Ministry of Finance in 1996).
- 2) Reserves for other contracts are computed based on the net level premium method.

Pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act, effective from the fiscal year ended March 31, 2011, additional policy reserves are accumulated, in preparation for future performance of obligations, over a 10-year period for a portion of reinsurance contracts from the Management Organization for Postal Savings and Postal Life Insurance (hereinafter referred to as the “Management Organization”), which is an independent administrative institution. As a result, the amount of provision for policy reserves for the fiscal year ended March 31, 2015 was ¥176,491 million.

(9) Consumption Taxes

All figures are net of consumption taxes.

(10) Consolidated Tax Payment System

The Group adopts the consolidated tax payment system, under which Japan Post Holdings Co., Ltd. is the parent company.

2. Changes in Accounting Policies

Effective from the fiscal year ended March 31, 2015, with respect to the application of the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012; hereinafter referred to as the “Retirement Benefits Accounting Standard”) and the “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, March 26, 2015; hereinafter referred to as the “Guidance on Retirement Benefits”), the Company has adopted provisions stated in the main clause of Paragraph 35 of the Retirement Benefits Accounting Standard and the main clause of Paragraph 67 of the Guidance on Retirement Benefits. Accordingly, the Company has revised the calculation methods for retirement benefit obligations and service cost and changed the method of attributing expected benefit to each fiscal year from the straight-line basis to the benefit formula basis. In addition, the method for determining the discount rate has been changed from the method using a discount rate based on the number of years which approximates the estimated average remaining service lives for employees to the method using a single-weighted average discount rate which reflects the estimated payment periods of retirement benefits and the amounts in the respective estimated payment periods.

In accordance with the transitional application provided for in Paragraph 37 of the Retirement Benefits Accounting Standard, the effects of changes of the calculation methods for retirement benefit obligations and service cost are recognized in retained earnings at the beginning of the fiscal year ended March 31, 2015.

As a result, liability for retirement benefits increased by ¥5,104 million and retained earnings decreased by ¥3,533 million at the beginning of the fiscal year ended March 31, 2015. The effect of these changes on ordinary profit and income before income taxes for the fiscal year ended March 31, 2015 was immaterial.

3. Changes in Presentation

(Consolidated statements of cash flows)

“Net change in receivables under securities borrowing transactions” and “net change in payables under securities lending transactions,” which were included in “net change in receivables under securities borrowing transactions and payables under securities lending transactions” under “cash flows from investing activities” in the previous fiscal year, are separately presented from the current fiscal year due to an increase in materiality.

4. Matters Regarding Status of Financial Instruments and Fair Value of Financial Instruments

(1) Matters Regarding Status of Financial Instruments

1) Policy for handling financial instruments

The Company promotes cash flows matching between assets and liabilities using yen-denominated interest-bearing assets, taking into consideration the characteristics of liabilities so as to maintain sound management and ensure payments for insurance claims and others. The Company endeavors to invest in yen-denominated bonds such as Japanese local government bonds and Japanese corporate bonds, of which yield is expected to be relatively higher than that of Japanese government bonds, as well as in risk assets including foreign bonds and stocks from the perspective of improving profitability as well as to strengthen the risk management system.

Derivative transactions are identified as a key hedging method against foreign exchange fluctuation risk and interest rate risk to our investment assets, and these are not used for speculative purposes.

2) Features and risks of financial instruments

Financial assets owned by the Company consist mainly of securities and loans, and are managed by using an asset liability management (ALM) framework. Such securities are exposed to the credit risk of their issuing bodies, and market price fluctuation risk and interest rate risk. In addition, foreign-currency-denominated bonds are exposed to the foreign exchange risk. Moreover, the Company owns loans with floating interest rates, which are exposed to the interest rate risk.

Derivative transactions which the Company uses are mainly foreign exchange contracts and interest rate swaps. These are used for the purpose of hedging interest rate risk and foreign exchange fluctuation risk limited to the purpose of hedging and is not meant for speculative purposes. The market-related risk of derivative transactions are therefore reduced and limited.

3) Risk management framework for financial instruments

(i) Management of market risk

Market risk is the risk of losses resulting from fluctuation in the value of assets and liabilities held including off-balance sheet assets due to fluctuations in various market risk factors such as interest rates, foreign exchange rates, and stock prices, and is categorized into interest rate risk and market price fluctuation risk. Interest rate risk is the risk of losses resulting from deterioration in corporate value due to a decrease in the value of interest-bearing assets denominated in yen and insurance liabilities, which arises from fluctuations in yen interest rates where mismatch exists between interest rates and maturities of interest-bearing assets denominated in yen and insurance liabilities. Market price fluctuation risk is the market risk other than interest risk. The Company manages interest rate risk as well as market price fluctuation risk, which is categorized by aggregating credit risk and real estate investment risk, by setting a reference value and managing the risks so that each risk quantity does not exceed it.

The risk control supervisory department measures the quantity of market risk, credit risk, and real estate investment risk using value at risk (VaR), and reports to the risk management committee regularly.

(ii) Management of credit risk

Credit risk is the risk of losses resulting from a decline or elimination in the value of assets including off-balance sheet assets due to deterioration in financial conditions of borrowers and other reasons.

In order to control investment and lending to borrowers with high credit risk, the Company manages its investment and lending by prescribing credit eligibility rules based on internal rating. Moreover, to prevent concentration of credit risk on a particular borrower, group or industry, the Company establishes credit limits corresponding to internal rating and standards of credit shares by industry.

The results of their activities are reported to the risk management committee regularly.

4) Additional notes concerning the fair value of financial instruments

The fair value of a financial instrument includes prices based on market quotations as well as rationally calculated prices for those whose market prices are not readily available. In calculating prices, certain premises and assumptions are adopted, and the use of different assumptions may lead to changes in pricing.

The contract amounts of derivative transactions in “(5) Derivative Transactions” do not indicate the market risk related to derivative transactions.

(2) Fair Values of Financial Instruments

Amounts carried on the consolidated balance sheets, fair values and the difference between them as of March 31, 2015 were as follows. Financial instruments for which fair values are extremely difficult to determine are not included in the table below (see Note 2).

(Millions of yen)

	Consolidated balance sheet amount	Fair value	Net unrealized gains (losses)
1) Cash and deposits	2,213,786	2,213,786	-
Available-for-sale securities (negotiable certificates of deposit)	1,295,000	1,295,000	-
2) Receivables under securities borrowing transactions	2,720,856	2,720,856	-
3) Monetary claims bought	449,068	449,068	-
Available-for-sale securities	449,068	449,068	-
4) Money held in trust (*1)	1,434,943	1,434,943	-
5) Securities	66,256,260	71,968,615	5,712,355
Held-to-maturity bonds	43,695,559	48,232,675	4,537,116
Policy-reserve-matching bonds	15,493,208	16,668,447	1,175,238
Available-for-sale securities	7,067,492	7,067,492	-
6) Loans (*2)	9,977,267	10,905,033	927,765
Policy loans	74,097	74,097	-
Industrial and commercial loans	806,181	862,878	56,697
Loans to the Management Organization	9,096,988	9,968,057	871,068
Total assets	83,052,183	89,692,304	6,640,121
Payables under securities lending transactions(*3)	3,658,492	3,658,492	-
Total liabilities	3,658,492	3,658,492	-
Derivative transactions (*4)			
Hedge accounting not applied	-	-	-
Hedge accounting applied	526	526	-
Total derivative transactions	526	526	-

(*1) Money held in trust classified as other than trading, held-to-maturities and policy-reserve-matching.

(*2) Reserve for possible loan losses corresponding to loans has been deducted.

(*3) Included in “Other liabilities” in the consolidated balance sheets.

(*4) Net receivables and payables arising from derivative transactions are stated at net values, and if the values are negative, they are indicated in parentheses.

Note 1: Calculation methods for fair values of financial instruments

Assets

- 1) Cash and deposits
Deposits (including negotiable certificates of deposit) mature within a short-term (one year), and their fair value approximates book value.
- 2) Receivables under securities borrowing transactions
These are settled within a short-term (one year), and their fair value approximates book value.
- 3) Monetary claims bought
The fair value of monetary claims bought accounted for as securities in the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10) is calculated in a similar manner to the method described in “(5) Securities” below.
- 4) Money held in trust
The fair value of money held in trust is based on the price quoted by the exchange for shares and net asset value for mutual funds.
Money held in trust are provided in “(4) Money held in trust” in accordance with the purpose of the holdings.
- 5) Securities
The fair value of bonds is primarily based on the price published by industry associations such as the reference statistical price published by the Japan Securities Dealers Association, or price offered by the financial institutions.
Securities are described in “(3) Securities” in accordance with the purpose of keeping in possession.
- 6) Loans
For policy loans and those included in loans to the Management Organization of Postal Life Insurance Contracts, book values are used as fair values because amounts are limited to the values of corresponding cash surrender value and their fair value approximates book value considering their short maturities and interest conditions.
For industrial and commercial loans with floating interest rates, whose future cash flows follow market interest rates, their fair value approximates book value.
For industrial and commercial loans with fixed interest rates or loans to the Management Organization (excluding policy loans), fair value is based on a net discounted present value of future cash flows.

Liabilities

- Payables under securities lending transactions
These are settled within a short-term (one year) and their fair value approximates book value.

Derivative transactions

Notes on the fair value of derivatives are presented in “(5) Derivative transactions.” Interest rate swaps subject to exceptional treatment for interest rate swaps are jointly disclosed with hedged industrial and commercial loans. Therefore, their fair values are included in the relevant industrial and commercial loans.

Note 2: Consolidated balance sheet amount of financial instruments for which fair values are deemed extremely difficult to determine

(Millions of yen)

	Consolidated balance sheet amount
Unlisted stocks (*)	20,000

(*) The above instruments are not included in the scope of fair value disclosures because there are no available market prices and it is extremely difficult to determine their fair values.

Note 3: Redemption schedule of major monetary claims and securities with maturities

(Millions of yen)

	Within 1 year	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Cash and deposits with maturities	1,295,000	-	-	-	-	-
Receivables under securities borrowing transactions	2,720,856	-	-	-	-	-
Monetary claims bought	419,000	-	-	-	-	27,989
Securities	6,316,178	12,045,027	6,973,989	5,145,309	6,726,354	28,181,276
Held-to-maturity bonds	2,881,511	6,230,609	3,953,665	2,991,726	3,290,329	23,854,900
Policy-reserve-matching bonds	1,911,429	4,288,547	1,762,786	1,444,146	2,168,753	3,809,900
Available-for-sale securities with maturities	1,523,237	1,525,870	1,257,537	709,435	1,267,272	516,476
Loans	1,678,018	1,819,669	1,598,350	1,389,573	1,657,299	1,834,335
Total	12,429,053	13,864,696	8,572,339	6,534,883	8,383,654	30,043,601

Note 4: Redemption schedule of payables under securities lending transactions

(Millions of yen)

	Within 1 year	Due after 1 year through 3 years	Due after 3 years through 5 years	Due after 5 years through 7 years	Due after 7 years through 10 years	Due after 10 years
Payables under securities lending transactions	3,658,492	-	-	-	-	-

(3) Securities

1) Held-to-maturity Bonds

(Millions of yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount	Bonds	43,526,994	48,060,756	4,533,761
	Japanese government bonds	32,497,522	36,429,888	3,932,365
	Japanese local government bonds	8,010,537	8,454,263	443,725
	Japanese corporate bonds	3,018,933	3,176,604	157,670
	Foreign securities	98,000	101,894	3,894
	Other	-	-	-
	Subtotal	43,624,994	48,162,650	4,537,655
Those for which fair value does not exceed the consolidated balance sheet amount	Bonds	70,564	70,025	(539)
	Japanese government bonds	-	-	-
	Japanese local government bonds	64,865	64,341	(523)
	Japanese corporate bonds	5,699	5,683	(15)
	Foreign securities	-	-	-
	Other	-	-	-
	Subtotal	70,564	70,025	(539)
Total		43,695,559	48,232,675	4,537,116

2) Policy-reserve-matching Bonds

(Millions of yen)

	Type	Consolidated balance sheet amount	Fair value	Difference
Those for which fair value exceeds the consolidated balance sheet amount	Bonds	15,462,719	16,638,173	1,175,453
	Japanese government bonds	14,655,817	15,800,030	1,144,212
	Japanese local government bonds	674,853	699,297	24,444
	Japanese corporate bonds	132,049	138,846	6,797
	Foreign securities	-	-	-
	Other	-	-	-
	Subtotal	15,462,719	16,638,173	1,175,453
Those for which fair value does not exceed the consolidated balance sheet amount	Bonds	30,488	30,273	(214)
	Japanese government bonds	4,450	4,419	(31)
	Japanese local government bonds	25,036	24,857	(179)
	Japanese corporate bonds	1,001	997	(4)
	Foreign securities	-	-	-
	Other	-	-	-
	Subtotal	30,488	30,273	(214)
Total		15,493,208	16,668,447	1,175,238

3) Available-for-sale Securities

(Millions of yen)

	Type	Consolidated balance sheet amount	Cost	Difference
Those for which the consolidated balance sheet amount exceeds cost	Stocks	-	-	-
	Bonds	4,868,151	4,768,988	99,163
	Japanese government bonds	828,655	827,483	1,171
	Japanese local government bonds	681,442	679,443	1,998
	Japanese corporate bonds	3,358,053	3,262,061	95,992
	Foreign securities	1,781,819	1,455,693	326,126
	Foreign bonds	1,781,819	1,455,693	326,126
	Other (*)	30,084	27,989	2,095
	Subtotal	6,680,055	6,252,670	427,384
Those for which the consolidated balance sheet amount does not exceed cost	Stocks	-	-	-
	Bonds	335,848	336,406	(558)
	Japanese government bonds	100,000	100,000	(0)
	Japanese local government bonds	99,121	99,311	(189)
	Japanese corporate bonds	136,726	137,094	(367)
	Foreign securities	81,673	82,019	(346)
	Foreign bonds	81,673	82,019	(346)
	Other (*)	1,713,983	1,713,983	-
	Subtotal	2,131,505	2,132,410	(904)
Total		8,811,560	8,385,080	426,480

(*) "Other" includes financial instruments accounted for as securities in accordance with the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10).

4) Policy-reserve-matching Bonds Sold during the Fiscal Year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Sales	Gains	Losses
Bonds	1,717,375	56,869	-
Japanese government bonds	1,717,375	56,869	-

5) Available-for-sales Securities Sold during the Fiscal Year (From April 1, 2014 to March 31, 2015)

(Millions of yen)

	Sales	Gains	Losses
Foreign securities	158,468	5,038	4,963

(4) Money Held in Trust

Money held in trust classified as other than trading, held-to-maturity and policy-reserve-matching

(Millions of yen)

Consolidated balance sheet amount	Cost	Difference	Those for which the consolidated balance sheet amount exceeds cost	Those for which the consolidated balance sheet amount does not exceed cost
1,434,943	1,079,701	355,241	357,085	1,844

(*) The Group recognized losses on valuation of ¥442 million for the fiscal year ended March 31, 2015.

Losses on valuation are recognized for stocks invested in money held in trust if their average market prices during the final month of the fiscal year decline by 30% or more of the cost.

(5) Derivative Transactions

1) Derivative transactions to which the hedge accounting method is not applied

Not applicable.

2) Derivative transactions to which the hedge accounting method is applied

(i) Currency-related derivatives

(Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Fair value hedge accounting	Forward foreign exchange Sold U.S. dollars Euros	Foreign currency- denominated bonds	172,008 191,112	- -	(12,843) 13,337
Total			363,120	-	493

(*) Method for calculating fair value

Fair value is calculated using the forward foreign exchange rate as of the consolidated fiscal year-end date.

(ii) Interest rate-related derivatives

(Millions of yen)

Hedge accounting method	Type of derivative	Major hedged item	Contract amount	Contract amount due after 1 year	Fair value
Deferred hedge method	Interest rate swaps Receivable fixed rate / Payable floating rate	Loans	13,750	13,750	32
Exceptional treatment for interest rate swaps	Interest rate swaps Receivable fixed rate / Payable floating rate	Loans	88,200	65,500	(*)
Total			-	-	32

(*1) Method for calculating fair value

Fair value is calculated using discounted present value.

(*2) Interest rate swap amounts measured by the exceptional treatment for interest rate swaps are disclosed with the loans that are subject to the hedge. Therefore such fair value is included in the fair value of the relevant loans.

5. The consolidated balance sheet amount, fair value and the outline of risk management policy of policy-reserve-matching bonds were as follows:
 - (1) The consolidated balance sheet amount and fair value of policy-reserve-matching bonds amount to ¥15,493,208 million and ¥16,668,447 million, respectively.
 - (2) The outline of the risk management policy of policy-reserve-matching bonds is as follows:
 The Company categorizes its insurance products into sub-groups below based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts the management policy where the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.
 - 1) Postal Life Insurance Contracts
 - 2) Japan Post Insurance life insurance contracts (general)
 - 3) Japan Post Insurance life insurance contracts (lump-sum payment annuity)
6. Securities lent under lending agreements in the amount of ¥3,211,916 million were included in “Securities” in the consolidated balance sheets as of March 31, 2015.
7. There were no bankrupt loans, non-interest accrual loans, past due loans for three months or more, and restructured loans as of March 31, 2015. Definitions for each of the respective loans are as follows:
 Bankrupt loans refer to non-accrual loans, excluding the balances already written off, which meet the conditions prescribed in Article 96, Paragraph 1, Item 3-(a) to (e) and Item 4 of the Enforcement Ordinance of the Corporation Tax Act (Ordinance No. 97 in 1965). Interest accruals of such loans are suspended since the principal or interest on such loans is unlikely to be collected due to delinquency in payments for them for a considerable period of time or other reasons.
 Non-interest accrual loans are those loans for which interest payments have been suspended to assist and support the borrowers in the restructuring of their business.
 Past due loans for three months or more are loans for which principal or interest payments are delinquent for three months or more under the term of the loans from the day following the contractual due date, excluding those classified as bankrupt loans and non-accrual loans.
 Restructured loans are loans for which certain concessions favorable to borrowers, such as interest reduction or exemption, postponement of principal or interest payments, debt waiver or other arrangements, have been made for the purpose of assisting and supporting the borrowers in the restructuring of their business. This category excludes loans classified as bankrupt loans, non-interest accrual loans, and past due loans for three months or more.
8. The amount of unused commitments as of March 31, 2015 was ¥1,250 million.
9. Accumulated depreciation for tangible fixed assets as of March 31, 2015 was ¥63,635 million.
10. Total deferred tax assets and total deferred tax liabilities were ¥777,060 million and ¥227,057 million, respectively. A deduction from deferred tax assets as valuation allowance was ¥2,948 million.
 Significant components of deferred tax assets include ¥559,683 million of policy reserves, ¥134,860 million of reserve for price fluctuations, ¥49,850 million of reserve for outstanding claims, ¥16,875 million of liability for retirement benefits, and ¥769 million of unrealized losses on available-for-sale securities.
 Significant components of deferred tax liabilities include ¥224,458 million of unrealized gains on available-for-sale securities.
11. The statutory tax rate for the fiscal year ended March 31, 2015 was 30.78%. Primary factors for the difference between the statutory tax rate and the effective income tax rate after tax effect accounting include a reduction of 26.85% in net deferred tax assets as of the end of the fiscal year resulting from tax rate changes.
12. During the fiscal year ended March 31, 2015, the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9 of 2015) was promulgated on March 31, 2015 and, as a result, the statutory tax rate used to measure the Company’s deferred tax assets and liabilities was changed from 30.78% to 28.85% from the fiscal year beginning on or after April 1, 2015. Due to this tax rate change, deferred tax assets and deferred tax liabilities decreased by ¥51,919 million and ¥15,200 million, respectively, and deferred income taxes increased by ¥51,694 million for the fiscal year ended March 31, 2015.

13. Changes in reserve for policyholder dividends for the fiscal year ended March 31, 2015 were as follows:

a. Balance at the beginning of the fiscal year	¥2,222,759 million
b. Policyholder dividends paid	¥349,687 million
c. Interest accrual	¥1,497 million
d. Reduction due to the acquisition of additional annuity	¥372 million
e. Provision for reserve for policyholder dividends	¥200,722 million
f. Balance at the end of the fiscal year	¥2,074,919 million

14. Assets pledged as collateral consisted of the following:

Securities ¥3,211,916 million

Liabilities corresponding to assets pledged as collateral consisted of the following:

Payables under securities lending transactions ¥3,658,492 million

All of securities above were pledged as collateral for securities lending transactions with cash collateral.

15. Reserve for outstanding claims for reinsured parts defined in Article 71, Paragraph 1 of the Enforcement Regulations of the Insurance Business Act, which is referred to in Article 73, Paragraph 3 of the Regulations (hereinafter referred to as “reserve for outstanding claims-ceded”), as of March 31, 2015 was ¥285 million. Policy reserves for reinsured portion defined in Article 71, Paragraph 1 of the said Regulations (hereinafter referred to as “policy reserves-ceded”) as of March 31, 2015 was ¥314 million.

16. Net assets per share were ¥98,786.39.

17. The Group has the right to sell or pledge securities borrowed under borrowing agreements. The fair value of such securities held in hand was ¥2,701,601 million as of March 31, 2015.

18. The Company estimated future contributions to the Life Insurance Policyholders Protection Corporation in the amount of ¥22,829 million as of March 31, 2015 pursuant to Article 259 of the Insurance Business Act. This obligation is recognized as operating expenses when it is made.

19. Matters related to retirement benefits are as follows:

(1) Outline of retirement benefits

The Company and its consolidated subsidiary have lump-sum severance indemnity plans which are an unfunded defined benefit plan to provide for employees' retirement benefits. The consolidated subsidiary adopts the simplified method in calculating its liability for retirement benefits and retirement benefit costs. Effective from April 1, 2015, the Company has revised its retirement allowance regulations and its lump-sum severance indemnity plan has been changed from a final salary formula to a point system.

(2) Defined benefit plans

1) Changes in retirement benefit obligations

	(Millions of yen)
Balance at the beginning of the fiscal year	56,627
Cumulative effects of changes in accounting policies	5,104
Restated balance at the beginning of the fiscal year	61,731
Service cost	3,639
Interest cost	428
Actuarial differences	242
Benefits paid	(2,483)
Prior service cost	(5,174)
Other	(26)
Balance at the end of the fiscal year	58,356

(Note) Prior service cost incurred as a result of the change of the lump-sum severance indemnity plans to a point system as of April 1, 2015.

2) Balance of retirement benefit obligations and reconciliations of liability for retirement benefits recorded on the consolidated balance sheets

	(Millions of yen)
Unfunded retirement benefit obligations	58,356
Liability for retirement benefits recorded on the consolidated balance sheet	58,356

3) Retirement benefit costs

	(Millions of yen)
Service cost	3,639
Interest cost	428
Amortization of actuarial differences	(297)
Amortization of prior service cost	(30)
Other	69
Retirement benefit expenses of defined benefit plans	3,808

4) Adjustments for retirement benefits

The breakdown of adjustments for retirement benefits (before tax effect) is as follows:

	(Millions of yen)
Prior service cost	5,143
Actuarial differences	(540)
Total	4,603

5) Accumulated adjustments for retirement benefits

The breakdown of accumulated adjustments for retirement benefits (before tax effect) is as follows:

	(Millions of yen)
Unrecognized prior service cost	5,143
Unrecognized actuarial differences	2,777
Total	7,920

6) Actuarial assumptions

The principal actuarial assumption used for the fiscal year ended March 31, 2015 were as follows:

Discount rate	0.7%
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20. Policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Organization, amounted to ¥52,156,724 million and are provided at amounts calculated based on the statement of calculation procedures for the Company's insurance premiums and policy reserves. The amounts calculated based on the foregoing procedures are not less than the amounts calculated based on the statement of calculation procedures for the Postal Life Insurance Policy Reserves in accordance with the Act on Management Organization for Postal Savings and Postal Life Insurance (Act No. 101 of 2005). In addition, contingency reserve and reserve for price fluctuations are provided in the amount of ¥2,182,885 million and ¥626,849 million, respectively, for the category of reinsurance.
21. "Other liabilities" in the consolidated balance sheet includes ¥59,058 million of deposits from the Management Organization. Deposits from the Management Organization refer to the amounts equivalent to the reserve for outstanding claims and reserve for losses on compensation for damages related to litigation or conciliation of the Management Organization, which was deposited at the time of privatization based on the outsourcing agreements with the Management Organization for the administrative operation of the Postal Life Insurance.

(Notes to the Unaudited Consolidated Statement of Income)

1. The amount of provision for reserve for outstanding claims-ceded that is added to the calculation of reversal of reserve for outstanding claims for the fiscal year ended March 31, 2015 was ¥203 million. The amount of provision for policy reserve-ceded that is added to the calculation of reversal of policy reserves for the fiscal year ended March 31, 2015 was ¥130 million.
2. Net income per share was ¥4,066.16.
3. Insurance premiums assumed based on reinsurance contracts with the Management Organization included in insurance premiums and others for the fiscal year ended March 31, 2015 were ¥1,697,140 million.
4. Insurance claims based on reinsurance contracts with the Management Organization included in insurance claims for the fiscal year ended March 31, 2015 were ¥8,208,198 million.
5. Provision for reserve for policyholder dividends, which is provided for the Management Organization based on gains or losses and others arising in the category of reinsurance due to the reinsurance contracts with the Management Organization, were ¥190,363 million for the fiscal year ended March 31, 2015.

(Notes to the Unaudited Consolidated Statement of Comprehensive Income)

(Millions of yen)

Net unrealized gains (losses) on available-for-sale securities:	
Amount arising during the fiscal year	524,140
Reclassification adjustments	(7,947)
Before tax effect adjustments	516,192
Tax effect	(142,934)
Net unrealized gains (losses) on available-for-sale securities	373,258
Net deferred gains (losses) on hedges:	
Amount arising during the fiscal year	15
Reclassification adjustments	-
Before tax effect adjustments	15
Tax effect	(4)
Net deferred gains (losses) on hedges	11
Adjustments for retirement benefits:	
Amount arising during the fiscal year	4,932
Reclassification adjustments	(328)
Before tax effect adjustments	4,603
Tax effect	(1,263)
Adjustments for retirement benefits	3,339
Total other comprehensive income	376,609

(Notes to the Unaudited Consolidated Statement of Cash Flows)

1. Scope of Cash and Cash Equivalents

Cash and cash equivalents consists of “Cash and deposits” in the consolidated balance sheet.

2. The reconciliation of cash and cash equivalents in the consolidated statement of cash flows to cash and deposits in the consolidated balance sheet as of March 31, 2015 was as follows:

Cash and deposits	¥2,213,786 million
Cash and cash equivalents	¥2,213,786 million

(Notes to the Unaudited Consolidated Statements of Changes in Net Assets)

1. Class and Number of Shares Issued and Treasury Stock

(Thousands of shares)

	April 1, 2014	Increase	Decrease	March 31, 2015
Shares issued				
Common stock	20,000	-	-	20,000
Total	20,000	-	-	20,000
Treasury stock				
Common stock	-	-	-	-
Total	-	-	-	-

2. Stock Acquisition Rights Including Those Owned by the Company

Not applicable.

3. Information on Dividends

(1) Dividends Paid

The following resolution was adopted at the Board of Directors' meeting held on May 14, 2014:

Dividends on common stock

- | | |
|---------------------|-----------------|
| a. Total amount | ¥16,808 million |
| b. Per share amount | ¥840.43 |
| c. Effective date | May 15, 2014 |

The record date for the dividends was March 31, 2014 with retained earnings as the source of dividends.

(2) Dividends whose effective date falls after the end of the fiscal year ended March 31, 2015:

The following resolution was adopted at the Board of Directors' meeting held on May 13, 2015:

Dividends on common stock

- | | |
|---------------------|-----------------|
| a. Total amount | ¥24,527 million |
| b. Per share amount | ¥1,226.38 |
| c. Effective date | May 14, 2015 |

The record date for the dividends was March 31, 2015 with retained earnings as the source of dividends.

(7) Status of Risk-Monitored Loans (Consolidated)

Not applicable.

(8) Status of Insurance Claims Paying Ability of the Company and its Subsidiaries

(Consolidated Solvency Margin Ratio)

(Millions of yen)

As of March 31	2014	2015
Total amount of solvency margin (A)	5,134,732	5,706,126
Capital stock, etc.	1,334,246	1,387,508
Reserve for price fluctuations	614,233	712,167
Contingency reserve	2,588,798	2,498,711
Catastrophe loss reserve	-	-
General reserve for possible loan losses	91	77
Net unrealized gains (losses) on available-for-sale securities × 90% (if negative, × 100%)	238,976	703,549
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(3,465)	(10,077)
Sum of unrecognized actuarial differences and unrecognized prior service cost	3,317	7,920
Excess of continued Zillmerised reserve	358,533	406,267
Capital raised through debt financing	-	-
Amounts within “excess of continued Zillmerised reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	-	-
Other	-	-
Total amount of risk (B)	631,890	694,064
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$		
Insurance risk R ₁	168,426	163,796
General Insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
Underwriting risk of third-sector insurance R ₈	99,913	88,568
Small amount, short-term insurance risk R ₉	-	-
Anticipated yield risk R ₂	198,138	184,450
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	355,728	443,176
Business management risk R ₄	16,444	17,599
Solvency margin ratio		
$\frac{(A)}{(1/2 \times (B))} \times 100$	1,625.1%	1,644.2%

- (Notes) 1. These figures are calculated based on Article 86-2 and Article 88 of the Ordinance for Enforcement of the Insurance Business Act and the Ordinance No. 23 issued by the Financial Services Agency in 2011.
2. “Sum of unrecognized actuarial differences and unrecognized prior service cost” is included in the calculation from the end of the fiscal year ended March 31, 2014.

(9) Segment Information

Segment information is omitted as the Company has only one segment.

(Reference) Holdings of Securitized Products and Investments Related to Subprime-related Investments

Based on the reports of the Financial Stability Forum (FSF), Japan Post Insurance Co., Ltd. discloses the following information with respect to its holdings of securitized products and investments related to subprime-related investments as of March 31, 2015.

(Securitized products)

- Securitized products are all RMBS backed by mortgage loans in Japan, and there are no overseas mortgage loans backing RMBS.

(Investments related to subprime-related investments)

- The Company has no investments related to subprime-related investments.

Definitions of items in the table:

- Unrealized gain (loss) is fair value net of book value.
- Interest and dividend income is not included in realized gain (loss).

[Investments]

1) General Special Purpose Entities (SPEs)

None.

2) Collateralized Debt Obligations (CDO)

None.

3) Other Subprime-related Investments / Alt-A Exposures

The Company does not hold securitized products backed by other subprime-related investments / Alt-A exposures.

4) Commercial Mortgage-Backed Securities (CMBS)

None.

5) Leveraged Finance

None.

6) Others

(Billions of yen)

	Fair value	Unrealized gains (losses)	Realized gains (losses)
RMBS	486.7	24.0	-

- (Notes)
1. The Company has no investments related to subprime-related investments.
 2. The RMBS held by the Company are backed by mortgage loans in Japan.