

# 1 Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2018

The Japanese economy in the fiscal year ended March 31, 2018 continued gradual recovery as exports and production grew amid improvement in personal consumption. The U.S., European and Chinese economies continued solid recovery due to continuing growth in production in the manufacturing industry worldwide.

The role of the life insurance industry is growing ever more to support self-help efforts of customers by strengthening sales channels and developing products in response to customers' diversifying needs and heightened selectivity, which mirrors such trends as the aging of society with declining birthrates, a growing number of one-person households, and evolving lifestyles.

Under this environment, the Company has set forth its management philosophy of "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," and strove to provide simple and easy-to-understand products with smaller coverage amounts focused on endowment insurance and whole life insurance through the nationwide network of post offices, along with warmhearted customer services, through "Feel Secure with Kampo" activities.

Ordinary income amounted to ¥7,952.9 billion (8.2% decrease year on year), comprising the sum of insurance premiums and others of ¥4,236.4 billion (16.0% decrease year on year), investment income of ¥1,284.5 billion (6.1% decrease year on year), and other ordinary income of ¥2,431.9 billion (8.1% increase year on year).

Ordinary expenses amounted to ¥7,643.7 billion (8.8% decrease year on year), comprising the sum of insurance claims and others of ¥6,890.0 billion (8.7% decrease year on year), investment expenses of ¥106.0 billion (33.9% decrease year on year), operating expenses of ¥533.4 billion (4.8% decrease year on year), other ordinary expenses of ¥114.1 billion (5.2% increase year on year) and others.

As a result, ordinary profit amounted to ¥309.2 billion (10.5% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥104.4 billion (17.9% increase year on year), which is calculated by adjusting extraordinary gains or losses, and subtracting provision for reserve for policyholder dividends and total income taxes from ordinary profit.