

Top Message

Aiming to be the “No. 1 Japanese Insurance Company Selected by Customers”

I would like to express my deep appreciation for your kind support for Japan Post Insurance Co., Ltd.

We hereby present to you our Annual Report for the year ended March 31, 2015, which describes our financial results, business performance and various initiatives undertaken during the term under review. Through this report, we hope to bring a better understanding of our operations and ask for your continued support.

Review of the Year Ended March 2015

During the fiscal year ended March 31, 2015, we made steady progress in various initiatives specifically undertaken to reinforce our management foundation.

Firstly, as part of an effort to organize and reinforce our payments management structure for providing better customer service through simple, prompt and accurate payments of insurance benefits, we started the phased implementation of a Claim Payment Processing System (SATI) in April 2014 and completed the task in October of the same year. This system offers enhanced IT-supported assistance to the payment examination process and enables us to implement a fundamental reform of the examination flow for further upgrading our payment operations and improving payment processing efficiency. By leveraging this system and enhancing development of human resources, we intend to attain the industry's highest-quality payments management structure.

Based on customer feedback collected via our call center, which we regard as an important asset, we have been working to ensure better customer service through various improvement activities. These include making statements on various notifications easier to understand for customers and simplifying claim filing procedures.

In promoting sales, we strived to strengthen our sales capabilities through the marketing of new products and products offered under business alliances. In April 2014, we commenced sales of the educational endowment insurance product *Hajime no Kampo*, which has gained

popularity among customers. We also launched sales of cancer insurance products of American Family Life Assurance Company of Columbus (Aflac) in July and started selling another cancer product, New Cancer Days - Cancer Insurance for Daily Living (JP Only Product), developed by Aflac for the Japan Post Group, in October 2014.

In addition, we obtained approval from the Financial Services Agency and the Ministry of Internal Affairs and Communications for sales of our Short-Term Premium Payment Endowment Insurance in April 2015. This product is ordinary endowment insurance, in which the premium paying period is shorter than the term of the insurance. The product releases customers from the burden of paying premiums early, and we believe that it can still satisfy customer needs for higher savings performance.

Amid these circumstances, Japan Post Insurance enhanced its collaboration with Japan Post Co., Ltd. and successfully sold 2,381 thousand individual insurance policies (6.6% increase from the previous fiscal year) for the insured amount of ¥7,002.5 billion (6.8% increase), with both figures exceeding the record high since privatization attained in the previous fiscal year.

Looking at financial results, core profit (non-consolidated) for the year ended March 31, 2015 increased from the previous fiscal year to ¥515.4 billion. Core profit is a basic periodical earnings indicator for life insurance companies. Japan Post Insurance also posted year-on-year increases in ordinary profit and net income, which amounted to ¥492.6 billion and ¥81.3 billion, respectively.

Meanwhile, the consolidated solvency margin ratio, an indicator of the financial soundness of life insurance companies, stood at 1,644.2%. Among liabilities, our internal reserves that combine a contingency reserve and a reserve for price fluctuations amounted to ¥3,210.8 billion, thereby continuing to secure a strong financial base.

I would like to express our appreciation again to our customers, who supported the realization of these solid results.

Future Outlook

On November 4, 2015, Japan Post Insurance listed its stock on the first section of the Tokyo Stock Exchange together with Japan Post Holdings Co., Ltd. and Japan Post Bank Co., Ltd. for the purpose of enhancing management flexibility and autonomy, while contributing to fund financial resources for the reconstruction from the Great East Japan Earthquake.

In line with the listing of our stock, we continue to aim for sustainable growth of our corporate value by further refining our business model and satisfying the needs of a greater number of customers.

Moreover, the fiscal year ending March 2017 marks the 100th anniversary of our Postal Life Insurance services. Toward this commemorative year, we will steadily implement the priority measures mentioned above to reinforce our management foundation as required for future growth while seeking to move onto a growth path by developing products and services that can increase our already distinguished strengths.

As a member of the Japan Post Group and as “an integrated lifestyle-support corporate group,” Japan Post Insurance will provide comprehensive support to our customers’ daily lives. At the same time, Japan Post Insurance will continue to carry out its inherited social mission of “providing basic measures of life with simple procedures for the people of Japan,” which was the original goal of Postal Life Insurance when it was created in 1916. Under the policy of becoming the “No. 1 Japanese insurance company selected by customers,” all employees are joining forces with a united spirit to challenge each difficulty and further strengthen our management base for attaining even greater corporate value.

In all our endeavors, we request and appreciate your continued support.



A handwritten signature in black ink, appearing to read 'M. Ishii'.

Masami Ishii
President, CEO
Representative Executive Officer
Japan Post Insurance Co., Ltd.

December 2015