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▶ **Company Name**

JAPAN POST INSURANCE Co., Ltd.

▶ **Starting Date of Business**

October 1, 2007

▶ **Head Office**

3-2, Kasumigaseki 1-chome,
Chiyoda-ku, Tokyo 100-8798, Japan
TEL +81-3-3504-4411
(Japan Post Group main number)

▶ **President, CEO
(Representative Executive Officer)**

Masami Ishii

▶ **Number of Employees**

7,378 (As of March 31, 2016)

▶ **Main Offices**

Regional Headquarters: 13
Branches: 82

▶ **Paid-in Capital**

¥500,000 million

Notes:1. Unless otherwise noted, financial figures in this report are reported on a consolidated basis. Unless this context indicates otherwise, references in this report to "we", "us", "our", "the Company" or similar terms are to Japan Post Insurance Co., Ltd. Unless otherwise specified in this report, the information herein is as of March 31, 2016.

2. This report is intended to provide information to the public and is not intended to constitute a solicitation to invest in stock or other marketable securities of Japan Post Insurance Co., Ltd. or its subsidiaries. This report contains forward-looking statements regarding the outlook and targets of Japan Post Insurance or other companies in the Japan Post Group, which are based on the information available when the report was prepared or on Japan Post Insurance's expectations derived from projections or assumptions made at the time of report development. Please note that these forward-looking statements are subject to a broad range of risks and uncertainties, and actual results might vary materially from the statements contained in this report as a result of a change in the economic conditions or business trends, a revision to laws or regulations, effects of a large-scale disaster, fluctuations in the value of assets owned or harmful rumors or false information.

Postal Life Insurance does not accept new applications for insurance policies on and after October 2007. In addition, unlike Postal Life Insurance policies, no government guarantee is given to insurance policies currently underwritten by Japan Post Insurance Co., Ltd. with regard to benefit payments.

For Postal Life Insurance policies entered into before September 2007, Japan Post Insurance Co., Ltd. is entrusted by the Management Organization for Postal Savings and Postal Life Insurance (hereinafter called "Management Organization" in this report), which succeeds the rights and obligations of the insurance policies, to provide services concerning benefit payments and receipt of insurance premiums, etc.

As a company trusted and loved by our



Masami Ishii
Director and President, CEO,
Representative Executive Officer

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

We would also like to offer our sincere sympathies to all those affected by the 2016 Kumamoto earthquake, as well as extend our heartfelt wishes for the region's quick recovery.

We hereby present to you our Annual Report for the year ended March 31, 2016, 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 2016

The fiscal year ended March 31, 2016 was a notable year as it marked the first year of our new medium-term management plan “New Japan Post Group Network Creation Plan 2017,” covering the three years from the fiscal year ended March 31, 2016 to the fiscal year ending March 31, 2018, which was formulated to articulate the future direction of management for overcoming issues, such as the pursuit of greater profitability of the Group, improvement in productivity and strengthening of corporate governance upon taking into account factors such as changes in the operating environment, including the continued low interest rate environment.

In line with the above, we pressed ahead with initiatives according to the plan's top priority themes to “Establish our financial management base which will be necessary for growth,” as well as accelerated efforts to build an unshakable management base for our enduring growth and development by “developing products and services that will further enhance our strengths”

It was also a year when we took another step forward with the listing of our common stock on the First Section of the Tokyo Stock Exchange on

November 4, 2015. We would like to express our sincere gratitude to all those who provided advice and support toward successfully listing the stock.

We also promoted an initiative called “Kampo Platinum Life Service” to offer the elderly customer-friendly services that emphasize a sense of security and trust by improving every customer contact from our elderly customers' perspective.

Specific efforts to enhance services for elderly customers in the fiscal year ended March 31, 2016, included raising the maximum limit of the enrollment age range of endowment insurance and whole life insurance, establishing a dedicated call center for elderly customers and publishing an information magazine for elderly customers. In the fiscal year ending March 31, 2017, we started offering a free telephone consultation service on “health, medicine, nursing” and “taxes in life”.

In response to customers' needs, in October 2015, we launched a “Short-Term Premium Payment Endowment Insurance” that resolves the insurance premium payment burden at an early stage and increases savings by making the insurance premium payment period shorter than the insurance period. From the same month, in order to improve convenience for our customers, we started “handling of a deferred first premium payment system” and the



customers for the centuries to come

handling of a “Special Provision on Designating Commencement Date of Liability.”

To develop and strengthen our systems for managing insurance claims and other payments, we strived to further improve payment quality and make administrative processing more efficient by working to improve payment examination administration with the implementation of a Claim Payment Processing System (SATI). In addition, we strived to enhance guidance following a system determination of insurance claims that can possibly be paid and the necessary procedures when a customer makes an insurance claim.

In addition to these initiatives, in March 2016, we reached an agreement to form a strategic business alliance with The Dai-ichi Life Insurance Company, Limited in the three areas of international life insurance business, asset management business and joint research in the new product and IT fields as the pillars of the alliance. By mutually complementing and fusing the strengths of both companies, we aim for the sustainable improvement of corporate value.

Regarding the business results for the fiscal year ended March 31, 2016, a stronger collaboration with Japan Post Co., Ltd. led to a record-high number of new individual insurance policies. Annualized premiums from new policies reached ¥485.3 billion (6.0% increase year on year) for individual insurance and ¥49.5 billion (20.6% increase year on year) for third-sector; 2.39 million individual insurance policies were sold (0.6% increase year on year) for an insured amount of ¥7,168.4 billion (2.4% increase year on year).

Looking at consolidated profit and loss, ordinary profit amounted to ¥411.5 billion and net income attributable to Japan Post Insurance amounted to ¥84.8 billion, which exceeded the previous year's level.

In addition, consolidated solvency margin ratio, an indicator of financial soundness, stood at 1,570.3%. Internal reserves within liability, combined with the contingency reserve and reserve for price fluctuations, amounted to ¥3,157.1 billion, and we thereby were able to secure a strong financial base.

We appreciate all those who supported us in the realization of these solid results.

Future Outlook

The fiscal year ending March 2017 marks the 100th anniversary of Postal Life Insurance Services.

We again would like to express our deepest gratitude to our stakeholders for the generous support that they have rendered to us over the years.

Upon reaching this milestone, in anticipation of the next 100 years, we have reconsidered what Japan Post Insurance meant to do and what manner of company it is meant to become. We have also revised our corporate philosophy, the idea at the foundation of engaging in business activities, to “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.”

This management philosophy contains our mission as a member of the Japan Post Group of delivering insurance services as a means of security to customers throughout Japan, and our strong will to ensure that all people live with a positive mind-set and full of dreams with the help of the insurance services that we provide, thereby supporting the regional societies in Japan.

Under the new management philosophy, we will carry out our 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. Although we will keep our business model—“a big, unique and heartfelt company”—unchanged, we will continue to meet the needs of a larger number of customers and further upgrade our insurance services.

We will continue to work, with all our employees united, toward the corporate vision of aiming to be the “No. 1 Japanese insurance company selected by customers” to stay trusted and loved by our customers for the centuries to come.

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

October 2016