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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)

Mitsuhiko Uehira

○ Number of Employees

7,424 (As of March 31, 2017)

○ Main Offices

Regional Headquarters: 13
Branches: 82

○ Paid-in Capital

¥500,000 million

Postal Life Insurance has not accepted applications for insurance policies since September 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 the "Management Organization"), which succeeds the rights and obligations of the insurance policies, with providing services concerning benefit payments and receipt of insurance premiums, etc.

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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, 2017.

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 changes in the economic conditions or business trends, revisions to laws or regulations, effects of large-scale disaster, fluctuations in the value of assets owned, harmful rumors or false information.

Message from CEO Providing easy-to-understand products

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

Postal Life Insurance, first established in 1916, celebrated its 100th anniversary in 2016. 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.

We hereby present to you our Annual Report for the year ended March 31, 2017, 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.

Director and President, CEO,
Representative Executive Officer

M. Uehira



Review of the Year Ended March 2017

We are currently working on our medium-term management plan covering three years from the year ended March 31, 2016. This plan lays out the roadmap towards full-scale growth in these three years, through developing products and services that will further enhance our strengths, while establishing the financial management base which will be necessary for growth.

The fiscal year ended March 31, 2017 presented a harsh operating environment due to the effects of the prolonged low interest rate environment. However, through various campaigns and enhancement measures commemorating the 100th anniversary of Postal Life Insurance, we were able to work as one and make some concrete progress

towards the achievement of this medium-term management plan.

With regards to products and services, we promoted an initiative called “Kampo Platinum Life Service” to offer elderly customer-friendly services that emphasize a sense of security and trust by improving contacts with all customers from the perspective of our customers.

Furthermore, as a response to the low interest rates in markets, we cancelled the sales of a part of our high-savings products, and amended overall insurance premiums in line with the decrease in interest rates in markets and prolonged lifespans. The amendments included restricted increases for policies with increases in premiums, while premiums were reduced for policies mainly with enrollment at an advanced age and products primarily with death benefits.

and heartfelt services to all our customers

With regard to administration and systems, we introduced the “paperless application” method in April 2016, which utilizes tablet-type portable devices for business, replacing conventional application procedures by paper. Moreover, we renewed our core IT system in January 2017. Through these changes, we have accelerated product amendments, while enhancing system quality, development productivity, and business efficiency. Furthermore, in March 2017, we officially introduced IBM Watson into our operations related to insurance claim payment examination operations in order to further enhance the quality of our claim payment operations as well as expedite our payments.

Also, alongside promoting diversity management that creates a diverse and inclusive working environment, we are also promoting reforms of the work style, in order for all employees to be highly motivated, as well as to achieve a working environment that grows together with the Company.

Aside from the above measures, we have also signed a comprehensive business alliance agreement with Dai-ichi Life Holdings, Inc. In the international life insurance business, a trilateral memorandum regarding the sales of life insurance at post offices in Vietnam was signed among the two companies and Vietnam Post Corporation, in April 2016. In the asset management business, we have implemented measures such as the shared utilization of asset management companies, and joint investments in growth areas. Furthermore, in the domestic life insurance business, we have collaborated with NTT DATA Corporation in March 2017 to organize the first business contest in Japan’s life insurance industry.

Going forward, through complementing and fusing each other’s strengths, we aim for sustainable increases in the corporate value of our companies.

Regarding the business results for the fiscal year ended March 31, 2017, a stronger collaboration with Japan Post Co., Ltd. led to an even higher number of new individual insurance policies compared to the previous fiscal year, which marked a record-high since privatization, and annualized premiums from new policies reached ¥507.9 billion (a 4.7% increase year on year) for individual insurance and ¥55.7 billion (a 12.4% increase year on year) for third-sector insurance; 2.44 million individual insurance policies were sold (a 1.8% increase year on year) for the total policy amount of ¥7,847.4 billion (a 9.5% increase year on year).

Looking at consolidated profit and loss, ordinary profit amounted to ¥279.7 billion and net income attributable to Japan Post Insurance amounted to ¥88.5 billion, which exceeded the previous year’s level.

In addition, consolidated solvency margin ratio, an indicator of financial soundness, remains high at 1,290.6% despite being lower than the previous year due to the diversification of asset management and other areas. Internal reserves within liability, combined with contingency reserve and reserve for price fluctuations, amounted to ¥3,042.7 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 31, 2018 marks the final year of our medium-term management plan.

Based on our management policy of aiming for the “No. 1 Japanese insurance company selected by customers,” we strive to deliver insurance services as a means of security through the nationwide post office network to customers throughout Japan, and continue to protect the livelihood of each and every one of our customers by the power of insurance. We will continue our efforts so as to gain trust and confidence from our customers.

In April 2017, we announced a “Basic Policy for Customer-First Business Operations,” believing the continuation of efforts will lead to our goal of “customer-first business operations.” By offering easy-to-understand products and heartfelt services to all customers, thoroughly implementing heartfelt communication with a human touch and putting this into practice every day, we will work to earn an even greater sense of trust and familiarity from customers.

In addition, there have been astonishing advancements in financial technologies recently, including developments in big data utilization and AI technology. We will aim for the sophistication and the enhancement of efficiency of business processes by proactively introducing and leveraging these new technologies.

We will continue to work, with all our employees united, toward contributing to the regional societies focusing on our network of post offices and 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 centuries to come.

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

July 2017