

1. Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2017

The Japanese economy in the fiscal year ended March 31, 2017 continued gradual recovery as exports and production picked up, despite stagnant personal consumption. The U.S. and European economies continued solid recovery, while the slowdown in the growth rate in China came to a halt.

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 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, along with heartfelt customer services, through the nationwide network of post offices.

Ordinary income amounted to ¥8,659.4 billion (a 9.9% decrease year on year), comprising the sum of insurance premiums and others of ¥5,041.8 billion (a 6.9% decrease year on year), investment income of ¥1,367.9 billion (a 1.0% increase year on year), and other ordinary income of ¥2,249.6 billion (a 20.7% decrease year on year).

Ordinary expenses amounted to ¥8,379.6 billion (an 8.9% decrease year on year), comprising the sum of insurance claims and others of ¥7,550.3 billion (an 11.7% decrease year on year), investment expenses of ¥160.4 billion (a 1,545.3% increase year on year), operating expenses of ¥560.4 billion (a 4.1% increase year on year), other ordinary expenses of ¥108.5 billion (a 13.8% increase year on year) and others.

As a result, ordinary profit amounted to ¥279.7 billion (a 32.0% decrease year on year), and net income attributable to Japan Post Insurance amounted to ¥88.5 billion (a 4.4% increase year on year), which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends and total income taxes from ordinary profit.