

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.



Outline of Financial Results for the Six Months Ended September 30, 2014

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November 14, 2014

*1 All data are presented on a non-consolidated basis.
*2 Unless specifically stated otherwise, figures of amounts are rounded down to the nearest unit.
*3 This document is intended for the sole purpose of providing information to the general public, and should not be construed as solicitation or an offer to invest in any securities including shares in the Company.

1. Insurance Policies (1)

- 1,243 thousand new individual insurance policies were sold with a total policy amount of ¥3,598.1 billion.
- 86 thousand new individual annuity policies were sold with a total policy amount of ¥307.5 billion.

< Breakdown of New Policies >

(Rounded to the nearest one decimal place)

	6 months ended Sep-14		6 months ended Sep-13	
	Number of policies (10 thousands)	Policy amount (¥ bn)	Number of policies (10 thousands)	Policy amount (¥ bn)
Individual insurance	124.3	3,598.1	122.8	3,591.2
Whole life insurance	28.8	985.3	36.0	1,191.0
Endowment insurance	58.8	1,853.3	76.9	2,293.3
Educational endowment insurance	36.5	757.8	9.9	106.1
Individual annuities	8.6	307.5	8.8	310.8

*1 Main categories are presented.

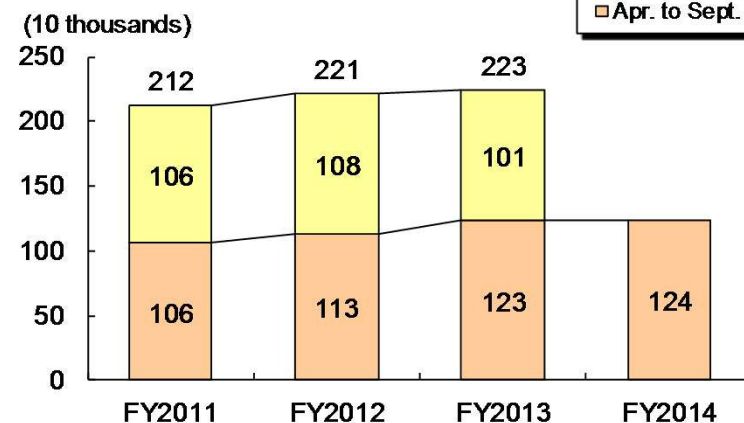
*2 Policy amounts for individual insurance are the insured amount paid on death etc.

*3 Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.

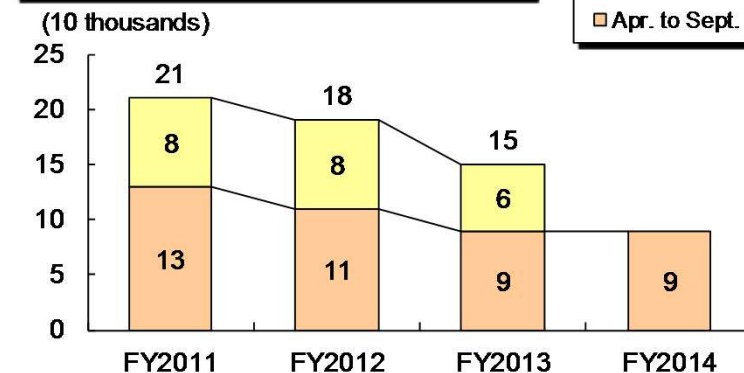
*4 Figures of the "Educational endowment insurance" for the six months ended September 30, 2014 represent the number of policies or the policy amount of the educational endowment insurance launched in April 2014 (Hajime no Kanpo).

< Changes in New Policies >

Individual insurance (Number of policies)



Individual annuities (Number of policies)



1. Insurance Policies (2)

- Policies in force of Japan Post Insurance comprises 12.66 million individual insurance policies with a total policy amount of ¥36,567.8 billion and 1.27 million individual annuity policies with a total policy amount of ¥3,597.1 billion.
- The total number of policies in force for individual insurance policies and the insurance policies of Postal Life Insurance was 34.20 million.

< Breakdown of Policies in Force of Japan Post Insurance >

(Rounded to the nearest one decimal place)

	Sep-14		Mar-14	
	Number of policies (10 thousands)	Policy amount (¥ bn)	Number of policies (10 thousands)	Policy amount (¥ bn)
Individual insurance	1,266	36,567.8	1,167	33,735.7
Whole life insurance	301	9,908.7	278	9,133.8
Endowment insurance	798	23,988.9	756	22,736.4
Educational endowment insurance	166	2,652.9	132	1,848.5
Individual annuities	127	3,597.1	119	3,443.9

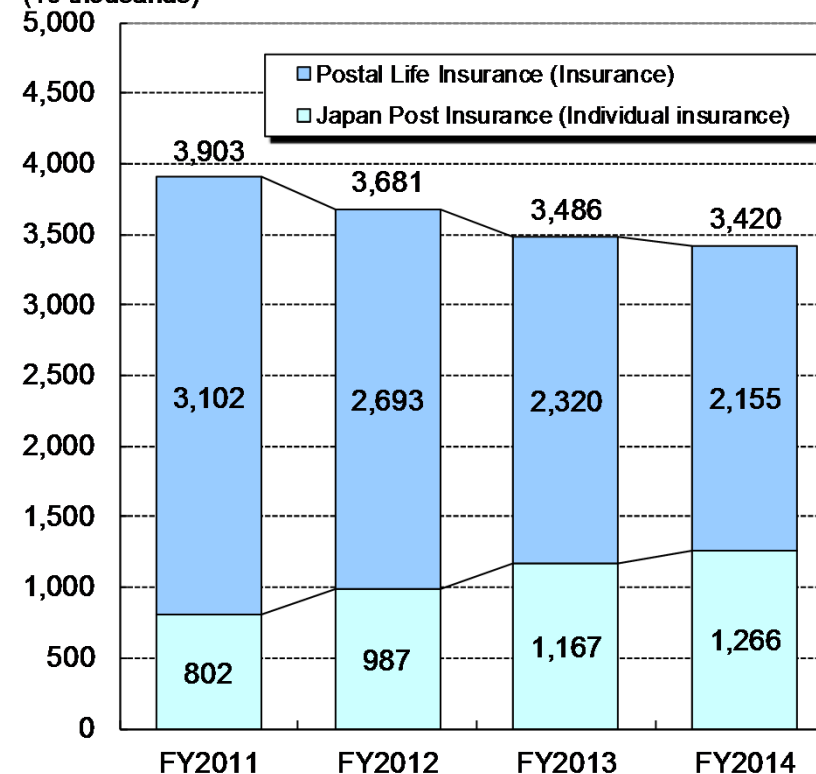
*1 Main categories are presented.

*2 Policy amounts for individual insurance are the insured amount paid on death etc.

*3 Policy amounts for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) amount of policy reserves for the annuity after payments have commenced.

< Changes in Policies in Force >

(10 thousands)



1. Insurance Policies (3)

- Annualized premiums from new policies consisted of ¥238.1 billion for individual insurance policies and ¥105.8 billion for individual annuity policies.
- Annualized premiums from policies in force consisted of ¥2,371.8 billion for individual insurance policies and ¥678.4 billion for individual annuity policies.

< Breakdown of Annualized Premiums >

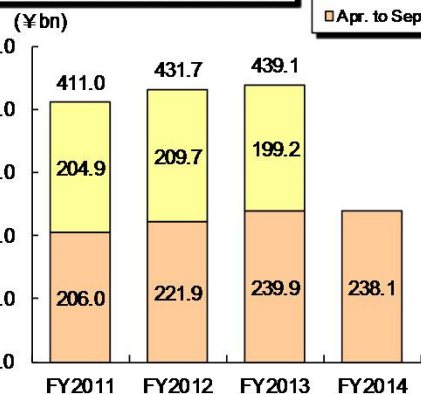
<<New Policies>>

(Rounded to the nearest decimal place)

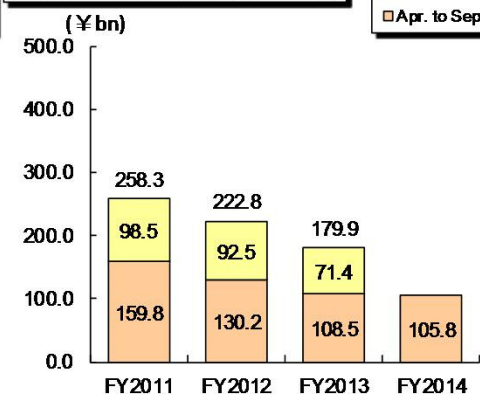
	6 months ended Sep-14 (¥ bn)	6 months ended Sep-13 (¥ bn)
Individual insurance	238.1	239.9
Individual annuities	105.8	108.5

<Changes in Annualized Premiums >

New policies (Individual insurance)



New policies (Individual annuities)

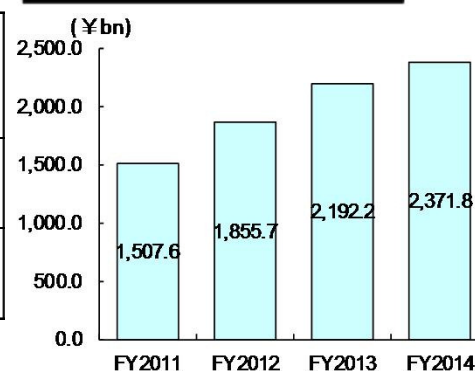


<<Policies in Force>>

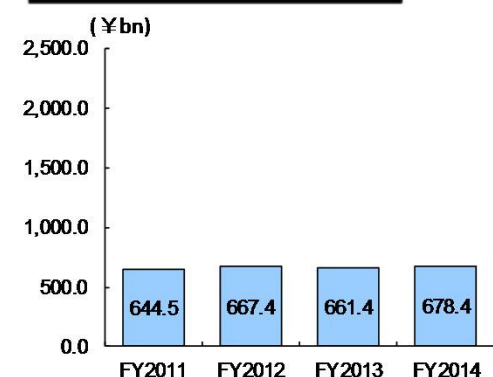
(Rounded to the nearest decimal place)

	Sep-14 (¥ bn)	Mar-14 (¥ bn)
Individual insurance	2,371.8	2,192.2
Individual annuities	678.4	661.4

Policies in force (Individual insurance)



Policies in force (Individual annuities)



*1 Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.

*2 Policies in force are those of Japan Post Insurance and do not include Postal Life Insurance Policies.

2. Profits and Losses

- Ordinary profit amounted to ¥263.7 billion and net income amounted to ¥50.9 billion.

< Outline of Statements of Income >

	6 months ended Sep-14	6 months ended Sep-13	Change	Year ended Mar-14	(¥ bn)
Ordinary income	5,171.7	5,594.1	(422.4)	11,233.9	* Main items of the Statements of Income are presented.
Insurance premiums and others	3,078.1	3,094.3	(16.1)	5,911.6	
Investment income (Note 1)	745.7	767.3	(21.5)	1,540.6	Note 1 Investment income comprised mainly of ¥692.4 billion of interest and dividend income and ¥43.2 billion of gains on sales of securities.
Reversal of policy reserves	1,263.8	1,591.8	(328.0)	3,656.4	
Ordinary expenses	4,908.0	5,394.1	(486.1)	10,770.4	
Insurance claims and others	4,597.1	5,085.5	(488.4)	10,160.8	
Investment expenses (Note 2)	7.7	13.2	(5.4)	18.1	Note 2 Investment expenses comprised mainly of ¥4.9 billion of losses on sales of securities.
Operating expenses	254.8	254.1	0.7	513.0	
Ordinary profit	263.7	200.0	63.6	463.5	
Extraordinary losses (Note 3)	(54.4)	(37.9)	(16.5)	(99.9)	Note 3 Extraordinary losses comprised mainly of ¥54.3 billion of provision for reserve for price fluctuations.
Provision for reserve for policyholder dividends	135.4	123.8	11.5	242.1	
Income before income taxes	73.8	38.1	35.6	121.3	
Total income taxes	22.8	18.5	4.2	57.9	
Net income	50.9	19.5	31.3	63.4	

3. Assets and Liabilities

- Total assets amounted to ¥85.8 trillion and net assets amounted to ¥1.6 trillion.

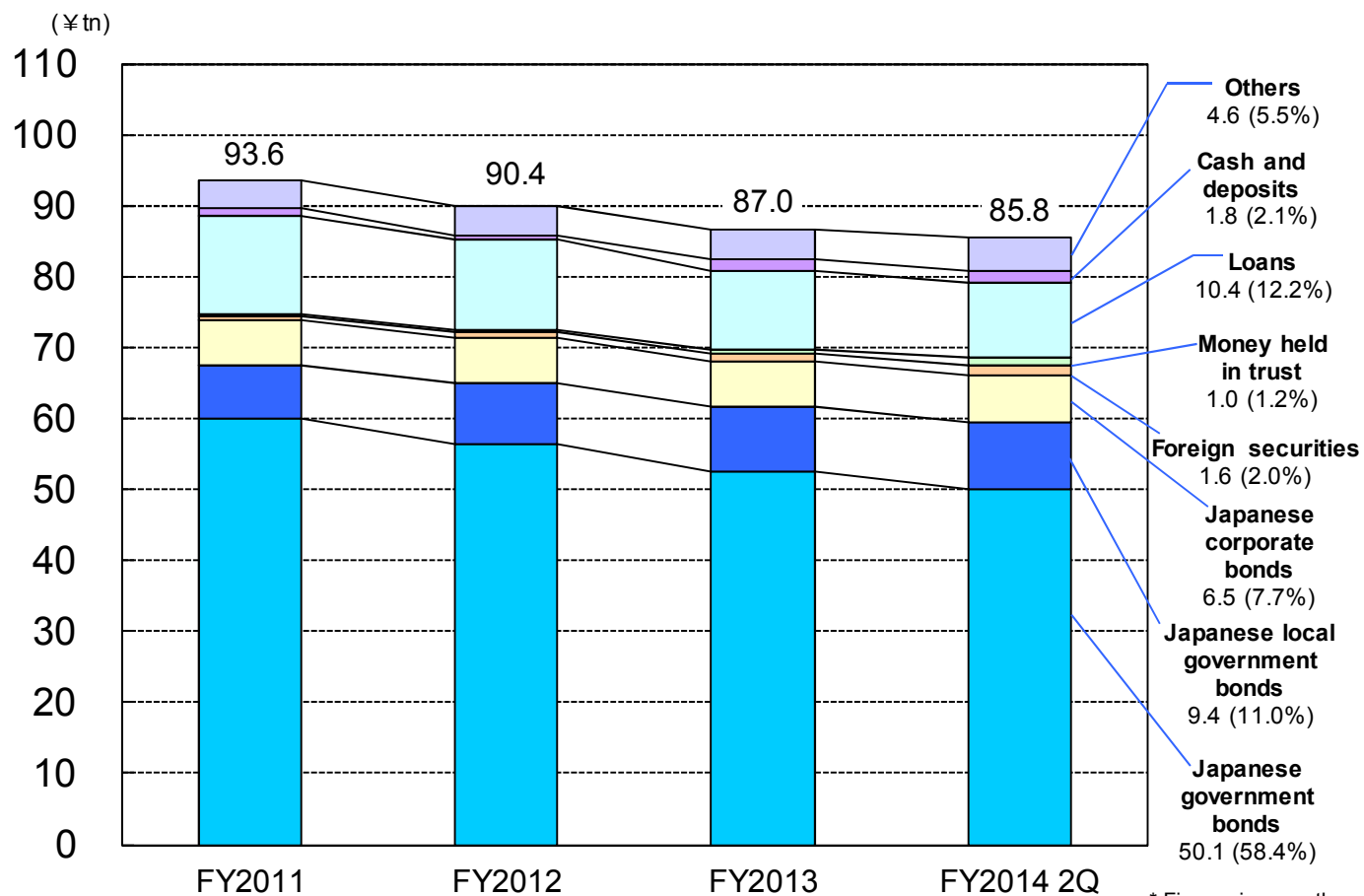
< Outline of Balance Sheets >

	Sep-14	Mar-14	Change	(¥ bn)
Assets	85,877.8	87,088.6	(1,210.7)	Main items of the Balance Sheets are presented.
Cash and deposits	1,809.7	1,663.5	146.2	
Money held in trust	1,030.9	581.6	449.3	
Securities	67,870.0	69,378.9	(1,508.9)	
Japanese government bonds	50,149.5	52,522.9	(2,373.4)	
Japanese local government bonds	9,431.5	9,173.7	257.7	
Japanese corporate bonds	6,596.1	6,441.8	154.3	
Foreign securities	1,691.8	1,239.4	452.3	
Loans (Note 1)	10,482.8	11,020.5	(537.7)	Note 1 Loans are composed of ¥9,647.1 billion of loans to the Management Organization, ¥773.3 billion of industrial and commercial loans and ¥62.3 billion of policy loans.
Deferred tax assets	619.3	592.6	26.7	
Liabilities and net assets	85,877.8	87,088.6	(1,210.7)	
Liabilities	84,186.9	85,554.1	(1,367.1)	Note 2 Policy reserves and others comprised ¥76,481.6 billion of policy reserves, ¥750.3 billion of reserve for outstanding claims and ¥2,170.2 billion of reserve for policyholder dividends.
Policy reserves and others (Note 2)	79,402.1	80,799.9	(1,397.7)	
Reserve for price fluctuations	668.6	614.2	54.3	
Net assets	1,690.8	1,534.4	156.4	Note 3 The ¥30.6 billion increase in total shareholders' equity was attributable to ¥3.5 billion of reversal of beginning balance following the amendment to the Accounting Standard for Retirement Benefits, ¥16.8 billion of dividend payment to shareholders and the recording of net income of ¥50.9 billion.
Total shareholders' equity (Note 3)	1,380.3	1,349.6	30.6	
Total valuation and translation adjustments	310.5	184.7	125.8	

4. Investments (1)

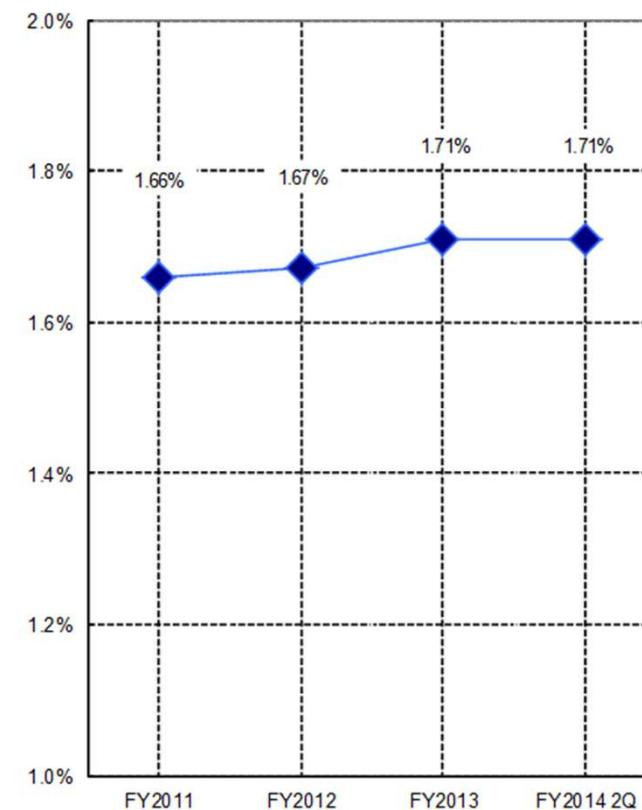
Investments were composed mainly in securities of ¥67 trillion, primarily in Japanese government bonds, and in loans of ¥10 trillion.

< Changes in Composition of Assets >



* Figures in parentheses indicate ratios.

< Changes in Investment Yield >



* Investment yield comprises capital gains (losses), etc.

4. Investments (2)

- The Company recorded net unrealized gains on securities in total including held-to-maturity bonds and policy-reserve-matching bonds of ¥5,249.0 billion.
- The Company recorded net unrealized gains on available-for-sale securities of ¥446.7 billion (¥310.5 billion after tax effects).

< Net Unrealized Gains (Losses) >

(¥ bn)

	Sep-14		Mar-14	
	Book value	Unrealized gains (losses)	Book value	Unrealized gains (losses)
Total	69,627.4	5,249.0	70,505.8	4,534.4
Held-to-maturity bonds	44,961.1	3,693.7	45,257.3	3,169.7
Policy-reserve-matching bonds	16,158.6	1,108.4	17,953.6	1,099.1
Available-for-sale securities	8,507.6	446.7	7,294.8	265.5
Money held in trust	857.9	172.9	499.0	82.5

* The amount of net unrealized gains (losses) on available-for-sale securities is before tax effects. Net unrealized gains (losses) after tax effects are ¥310.5 billion (as of September 30, 2014) and ¥184.7 billion (as of March 31, 2014).

< The Stock Price Level at which Net Unrealized Gains (Losses) of Domestic Stocks Held as Money Held in Trust Become Zero >

	Nikkei Stock Average
Sep-14	12,600 yen
Mar-14	12,000 yen
Mar-13	9,800 yen
Mar-12	9,900 yen

< Reference Indicator >

	Nikkei Stock Average	Yen/U.S. dollar exchange rate	Yen/euro exchange rate	Yen interest rate (10Y JGB)
Sep-14	16,173 yen	109.45 yen	138.87 yen	0.525 %
Mar-14	14,827 yen	102.92 yen	141.65 yen	0.640 %
Mar-13	12,397 yen	94.05 yen	120.73 yen	0.560 %
Mar-12	10,083 yen	82.19 yen	109.80 yen	0.985 %

5. Core Profit

- Core profit was ¥268.0 billion due to the mortality and morbidity rate margin and an increase in positive spread.

< Core Profit Breakdown (Three Major Profit Sources) >

	6 months ended Sep-14	6 months ended Sep-13	Change	Year ended Mar-14
Core profit	268.0	225.1	42.8	482.0
Mortality and morbidity rate margin	183.1	133.5	49.5	290.4
Administrative expense margin	57.5	73.5	(15.9)	137.3
(Negative)/Positive Spread	27.2	17.9	9.2	54.2

(¥bn)

< (Reference) Average Assumed Rates of Return on Core Profit >

	6 months ended Sep-14	6 months ended Sep-13	Change	Year ended Mar-14
Average assumed rates of return (Note 1)	1.81 %	1.85 %	(0.04)%	1.84 %
Investment return on core profit (Note 2)	1.88 %	1.90 %	(0.01)%	1.91 %

*1 Average assumed rates of return is the return of assumed interest on general account policy reserves.

General account policy reserves are calculated from policy reserves excluding contingency reserve using the following formula.

(Policy reserves at the beginning of the relevant period + policy reserves at the end of the relevant period – assumed interest) × 1/2

*2 Investment return on core profit (excluding net capital gains (losses)), etc. is the return on general account policy reserves.

6. Financial Soundness

- Internal reserves accumulated as liabilities amounted to ¥3,211.9 billion, which is the sum of ¥2,543.3 billion of contingency reserve and ¥668.6 billion of reserve for price fluctuations.
- Additional policy reserve amounted to ¥6,102.1 billion.

< Status of Accumulation of Internal Reserves >

	(¥ bn)	
	Sep-14	Mar-14
Contingency reserve	2,543.3	2,588.7
Reserve for price fluctuations	668.6	614.2
Total internal reserves	3,211.9	3,203.0

< Status of Accumulation of Additional Policy Reserve >

	(¥ bn)	
	Sep-14	Mar-14
	6,102.1	6,135.3

* For 10 years from the fiscal year ended March 31, 2011, reinsured additional policy reserves for whole life annuities from Management Organization for Postal Savings and Postal Life Insurance have been additionally provided. The amount of the additional provision for policy reserves for the six months ended September 30, 2014 was ¥87.9 billion.

< Solvency Margin Ratio >

	Sep-14	Mar-14
	1,631.5%	1,623.4%

< Real Net Assets >

	(¥ bn)	
	Sep-14	Mar-14
	10,215.2	9,442.2