

**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.

February 12, 2016  
JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for  
the Nine Months Ended December 31, 2015**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; Masami Ishii, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the nine months ended December 31, 2015 (April 1, 2015 to December 31, 2015).

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## 1. Business Highlights

### (1) Policies in Force and New Policies

#### ▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of	March 31, 2015		December 31, 2015			
	Number of policies	Policy amount	Number of policies		Policy amount	
			% of March 31, 2015 total	% of March 31, 2015 total		
Individual insurance	13,539	39,159.0	14,896	110.0	43,099.6	110.1
Individual annuities	1,318	3,615.9	1,358	103.0	3,525.9	97.5
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

- Notes: 1. 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.
2. Starting from the fiscal year ended March 31, 2015, the number of policies and policy amounts (including those for the previous fiscal year) are truncated instead of being rounded.

#### ▪ New Policies

(Thousands of policies, billions of yen, %)

Nine months ended December 31	2014				2015					
	Number of policies	Policy amount			Number of policies		Policy amount			
		New policies	Net increase arising from the conversion		% of December 31, 2014 total	% of December 31, 2014 total	New policies	Net increase arising from the conversion		
Individual insurance	1,795	5,248.6	5,248.6	-	1,792	99.8	5,353.8	102.0	5,353.8	-
Individual annuities	109	393.1	393.1	-	50	46.1	176.9	45.0	176.9	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

- Notes: 1. Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.
2. Starting from the fiscal year ended March 31, 2015, the number of policies and policy amounts (including those for the previous fiscal year) are truncated instead of being rounded.

## (2) Annualized Premiums

### ▪ Policies in Force

(Billions of yen, %)

As of	March 31, 2015	December 31, 2015	
			% of March 31, 2015 total
Individual insurance	2,526.8	2,783.9	110.2
Individual annuities	673.8	656.8	97.5
Total	3,200.6	3,440.7	107.5
Medical coverage, living benefits and other	257.4	285.2	110.8

### ▪ New Policies

(Billions of yen, %)

Nine months ended December 31	2014	2015	
			% of December 31, 2014 total
Individual insurance	344.9	363.7	105.5
Individual annuities	133.9	84.0	62.7
Total	478.8	447.7	93.5
Medical coverage, living benefits and other	30.9	37.7	121.9

- Notes: 1. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined 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. Medical coverage, living benefits and other includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).
3. Starting from the fiscal year ended March 31, 2015, annualized premiums (including those for the previous fiscal year) are truncated instead of being rounded.

## 2. Investment Performance (General Account)

### (1) Asset Composition

(Billions of yen, %)

As of	March 31, 2015		December 31, 2015	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	2,651.3	3.1	2,214.8	2.7
Receivables under resale agreements	-	-	-	-
Receivables under securities borrowing transactions	2,720.8	3.2	2,989.1	3.6
Monetary claims bought	449.0	0.5	109.5	0.1
Trading account securities	-	-	-	-
Money held in trust	1,434.9	1.7	1,796.1	2.2
Securities	66,277.2	78.1	64,448.7	78.0
Corporate and government bonds	64,294.7	75.7	60,800.6	73.5
Domestic stocks	0.9	0.0	0.9	0.0
Foreign securities	1,981.4	2.3	3,597.5	4.4
Foreign corporate and government bonds	1,961.4	2.3	3,597.5	4.4
Foreign stocks and other securities	20.0	0.0	-	-
Other securities	-	-	49.5	0.1
Loans	9,977.3	11.8	9,429.8	11.4
Real estate	112.2	0.1	123.3	0.1
Deferred tax assets	548.2	0.6	664.4	0.8
Other	741.5	0.9	901.7	1.1
Reserve for possible loan losses	(0.9)	(0.0)	(0.8)	(0.0)
Total	84,911.9	100.0	82,677.0	100.0
Foreign currency-denominated assets	2,196.3	2.6	3,855.3	4.7

Note: "Real estate" is booked as the sum total of land, buildings and construction in progress.

**(2) Fair Value Information of Securities (with Fair Value, Other Than Trading Securities)**

(Billions of yen)

As of	March 31, 2015					December 31, 2015				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	43,695.5	48,232.6	4,537.1	4,537.6	0.5	42,312.2	47,328.1	5,015.9	5,015.9	0.0
Policy-reserve-matching bonds	15,493.2	16,668.4	1,175.2	1,175.4	0.2	14,544.5	15,729.2	1,184.7	1,184.7	0.0
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	9,411.4	10,193.2	781.7	784.4	2.7	9,716.3	10,424.5	708.2	740.0	31.8
Corporate and government bonds	5,105.3	5,203.9	98.6	99.1	0.5	3,950.5	4,041.8	91.2	91.4	0.1
Domestic stocks	713.2	996.9	283.7	285.5	1.8	982.5	1,247.5	265.0	284.5	19.5
Foreign securities	1,850.9	2,248.2	397.3	397.6	0.3	3,556.4	3,906.5	350.0	361.7	11.6
Foreign corporate and government bonds	1,537.7	1,863.4	325.7	326.1	0.3	3,200.8	3,499.5	298.7	307.6	8.9
Foreign stocks and other securities	313.1	384.7	71.5	71.5	-	355.6	406.9	51.2	54.0	2.7
Other securities	-	-	-	-	-	50.0	49.5	(0.4)	-	0.4
Monetary claims bought	446.9	449.0	2.0	2.0	-	107.2	109.5	2.3	2.3	-
Negotiable certificates of deposit	1,295.0	1,295.0	-	-	-	1,069.5	1,069.5	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>68,600.2</b>	<b>75,094.3</b>	<b>6,494.0</b>	<b>6,497.5</b>	<b>3.5</b>	<b>66,573.1</b>	<b>73,481.9</b>	<b>6,908.8</b>	<b>6,940.7</b>	<b>31.8</b>
Corporate and government bonds	64,196.1	70,003.2	5,807.0	5,808.3	1.3	60,709.3	66,997.4	6,288.0	6,288.1	0.1
Domestic stocks	713.2	996.9	283.7	285.5	1.8	982.5	1,247.5	265.0	284.5	19.5
Foreign securities	1,948.9	2,350.1	401.2	401.5	0.3	3,654.4	4,008.4	353.9	365.6	11.6
Foreign corporate and government bonds	1,635.7	1,965.3	329.6	330.0	0.3	3,298.8	3,601.4	302.6	311.5	8.9
Foreign stocks and other securities	313.1	384.7	71.5	71.5	-	355.6	406.9	51.2	54.0	2.7
Other securities	-	-	-	-	-	50.0	49.5	(0.4)	-	0.4
Monetary claims bought	446.9	449.0	2.0	2.0	-	107.2	109.5	2.3	2.3	-
Negotiable certificates of deposit	1,295.0	1,295.0	-	-	-	1,069.5	1,069.5	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes the handling of securities under the Financial Instruments and Exchange Act.

2. This table includes money held in trust other than trading securities and its book value is ¥1,338.2 billion with net unrealized gains of ¥316.3 billion as of December 31, 2015 and ¥1,026.4 billion with net unrealized gains of ¥355.2 billion as of March 31, 2015.

- The book values for securities that fair values are deemed extremely difficult to determine are as follows.

(Billions of yen)

As of	March 31, 2015	December 31, 2015
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Other	-	-
Policy-reserve-matching bonds	-	-
Equities of subsidiaries and affiliates	0.9	0.9
Available-for-sale securities	20.0	-
Unlisted domestic stocks (excluding OTC traded equities)	-	-
Unlisted foreign stocks (excluding OTC traded equities)	20.0	-
Unlisted foreign bonds	-	-
Other	-	-
<b>Total</b>	<b>20.9</b>	<b>0.9</b>

### (3) Data on Fair Value of Money Held in Trust

(Billions of yen)

As of	March 31, 2015					December 31, 2015				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Money held in trust	1,434.9	1,434.9	-	-	-	1,796.1	1,796.1	-	-	-

- Money held in trust for trading purposes

The Company does not hold money held in trust for trading purposes.

- Assets held-to-maturity in trust/assets held for reserves in trust/other money held in trust

(Billions of yen)

As of	March 31, 2015					December 31, 2015				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	1,079.7	1,434.9	355.2	357.0	1.8	1,479.8	1,796.1	316.3	338.6	22.3

### 3. UNAUDITED NON-CONSOLIDATED BALANCE SHEETS

(Millions of yen)

Items	Term	As of March 31, 2015	As of December 31, 2015
		Amount	Amount
<b>ASSETS:</b>			
Cash and deposits		2,205,969	1,372,876
Call loans		445,428	841,948
Receivables under securities borrowing transactions		2,720,856	2,989,105
Monetary claims bought		449,068	109,587
Money held in trust		1,434,943	1,796,180
Securities		66,277,244	64,448,755
[Japanese government bonds]		[48,086,445]	[45,280,849]
[Japanese local government bonds]		[9,555,857]	[9,343,476]
[Japanese corporate bonds]		[6,652,464]	[6,176,359]
[Stocks]		[984]	[984]
[Foreign securities]		[1,981,492]	[3,597,549]
Loans		9,977,345	9,429,839
Policy loans		74,097	89,223
Industrial and commercial loans		806,259	791,481
Loans to the Management Organization		9,096,988	8,549,134
Tangible fixed assets		131,672	145,672
Intangible fixed assets		157,580	177,379
Agency accounts receivable		95,023	87,538
Reinsurance receivables		630	1,161
Other assets		468,916	613,406
Deferred tax assets		548,210	664,405
Reserve for possible loan losses		(943)	(833)
<b>Total assets</b>		<b>84,911,946</b>	<b>82,677,021</b>
<b>LIABILITIES:</b>			
Policy reserves and others		77,905,677	75,585,699
Reserve for outstanding claims		718,156	626,933
Policy reserves		75,112,601	72,952,004
Reserve for policyholder dividends		2,074,919	2,006,761
Reinsurance payables		2,017	2,999
Other liabilities		4,257,294	4,290,268
Payables under securities lending transactions		3,658,492	4,156,408
Income taxes payable		19,452	27,413
Lease obligations		2,105	1,975
Asset retirement obligation		15	15
Other liabilities		577,228	104,455
Reserve for employees' retirement benefits		65,645	68,083
Reserve for price fluctuations		712,167	764,089
<b>Total liabilities</b>		<b>82,942,802</b>	<b>80,711,141</b>
<b>NET ASSETS:</b>			
Capital stock		500,000	500,000
Capital surplus		500,044	500,044
Legal capital surplus		405,044	405,044
Other capital surplus		95,000	95,000
Retained earnings		411,043	459,984
Legal retained earnings		20,584	25,489
Other retained earnings		390,459	434,494
Retained earnings brought forward		390,459	434,494
Total shareholders' equity		1,411,088	1,460,028
Net unrealized gains (losses) on available-for-sale securities		558,033	505,785
Net deferred gains (losses) on hedges		22	65
Total valuation and translation adjustments		558,055	505,851
<b>Total net assets</b>		<b>1,969,143</b>	<b>1,965,880</b>
<b>Total liabilities and net assets</b>		<b>84,911,946</b>	<b>82,677,021</b>

#### 4. UNAUDITED NON-CONSOLIDATED STATEMENTS OF INCOME

(Millions of yen)

Items	Term	Nine months ended December 31, 2014	Nine months ended December 31, 2015
		Amount	Amount
<b>ORDINARY INCOME</b>		7,723,394	7,293,731
Insurance premiums and others		4,487,972	4,003,912
[Insurance premiums]		[4,486,726]	[4,000,986]
Investment income		1,105,417	1,035,358
[Interest and dividend income]		[1,032,639]	[990,686]
[Gains on money held in trust]		[21,543]	[43,334]
[Gains on sales of securities]		[51,151]	[1,241]
Other ordinary income		2,130,004	2,254,460
[Reversal of reserve for outstanding claims]		[135,873]	[91,222]
[Reversal of policy reserves]		[1,990,781]	[2,160,597]
<b>ORDINARY EXPENSES</b>		7,345,665	6,965,306
Insurance claims and others		6,884,627	6,495,487
[Insurance claims]		[6,298,157]	[5,781,608]
[Annuity payments]		[224,688]	[253,622]
[Benefits]		[30,247]	[36,042]
[Surrender benefits]		[208,186]	[273,193]
[Other refunds]		[118,996]	[143,419]
Provision for policy reserves and others		1,066	118
Provision for interest on policyholder dividends		1,066	118
Investment expenses		9,381	7,221
[Interest expenses]		[3,274]	[3,583]
[Losses on sales of securities]		[4,963]	[1,592]
[Losses on derivative financial instruments]		[605]	[648]
Operating expenses		379,576	390,127
Other ordinary expenses		71,013	72,351
<b>ORDINARY PROFIT</b>		377,729	328,424
<b>EXTRAORDINARY GAINS</b>		-	341
Gains on sales of fixed assets		-	341
<b>EXTRAORDINARY LOSSES</b>		78,835	52,933
Losses on sales and disposal of fixed assets		110	1,011
Provision for reserve for price fluctuations		78,725	51,921
Provision for reserve for policyholder dividends		192,315	172,253
Income before income taxes		106,579	103,579
Income taxes - Current		152,794	125,099
Income taxes - Deferred		(119,917)	(94,988)
Total income taxes		32,876	30,111
Net income		73,702	73,468



## NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

### (Notes to the Unaudited Non-Consolidated Balance Sheet and Notes Related to Changes in Net Assets)

1. Securities lent under lending agreements in the amount of ¥3,625,644 million were included in “Securities” in the balance sheet as of December 31, 2015.

2. Changes in reserve for policyholder dividends for the nine months ended December 31, 2015 were as follows:

a. Balance at the beginning of the fiscal year	¥2,074,919 million
b. Policyholder dividends paid during the nine months ended December 31, 2015	¥240,294 million
c. Interest accrual	¥118 million
d. Reduction due to the acquisition of additional annuity	¥235 million
e. Provision for reserve for policyholder dividends	¥172,253 million
f. Balance at the end of the nine months ended December 31, 2015	¥2,006,761 million

3. Dividends paid

The following resolution was adopted at the Board of Directors’ meeting held on May 13, 2015:

• Dividends on common stock

a. Total amount	¥24,527 million
b. Per share amount	¥1,226.38
c. Effective date	May 14, 2015

The record date for the dividends was March 31, 2015 with retained earnings as the source of dividends.

### (Notes to the Unaudited Non-Consolidated Statement of Income)

Net income per share was ¥122.45.

The Company implemented a 30:1 stock split effective August 1, 2015.

Net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

## 5. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Nine months ended December 31	2014	2015
Core profit A	389,261	352,357
Capital gains	72,702	44,576
Gains on money held in trust	21,543	43,334
Gains on trading securities	-	-
Gains on sales of securities	51,151	1,241
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	7	-
Other capital gains	-	-
Capital losses	19,404	25,877
Losses on money held in trust	-	-
Losses on trading securities	-	-
Losses on sales of securities	4,963	1,592
Losses on valuation of securities	-	-
Losses on derivative financial instruments	605	648
Losses on foreign exchanges	-	524
Other capital losses	13,835	23,112
Net capital gains (losses) B	53,297	18,698
Core profit including net capital gains (losses) A+B	442,559	371,056
Other one-time gains	67,695	91,980
Reinsurance income	-	-
Reversal of contingency reserve	67,695	91,980
Reversal of individual reserve for possible loan losses	-	-
Other	-	-
Other one-time losses	132,525	134,611
Reinsurance premiums	-	-
Provision for contingency reserve	-	-
Provision for individual reserve for possible loan losses	-	-
Provision for reserve for specific foreign loans	-	-
Write-off of loans	-	-
Other	132,525	134,611
Other one-time profits (losses) C	(64,829)	(42,631)
Ordinary profit A+B+C	377,729	328,424

- Notes: 1. Amount equivalent to income gains associated with money held in trust (¥13,835 million for the nine months ended December 31, 2014 and ¥23,112 million for the nine months ended December 31, 2015) is recognized as “other capital losses” and included in core profit.
2. “Other” in “other one-time losses” includes the amount of additional policy reserves accumulated pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act (¥132,525 million for the nine months ended December 31, 2014 and ¥134,611 million for the nine months ended December 31, 2015).

## 6. Solvency Margin Ratio

(Millions of yen)

As of		March 31, 2015	December 31, 2015
Total amount of solvency margin	(A)	5,697,257	5,698,490
Capital stock, etc.		1,386,560	1,460,028
Reserve for price fluctuations		712,167	764,089
Contingency reserve		2,498,711	2,406,731
General reserve for possible loan losses		77	72
Net unrealized gains (losses) on available-for-sale securities (before taxes) × 90% (if negative, × 100%)		703,549	637,425
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)		(10,077)	(3,894)
Excess of continued Zillmerised reserve		406,267	433,780
Capital raised through debt financing		-	-
Amounts within “excess of continued Zillmerised reserve” and “capital raised through debt financing” not calculated into the margin		-	-
Deductions		-	-
Other		-	257
Total amount of risk	(B)	694,176	706,815
$\sqrt{(R_1+R_8)^2+(R_2+R_3+R_7)^2}+R_4$			
Insurance risk	R <sub>1</sub>	163,796	160,290
Underwriting risk of third-sector insurance	R <sub>8</sub>	88,568	80,846
Anticipated yield risk	R <sub>2</sub>	184,450	174,720
Minimum guarantee risk	R <sub>7</sub>	-	-
Investment risk	R <sub>3</sub>	443,294	470,793
Business management risk	R <sub>4</sub>	17,602	17,733
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$		1,641.4%	1,612.4%

Note: These figures are calculated based on the provisions set forth in the public notification issued by the Ministry of Finance in 1996 and Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act. However, figures for certain items are calculated based on methods deemed reasonable by the Company according to the provisions of the Ordinance for Enforcement of the Insurance Business Act, etc.

## 7. Separate Account for the Nine Months Ended December 31, 2015

Not applicable.

## 8. Consolidated Financial Summary

### (1) Selected Financial Data and Other Information

(Millions of yen)

Nine months ended December 31	2014	2015
Ordinary income	7,723,399	7,293,734
Ordinary profit	377,435	327,735
Net income attributable to Japan Post Insurance	73,464	72,774
Comprehensive income	372,108	20,223

Note: "Net income" is presented as "Net income attributable to Japan Post Insurance" from the three months ended June 30, 2015.

As of	March 31, 2015	December 31, 2015
Total assets	84,915,012	82,682,874
Consolidated solvency margin ratio	1,644.2%	1,614.8%

### (2) Scope of Consolidation and Application of the Equity Method

- Number of consolidated subsidiaries: 1
- Number of non-consolidated subsidiaries accounted for under the equity method: 0
- Number of affiliates accounted for under the equity method: 0

**(3) Unaudited Consolidated Balance Sheets**

(Millions of yen)

Items	Term	As of March 31, 2015	As of December 31, 2015
		Amount	Amount
<b>ASSETS:</b>			
Cash and deposits		2,213,786	1,382,065
Call loans		445,428	841,948
Receivables under securities borrowing transactions		2,720,856	2,989,105
Monetary claims bought		449,068	109,587
Money held in trust		1,434,943	1,796,180
Securities		66,276,260	64,447,771
Loans		9,977,345	9,429,839
Tangible fixed assets		131,790	146,002
Intangible fixed assets		155,067	175,743
Agency accounts receivable		95,023	87,538
Reinsurance receivables		630	1,161
Other assets		468,700	613,147
Deferred tax assets		547,053	663,616
Reserve for possible loan losses		(943)	(833)
<b>Total assets</b>		<b>84,915,012</b>	<b>82,682,874</b>
<b>LIABILITIES:</b>			
Policy reserves and others		77,905,677	75,585,699
Reserve for outstanding claims		718,156	626,933
Policy reserves		75,112,601	72,952,004
Reserve for policyholder dividends		2,074,919	2,006,761
Reinsurance payables		2,017	2,999
Payables under securities lending transactions		3,658,492	4,156,408
Other liabilities		602,573	140,904
Liability for retirement benefits		58,356	61,347
Reserve for price fluctuations		712,167	764,089
<b>Total liabilities</b>		<b>82,939,284</b>	<b>80,711,450</b>
<b>NET ASSETS:</b>			
Capital stock		500,000	500,000
Capital surplus		500,044	500,044
Retained earnings		411,992	460,239
Total shareholders' equity		1,412,036	1,460,283
Net unrealized gains (losses) on available-for-sale securities		558,033	505,785
Net deferred gains (losses) on hedges		22	65
Accumulated adjustments for retirement benefits		5,635	5,288
Total accumulated other comprehensive income		563,691	511,140
<b>Total net assets</b>		<b>1,975,727</b>	<b>1,971,423</b>
<b>Total liabilities and net assets</b>		<b>84,915,012</b>	<b>82,682,874</b>

#### (4) Unaudited Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Term	Nine months ended	Nine months ended
		December 31, 2014	December 31, 2015
		Amount	Amount
<b>ORDINARY INCOME</b>		7,723,399	7,293,734
Insurance premiums and others		4,487,972	4,003,912
Investment income		1,105,417	1,035,358
[Interest and dividend income]		[1,032,639]	[990,686]
[Gains on money held in trust]		[21,543]	[43,334]
[Gains on sales of securities]		[51,151]	[1,241]
Other ordinary income		2,130,008	2,254,463
[Reversal of reserve for outstanding claims]		[135,873]	[91,222]
[Reversal of policy reserves]		[1,990,781]	[2,160,597]
<b>ORDINARY EXPENSES</b>		7,345,963	6,965,999
Insurance claims and others		6,884,627	6,495,487
[Insurance claims]		[6,298,157]	[5,781,608]
[Annuity payments]		[224,688]	[253,622]
[Benefits]		[30,247]	[36,042]
[Surrender benefits]		[208,186]	[273,193]
Provision for policy reserves and others		1,066	118
Provision for interest on policyholder dividends		1,066	118
Investment expenses		9,381	7,221
[Interest expenses]		[3,274]	[3,583]
[Losses on sales of securities]		[4,963]	[1,592]
[Losses on derivative financial instruments]		[605]	[648]
Operating expenses		380,004	391,045
Other ordinary expenses		70,884	72,125
<b>ORDINARY PROFIT</b>		377,435	327,735
<b>EXTRAORDINARY GAINS</b>		-	341
Gains on sales of fixed assets		-	341
<b>EXTRAORDINARY LOSSES</b>		78,835	53,000
Losses on sales and disposal of fixed assets		110	1,079
Provision for reserve for price fluctuations		78,725	51,921
Provision for reserve for policyholder dividends		192,315	172,253
Income before income taxes		106,285	102,822
Income taxes - Current		152,783	125,263
Income taxes - Deferred		(119,963)	(95,215)
Total income taxes		32,820	30,047
Net income		73,464	72,774
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		73,464	72,774

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Term	Nine months ended	Nine months ended
		December 31, 2014	December 31, 2015
		Amount	Amount
Net income		73,464	72,774
Other comprehensive income		298,643	(52,551)
Net unrealized gains (losses) on available-for-sale securities		298,763	(52,247)
Net deferred gains (losses) on hedges		34	43
Adjustments for retirement benefit		(154)	(346)
Total comprehensive income		372,108	20,223
Comprehensive income attributable to Japan Post Insurance		372,108	20,223
Comprehensive income attributable to non-controlling interests		-	-

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2015

### (Notes to the Unaudited Consolidated Balance Sheet and Notes Related to Changes in Net Assets)

#### 1. Changes in accounting policies

Effective from the three months ended June 30, 2015, the Company has adopted the “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013) and others, and has changed the presentation of net income and other related items accordingly. To reflect this change in presentation, the reclassification of accounts has been made to the consolidated financial statements for the nine months ended December 31, 2014.

#### 2. Securities lent under lending agreements in the amount of ¥3,625,644 million were included in “Securities” in the consolidated balance sheet as of December 31, 2015.

#### 3. Changes in reserve for policyholder dividends for the nine months ended December 31, 2015 were as follows:

a. Balance at the beginning of the fiscal year	¥2,074,919 million
b. Policyholder dividends paid during the nine months ended December 31, 2015	¥240,294 million
c. Interest accrual	¥118 million
d. Reduction due to the acquisition of additional annuity	¥235 million
e. Provision for reserve for policyholder dividends	¥172,253 million
f. Balance at the end of the nine months ended December 31, 2015	¥2,006,761 million

#### 4. Dividends paid

The following resolution was adopted at the Board of Directors’ meeting held on May 13, 2015:

##### · Dividends on common stock

a. Total amount	¥24,527 million
b. Per share amount	¥1,226.38
c. Effective date	May 14, 2015

The record date for the dividends was March 31, 2015 with retained earnings as the source of dividends.

### (Notes to the Unaudited Consolidated Statement of Income)

#### 1. Net income per share was ¥121.29.

The Company implemented a 30:1 stock split effective August 1, 2015.

Net income per share has been calculated assuming the stock split was implemented on April 1, 2015.

#### 2. Depreciation and amortization for the nine months ended December 31, 2015 was ¥27,085 million.

**(5) Consolidated Solvency Margin Ratio**

(Millions of yen)

As of	March 31, 2015	December 31, 2015
Total amount of solvency margin (A)	5,706,126	5,706,178
Capital stock, etc.	1,387,508	1,460,283
Reserve for price fluctuations	712,167	764,089
Contingency reserve	2,498,711	2,406,731
Catastrophe loss reserve	-	-
General reserve for possible loan losses	77	72
Net unrealized gains (losses) on available-for-sale securities (before taxes) × 90% (if negative, × 100%)	703,549	637,425
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	(10,077)	(3,894)
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	7,920	7,433
Excess of continued Zillmerised reserve	406,267	433,780
Capital raised through debt financing	-	-
Amounts within “excess of continued Zillmerised reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	-	-
Other	-	257
Total amount of risk (B)	694,064	706,715
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Insurance risk R <sub>1</sub>	163,796	160,290
General insurance risk R <sub>5</sub>	-	-
Catastrophe risk R <sub>6</sub>	-	-
Underwriting risk of third-sector insurance R <sub>8</sub>	88,568	80,846
Small amount and short-term insurance risk R <sub>9</sub>	-	-
Anticipated yield risk R <sub>2</sub>	184,450	174,720
Minimum guarantee risk R <sub>7</sub>	-	-
Investment risk R <sub>3</sub>	443,176	470,688
Business management risk R <sub>4</sub>	17,599	17,730
Solvency margin ratio (A)	1,644.2%	1,614.8%
$\frac{(A)}{(1/2) \times (B)} \times 100$		

Note: These figures are calculated based on the provisions set forth in the public notification issued by the Financial Services Agency in 2011 and Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act. However, figures for certain items are calculated based on methods deemed reasonable by the Company according to the provisions of the Ordinance for Enforcement of the Insurance Business Act, etc.

**(6) Segment Information**

Segment information is omitted as the Company has only one segment.