

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.

August 10, 2017
JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for
the Three Months Ended June 30, 2017**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the three months ended June 30, 2017 (April 1, 2017 to June 30, 2017).

<Table of Contents>

1. Business Highlights	1
2. Investment Performance (General Account)	3
3. Unaudited Non-Consolidated Balance Sheets	6
4. Unaudited Non-Consolidated Statements of Income	7
5. Breakdown of Ordinary Profit (Core Profit)	9
6. Solvency Margin Ratio	10
7. Separate Account for the Three Months Ended June 30, 2017	11
8. Consolidated Financial Summary	11

End

1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of	March 31, 2017		June 30, 2017			
	Number of policies	Policy amount	Number of policies		Policy amount	
			% of March 31, 2017 total	% of March 31, 2017 total		
Individual insurance	17,150	50,097.9	17,435	101.7	50,972.8	101.7
Individual annuities	1,363	3,131.1	1,359	99.8	3,029.7	96.8
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: 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) the amount of policy reserves for the annuity after payments have commenced.

▪ New Policies

(Thousands of policies, billions of yen, %)

Three months ended June 30	2016				2017					
	Number of policies	Policy amount			Number of policies		Policy amount			
		New policies	Net increase arising from the conversion		% of June 30, 2016 total	% of June 30, 2016 total	New policies	Net increase arising from the conversion		
Individual insurance	673	2,218.3	2,218.3	-	462	68.6	1,474.7	66.5	1,474.7	-
Individual annuities	10	39.7	39.7	-	-	-	-	-	-	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

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

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of	March 31, 2017	June 30, 2017	
			% of March 31, 2017 total
Individual insurance	3,207.9	3,271.8	102.0
Individual annuities	569.3	543.2	95.4
Total	3,777.3	3,815.0	101.0
Medical coverage, living benefits and other	333.8	342.8	102.7

▪ New Policies

(Billions of yen, %)

Three months ended June 30	2016	2017	
			% of June 30, 2016 total
Individual insurance	144.1	104.5	72.6
Individual annuities	19.4	-	-
Total	163.5	104.5	63.9
Medical coverage, living benefits and other	12.1	13.2	109.7

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).

2. Investment Performance (General Account)

(1) Asset Composition

(Billions of yen, %)

As of	March 31, 2017		June 30, 2017	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,510.1	1.9	841.4	1.1
Receivables under resale agreements	-	-	-	-
Receivables under securities borrowing transactions	3,520.7	4.4	3,567.8	4.5
Monetary claims bought	27.5	0.0	27.1	0.0
Trading account securities	-	-	-	-
Money held in trust	2,127.0	2.6	2,302.6	2.9
Securities	63,486.2	79.0	62,550.2	79.3
Corporate and government bonds	57,658.1	71.8	56,218.5	71.2
Domestic stocks	59.3	0.1	94.8	0.1
Foreign securities	4,351.7	5.4	4,579.3	5.8
Foreign corporate and government bonds	4,346.7	5.4	4,552.0	5.8
Foreign stocks and other securities	4.9	0.0	27.2	0.0
Other securities	1,417.1	1.8	1,657.4	2.1
Loans	8,060.9	10.0	8,063.2	10.2
Real estate	119.0	0.1	115.4	0.1
Deferred tax assets	852.2	1.1	845.6	1.1
Other	633.1	0.8	612.5	0.8
Reserve for possible loan losses	(0.6)	(0.0)	(0.6)	(0.0)
Total	80,336.4	100.0	78,925.6	100.0
Foreign currency-denominated assets	4,753.6	5.9	4,953.9	6.3

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, 2017					June 30, 2017				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	40,441.8	46,518.6	6,076.8	6,149.9	73.1	39,715.6	45,706.8	5,991.2	6,065.5	74.2
Policy-reserve-matching bonds	12,517.3	13,697.4	1,180.0	1,204.4	24.3	11,806.1	12,932.1	1,125.9	1,147.9	22.0
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	12,522.6	12,966.2	443.6	657.8	214.1	12,984.9	13,558.7	573.7	735.0	161.2
Corporate and government bonds	4,758.4	4,796.8	38.4	71.6	33.2	4,761.7	4,794.7	32.9	63.8	30.9
Domestic stocks	1,302.3	1,626.0	323.6	342.4	18.7	1,388.8	1,752.5	363.7	388.4	24.7
Foreign securities	4,658.6	4,748.6	90.0	237.2	147.2	4,826.6	4,996.9	170.2	272.9	102.7
Foreign corporate and government bonds	4,219.6	4,248.7	29.1	175.0	145.8	4,362.6	4,454.0	91.4	194.1	102.7
Foreign stocks and other securities	439.0	499.9	60.9	62.2	1.3	463.9	542.8	78.8	78.8	-
Other securities	1,428.0	1,417.1	(10.8)	4.0	14.9	1,653.0	1,657.4	4.4	7.3	2.9
Monetary claims bought	25.1	27.5	2.4	2.4	-	24.7	27.1	2.3	2.3	-
Negotiable certificates of deposit	350.0	350.0	-	-	-	330.0	330.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	65,481.8	73,182.3	7,700.5	8,012.2	311.6	64,506.8	72,197.7	7,690.9	7,948.5	257.6
Corporate and government bonds	57,619.7	64,911.8	7,292.1	7,422.8	130.7	56,185.6	63,332.9	7,147.3	7,274.5	127.2
Domestic stocks	1,302.3	1,626.0	323.6	342.4	18.7	1,388.8	1,752.5	363.7	388.4	24.7
Foreign securities	4,756.6	4,849.8	93.1	240.4	147.2	4,924.6	5,097.6	173.0	275.7	102.7
Foreign corporate and government bonds	4,317.6	4,349.8	32.2	178.1	145.8	4,460.6	4,554.8	94.1	196.9	102.7
Foreign stocks and other securities	439.0	499.9	60.9	62.2	1.3	463.9	542.8	78.8	78.8	-
Other securities	1,428.0	1,417.1	(10.8)	4.0	14.9	1,653.0	1,657.4	4.4	7.3	2.9
Monetary claims bought	25.1	27.5	2.4	2.4	-	24.7	27.1	2.3	2.3	-
Negotiable certificates of deposit	350.0	350.0	-	-	-	330.0	330.0	-	-	-
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 ¥1,743.9 billion with net unrealized gains of ¥434.5 billion as of June 30, 2017 and ¥1,686.1 billion with net unrealized gains of ¥380.7 billion as of March 31, 2017.

- The book values of securities for which the fair values are deemed extremely difficult to determine are as follows:

(Billions of yen)

As of	March 31, 2017	June 30, 2017
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	4.2	7.6
Unlisted domestic stocks (excluding OTC-traded equities)	4.2	4.2
Unlisted foreign stocks (excluding OTC-traded equities)	-	-
Unlisted foreign bonds	-	-
Other	-	3.4
Total	5.2	8.6

Note: This table includes money held in trust other than trading securities (¥3.4 billion as of June 30, 2017).

(3) Fair Value of Money Held in Trust

(Billions of yen)

As of	March 31, 2017					June 30, 2017				
	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	2,127.0	2,127.0	-	-	-	2,299.0	2,299.0	-	-	-

- 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, 2017					June 30, 2017				
	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	1,746.3	2,127.0	380.7	400.4	19.7	1,864.5	2,299.0	434.5	458.7	24.2

Note: Fair value information of money held in trust does not include other money held in trust for which the fair value is deemed extremely difficult to determine (¥3.5 billion as of June 30, 2017).

3. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items	Terms	As of March 31, 2017	As of June 30, 2017
		Amount	Amount
ASSETS:			
Cash and deposits		1,360,137	741,486
Call loans		150,000	100,000
Receivables under securities borrowing transactions		3,520,722	3,567,870
Monetary claims bought		27,561	27,128
Money held in trust		2,127,042	2,302,652
Securities		63,486,273	62,550,229
[Japanese government bonds]		[42,732,364]	[41,465,222]
[Japanese local government bonds]		[9,226,804]	[9,121,829]
[Japanese corporate bonds]		[5,698,945]	[5,631,525]
[Stocks]		[59,305]	[94,870]
[Foreign securities]		[4,351,731]	[4,579,357]
Loans		8,060,902	8,063,243
Policy loans		118,141	122,114
Industrial and commercial loans		873,720	898,239
Loans to the Management Organization		7,069,040	7,042,889
Tangible fixed assets		136,928	132,238
Intangible fixed assets		189,809	179,123
Agency accounts receivable		50,888	36,098
Reinsurance receivables		2,293	2,461
Other assets		372,248	378,096
Deferred tax assets		852,263	845,660
Reserve for possible loan losses		(658)	(688)
Total assets		80,336,414	78,925,601
LIABILITIES:			
Policy reserves and others		72,525,176	71,808,523
Reserve for outstanding claims		577,376	550,680
Policy reserves		70,175,234	69,534,744
Reserve for policyholder dividends		1,772,565	1,723,098
Reinsurance payables		4,774	4,973
Other liabilities		5,101,380	4,308,088
Payables under securities lending transactions		4,889,066	4,117,422
Income taxes payable		68,075	35,408
Lease obligations		2,153	2,020
Asset retirement obligation		15	15
Other liabilities		142,070	153,220
Reserve for employees' retirement benefits		67,040	67,940
Reserve for management board benefit trust		76	121
Reserve for price fluctuations		788,712	804,783
Total liabilities		78,487,161	76,994,430
NET ASSETS:			
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		527,775	515,847
Legal retained earnings		32,209	39,409
Other retained earnings		495,565	476,437
Retained earnings brought forward		495,565	476,437
Treasury stock		(521)	(516)
Total shareholders' equity		1,527,298	1,515,375
Net unrealized gains (losses) on available-for-sale securities		321,904	415,750
Net deferred gains (losses) on hedges		50	45
Total valuation and translation adjustments		321,954	415,795
Total net assets		1,849,253	1,931,171
Total liabilities and net assets		80,336,414	78,925,601

4. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Terms	Three months ended	Three months ended
		June 30, 2016	June 30, 2017
		Amount	Amount
ORDINARY INCOME		2,261,438	2,113,562
Insurance premiums and others		1,415,193	1,123,687
[Insurance premiums]		[1,413,567]	[1,121,165]
Investment income		344,133	321,389
[Interest and dividend income]		[306,865]	[298,400]
[Gains on money held in trust]		[11,598]	[21,137]
[Gains on sales of securities]		[25,654]	[1,659]
Other ordinary income		502,111	668,484
[Reversal of reserve for outstanding claims]		[11,663]	[26,696]
[Reversal of policy reserves]		[489,505]	[640,489]
ORDINARY EXPENSES		2,217,093	2,030,460
Insurance claims and others		1,988,744	1,850,749
[Insurance claims]		[1,732,578]	[1,567,283]
[Annuity payments]		[90,698]	[97,808]
[Benefits]		[13,464]	[15,628]
[Surrender benefits]		[101,937]	[118,391]
[Other refunds]		[46,622]	[46,920]
Provision for policy reserves and others		9	1
Provision for interest on policyholder dividends		9	1
Investment expenses		68,346	16,340
[Interest expenses]		[429]	[630]
[Losses on sales of securities]		[-]	[9,083]
[Losses on valuation of securities]		[63,939]	[-]
[Losses on derivative financial instruments]		[824]	[4,907]
Operating expenses		134,524	130,775
Other ordinary expenses		25,469	32,592
ORDINARY PROFIT		44,344	83,101
EXTRAORDINARY GAINS		23,326	-
Reversal of reserve for price fluctuations		23,326	-
EXTRAORDINARY LOSSES		7	16,078
Losses on sales and disposal of fixed assets		7	8
Provision for reserve for price fluctuations		-	16,070
Provision for reserve for policyholder dividends		41,675	32,558
Income before income taxes		25,987	34,464
Income taxes - Current		36,815	40,056
Income taxes - Deferred		(30,347)	(29,664)
Total income taxes		6,467	10,391
Net income		19,519	24,072

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2017

(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 ¥3,791,598 million were included in “Securities” in the balance sheet as of June 30, 2017.
2. Changes in reserve for policyholder dividends for the three months ended June 30, 2017 were as follows:

a. Balance at the beginning of the fiscal year	¥1,772,565 million
b. Policyholder dividends paid during the three months ended June 30, 2017	¥81,943 million
c. Interest accrual	¥1 million
d. Reduction due to the acquisition of additional annuity	¥83 million
e. Provision for reserve for policyholder dividends	¥32,558 million
f. Balance at the end of the three months ended June 30, 2017	¥1,723,098 million

3. Dividends paid were as follows:

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors’ meeting held on May 15, 2017	Common stock	36,000	60.00	March 31, 2017	June 22, 2017	Retained earnings

(*1) Total amount of dividends includes ¥13 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) The amount of dividends per share includes a commemorative dividend of ¥2 per share, in celebration of the 100th anniversary of the establishment of Postal Life Insurance Services.

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

Net income per share was ¥40.14.

5. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Three months ended June 30		2016	2017
Core profit	A	94,153	93,639
Capital gains		37,253	22,796
Gains on money held in trust		11,598	21,137
Gains on trading securities		-	-
Gains on sales of securities		25,654	1,659
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		-	-
Other capital gains		-	-
Capital losses		72,381	21,559
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		-	9,083
Losses on valuation of securities		63,939	-
Losses on derivative financial instruments		824	4,907
Losses on foreign exchanges		1,882	109
Other capital losses		5,734	7,458
Net capital gains (losses)	B	(35,128)	1,237
Core profit including net capital gains (losses)	A+B	59,025	94,877
Other one-time gains		30,370	33,435
Reinsurance income		-	-
Reversal of contingency reserve		30,370	33,435
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		45,050	45,210
Reinsurance premiums		-	-
Provision for contingency reserve		-	-
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		45,050	45,210
Other one-time profits (losses)	C	(14,680)	(11,775)
Ordinary profit	A+B+C	44,344	83,101

- Notes: 1. Amount equivalent to income gains associated with money held in trust (¥5,701 million for the three months ended June 30, 2016 and ¥7,458 million for the three months ended June 30, 2017) is recognized as “other capital losses” and included in core profit.
2. Amount equivalent to income gains associated with derivative financial instruments (¥33 million for the three months ended June 30, 2016) is recognized as “other capital losses” and included in core profit.
3. “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 (¥45,050 million for the three months ended June 30, 2016 and ¥45,210 million for the three months ended June 30, 2017).

6. Solvency Margin Ratio

(Millions of yen)

As of		March 31, 2017	June 30, 2017
Total amount of solvency margin	(A)	5,420,173	5,545,224
Capital stock, etc.		1,491,298	1,509,764
Reserve for price fluctuations		788,712	804,783
Contingency reserve		2,254,027	2,220,591
General reserve for possible loan losses		59	61
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)		399,297	516,401
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)		103	(95)
Excess of continued Zillmerized reserve		486,674	493,544
Capital raised through debt financing		-	-
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin		-	-
Deductions		-	-
Other		-	173
Total amount of risk			
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$	(B)	840,902	888,556
Insurance risk	R ₁	153,070	151,550
Underwriting risk of third-sector insurance	R ₈	69,104	66,863
Anticipated yield risk	R ₂	158,838	156,720
Minimum guarantee risk	R ₇	-	-
Investment risk	R ₃	631,173	682,730
Business management risk	R ₄	20,243	21,157
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$		1,289.1%	1,248.1%

Note: These figures are calculated based on the provisions set forth in the public notification No. 50 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 Three Months Ended June 30, 2017

Not applicable.

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Three months ended June 30	2016	2017
Ordinary income	2,261,439	2,113,563
Ordinary profit	44,339	83,220
Net income attributable to Japan Post Insurance	19,441	24,161
Comprehensive income (loss)	(103,639)	117,892

As of	March 31, 2017	June 30, 2017
Total assets	80,336,760	78,925,980
Consolidated solvency margin ratio	1,290.6%	1,249.6%

(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	Terms	As of March 31, 2017	As of June 30, 2017
		Amount	Amount
ASSETS:			
Cash and deposits		1,366,086	746,703
Call loans		150,000	100,000
Receivables under securities borrowing transactions		3,520,722	3,567,870
Monetary claims bought		27,561	27,128
Money held in trust		2,127,042	2,302,652
Securities		63,485,289	62,549,245
Loans		8,060,902	8,063,243
Tangible fixed assets		137,262	132,563
Intangible fixed assets		185,520	175,592
Agency accounts receivable		50,888	36,098
Reinsurance receivables		2,293	2,461
Other assets		371,905	377,755
Deferred tax assets		851,942	845,352
Reserve for possible loan losses		(658)	(688)
Total assets		80,336,760	78,925,980
LIABILITIES:			
Policy reserves and others		72,525,176	71,808,523
Reserve for outstanding claims		577,376	550,680
Policy reserves		70,175,234	69,534,744
Reserve for policyholder dividends		1,772,565	1,723,098
Reinsurance payables		4,774	4,973
Payables under securities lending transactions		4,889,066	4,117,422
Other liabilities		213,565	191,787
Liability for retirement benefits		62,184	63,266
Reserve for management board benefit trust		76	121
Reserve for price fluctuations		788,712	804,783
Total liabilities		78,483,557	76,990,879
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		500,044	500,044
Retained earnings		527,358	515,520
Treasury stock		(521)	(516)
Total shareholders' equity		1,526,882	1,515,048
Net unrealized gains (losses) on available-for-sale securities		321,904	415,750
Net deferred gains (losses) on hedges		50	45
Accumulated adjustments for retirement benefits		4,366	4,256
Total accumulated other comprehensive income		326,321	420,052
Total net assets		1,853,203	1,935,101
Total liabilities and net assets		80,336,760	78,925,980

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

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Terms	Three months ended	Three months ended
		June 30, 2016	June 30, 2017
		Amount	Amount
ORDINARY INCOME		2,261,439	2,113,563
Insurance premiums and others		1,415,193	1,123,687
Investment income		344,133	321,389
[Interest and dividend income]		[306,865]	[298,400]
[Gains on money held in trust]		[11,598]	[21,137]
[Gains on sales of securities]		[25,654]	[1,659]
Other ordinary income		502,112	668,485
[Reversal of reserve for outstanding claims]		[11,663]	[26,696]
[Reversal of policy reserves]		[489,505]	[640,489]
ORDINARY EXPENSES		2,217,099	2,030,342
Insurance claims and others		1,988,744	1,850,749
[Insurance claims]		[1,732,578]	[1,567,283]
[Annuity payments]		[90,698]	[97,808]
[Benefits]		[13,464]	[15,628]
[Surrender benefits]		[101,937]	[118,391]
Provision for policy reserves and others		9	1
Provision for interest on policyholder dividends		9	1
Investment expenses		68,346	16,340
[Interest expenses]		[429]	[630]
[Losses on sales of securities]		[-]	[9,083]
[Losses on valuation of securities]		[63,939]	[-]
[Losses on derivative financial instruments]		[824]	[4,907]
Operating expenses		134,637	130,885
Other ordinary expenses		25,361	32,365
ORDINARY PROFIT		44,339	83,220
EXTRAORDINARY GAINS		23,326	-
Reversal of reserve for price fluctuations		23,326	-
EXTRAORDINARY LOSSES		7	16,078
Losses on sales and disposal of fixed assets		7	8
Provision for reserve for price fluctuations		-	16,070
Provision for reserve for policyholder dividends		41,675	32,558
Income before income taxes		25,981	34,582
Income taxes - Current		36,815	40,056
Income taxes - Deferred		(30,274)	(29,635)
Total income taxes		6,540	10,421
Net income		19,441	24,161
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		19,441	24,161

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Terms	Three months ended	Three months ended
		June 30, 2016	June 30, 2017
		Amount	Amount
Net income		19,441	24,161
Other comprehensive income (loss)		(123,080)	93,731
Net unrealized gains (losses) on available-for-sale securities		(122,957)	93,845
Net deferred gains (losses) on hedges		(9)	(4)
Adjustments for retirement benefits		(113)	(109)
Total comprehensive income (loss)		(103,639)	117,892
Comprehensive income (loss) attributable to Japan Post Insurance		(103,639)	117,892
Comprehensive income (loss) attributable to non-controlling interests		-	-

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2017

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

1. Securities lent under lending agreements in the amount of ¥3,791,598 million were included in “Securities” in the consolidated balance sheet as of June 30, 2017.
2. Changes in reserve for policyholder dividends for the three months ended June 30, 2017 were as follows:

a. Balance at the beginning of the fiscal year	¥1,772,565 million
b. Policyholder dividends paid during the three months ended June 30, 2017	¥81,943 million
c. Interest accrual	¥1 million
d. Reduction due to the acquisition of additional annuity	¥83 million
e. Provision for reserve for policyholder dividends	¥32,558 million
f. Balance at the end of the three months ended June 30, 2017	¥1,723,098 million

3. Dividends paid were as follows:

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors’ meeting held on May 15, 2017	Common stock	36,000	60.00	March 31, 2017	June 22, 2017	Retained earnings

(*1) Total amount of dividends includes ¥13 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) The amount of dividends per share includes a commemorative dividend of ¥2 per share, in celebration of the 100th anniversary of the establishment of Postal Life Insurance Services.

(Notes to the Unaudited Consolidated Statement of Income)

1. Net income per share was ¥40.28.
2. Depreciation and amortization for the three months ended June 30, 2017 was ¥17,786 million.

(5) Consolidated Solvency Margin Ratio

(Millions of yen)

As of	March 31, 2017	June 30, 2017
Total amount of solvency margin (A)	5,425,821	5,550,809
Capital stock, etc.	1,490,882	1,509,437
Reserve for price fluctuations	788,712	804,783
Contingency reserve	2,254,027	2,220,591
Catastrophe loss reserve	-	-
General reserve for possible loan losses	59	61
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes) × 90% (if negative, × 100%)	399,297	516,401
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	103	(95)
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	6,064	5,912
Excess of continued Zillmerized reserve	486,674	493,544
Capital raised through debt financing	-	-
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	-	-
Other	-	173
Total amount of risk (B)	840,767	888,413
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2 + R_4 + R_6}$		
Insurance risk R ₁	153,070	151,550
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
Underwriting risk of third-sector insurance R ₈	69,104	66,863
Small amount and short-term insurance risk R ₉	-	-
Anticipated yield risk R ₂	158,838	156,720
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	631,036	682,585
Business management risk R ₄	20,240	21,154
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,290.6%	1,249.6%

Note: These figures are calculated based on the provisions set forth in the public notification No. 23 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.