

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.

**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2022
[Under Japanese GAAP]**



August 10, 2022

Company Name: JAPAN POST INSURANCE Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Code Number: 7181 URL: <https://www.jp-life.japanpost.jp/>
Representative: SENDA Tetsuya, Director and President, CEO, Representative Executive Officer
Scheduled date of filing quarterly securities report: August 10, 2022
Scheduled date of commencing dividend payments: —
Availability of supplementary briefing materials on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2022 (April 1, 2022 to June 30, 2022)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance	
	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2022	1,608,948	(3.4)	13,450	(85.4)	11,630	(71.8)
Three months ended June 30, 2021	1,665,111	(1.8)	92,077	31.6	41,215	(11.8)

(Note) Comprehensive Income (Loss) Three months ended June 30, 2022 ¥(92,204)million [-%]
Three months ended June 30, 2021 ¥136,315 million [(69.5)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2022	29.12	-
Three months ended June 30, 2021	84.75	-

(Note) Diluted net income per share is not presented as potential common stock did not exist.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	65,502,522	2,310,133	3.5
As of March 31, 2022	67,174,796	2,421,063	3.6

(Reference) Net assets attributable to the Company's shareholders as of June 30, 2022 and March 31, 2022 were ¥2,310,133 million and ¥2,421,063 million, respectively.

2. Dividends

	Dividend per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year ended March 31, 2022	Yen -	Yen 45.00	Yen -	Yen 45.00	Yen 90.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (Forecast)		46.00	-	46.00	92.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,220,000	(3.6)	160,000	(55.1)	71,000	(55.1)	177.83

(Note 1) Revisions to the most recently announced financial results forecast: No

(Note 2) The Company resolved matters related to the acquisition of its treasury stock at a meeting of the Board of Directors held on August 10, 2022. For the “net income per share” of the consolidated financial results forecast, the impact of these matters is not considered. For details, please refer to the “2. Unaudited Consolidated Financial Statements and Principal Notes, (3) Notes to the Consolidated Financial Statements, (Subsequent Events)” on page 6 of the Appendix.

*** Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No

(2) Adoption of special accounting methods in the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(Note) For details, please refer to the “1. Matters Related to Summary Information (Notes)” on page 2 of the Appendix.

(4) Total number of shares issued (common stock)

1) Total number of shares issued at the end of the period:

June 30, 2022: 399,693,700 shares

March 31, 2022: 399,693,700 shares

2) Total number of treasury stock at the end of the period:

June 30, 2022: 492,151 shares

March 31, 2022: 151,450 shares

3) Average number of shares during the period:

Three months ended June 30, 2022: 399,415,178 shares

Three months ended June 30, 2021: 486,295,561 shares

(Note) Total number of treasury stock at the end of the period includes shares of the Company held in the Board Benefit Trust (BBT), namely 481,000 shares as of June 30, 2022, and 140,300 shares as of March 31, 2022.

The average number of treasury stock held in the BBT (267,370 shares for the three months ended June 30, 2022 and 152,300 shares for the three months ended June 30, 2021) was deducted from the calculation of the average number of shares during the three months ended June 30, 2022 and 2021.

* The summary of quarterly consolidated financial results is outside the scope of quarterly review by certified public accountants or audit corporations.

* Explanation on the appropriate use of financial results forecasts, and other notes

(Cautionary note concerning forward-looking statements)

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by the Company at the time of this document’s disclosure. Please note that actual results may differ from the forecast figures due to various factors including changes in the operating environment.

(Supplementary briefing materials on financial results)

The Company has prepared supplementary briefing materials, etc. in relation to financial information, which can be viewed on the Company’s website.

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1. Matters Related to Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatements

(Changes in Accounting Policies due to the Revision of Accounting Standards)

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 31, June 17, 2021; hereinafter referred to as “Fair Value Measurement Implementation Guidance”) from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Implementation Guidance into the future. Accordingly, while the moving-average method was previously adopted for mutual funds with no transaction price on the market, from the first quarter of the fiscal year ending March 31, 2023, the fair value method based on the market price as of the quarterly consolidated balance sheet date is adopted.

2. Unaudited Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
ASSETS:		
Cash and deposits	1,270,762	781,458
Call loans	40,000	40,000
Receivables under resale agreements	2,120,137	1,673,688
Monetary claims bought	39,543	38,869
Money held in trust	4,521,912	4,619,070
Securities	53,417,580	52,528,864
Loans	4,251,956	4,223,035
Tangible fixed assets	94,497	94,316
Intangible fixed assets	93,609	89,802
Agency accounts receivable	47,287	38,235
Reinsurance receivables	3,914	4,287
Other assets	268,626	321,772
Deferred tax assets	1,005,346	1,049,616
Reserve for possible loan losses	(379)	(494)
Total assets	67,174,796	65,502,522
LIABILITIES:		
Policy reserves and others	58,196,072	57,393,238
Reserve for outstanding claims	402,608	387,497
Policy reserves	56,533,454	55,773,936
Reserve for policyholder dividends	1,260,009	1,231,805
Reinsurance payables	6,256	6,178
Bonds payable	300,000	300,000
Payables under repurchase agreements	2,570,899	2,012,290
Payables under securities lending transactions	2,236,696	2,128,559
Other liabilities	402,658	336,353
Liability for retirement benefits	68,313	69,331
Reserve for management board benefit trust	230	256
Reserve under the special law	972,606	946,178
Reserve for price fluctuations	972,606	946,178
Total liabilities	64,753,732	63,192,388
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Retained earnings	639,822	633,467
Treasury stock	(355)	(1,094)
Total shareholders' equity	1,544,511	1,537,417
Net unrealized gains (losses) on available-for-sale securities	873,764	770,048
Accumulated adjustments for retirement benefits	2,786	2,667
Total accumulated other comprehensive income	876,551	772,716
Total net assets	2,421,063	2,310,133
Total liabilities and net assets	67,174,796	65,502,522

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
ORDINARY INCOME	1,665,111	1,608,948
Insurance premiums and others	644,021	576,947
Investment income	280,978	255,889
Interest and dividend income	252,435	237,737
Gains on money held in trust	25,912	8,354
Gains on sales of securities	2,325	9,424
Gains on redemption of securities	205	363
Gains on foreign exchanges	51	-
Other investment income	47	9
Other ordinary income	740,111	776,111
Reversal of reserve for outstanding claims	3,465	15,111
Reversal of policy reserves	736,158	759,518
Other ordinary income	486	1,481
ORDINARY EXPENSES	1,573,034	1,595,498
Insurance claims and others	1,437,805	1,421,999
Insurance claims	1,165,498	1,155,445
Annuity payments	84,194	73,056
Benefits	31,452	47,690
Surrender benefits	118,729	118,931
Other refunds	32,329	21,449
Reinsurance premiums	5,601	5,425
Provision for policy reserves and others	2	2
Provision for interest on policyholder dividends	2	2
Investment expenses	13,820	42,739
Interest expenses	696	501
Losses on sales of securities	7,863	27,119
Losses on valuation of securities	-	11,406
Losses on redemption of securities	2,193	701
Losses on derivative financial instruments	2,392	2,438
Losses on foreign exchanges	-	75
Provision for reserve for possible loan losses	2	2
Other investment expenses	673	493
Operating expenses	94,314	110,642
Other ordinary expenses	27,090	20,115
Ordinary profit	92,077	13,450
EXTRAORDINARY GAINS	-	26,428
Reversal of reserve for price fluctuations	-	26,428
EXTRAORDINARY LOSSES	18,925	2
Losses on sales and disposal of fixed assets	2	2
Provision for reserve for price fluctuations	18,923	-
Provision for reserve for policyholder dividends	15,404	11,533
Income before income taxes	57,746	28,342
Income taxes - Current	28,486	19,395
Income taxes - Deferred	(11,955)	(2,684)
Total income taxes	16,531	16,711
Net income	41,215	11,630
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	41,215	11,630

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net income	41,215	11,630
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	95,268	(103,716)
Net deferred gains (losses) on hedges	(42)	-
Adjustments for retirement benefits	(125)	(118)
Total other comprehensive income (loss)	95,100	(103,835)
Comprehensive income (loss)	136,315	(92,204)
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	136,315	(92,204)
Non-controlling interests	-	-

(3) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Subsequent Events)

(Acquisition of Treasury Stock)

The Company resolved matters related to the acquisition of its treasury stock based on Article 39, Paragraph 1 of the Company's Articles of Incorporation complying with Article 459, Paragraph 1, Item 1 of the Companies Act at a meeting of the Board of Directors held on August 10, 2022.

1. Reason for the acquisition of treasury stock

The Company's shareholder return policies during the period of the Medium-term Management Plan aim for a medium-term average total payout ratio of 40 to 50%, through acquisition of treasury stock and other timely measures. Accordingly, the Company will consider acquiring treasury stock assuming that the total payout ratio for the fiscal year ended March 31, 2022 will be approximately 45% of the Company's profit for such fiscal year.

The acquisition of treasury stock will be conducted with the aim of improving capital efficiency and enhancing shareholder returns in accordance with the intent of the Postal Service Privatization Act and the shareholder return policies above.

2. Details of the acquisition

- | | | |
|-----|--|---|
| (1) | Class of shares to be acquired | Common stock of the Company |
| (2) | Total number of shares to be acquired | 30,000,000 shares (maximum)
(The ratio of the total number of shares to be acquired to the total number of shares issued (excluding treasury stock): 7.5%) |
| (3) | Total amount of shares to be acquired | 35,000,000,000 yen (maximum) |
| (4) | Acquisition period | From August 12, 2022 to March 31, 2023 |
| (5) | Method of acquisition | Purchases through the Off-auction Own Share Repurchase Trading system (ToSTNeT-3) and trading on the auction market of the Tokyo Stock Exchange, Inc. |
| (6) | In addition to the matters described above, any matters required for the acquisition of treasury stock shall be determined at the sole discretion of the President, CEO, Representative Executive Officer of the Company or a person appointed by the President, CEO, Representative Executive Officer of the Company. | |