

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 Nine Months Ended December 31, 2022 [Under Japanese GAAP]



February 14, 2023

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: February 14, 2023
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 Nine Months Ended December 31, 2022 (April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	4,798,031	(0.5)	78,785	(70.8)	76,202	(36.2)
Nine months ended December 31, 2021	4,821,041	(6.0)	270,097	3.5	119,525	(7.4)

(Note) Comprehensive Income (Loss) Nine months ended December 31, 2022 ¥(289,646) million [-%]
Nine months ended December 31, 2021 ¥237,737 million [(70.5)%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2022	193.48	-
Nine months ended December 31, 2021	278.97	-

(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 December 31, 2022	63,424,972	2,063,043	3.3
As of March 31, 2022	67,174,796	2,421,063	3.6

(Reference) Net assets attributable to the Company's shareholders as of December 31, 2022 and March 31, 2022 were ¥2,063,043 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	-	46.00	-		
Fiscal year ending March 31, 2023 (Forecast)				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	6,320,000	(2.1)	80,000	(77.5)	87,000	(45.0)	222.25

(Note 1) Revisions to the most recently announced financial results forecast: Yes

(Note 2) For details on revisions to the consolidated financial results forecast, please refer to “Notice Regarding Revisions to the Full-Year Consolidated Financial Results Forecast” released on February 14, 2023.

*** 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:

December 31, 2022: 399,693,700 shares

March 31, 2022: 399,693,700 shares

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

December 31, 2022: 15,562,051 shares

March 31, 2022: 151,450 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 393,843,959 shares

Nine months ended December 31, 2021: 428,459,245 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 475,600 shares as of December 31, 2022, and 140,300 shares as of March 31, 2022.

The average number of treasury stock held in the BBT (406,659 shares for the nine months ended December 31, 2022 and 145,075 shares for the nine months ended December 31, 2021) was deducted from the calculation of the average number of shares during the nine months ended December 31, 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 December 31, 2022
ASSETS:		
Cash and deposits	1,270,762	968,772
Call loans	40,000	40,000
Receivables under resale agreements	2,120,137	1,596,157
Monetary claims bought	39,543	67,736
Money held in trust	4,521,912	4,599,265
Securities	53,417,580	50,506,995
Loans	4,251,956	3,904,582
Tangible fixed assets	94,497	92,677
Intangible fixed assets	93,609	88,647
Agency accounts receivable	47,287	40,039
Reinsurance receivables	3,914	4,660
Other assets	268,626	372,381
Deferred tax assets	1,005,346	1,143,475
Reserve for possible loan losses	(379)	(420)
Total assets	67,174,796	63,424,972
LIABILITIES:		
Policy reserves and others	58,196,072	55,862,311
Reserve for outstanding claims	402,608	387,017
Policy reserves	56,533,454	54,282,360
Reserve for policyholder dividends	1,260,009	1,192,934
Reinsurance payables	6,256	6,272
Bonds payable	300,000	300,000
Payables under repurchase agreements	2,570,899	2,100,614
Payables under securities lending transactions	2,236,696	1,994,717
Other liabilities	402,658	126,965
Liability for retirement benefits	68,313	71,248
Reserve for management board benefit trust	230	251
Reserve under the special law	972,606	899,546
Reserve for price fluctuations	972,606	899,546
Total liabilities	64,753,732	61,361,928
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Retained earnings	639,822	680,129
Treasury stock	(355)	(32,832)
Total shareholders' equity	1,544,511	1,552,341
Net unrealized gains (losses) on available-for-sale securities	873,764	508,272
Accumulated adjustments for retirement benefits	2,786	2,430
Total accumulated other comprehensive income	876,551	510,702
Total net assets	2,421,063	2,063,043
Total liabilities and net assets	67,174,796	63,424,972

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

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
ORDINARY INCOME	4,821,041	4,798,031
Insurance premiums and others	1,841,422	1,669,883
Investment income	833,125	857,905
Interest and dividend income	741,099	720,581
Gains on money held in trust	72,504	103,340
Gains on sales of securities	17,731	33,074
Gains on redemption of securities	696	445
Gains on foreign exchanges	998	430
Other investment income	95	33
Other ordinary income	2,146,493	2,270,242
Reversal of reserve for outstanding claims	31,012	15,591
Reversal of policy reserves	2,112,962	2,251,094
Other ordinary income	2,517	3,556
ORDINARY EXPENSES	4,550,944	4,719,245
Insurance claims and others	4,161,242	4,144,891
Insurance claims	3,354,020	3,358,236
Annuity payments	241,638	206,295
Benefits	103,705	168,030
Surrender benefits	358,780	337,201
Other refunds	86,373	58,930
Reinsurance premiums	16,724	16,197
Provision for policy reserves and others	6	7
Provision for interest on policyholder dividends	6	7
Investment expenses	32,590	187,162
Interest expenses	1,787	1,570
Losses on sales of securities	18,051	143,531
Losses on redemption of securities	5,081	1,452
Losses on derivative financial instruments	5,482	39,007
Provision for reserve for possible loan losses	0	2
Other investment expenses	2,187	1,597
Operating expenses	281,578	329,622
Other ordinary expenses	75,525	57,561
Ordinary profit	270,097	78,785
EXTRAORDINARY GAINS	5,696	73,059
Gains on sales of fixed assets	5,696	-
Reversal of reserve for price fluctuations	-	73,059
EXTRAORDINARY LOSSES	57,884	191
Losses on sales and disposal of fixed assets	292	191
Provision for reserve for price fluctuations	57,592	-
Provision for reserve for policyholder dividends	51,289	43,764
Income before income taxes	166,619	107,888
Income taxes - Current	78,914	26,198
Income taxes - Deferred	(31,820)	5,487
Total income taxes	47,094	31,686
Net income	119,525	76,202
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	119,525	76,202

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net income	119,525	76,202
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	118,908	(365,492)
Net deferred gains (losses) on hedges	(320)	-
Adjustments for retirement benefits	(376)	(356)
Total other comprehensive income (loss)	118,211	(365,848)
Comprehensive income (loss)	237,737	(289,646)
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	237,737	(289,646)
Non-controlling interests	-	-

(3) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

The Company acquired 15,075 thousand shares of its treasury stock based on the resolution at the Board of Directors' meeting held on August 10, 2022, as a result of which, treasury stock increased by ¥31,749 million.

Treasury stock at the end of the nine months ended December 31, 2022 increased by ¥32,477 million from the end of the previous fiscal year to ¥32,832 million.