

UNOFFICIAL TRANSLATION

Although Japan Post Insurance 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.

November 14, 2019

Company name: JAPAN POST INSURANCE Co., Ltd.

Representative: Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer

Stock exchange listing: Tokyo Stock Exchange First Section (Code Number: 7181)

Notice Regarding Revisions to the Full-Year Consolidated Financial Results Forecast

JAPAN POST INSURANCE Co., Ltd. (hereinafter the “Company”) hereby announces that it has revised the consolidated financial results forecast for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020) (“FY2019”) announced in the release entitled “Announcement of Financial Results for the Three Months Ended June 30, 2019” dated August 9, 2019, based on recent performance and other factors, as shown below.

1. Details of the Revision to the Full-Year Consolidated Financial Results Forecast

Consolidated financial results forecast for the fiscal year ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(Millions of yen unless otherwise noted)

	Ordinary income	Ordinary profit	Net income attributable to Japan Post Insurance	Net income per share (Yen)
Previous forecast (A)	7,180,000	190,000	93,000	165.03
Revised forecast (B)	7,180,000	270,000	134,000	237.79
Change (B - A)	-	80,000	41,000	-
Percentage change (%)	-	42.1	44.1	-
Reference: Results of the previous fiscal year (fiscal year ended March 31, 2019)	7,916,655	264,870	120,480	200.86

2. Reasons for the Revision

The company has revised its full-year consolidated financial results forecast based on its financial results for the 2nd quarter of FY2019 and the effect of the company's activities from the 3rd quarter of FY2019.

Since the middle of July, 2019, the company has been refraining from proactive sales proposals of Japan Post Insurance products in order to place first priority on responding to inquiries and requests for visits from customers. Therefore the company anticipates that the number of new policies written will decline drastically from previous one.

The major factors resulting in the change from the previous forecast are as follows.

1. Decrease in insurance premium income
2. Decrease in required provisions for policy reserves
3. Increase in investment income
4. Increase in costs associated with the investigation of rewritten insurance policies
5. Decrease in expenses for sales and underwriting due to declines in new policies written
6. Increase in provision for reserve for policyholder dividends
7. Increase in income tax payments

【Ordinary income】

The company is not modifying its forecast for ordinary income, because we anticipate that “1. Decrease in insurance premium income,” will be substantially offset by “2. Decrease in required provisions for policy reserves” and “3. Increase in investment income”.

【Ordinary profit】

Although the company expects a negative impact from “4. Increase in costs associated with the investigation of rewritten insurance policies”, the company anticipates that the positive impact from “5. Decrease in expenses for sales and underwriting due to declines in new policies written” and “3. Increase in investment income” will outweigh the cost increase. Therefore the company is revising its forecast upward.

【Net income attributable to Japan Post Insurance】

The company is revising its forecast upward in light of the effect of “6. Increase in provision for reserve for policyholder dividends” and “7. Increase in income tax payments,” in addition to the revision of ordinary profit described above.

Declines in new policies written will have a positive impact on our short-term performance, because the decrease in expenses for sales and underwriting exceeds the decrease in insurance premium income. On the other hand, the company recognizes that declines in new policies written will cause negative impact on our medium to long-term performance, and we will do our utmost to regain customers’ trust and improve corporate value.

In addition, the company anticipates that the impact on our consolidated solvency margin ratio, which represents our financial soundness, will be immaterial based on the forecast referred to above. (Our consolidated solvency margin ratio as of the end of September 2019 was 1,189.5%, and total amount of solvency margin was ¥5,698.5 billion.)

3. Dividends Forecast

The Company previously announced its dividend forecast for the fiscal year ending March 31, 2020 on March 15, 2019, and has decided to pay an interim dividend of ¥38 per share. In terms of year-end dividends, there is no change from the announced figures (Fiscal year-end: dividend of ¥38 per share).

Note: The above figures are based on judgments using information available as of the date of this announcement, and actual results may differ from the forecast figures due to various factors.