

Outline of Financial Results for the Nine Months Ended December 31, 2021

February 14, 2022



JAPAN POST INSURANCE

Summary of Financial Results

| | 9 months ended Dec-21 | Year on Year |
|---|--|-------------------------------|
| Ordinary Profit | ¥ 270.0bn | ¥ 9.2bn + 3.5 % |
| Net income | ¥ 119.5bn | ¥ (9.4)bn (7.4) % |
| Annualized premiums from New policies | (Individual Insurance) ¥ 34.4bn | ¥ 12.0bn + 54.0 % |
| | (Medical Care) ¥ 1.6bn | ¥ 0.5 bn + 53.3% |
| Annualized premiums from Policies in Force | (Individual Insurance) ¥ 3,626.5bn | ¥ (271.5)bn (7.0) % |
| | (Medical Care) ¥ 637.2bn | ¥ (31.8)bn (4.8)% |
| EV | ¥ 3,795.0bn | ¥ (231.1)bn (5.7) % |

【Financial Highlights】 (Ref.P3)

- Core profit increased due to an increase in positive spread, despite a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc. Ordinary profit increased by 3.5% year on year due to an improvement in capital losses, despite an increase in other one-time losses.
- Because the improvement in capital losses are offset by the price fluctuation reserves, net income for the current period decreased 7.4% year on year.

【Policy Sales】 (Ref.P4)

- Annualized premiums from new policies for individual insurance in FY22/3 3Q increased 54.0% year on year, but it was an 87.4% decrease from FY19/3 3Q, a period before the solicitation quality issues surfaced.

【Embedded Value】 (Ref.P10)

- EV decreased by 5.7% from the end of the previous fiscal year, mainly due to the decreases in net assets resulting from the acquisition of treasury stock worth ¥ 358.8billion in May 2021.

Financial Results for the Nine Months Ended December 31, 2021 (Year on Year)

Statement of Income

| | 9months ended Dec-20 | 9months ended Dec-21 | Change | (¥bn) (Reference) Year ended Mar-21 |
|--|----------------------------|----------------------------|---------|--|
| Ordinary income | 5,127.3 | 4,821.0 | (306.2) | 6,786.2 |
| Insurance premiums and others | 2,052.7 | 1,841.4 | (211.2) | 2,697.9 |
| Investment income | 801.2 | 833.1 | 31.8 | 1,121.6 |
| Reversal of policy reserves | 2,187.8 | 2,112.9 | (74.9) | 2,895.4 |
| Ordinary expenses | 4,866.4 | 4,550.9 | (315.4) | 6,440.4 |
| Insurance claims and others | 4,435.3 | 4,161.2 | (274.1) | 5,866.0 |
| Investment expenses | 53.1 | 32.5 | (20.5) | 70.8 |
| Operating expenses etc ¹ | 377.9 | 357.1 | (20.8) | 503.5 |
| Ordinary profit | 260.8 | 270.0 | 9.2 | 345.7 |
| Extraordinary gains and losses | (5.4) | (52.1) | (46.7) | (46.7) |
| Provision of reserve for price fluctuations ² | (5.3) | (57.5) | (52.2) | (46.4) |
| Provision for reserve for policyholder dividends | 68.5 | 51.2 | (17.2) | 65.4 |
| Total income taxes | 57.8 | 47.0 | (10.8) | 67.4 |
| Net income attributable to Japan Post Insurance | 129.0 | 119.5 | (9.4) | 166.1 |

Note: Only major line items are shown.

1. Sum of Operating expenses and Other ordinary expenses

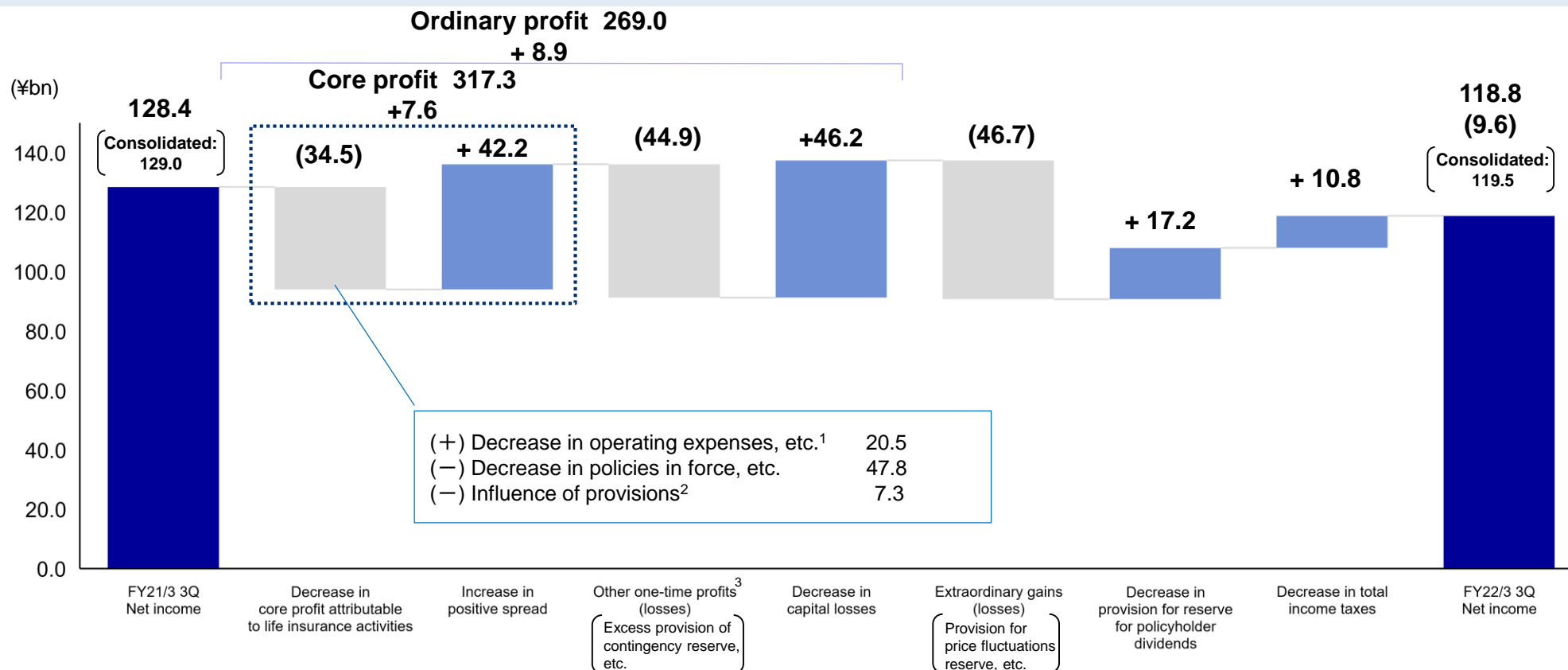
2. Plus signs indicates reversals, while brackets () indicate provisions.

Details of Ordinary Profit (Non-Consolidated)

| | 9months ended Dec-20 | 9months ended Dec-21 | Change | (¥bn) (Reference) Year ended Mar-21 |
|---|-------------------------|-------------------------|--------|--|
| Core profit | 309.7 | 317.3 | 7.6 | 421.9 |
| Core profit attributable to life insurance activities | 268.3 | 233.7 | (34.5) | 345.6 |
| Positive spread | 41.3 | 83.6 | 42.2 | 76.3 |
| Net capital gains (losses) | (42.0) | 4.2 | 46.2 | (17.1) |
| Other one-time profits (losses) | (7.6) | (52.5) | (44.9) | (59.8) |
| Ordinary profit | 260.0 | 269.0 | 8.9 | 345.0 |

Factors for Year on Year Changes (Non-Consolidated)

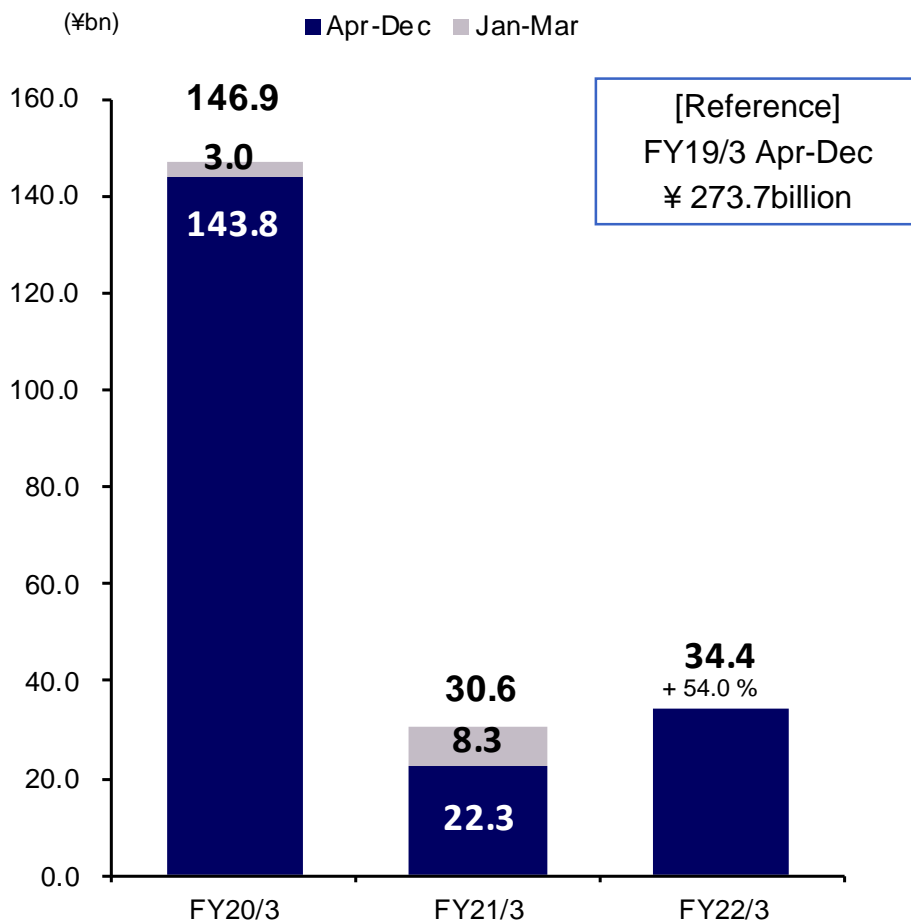
- Core profit increased year on year to ¥317.3billion due to an increase in positive spread, despite a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc.
- Despite an increase in other one-time losses caused by excess provision for contingency reserves, non-consolidated ordinary profit was ¥269.0billion as a result of improvement of capital losses.
- Regarding capital gains or losses, we continued to adopt accounting treatments to provide or to reverse the price fluctuation reserves corresponding to the gain or loss amount. Thus, net income decreased year on year to ¥118.8billion.



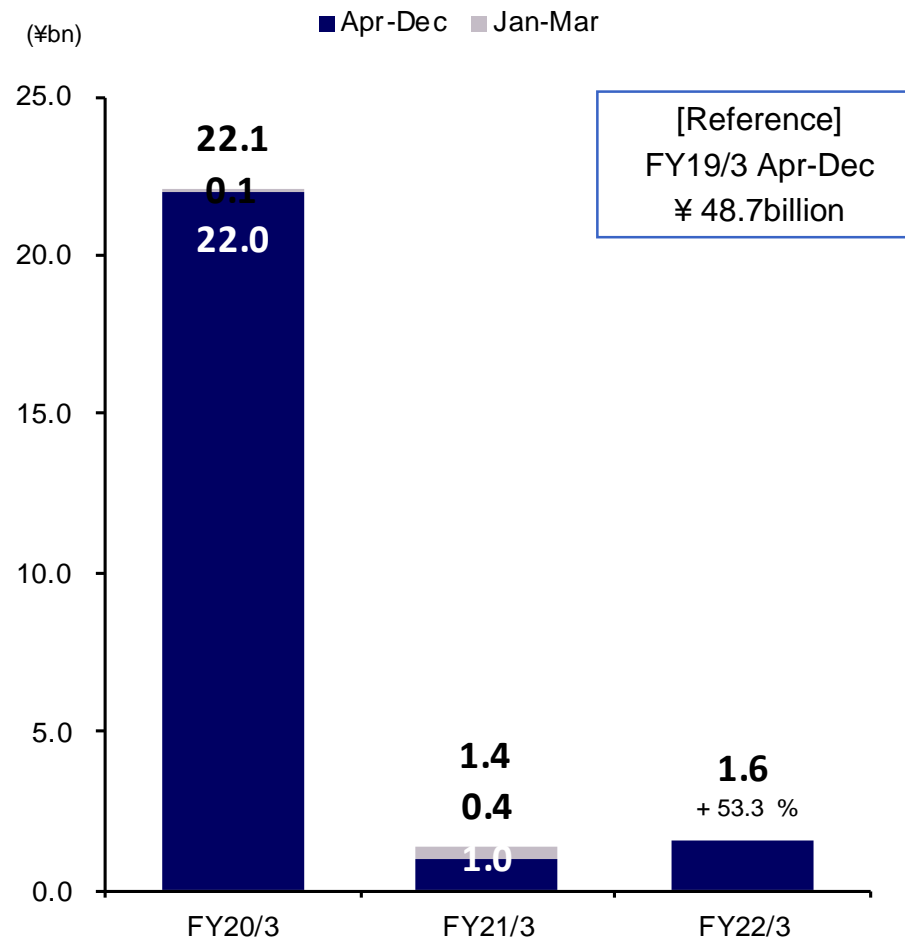
1. "Decrease in operating expenses, etc." shows the difference of figures between FY21/3 3Q and FY22/3 3Q. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses". However, the impact of reserve for insurance claims and others, etc. have been adjusted through the item "Influence of provisions".
2. Influence of reversal of reserve or provision for reserve for insurance claims and others, etc. on core profit attributable to life insurance activities based on the results of the policy investigations, etc. and actual policy reinstatement. This includes the impact of reserve for insurance claims and others, etc. in FY21/3. (FY22/3 3Q: ¥ (2.2)billion, FY21/3 3Q: ¥ 5.0billion)
3. For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March 2021 onward.

Policy Sales [Annualized Premiums from New Policies]

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)

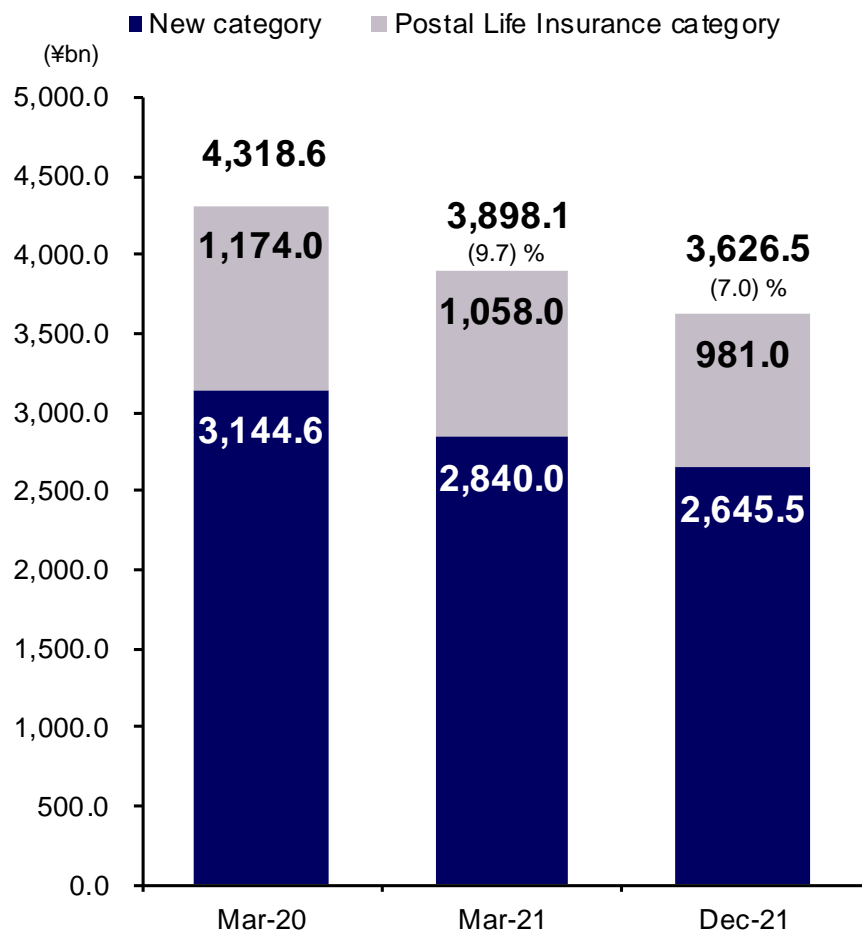


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.) Medical care corresponds to medical and living benefits, etc. Annualized premiums (individual insurance) include the premiums for medical care related to individual insurance.

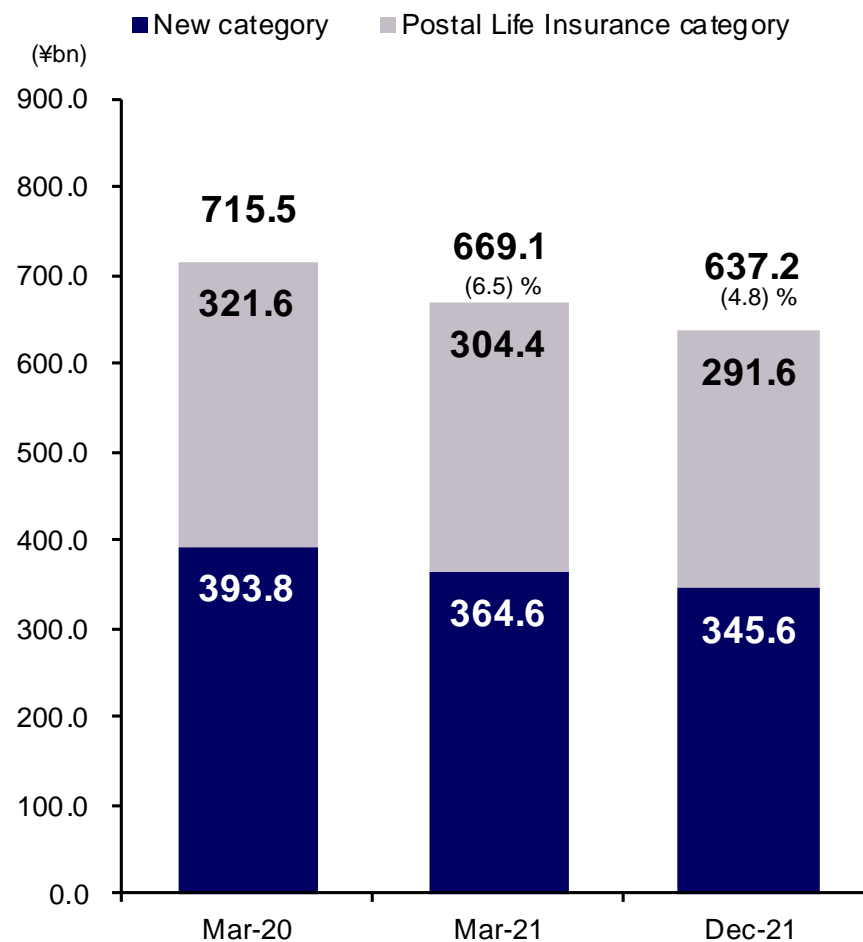
Note2 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Policy Sales [Annualized Premiums from Policies in Force]

Annualized Premiums from Policies in Force (Individual Insurance)



Annualized Premiums from Policies in Force (Medical Care)



Note: "New category" shows individual insurance policies underwritten by Japan Post Insurance. The "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Investments [Asset Portfolio]

Asset Portfolio

(¥bn)

| | Mar-21 | | Dec-21 | | Change |
|---|----------|---------|----------|---------|-----------|
| | Amount | Share | Amount | Share | |
| Bonds | 48,088.2 | 68.5 % | 46,702.6 | 69.5 % | (1,385.5) |
| Japanese government bonds | 37,345.6 | 53.2 % | 36,906.0 | 54.9 % | (439.6) |
| Japanese local government bonds | 5,583.9 | 8.0 % | 4,813.5 | 7.2 % | (770.3) |
| Japanese corporate bonds | 5,158.5 | 7.4 % | 4,982.9 | 7.4 % | (175.5) |
| Return seeking assets ¹ | 11,181.2 | 15.9 % | 11,380.0 | 16.9 % | 198.8 |
| Domestic stocks ² | 2,514.2 | 3.6 % | 2,606.1 | 3.9 % | 91.8 |
| Foreign stocks ² | 489.5 | 0.7 % | 581.6 | 0.9 % | 92.1 |
| Foreign bonds ² | 6,606.7 | 9.4 % | 6,506.0 | 9.7 % | (100.6) |
| Other ³ | 1,570.6 | 2.2 % | 1,686.2 | 2.5 % | 115.6 |
| Loans | 4,964.0 | 7.1 % | 4,583.5 | 6.8 % | (380.5) |
| Others | 5,939.4 | 8.5 % | 4,546.2 | 6.8 % | (1,393.2) |
| Cash and deposits, call loans | 1,465.0 | 2.1 % | 1,008.8 | 1.5 % | (456.1) |
| Receivables under resale agreements | - | - | 1,943.3 | 2.9 % | 1,943.3 |
| Receivables under securities borrowing transactions | 2,585.0 | 3.7 % | - | - | (2,585.0) |
| Total assets | 70,172.9 | 100.0 % | 67,212.4 | 100.0 % | (2,960.5) |

- Return seeking assets include domestic and foreign stocks, foreign-currency-denominated bonds, investment trusts, etc. held for investment purposes among the assets recorded under “money held in trust” and “securities” on the balance sheet.
- “Domestic stocks,” “Foreign stocks” and “Foreign bonds” include individual stocks and bonds, as well as investment trusts that invest only in the specified assets.
- “Bank loans” , “multi-asset” , “real estate fund” , “private equity” and “infrastructure equity” etc.

Spread and Investment Yield

(¥bn)

| | 9months ended Dec-20 | 9months ended Dec-21 | (Reference) Year ended Mar-21 |
|---|----------------------|----------------------|-------------------------------|
| Positive spread | 41.3 | 83.6 | 76.3 |
| Average assumed rates of return ¹ | 1.69 % | 1.69 % | 1.69 % |
| Investment return on core profit ² | 1.78 % | 1.88 % | 1.82 % |
| Net capital gains (losses) | (42.0) | 4.2 | (17.1) |

- Average assumed rates of return are the assumed return on general account policy reserves.
- Investment return on core profit is the return with respect to earned policy reserves.

Investments [Fair Value Information of Securities]

Fair Value Information of Securities

(¥bn)

| | Mar-21 | | | Dec-21 | | | Change | | |
|-------------------------------|------------|------------|-------------------------------|------------|------------|-------------------------------|------------|------------|-------------------------------|
| | Book value | Fair value | Net unrealized gains (losses) | Book value | Fair value | Net unrealized gains (losses) | Book value | Fair value | Net unrealized gains (losses) |
| Total | 58,285.3 | 65,666.2 | 7,380.9 | 56,476.4 | 63,691.6 | 7,215.1 | (1,808.8) | (1,974.6) | (165.8) |
| Held-to-maturity bonds | 35,327.9 | 40,512.9 | 5,184.9 | 34,521.1 | 39,453.7 | 4,932.6 | (806.7) | (1,059.1) | (252.3) |
| Policy-reserve-matching bonds | 9,382.4 | 10,158.5 | 776.1 | 8,885.8 | 9,598.5 | 712.7 | (496.6) | (560.0) | (63.3) |
| Available-for-sale securities | 13,574.8 | 14,994.7 | 1,419.8 | 13,069.4 | 14,639.2 | 1,569.7 | (505.4) | (355.5) | 149.9 |
| Securities etc. | 10,798.1 | 11,297.8 | 499.7 | 10,338.7 | 10,835.6 | 496.9 | (459.3) | (462.1) | (2.8) |
| Bonds | 3,519.1 | 3,554.0 | 34.8 | 3,438.5 | 3,473.9 | 35.3 | (80.5) | (80.0) | 0.5 |
| Domestic stocks | 322.8 | 398.8 | 76.0 | 336.2 | 414.2 | 78.0 | 13.3 | 15.3 | 2.0 |
| Foreign securities | 4,290.1 | 4,632.3 | 342.2 | 4,224.5 | 4,514.6 | 290.1 | (65.5) | (117.6) | (52.1) |
| Other securities | 1,910.8 | 1,955.8 | 44.9 | 1,835.3 | 1,927.2 | 91.9 | (75.5) | (28.5) | 46.9 |
| Deposits etc. | 755.1 | 756.7 | 1.5 | 504.0 | 505.4 | 1.4 | (251.1) | (251.3) | (0.1) |
| Money held in trust | 2,776.7 | 3,696.9 | 920.1 | 2,730.7 | 3,803.5 | 1,072.8 | (46.0) | 106.6 | 152.7 |
| Domestic stocks ¹ | 1,431.5 | 2,115.4 | 683.9 | 1,472.6 | 2,191.8 | 719.2 | 41.1 | 76.4 | 35.3 |
| Foreign stocks ¹ | 303.3 | 489.5 | 186.1 | 310.9 | 581.6 | 270.7 | 7.5 | 92.1 | 84.5 |
| Foreign bonds ¹ | 742.7 | 779.9 | 37.2 | 698.2 | 765.8 | 67.5 | (44.5) | (14.1) | 30.3 |
| Other ² | 299.1 | 311.9 | 12.8 | 248.9 | 264.2 | 15.2 | (50.1) | (47.7) | 2.4 |

Note: This table only shows securities with a fair value. It also includes the handling of securities under the Financial Instruments and Exchange Act.

1. "Domestic stocks," "foreign stocks" and "foreign bonds" include individual stocks and bonds, as well as investment trusts investing only in the respective assets.

2. "Cash and deposits", "bank loans" and "real estate fund"

Expenses

Expenses

(¥bn)

| | 9months ended Dec-20 | 9months ended Dec-21 | Change | (Reference) Year ended Mar-21 |
|-------------------------------|-------------------------|-------------------------|--------|-------------------------------------|
| Operating expenses | 302.5 | 281.5 | (21.0) | 403.0 |
| Commissions ¹ | 151.9 | 132.3 | (19.6) | 198.1 |
| Sales Commissions | 34.2 | 22.0 | (12.2) | 42.2 |
| Maintenance Commissions | 117.7 | 110.3 | (7.4) | 155.8 |
| Contributions ² | 42.0 | 40.5 | (1.5) | 56.0 |
| Others | 108.5 | 108.7 | 0.1 | 148.8 |
| Other ordinary expenses | 75.3 | 75.5 | 0.1 | 100.4 |
| Depreciation and amortization | 44.7 | 45.1 | 0.3 | 59.3 |
| Operating expenses etc | 377.9 | 357.1 | (20.8) | 503.5 |

1. Commissions paid to Japan Post Co.

2. Contributions paid to Organization for Postal Savings, Postal Life Insurance and Post Office Network based on the related law

Financial Soundness

Internal Reserves

| | Mar-21 | Dec-21 | (¥bn) |
|---|---------|---------|---------|
| Contingency reserve | 1,611.3 | 1,663.9 | 52.5 |
| Postal Life Insurance category ¹ | 1,129.6 | 1,177.9 | 48.2 |
| New category | 481.6 | 486.0 | 4.3 |
| Price fluctuations reserve | 904.8 | 962.4 | 57.5 |
| Postal Life Insurance category | 655.1 | 675.5 | 20.4 |
| New category | 249.7 | 286.8 | 37.1 |
| Additional policy reserve | 5,858.0 | 5,681.0 | (176.9) |
| Postal Life Insurance category ¹ | 5,850.8 | 5,675.6 | (175.1) |
| New category | 7.1 | 5.3 | (1.8) |

Note : “Postal Life Insurance category” shows the amounts generated from the postal life insurance policies, and “New category” shows the figures after deduction of “Postal Life Insurance category” from the total.

- For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March, 2021 onward.

Solvency Margin Ratio

| | Mar-21 | Dec-21 | (¥bn) |
|---------------------------------|-----------|-----------|-------|
| Solvency Margin Ratio | 1,121.2 % | 1,106.3 % | |
| Total amount of solvency margin | 6,216.2 | 6,164.0 | |
| Total amount of risk | 1,108.7 | 1,114.2 | |

Embedded Value

Breakdown of EV

| | Mar-21 | Dec-21 ¹ | Change |
|-------------------------------------|---------|---------------------|-----------------------|
| EV | 4,026.2 | 3,795.0 | (231.1) ((5.7) %) |
| Adjusted net worth | 2,376.8 | 2,103.5 | (273.3) ((11.5) %) |
| Value of in- force covered business | 1,649.3 | 1,691.4 | + 42.1 (+ 2.6 %) |

Value of New Business

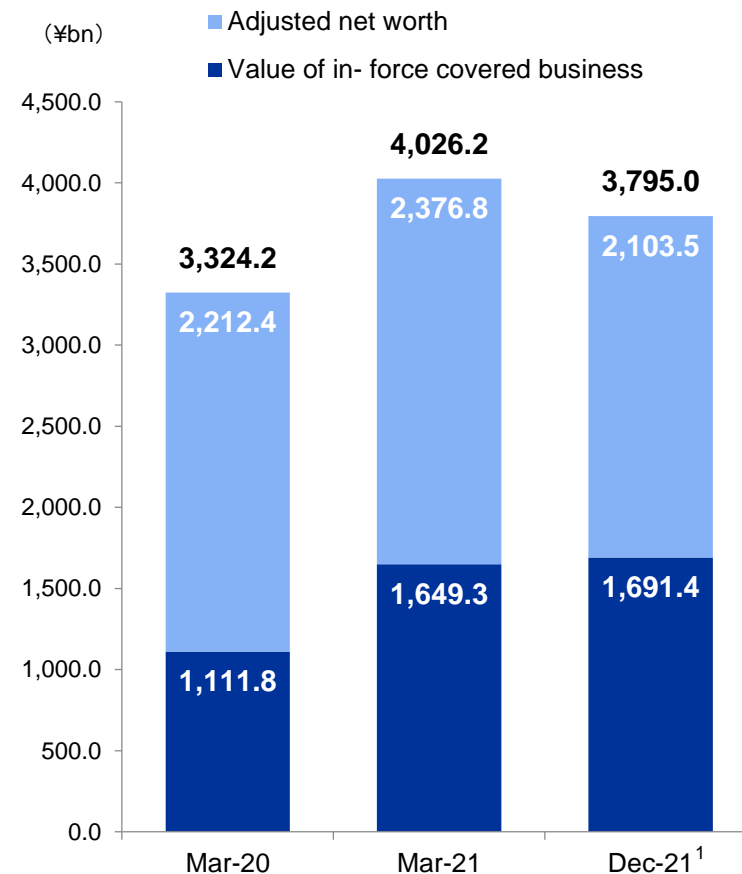
Value of new business as of 9 months ended Dec-21^{1,2} ¥ (8.3)bn

New business margin as of 9 months ended Dec-21^{1,2,3} (3.1) %

- Certain amount of operating expenses for new policy acquisition is required regardless of the amount of new policies sold.
As a result, the value of new business of current period turned negative.

1. Provisional calculations that have not been verified by a third party.
2. Using the economic assumptions as of June 30, 2021, based on the new policies written in the period from April 2021 to December 2021. The value of new business includes the increase or decrease due to conditional cancellation and conversion.
3. The value of new business divided by the present value of future premium income

EV



Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2022

Full-year Financial Results Forecast

(¥bn)

| | Year ending Mar-22 (Previous forecasts) | Year ending Mar-22 (Revised forecasts) | Change |
|-------------------------|--|---|--------|
| Ordinary income | 6,380.0 | 6,410.0 | + 30.0 |
| Ordinary profit | 290.0 | 360.0 | + 70.0 |
| Net income ¹ | 118.0 | 154.0 | + 36.0 |
| Net income per share | ¥ 280.05 | ¥ 365.49 | — |

| | | | |
|--------------------------|----------------------------------|----------------------------------|---|
| Dividend per share (DPS) | ¥ 90 (Year-end Dividend ¥ 45) | ¥ 90 (Year-end Dividend ¥ 45) | — |
|--------------------------|----------------------------------|----------------------------------|---|

[Reasons of the Revisions]

[Ordinary income]

The Company has revised up its forecast for ordinary income due to an expected upturn in investment income caused by the improvement in market environment, despite a reduction in insurance premiums and others due to lower-than-expected acquisition of new business and an expected increase in excess provision for contingency reserves² compared with that of when the initial financial results forecast³ was formulated.

[Ordinary profit, Net income]

The Company has revised up its forecasts for ordinary profit and net income attributable to Japan Post Insurance due to an expected decrease in operating expenses in addition to the above factors.

[Dividend per share]

The Company announced on May 14, 2021 that it forecast an annual dividend of ¥90 per share for the fiscal year ending March 31, 2022 (including a year-end dividend of ¥45 per share). The forecast remains unchanged.

1. Net income attributable to Japan Post Insurance
2. For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March 2021 onward.
3. The initial consolidated financial results forecast for the year ending March 31, 2022, which was announced on May 14, 2021. This is based on the economic assumptions as of December 31, 2020.

The Forecasts for Full-year Financial Results for the Year Ending March 31, 2022

Full-year Financial Results Forecast

(¥bn)

| | Year ending Mar-22 (Revised forecasts) | 9months ended Dec-21 | Achievement |
|-------------------------|---|-------------------------|-------------|
| Ordinary income | 6,410.0 | 4,821.0 | 75.2 % |
| Ordinary profit | 360.0 | 270.0 | 75.0 % |
| Net income ¹ | 154.0 | 119.5 | 77.6 % |

| | | |
|----------------------|----------|----------|
| Net income per share | ¥ 365.49 | ¥ 278.97 |
|----------------------|----------|----------|

Earnings Per Share



Previous
Med-Term Management Plan

Current
Med-Term
Management Plan

1. Net income attributable to Japan Post Insurance

Shareholder Return

Dividend Policy during the period of the current Medium-term Management Plan

- The Company in principle aims not to decrease but to increase dividend per share for the period of the Medium-term Management Plan up to FY2025, while considering earning prospects and financial soundness

Shareholder Return for the Year Ended March 31, 2022

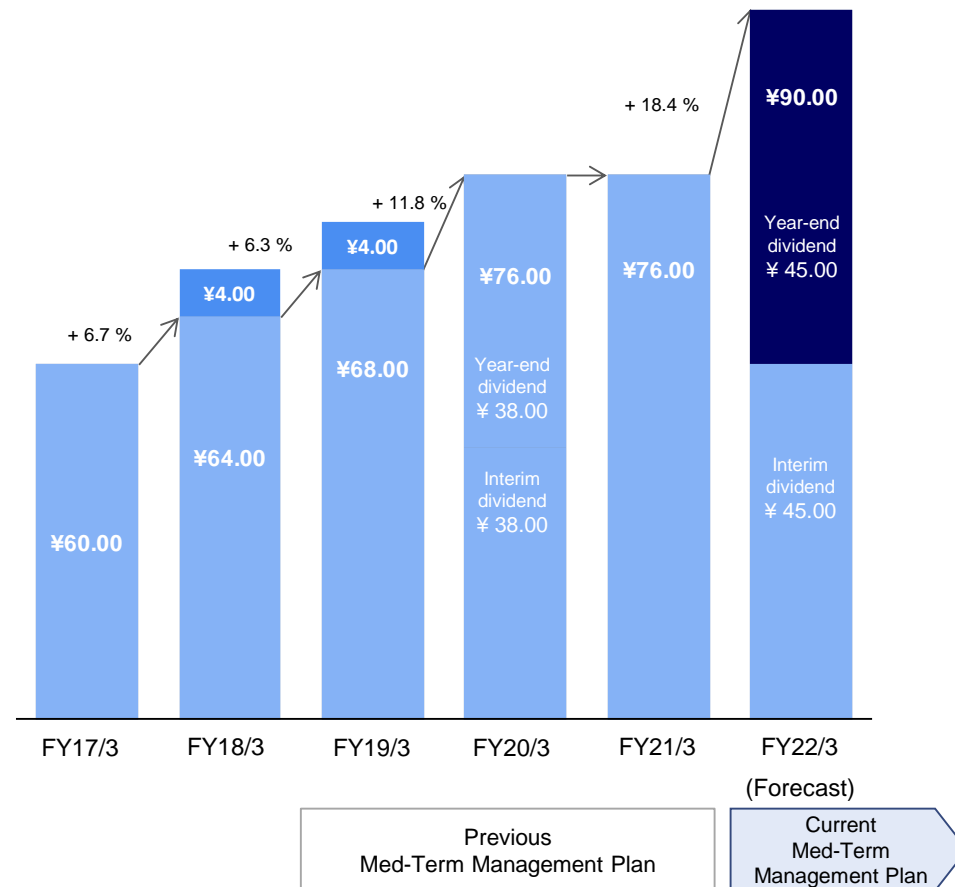
- An annual dividend for the fiscal year ending March 31, 2022 is scheduled to be ¥ 90 per share
- The Company plans to provide cash dividends twice a year as the interim dividends and the year-end dividends

(The dividend forecast of ¥90 per share remains unchanged from that had announced on May 14, 2021, although the Company has revised its financial results forecast on February 14, 2022.)

Shareholder Return

(Payout Ratio)

40.6 % 39.0 % 35.8 % 28.4 % 25.7 % (Forecast) 24.6 %



APPENDIX

Overview of Balance Sheets

Overview of Balance Sheets

(¥bn)

| | Mar-21 | Dec-21 | Change |
|-------------------------|----------|----------|-----------|
| Total Assets | 70,172.9 | 67,212.4 | (2,960.5) |
| Cash and deposits | 1,335.0 | 918.8 | (416.1) |
| Money held in trust | 4,189.2 | 4,434.4 | 245.1 |
| Securities | 55,273.6 | 53,763.4 | (1,510.1) |
| Loans | 4,964.0 | 4,583.5 | (380.5) |
| Tangible fixed assets | 105.3 | 94.0 | (11.3) |
| Intangible fixed assets | 113.4 | 90.5 | (22.9) |
| Deferred tax assets | 904.1 | 889.7 | (14.4) |

| | Mar-21 | Dec-21 | Change |
|--|----------|----------|-----------|
| Total Liabilities | 67,331.5 | 64,552.8 | (2,778.6) |
| Policy reserves | 59,397.7 | 57,284.7 | (2,112.9) |
| Contingency reserve | 1,611.3 | 1,663.9 | 52.5 |
| Additional policy reserve | 5,858.0 | 5,681.0 | (176.9) |
| Bonds payable | 300.0 | 300.0 | - |
| Reserve for price fluctuations | 904.8 | 962.4 | 57.5 |
| Net assets | 2,841.4 | 2,659.6 | (181.8) |
| Total shareholders' equity | 1,806.0 | 1,505.9 | (300.0) |
| Capital stock | 500.0 | 500.0 | - |
| Capital surplus | 405.0 | 405.0 | - |
| Retained earnings | 901.3 | 601.2 | (300.1) |
| Treasury stock ¹ | (0.3) | (0.3) | 0.0 |
| Total accumulated other comprehensive income | 1,035.4 | 1,153.6 | 118.2 |

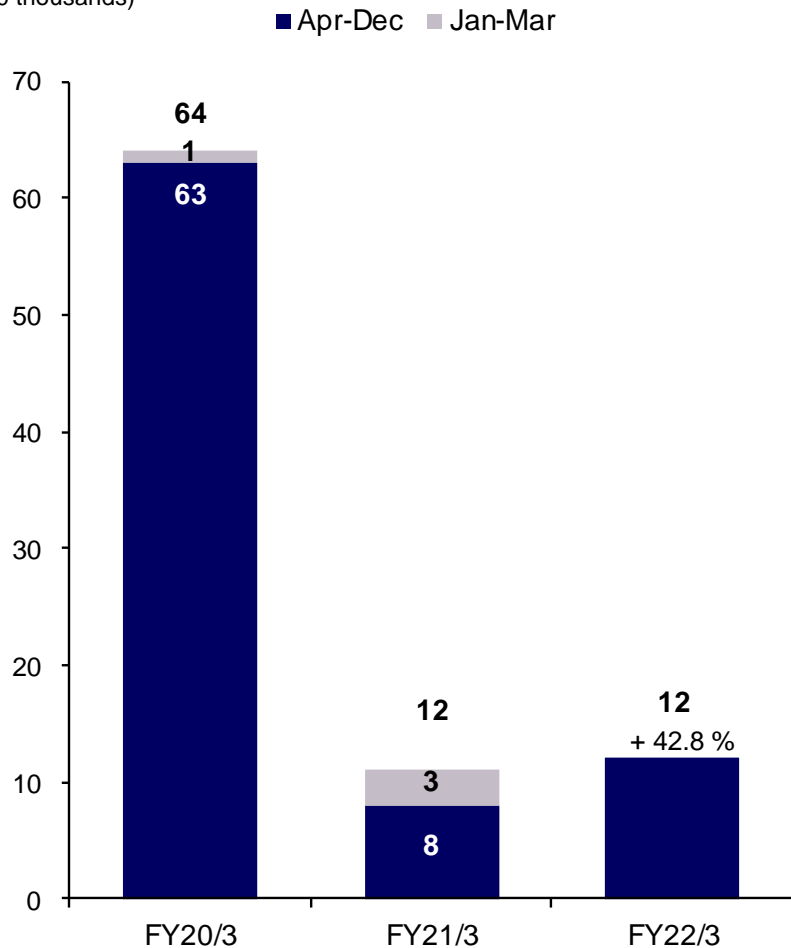
Note: Only major line items are shown.

1. The Company's has cancelled its treasury stock on August 20, 2021

Policy Sales

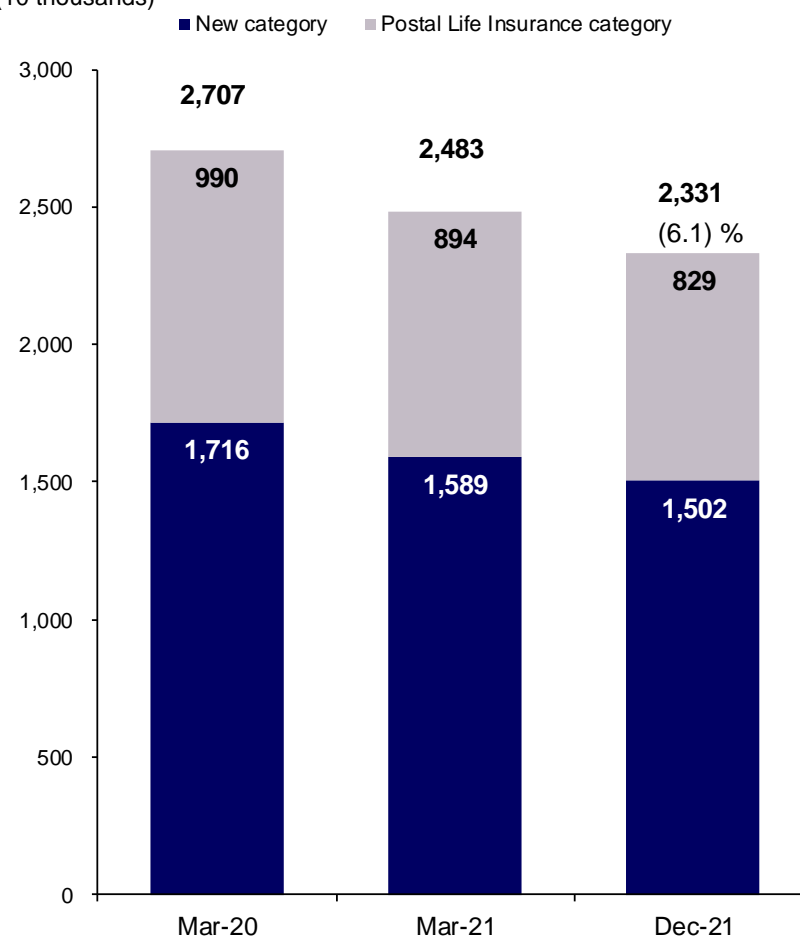
Number of New Policies (Individual Insurance)

(10 thousands)



Number of Policies in Force (Individual Insurance)

(10 thousands)



Note1 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Note2 : "New category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Breakdown of Policies

Breakdown of New Policies

(10 thousands)

| | 9months ended Dec-20 | | 9months ended Dec-21 | |
|--|----------------------|---------|----------------------|---------|
| | Number of policies | Share | Number of policies | Share |
| Individual insurance | 8 | 100.0 % | 12 | 100.0 % |
| Endowment insurance | 6 | 72.9 % | 9 | 76.8 % |
| Ordinary endowment insurance | 4 | 53.9 % | 7 | 56.5 % |
| Ordinary endowment insurance (with a relaxed underwriting criteria) | 0 | 1.3 % | 0 | 1.6 % |
| Special endowment insurance ¹ | 1 | 17.8 % | 2 | 18.7 % |
| Whole life insurance | 0 | 9.7 % | 1 | 10.5 % |
| Ordinary whole life insurance (Fixed amount type) | 0 | 2.2 % | 0 | 2.3 % |
| Ordinary whole life insurance (with a relaxed underwriting criteria) | 0 | 0.5 % | 0 | 0.7 % |
| Ordinary whole life insurance (Increased amount type) | 0 | 5.4 % | 0 | 5.5 % |
| Special whole life insurance | 0 | 1.6 % | 0 | 2.0 % |
| Educational endowment insurance | 1 | 17.2 % | 1 | 11.8 % |
| Other insurance | 0 | 0.2 % | 0 | 0.9 % |

Note1 : Only major products are shown.

Note2 : Policies in force includes postal life insurance policies

Note3 : The figures for FY21/3 include the influence by refraining from proactive sales proposal.

1. Increased amount type endowment insurance

Breakdown of Policies in Force

(10 thousands)

| | Mar-21 | | Dec-21 | |
|--|--------------------|---------|--------------------|---------|
| | Number of policies | Share | Number of policies | Share |
| Individual insurance | 2,483 | 100.0 % | 2,331 | 100.0 % |
| Endowment insurance | 906 | 36.5 % | 814 | 34.9 % |
| Ordinary endowment insurance | 582 | 23.5 % | 526 | 22.6 % |
| Ordinary endowment insurance (with a relaxed underwriting criteria) | 3 | 0.1 % | 3 | 0.1 % |
| Special endowment insurance ¹ | 318 | 12.8 % | 283 | 12.1 % |
| Whole life insurance | 1,206 | 48.6 % | 1,169 | 50.2 % |
| Ordinary whole life insurance (Fixed amount type) | 372 | 15.0 % | 358 | 15.4 % |
| Ordinary whole life insurance (with a relaxed underwriting criteria) | 5 | 0.2 % | 5 | 0.2 % |
| Ordinary whole life insurance (Increased amount type) | 262 | 10.6 % | 255 | 10.9 % |
| Special whole life insurance | 565 | 22.8 % | 550 | 23.6 % |
| Educational endowment insurance | 357 | 14.4 % | 334 | 14.3 % |
| Other insurance | 12 | 0.5 % | 12 | 0.6 % |

Quarterly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)

| | FY19/3 | FY20/3 | FY21/3 | FY22/3 | (¥bn) |
|--------------|--------------|--------------|-------------|-------------|-----------------|
| 1Q | 94.6 | 93.5 | 6.0 | 11.6 | + 93.0 % |
| 2Q | 89.8 | 38.0 | 9.0 | 11.2 | + 24.7 % |
| 3Q | 89.1 | 12.2 | 7.2 | 11.4 | + 57.7 % |
| 4Q | 77.6 | 3.0 | 8.3 | — | |
| Total | 351.3 | 146.9 | 30.6 | 34.4 | + 54.0 % |

Annualized Premiums from New Policies (Medical Care)

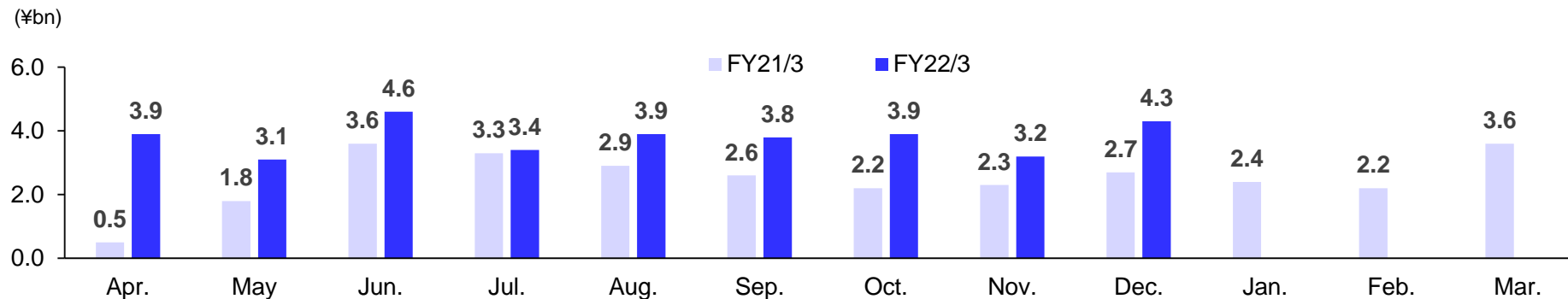
| | FY19/3 | FY20/3 | FY21/3 | FY22/3 | (¥bn) |
|--------------|-------------|-------------|------------|------------|-----------------|
| 1Q | 17.0 | 16.6 | 0.2 | 0.4 | + 72.8 % |
| 2Q | 16.0 | 4.4 | 0.4 | 0.5 | + 27.3 % |
| 3Q | 15.6 | 0.8 | 0.3 | 0.5 | + 67.2 % |
| 4Q | 12.9 | 0.1 | 0.4 | — | |
| Total | 61.6 | 22.1 | 1.4 | 1.6 | + 53.3 % |

Note 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.) Medical care corresponds to medical and living benefits, etc. Annualized premiums (individual insurance) include the premiums for medical care related to individual insurance.

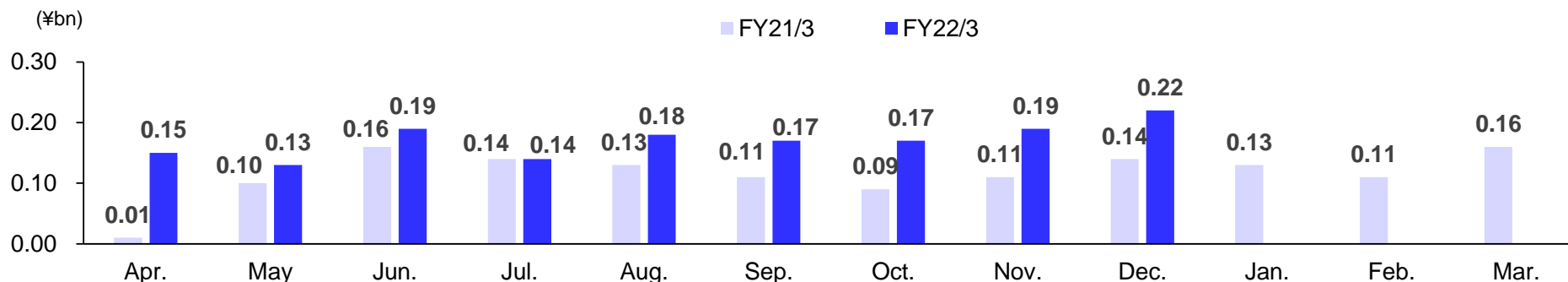
Note2: The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Monthly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)



Medical Care¹ Ratio to Annualized Premiums from New Policies (Individual Insurance)

| | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|--------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| FY21/3 | 2.3 % | 5.7 % | 4.5 % | 4.4 % | 4.7 % | 4.5 % | 4.3 % | 5.1 % | 5.3 % | 5.6 % | 4.9 % | 4.7 % |
| FY22/3 | 3.9 % | 4.4 % | 4.3 % | 4.3 % | 4.8 % | 4.6 % | 4.5 % | 6.1 % | 5.2 % | — | — | — |

Note: The figures for FY21/3 include the influence by refraining from proactive sales proposal

1. Only for the premiums for medical care related to individual insurance

Interest, Dividends and Other Income and Capital gains(losses)

Interest, Dividends and Other Income

| | 9months ended Dec-20 | 9months ended Dec-21 | (Reference) Year ended Mar-21 |
|--|-------------------------|-------------------------|-------------------------------------|
| Investment income | 801.2 | 833.1 | 1,121.6 |
| Interest, dividends and other income | 753.0 | 741.0 | 1,004.6 |
| Interest on deposits | 0.0 | 0.0 | 0.0 |
| Interest and dividends on securities | 672.2 | 671.6 | 898.4 |
| Interest on corporate and government bonds | 551.9 | 540.2 | 733.2 |
| Domestic stock dividends | 4.4 | 5.9 | 8.2 |
| Interest and dividends on foreign securities | 85.1 | 93.4 | 115.8 |
| Others | 30.7 | 31.9 | 41.0 |
| Interest on loans | 10.0 | 10.6 | 13.3 |
| Interest on loans to the Management Organization | 66.2 | 55.6 | 86.9 |
| Rent revenue from real estate | - | - | - |
| Interest and dividends on others | 4.4 | 3.1 | 5.9 |

(¥bn)

Capital gains(losses)

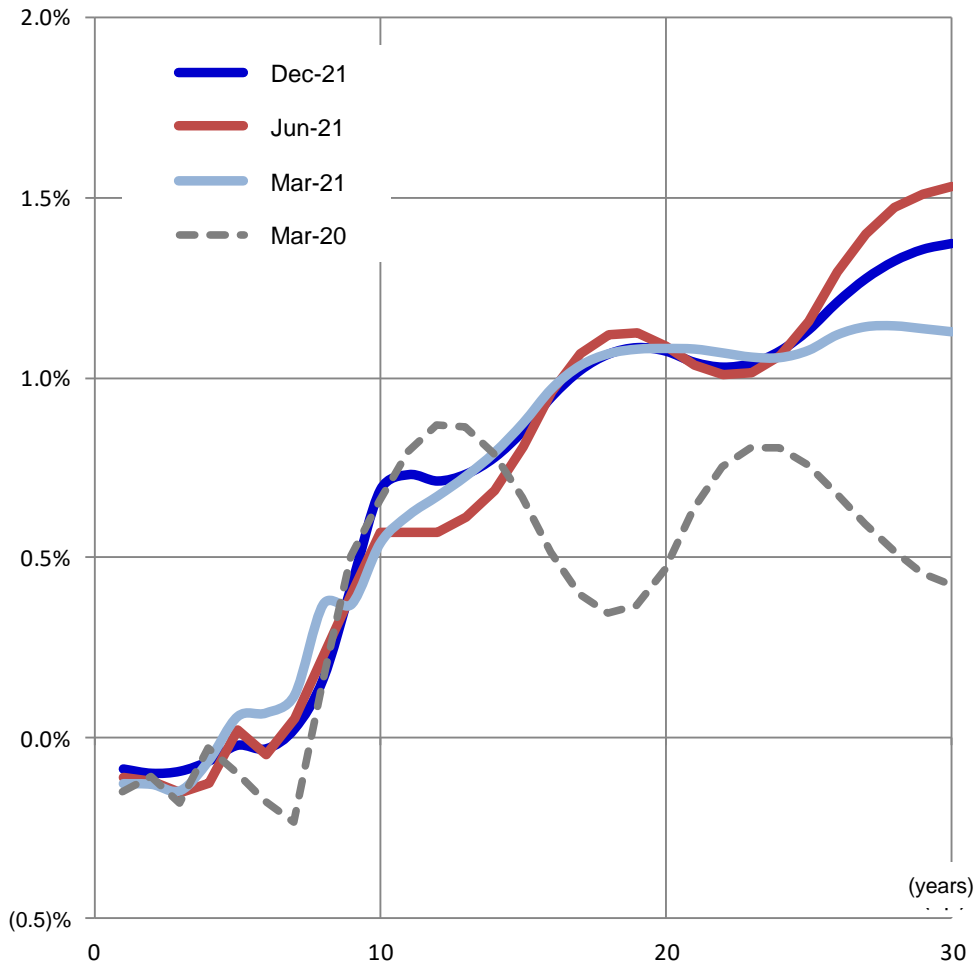
| | 9months ended Dec-20 | 9months ended Dec-21 | (Reference) Year ended Mar-21 |
|--|-------------------------|-------------------------|-------------------------------------|
| Capital gains | 47.2 | 91.2 | 115.7 |
| Gains on money held in trust | 27.6 | 72.5 | 87.5 |
| Gains on sales of securities | 16.9 | 17.7 | 20.4 |
| Gains on derivative financial instruments | - | - | - |
| Gains on foreign exchanges | 2.6 | 0.9 | 7.7 |
| Other capital gains | - | - | - |
| Capital losses | (89.2) | (87.0) | (132.8) |
| Losses on money held in trust | - | - | - |
| Losses on sales of securities | (24.1) | (18.0) | (32.7) |
| Losses on valuation of securities | - | - | - |
| Losses on derivative financial instruments | (16.6) | (5.4) | (21.6) |
| Losses on foreign exchanges | - | - | - |
| Other capital losses ¹ | (48.4) | (63.4) | (78.4) |
| Net Capital gains(losses) | (42.0) | 4.2 | (17.1) |

(¥bn)

1. Amount equivalent to income gains associated with money held in trust is recognized as "other capital losses"

Fluctuations of Interest Rates (EV Assumptions)¹

Forward Rate (Mar-20 to Dec-21)



Forward Rate

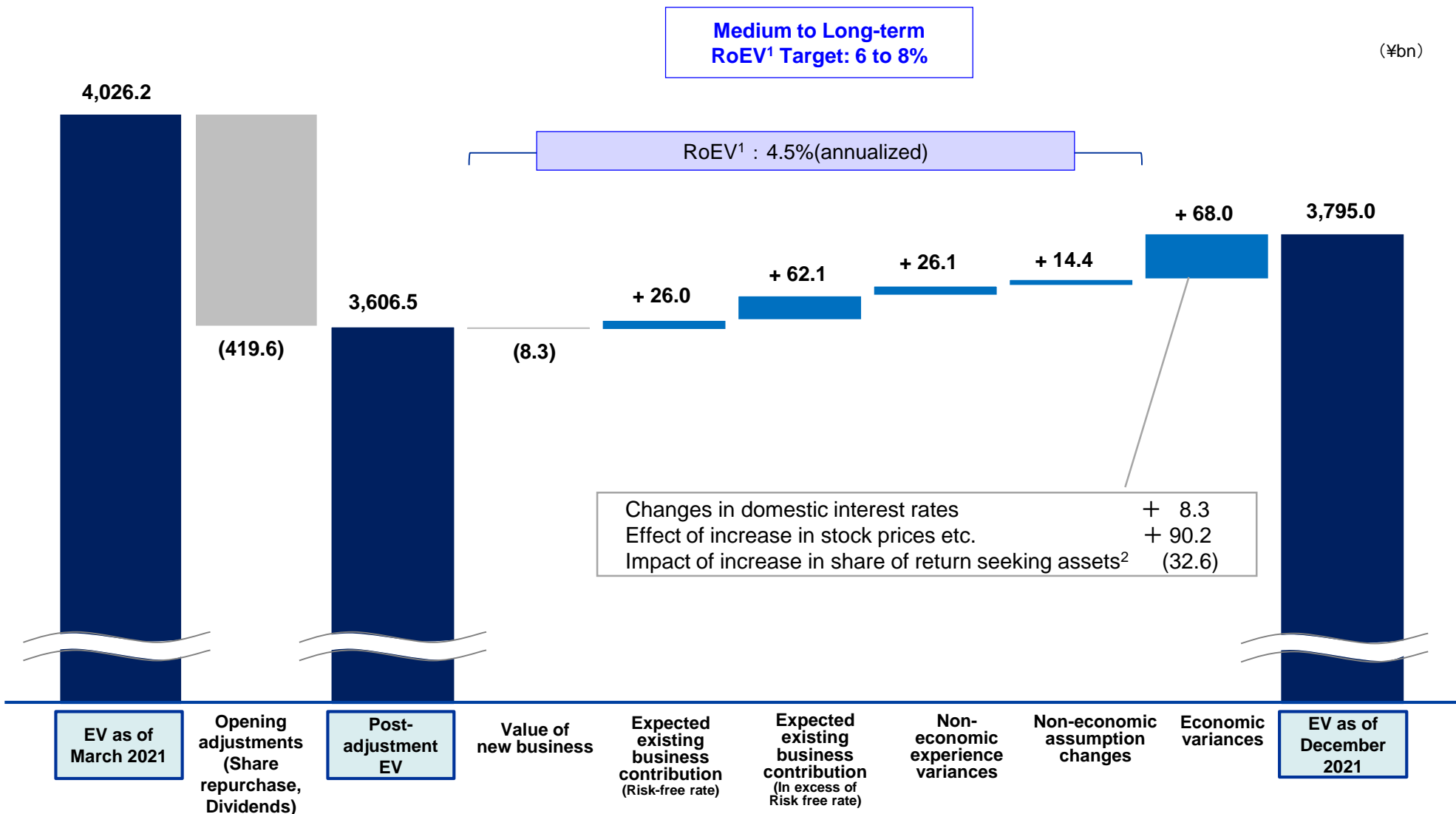
| | Mar-20 | Mar-21 ^① | Jun-21 ^② | Dec-21 ^③ |
|----------|---------|---------------------|---------------------|---------------------|
| 10 years | 0.657 % | 0.539 % | 0.569 % | 0.688 % |
| 20 years | 0.466 % | 1.080 % | 1.089 % | 1.074 % |
| 30 years | 0.422 % | 1.126 % | 1.528 % | 1.374 % |

Note: The economic assumptions used for the calculation of EV and the value of new business are as follows:

- EV as of March 31, 2021 : ①
- Value of new business for FY22/3 3Q : ②
- EV as of December 31, 2021 : ③

1. Interest rates used herein (assumptions for EV) are forward rates calculated based on the market yields on JGBs announced by the Ministry of Finance, Japan.

Movement Analysis of EV



1. Calculated by excluding economic variance factors

2. EV decreased due to increases in the time value of options and guarantees and other factors caused by the greater uncertainty of future earnings resulting from the increase in share of return seeking assets.

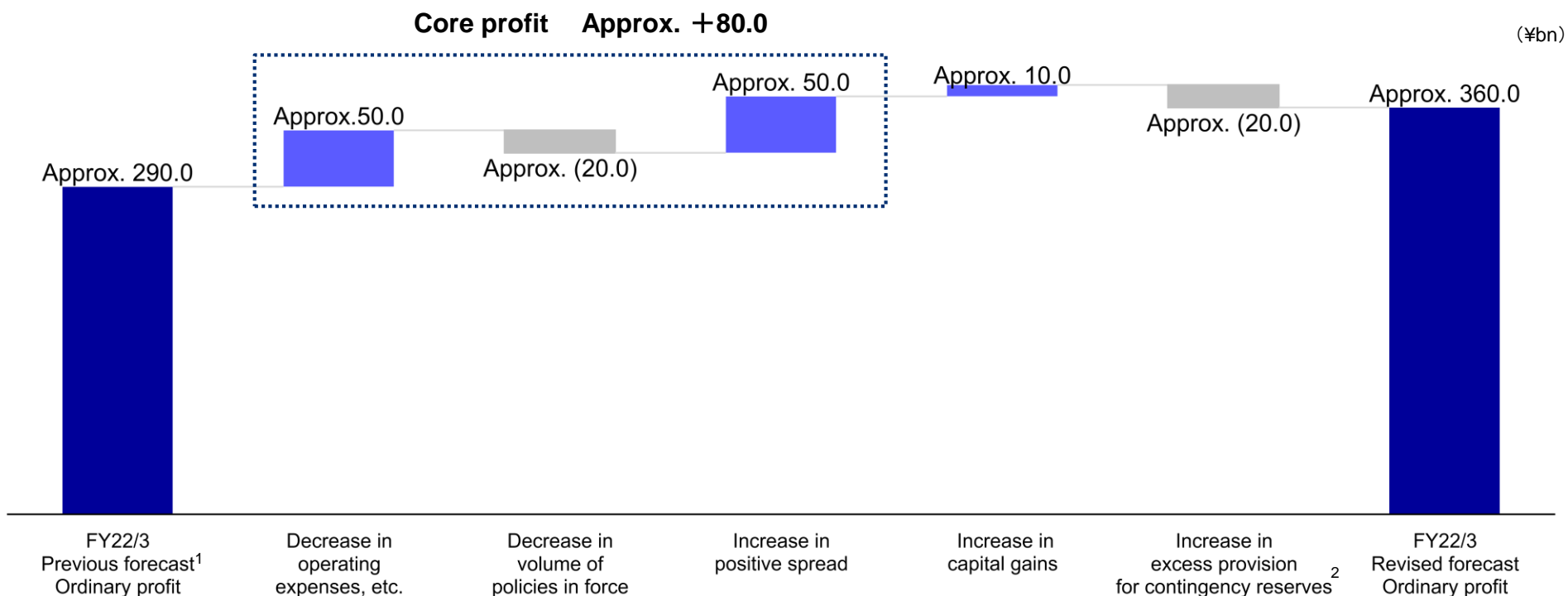
Note : Provisional calculations that have not been verified by a third party

Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2022 (factors for changes between previous and revised forecasts in ordinary profit)

■ Revised forecast for ordinary profit from ¥290.0bn to ¥360.0bn

[Reasons for the Revision]

1. Decrease in operating expenses, etc.
2. Decrease in volume of policies in force due to lower-than-expected acquisition of new business
3. Increase in investment income (increase in positive spread) from money held in trust, foreign securities, etc. due to improvement in the investment environment
4. Increase in capital gains due to gains on sales of domestic stocks, etc.
5. Increase in excess provision for contingency reserves²



1. The initial consolidated financial results forecast for the year ending March 31, 2022, which was announced on May 14, 2021. This is based on the economic assumptions as of December 31, 2020.
2. For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March 2021 onward.

New and Postal Life Insurance Category in the Statement of Income (Non-consolidated)

(¥bn)

| | FY18/3 | | FY19/3 | | FY20/3 | | FY21/3 | | FY21/3 3Q | | FY22/3 3Q | |
|--|---------|-------------|---------|-------------|---------|-------------|---------|-------------|-----------|-------------|-----------|-------------|
| | New | Postal Life | New | Postal Life | New | Postal Life | New | Postal Life | New | Postal Life | New | Postal Life |
| Ordinary income ¹ | 3,938.8 | 5,489.2 | 3,814.7 | 4,374.4 | 3,582.6 | 3,658.6 | 3,591.8 | 3,194.6 | 2,723.9 | 2,403.7 | 2,599.2 | 2,222.1 |
| Insurance premiums and others | 3,481.2 | 755.2 | 3,369.5 | 590.3 | 2,786.3 | 459.1 | 2,333.7 | 364.1 | 1,773.7 | 278.9 | 1,621.3 | 220.0 |
| Investment income ¹ | 454.6 | 830.3 | 440.1 | 764.3 | 441.2 | 696.5 | 448.4 | 673.6 | 327.2 | 474.3 | 341.7 | 491.7 |
| Other ordinary income | 3.0 | 3,903.7 | 4.9 | 3,019.8 | 354.9 | 2,503.0 | 809.7 | 2,156.8 | 622.9 | 1,650.4 | 636.1 | 1,510.3 |
| Ordinary expenses ¹ | 3,767.1 | 5,352.2 | 3,663.5 | 4,260.4 | 3,388.2 | 3,566.1 | 3,329.3 | 3,112.2 | 2,532.9 | 2,334.6 | 2,398.0 | 2,154.3 |
| Insurance claims and others | 1,765.6 | 5,124.3 | 2,837.9 | 4,030.9 | 2,842.0 | 3,349.3 | 2,925.4 | 2,940.6 | 2,227.2 | 2,208.1 | 2,124.7 | 2,036.5 |
| Provision for policy reserves and others | 1,474.7 | - | 272.5 | - | 29.9 | - | 0.0 | - | 0.0 | - | 0.0 | - |
| Investment expenses ¹ | 78.5 | 27.9 | 99.1 | 46.8 | 85.7 | 38.2 | 59.5 | 11.7 | 46.1 | 7.3 | 28.4 | 4.5 |
| Operating expenses | 372.8 | 159.9 | 376.2 | 142.1 | 336.3 | 135.8 | 275.4 | 126.6 | 207.4 | 94.8 | 192.5 | 88.8 |
| Other ordinary expenses | 75.2 | 39.8 | 77.7 | 40.4 | 94.2 | 42.7 | 68.9 | 33.2 | 52.2 | 24.3 | 52.3 | 24.4 |
| Ordinary profit | 171.7 | 137.0 | 151.1 | 113.9 | 194.3 | 92.4 | 262.5 | 82.4 | 190.9 | 69.0 | 201.2 | 67.7 |
| Extraordinary gains and losses ² | (27.2) | (17.0) | 13.8 | 3.6 | 9.3 | 29.8 | (23.6) | (23.1) | (12.1) | 6.6 | (31.7) | (20.4) |
| Provision for reserve for policyholder dividends | 21.6 | 96.1 | 19.6 | 92.1 | 15.4 | 93.7 | 18.7 | 46.7 | 13.7 | 54.7 | 13.3 | 37.9 |
| Income before income taxes | 122.9 | 23.8 | 145.3 | 25.5 | 188.2 | 28.5 | 220.2 | 12.6 | 165.0 | 20.9 | 156.2 | 9.3 |
| Total income taxes | 35.4 | 6.9 | 41.1 | 8.7 | 54.9 | 10.7 | 61.1 | 6.0 | 46.3 | 11.2 | 43.2 | 3.4 |
| Net income | 87.4 | 16.8 | 104.1 | 16.7 | 133.3 | 17.8 | 159.0 | 6.5 | 118.7 | 9.7 | 112.9 | 5.9 |

Note: "Postal Life Insurance category" shows the amounts generated from the Postal Life Insurance policies, and "New category" shows the figure after deduction of "Postal Life Insurance category" from the total.

1. Adjusted if the resulting number for the new category is negative when the Postal Life Insurance category is subtracted from Japan Post Insurance as a whole.

(E.g.: FY22/3 3Q, ¥ 0.3billion was added to "Gains on foreign exchanges," under "Investment income," and to "Losses on foreign exchanges," under "Investment expenses")

2. "Extraordinary gains and losses" includes "Price fluctuations reserve, provision" and "Price fluctuations reserve, reversal."

Figures by New and Postal Life Insurance Categories (Non-Consolidated)

| | | FY18/3 | FY19/3 | FY20/3 | FY21/3 | FY21/3 3Q | FY22/3 3Q |
|--|-------|------------|------------|------------|------------|------------|------------|
| Total assets | ¥mn | 76,832,508 | 73,904,576 | 71,667,398 | 70,173,857 | 69,683,604 | 67,211,982 |
| Postal Life Insurance category | | 46,684,937 | 41,354,076 | 39,225,493 | 37,815,270 | 37,869,228 | 35,850,481 |
| New category | | 30,147,570 | 32,550,500 | 32,441,904 | 32,358,586 | 31,814,376 | 31,361,500 |
| Number of policies in force | (000) | 30,405 | 29,143 | 27,070 | 24,837 | 25,377 | 23,312 |
| Postal Life Insurance category (insurance) | | 12,484 | 11,048 | 9,907 | 8,944 | 9,192 | 8,290 |
| New category (individual insurance) | | 17,921 | 18,095 | 17,163 | 15,893 | 16,185 | 15,021 |
| Insurance premiums and others | ¥mn | 4,236,461 | 3,959,928 | 3,245,541 | 2,697,936 | 2,052,722 | 1,841,422 |
| Postal Life Insurance category | | 755,221 | 590,340 | 459,151 | 364,196 | 278,961 | 220,040 |
| New category | | 3,481,240 | 3,369,588 | 2,786,389 | 2,333,740 | 1,773,760 | 1,621,382 |
| Ordinary profit | ¥mn | 308,845 | 265,143 | 286,829 | 345,022 | 260,019 | 269,006 |
| Postal Life Insurance category | | 137,074 | 113,981 | 92,490 | 82,454 | 69,075 | 67,766 |
| New category | | 171,771 | 151,162 | 194,338 | 262,568 | 190,944 | 201,239 |
| Net income | ¥mn | 104,309 | 120,958 | 151,132 | 165,586 | 128,446 | 118,822 |
| Postal Life Insurance category | | 16,878 | 16,763 | 17,806 | 6,566 | 9,702 | 5,901 |
| New category | | 87,430 | 104,195 | 133,325 | 159,020 | 118,744 | 112,921 |
| Contingency reserve (reversal) provision | ¥mn | (139,678) | (151,592) | (165,388) | (186,023) | 7,668 | 52,576 |
| Postal Life Insurance category | | (173,722) | (173,590) | (170,814) | (191,014) | 4,238 | 48,245 |
| New category | | 34,043 | 21,997 | 5,425 | 4,991 | 3,430 | 4,331 |
| Price fluctuations reserve (reversal) provision | ¥mn | 128,031 | (19,251) | (39,152) | 46,477 | 5,389 | 57,592 |
| Postal Life Insurance category | | 17,090 | (3,686) | (29,845) | 23,121 | (6,671) | 20,479 |
| New category | | 110,940 | (15,564) | (9,306) | 23,355 | 12,061 | 37,113 |
| Additional policy reserve (reversal) provision | ¥mn | (30,648) | (50,292) | (49,750) | 27,652 | (161,314) | (176,983) |
| Postal Life Insurance category | | (47,674) | (46,698) | (46,396) | 30,553 | (159,087) | (175,153) |
| New category | | 17,025 | (3,594) | (3,354) | (2,901) | (2,227) | (1,830) |

Note: "Postal Life Insurance category" shows the amounts generated from the Postal Life Insurance policies, and "New category" shows the figure after deduction of "Postal Life Insurance category" from the total.

Key Financial Indicators

(¥bn)

| | FY18/3 | FY19/3 | FY20/3 | FY21/3 | FY21/3 3Q | FY22/3 3Q |
|---|----------|----------|----------|----------|-----------|-----------|
| Insurance premiums and others | 4,236.4 | 3,959.9 | 3,245.5 | 2,697.9 | 2,052.7 | 1,841.4 |
| Operating expenses etc ¹ | 647.6 | 636.8 | 609.4 | 503.5 | 377.9 | 357.1 |
| Ordinary profit | 309.2 | 264.8 | 286.6 | 345.7 | 260.8 | 270.0 |
| Provision for reserve for policyholder dividends | 117.7 | 111.8 | 109.2 | 65.4 | 68.5 | 51.2 |
| Net income | 104.4 | 120.4 | 150.6 | 166.1 | 129.0 | 119.5 |
| Net assets | 2,003.1 | 2,135.1 | 1,928.3 | 2,841.4 | 2,711.6 | 2,659.6 |
| Total assets | 76,831.2 | 73,905.0 | 71,664.7 | 70,172.9 | 69,684.0 | 67,212.4 |
| Return on equity | 5.4 % | 5.8 % | 7.4 % | 7.0 % | - | - |
| RoEV ² | 9.9 % | 8.6 % | (2.8) % | 5.0 % | 4.2 % | 4.5 % |
| Dividends to shareholders | 40.8 | 43.2 | 42.7 | 42.7 | - | - |
| Payout Ratio | 39.0 % | 35.8 % | 28.4 % | 25.7 % | - | - |
| EV | 3,743.3 | 3,925.7 | 3,324.2 | 4,026.2 | 3,918.9 | 3,795.0 |
| Value of New Business | 226.7 | 223.8 | 60.6 | (12.7) | (2.8) | (8.3) |
| Core profit (Non-consolidated) | 386.1 | 377.1 | 400.6 | 421.9 | 309.7 | 317.3 |
| Core profit attributable to life insurance activities | 320.3 | 318.7 | 320.1 | 345.6 | 268.3 | 233.7 |
| Spread (positive/negative spread) | 65.8 | 58.4 | 80.4 | 76.3 | 41.3 | 83.6 |

1. Sum of Operating expenses and Other ordinary expenses
2. Calculated by excluding economic variance factors.

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