

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.

February 14, 2022
JAPAN POST INSURANCE Co., Ltd.

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

JAPAN POST INSURANCE Co., Ltd. (the “Company”; SENDA Tetsuya, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021).

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1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of	March 31, 2021		December 31, 2021			
	Number of policies	Policy amount	Number of policies		Policy amount	
				% of March 31, 2021 total		% of March 31, 2021 total
Individual insurance	15,893	45,912.2	15,021	94.5	43,161.8	94.0
Individual annuities	1,009	1,563.8	882	87.4	1,318.2	84.3
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, %)

Nine months ended December 31	2020				2021					
	Number of policies	Policy amount			Number of policies		Policy amount			
			New policies	Net increase by conversion		% of December 31, 2020 total	% of December 31, 2020 total	New policies	Net increase by conversion	
Individual insurance	89	281.0	281.0	-	128	142.8	427.2	152.0	427.1	0.0
Individual annuities	0	0.1	0.1	-	0	138.1	0.1	109.1	0.1	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

Notes: 1. Number of policies includes policies after conversion.

2. 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, 2021	December 31, 2021	
			% of March 31, 2021 total
Individual insurance	2,840.0	2,645.5	93.1
Individual annuities	357.1	313.4	87.8
Total	3,197.2	2,958.9	92.5
Medical coverage, living benefits and other	364.6	345.6	94.8

▪ New Policies

(Billions of yen, %)

Nine months ended December 31	2020	2021	
			% of December 31, 2020 total
Individual insurance	22.3	34.4	154.0
Individual annuities	0.0	0.0	112.4
Total	22.3	34.4	154.0
Medical coverage, living benefits and other	1.0	1.6	153.3

- 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).
 3. New policies include net increase by conversion.

2. Investment Performance (General Account)

(1) Asset Composition

(Billions of yen, %)

As of	March 31, 2021		December 31, 2021	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,459.7	2.1	1,003.6	1.5
Receivables under resale agreements	-	-	1,943.3	2.9
Receivables under securities borrowing transactions	2,585.0	3.7	-	-
Monetary claims bought	276.7	0.4	70.4	0.1
Trading account securities	-	-	-	-
Money held in trust	4,189.2	6.0	4,434.4	6.6
Securities	55,274.5	78.8	53,764.4	80.0
Corporate and government bonds	48,264.4	68.8	46,880.9	69.8
Domestic stocks	404.5	0.6	419.9	0.6
Foreign securities	4,632.3	6.6	4,514.6	6.7
Foreign corporate and government bonds	4,479.8	6.4	4,364.2	6.5
Foreign stocks and other securities	152.5	0.2	150.4	0.2
Other securities	1,973.1	2.8	1,948.8	2.9
Loans	4,964.0	7.1	4,583.5	6.8
Real estate	88.7	0.1	80.6	0.1
Deferred tax assets	904.3	1.3	889.9	1.3
Other	431.6	0.6	441.8	0.7
Reserve for possible loan losses	(0.3)	(0.0)	(0.4)	(0.0)
Total	70,173.8	100.0	67,211.9	100.0
Foreign currency-denominated assets	5,397.0	7.7	5,550.7	8.3

Note: "Real estate" is booked as the sum total of land, buildings and construction in progress.

(2) Fair Value Information of Securities (Other Than Trading Securities)

(Billions of yen)

As of	March 31, 2021					December 31, 2021				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	35,327.9	40,512.9	5,184.9	5,225.9	40.9	34,521.1	39,453.7	4,932.6	4,976.5	43.9
Policy-reserve-matching bonds	9,382.4	10,158.5	776.1	798.4	22.3	8,885.8	9,598.5	712.7	736.3	23.6
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	13,445.1	14,865.0	1,419.8	1,521.5	101.6	12,992.7	14,562.5	1,569.7	1,685.8	116.0
Corporate and government bonds	3,519.1	3,554.0	34.8	42.3	7.4	3,438.5	3,473.9	35.3	41.2	5.8
Domestic stocks	1,754.3	2,514.2	759.9	790.2	30.2	1,808.8	2,606.1	797.3	860.3	63.0
Foreign securities	4,835.9	5,398.1	562.1	578.6	16.5	4,783.9	5,390.7	606.8	625.3	18.5
Foreign corporate and government bonds	4,147.5	4,479.8	332.2	348.6	16.3	4,078.5	4,364.2	285.7	303.9	18.1
Foreign stocks and other securities	688.3	918.2	229.8	230.0	0.1	705.3	1,026.4	321.0	321.4	0.3
Other securities	2,580.5	2,641.8	61.2	108.5	47.3	2,457.3	2,586.1	128.8	157.4	28.6
Monetary claims bought	275.1	276.7	1.5	1.5	-	69.0	70.4	1.4	1.4	-
Negotiable certificates of deposit	480.0	480.0	-	-	-	435.0	435.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	58,155.5	65,536.5	7,380.9	7,545.9	164.9	56,399.7	63,614.8	7,215.1	7,398.7	183.6
Corporate and government bonds	48,229.5	54,225.5	5,995.9	6,066.8	70.8	46,845.6	52,526.3	5,680.7	5,754.1	73.4
Domestic stocks	1,754.3	2,514.2	759.9	790.2	30.2	1,808.8	2,606.1	797.3	860.3	63.0
Foreign securities	4,835.9	5,398.1	562.1	578.6	16.5	4,783.9	5,390.7	606.8	625.3	18.5
Foreign corporate and government bonds	4,147.5	4,479.8	332.2	348.6	16.3	4,078.5	4,364.2	285.7	303.9	18.1
Foreign stocks and other securities	688.3	918.2	229.8	230.0	0.1	705.3	1,026.4	321.0	321.4	0.3
Other securities	2,580.5	2,641.8	61.2	108.5	47.3	2,457.3	2,586.1	128.8	157.4	28.6
Monetary claims bought	275.1	276.7	1.5	1.5	-	69.0	70.4	1.4	1.4	-
Negotiable certificates of deposit	480.0	480.0	-	-	-	435.0	435.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes money held in trust other than trading securities and its book value is ¥2,647.0 billion with net unrealized gains of ¥920.1 billion as of March 31, 2021 and ¥2,653.9 billion with net unrealized gains of ¥1,072.8 billion as of December 31, 2021.

2. Stocks, etc. with no market price and investments in partnerships, etc. are not included in this table.

The book values of stocks, etc. with no market price and investments in partnerships, etc. are as follows:

(Billions of yen)

As of	March 31, 2021	December 31, 2021
Equities of subsidiaries and affiliates	18.8	23.0
Available-for-sale securities	445.1	592.9
Domestic stocks	4.2	4.2
Foreign stocks	-	-
Other	440.9	588.7
Total	464.0	616.0

Notes: 1. This table includes money held in trust other than trading securities (¥440.9 billion as of March 31, 2021 and ¥588.7 billion as of December 31, 2021).

2. Net unrealized gains (losses) based on foreign exchange valuation of the foreign currency-denominated assets classified as stocks, etc. with no market price and investments in partnerships, etc. are ¥6.7 billion as of March 31, 2021 and ¥21.2 billion as of December 31, 2021.

Note: Fair value information of securities includes the handling of securities under the Financial Instruments and Exchange Act.

(3) Fair Value of Money Held in Trust

(Billions of yen)

As of	March 31, 2021					December 31, 2021				
	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	3,696.9	3,696.9	-	-	-	3,803.5	3,803.5	-	-	-

- 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, 2021					December 31, 2021				
	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	2,776.7	3,696.9	920.1	970.0	49.8	2,730.7	3,803.5	1,072.8	1,141.1	68.2

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥492.3 billion as of March 31, 2021 and ¥630.8 billion as of December 31, 2021.

3. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items	Term	As of March 31, 2021	As of December 31, 2021
		Amount	Amount
ASSETS:			
Cash and deposits		1,329,749	913,621
Call loans		130,000	90,000
Receivables under resale agreements		-	1,943,380
Receivables under securities borrowing transactions		2,585,087	-
Monetary claims bought		276,772	70,470
Money held in trust		4,189,294	4,434,456
Securities		55,274,594	53,764,474
[Japanese government bonds]		[37,345,671]	[36,906,065]
[Japanese local government bonds]		[5,593,508]	[4,823,245]
[Japanese corporate bonds]		[5,325,276]	[5,151,683]
[Stocks]		[404,577]	[419,970]
[Foreign securities]		[4,632,376]	[4,514,697]
Loans		4,964,087	4,583,513
Policy loans		161,419	142,950
Industrial and commercial loans		996,127	980,837
Loans to the Management Network		3,806,540	3,459,724
Tangible fixed assets		104,977	93,715
Intangible fixed assets		118,748	94,251
Agency accounts receivable		53,250	44,793
Reinsurance receivables		3,938	4,094
Other assets		239,407	285,662
Deferred tax assets		904,333	889,966
Reserve for possible loan losses		(384)	(418)
Total assets		70,173,857	67,211,982
LIABILITIES:			
Policy reserves and others		61,159,597	58,949,872
Reserve for outstanding claims		419,021	388,008
Policy reserves		59,397,720	57,284,757
Reserve for policyholder dividends		1,342,855	1,277,106
Reinsurance payables		6,394	6,284
Bonds payable		300,000	300,000
Other liabilities		4,891,788	4,262,697
Payables under repurchase agreements		-	2,419,031
Payables under securities lending transactions		4,587,469	1,672,447
Income taxes payable		42,915	21,024
Lease obligations		1,950	2,192
Asset retirement obligation		5	-
Other liabilities		259,448	148,001
Reserve for insurance claims and others		2,851	1,951
Reserve for employees' retirement benefits		69,659	72,146
Reserve for management board benefit trust		110	158
Reserve for price fluctuations		904,816	962,409
Total liabilities		67,335,219	64,555,521
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Legal capital surplus		405,044	405,044
Retained earnings		902,034	601,226
Legal retained earnings		64,761	76,909
Other retained earnings		837,272	524,316
Reserve for reduction entry of real estate		5,286	5,091
Retained earnings brought forward		831,986	519,224
Treasury stock		(397)	(355)
Total shareholders' equity		1,806,680	1,505,915
Net unrealized gains (losses) on available-for-sale securities		1,031,384	1,150,292
Net deferred gains (losses) on hedges		573	252
Total valuation and translation adjustments		1,031,957	1,150,545
Total net assets		2,838,638	2,656,461
Total liabilities and net assets		70,173,857	67,211,982

4. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Term	Nine months ended December 31, 2020	Nine months ended December 31, 2021
		Amount	Amount
ORDINARY INCOME		5,127,324	4,821,026
Insurance premiums and others		2,052,722	1,841,422
[Insurance premiums]		[2,040,778]	[1,829,732]
Investment income		801,256	833,125
[Interest and dividend income]		[753,069]	[741,099]
[Gains on money held in trust]		[27,615]	[72,504]
[Gains on sales of securities]		[16,925]	[17,731]
Other ordinary income		2,273,346	2,146,478
[Reversal of reserve for outstanding claims]		[58,385]	[31,012]
[Reversal of policy reserves]		[2,187,897]	[2,112,962]
ORDINARY EXPENSES		4,867,304	4,552,020
Insurance claims and others		4,435,363	4,161,242
[Insurance claims]		[3,530,210]	[3,354,020]
[Annuity payments]		[273,850]	[241,638]
[Benefits]		[91,813]	[103,705]
[Surrender benefits]		[356,948]	[358,780]
[Other refunds]		[165,259]	[86,373]
Provision for policy reserves and others		6	6
Provision for interest on policyholder dividends		6	6
Investment expenses		53,112	32,589
[Interest expenses]		[1,503]	[1,787]
[Losses on sales of securities]		[24,196]	[18,051]
[Losses on derivative financial instruments]		[16,613]	[5,482]
Operating expenses		302,228	281,340
Other ordinary expenses		76,594	76,840
ORDINARY PROFIT		260,019	269,006
EXTRAORDINARY GAINS		-	5,696
Gains on sales of fixed assets		-	5,696
EXTRAORDINARY LOSSES		5,456	57,884
Losses on sales and disposal of fixed assets		66	291
Provision for reserve for price fluctuations		5,389	57,592
Provision for reserve for policyholder dividends		68,523	51,289
Income before income taxes		186,040	165,529
Income taxes - Current		57,584	78,738
Income taxes - Deferred		9	(32,031)
Total income taxes		57,593	46,706
Net income		128,446	118,822

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

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

1. Changes in Accounting Policies

The Company has applied the “Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 30, July 4, 2019; hereinafter referred to as “Fair Value Measurement Accounting Standard”), etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019; hereinafter referred to as “Financial Instruments Accounting Standard”), the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Accounting Standard, etc. into the future. Accordingly, while the fair value method based on the average market price over the month preceding the quarterly non-consolidated balance sheet date was previously adopted for stocks with market price included in available-for-sale securities, from the first quarter of the fiscal year ending March 31, 2022, the fair value method based on the market price as of the quarterly non-consolidated balance sheet date is adopted.

2. The outline of the risk management policy of policy-reserve-matching bonds is as follows:

The Company categorizes its insurance products into the following sub-groups based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.

- 1) Postal Life Insurance Contracts (all insurance policies)
- 2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
- 3) Japan Post Insurance life insurance contracts (lump-sum payment annuity) (excluding some insurance types)

The remaining period of insurance contracts comprising the sub-group Postal Life Insurance Contracts used to be within 30 years, but has been eliminated from the beginning of the first quarter of the fiscal year ending March 31, 2022, as the issuance of 30- and 40-year Japanese government bonds has stably expanded to facilitate possession of super long-term bonds and duration gap adjustment of longer-term insurance contracts. This change has no impact on profit or loss.

3. Securities lent under lending agreements in the amount of ¥2,488,649 million were included in “Securities” in the balance sheet as of December 31, 2021.

4. Changes in reserve for policyholder dividends for the nine months ended December 31, 2021 were as follows:

Balance at the beginning of the fiscal year	¥1,342,855 million
Policyholder dividends paid during the nine months ended December 31, 2021	¥116,850 million
Interest accrual	¥6 million
Reduction due to the acquisition of additional annuity	¥195 million
Provision for reserve for policyholder dividends	¥51,289 million
Balance at the end of the nine months ended December 31, 2021	¥1,277,106 million

5. Information on dividends was as follows:

(1) Dividends paid

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 14, 2021	Common stock	42,756	76.00	March 31, 2021	June 17, 2021	Retained earnings
Board of Directors' meeting held on November 12, 2021	Common stock	17,985	45.00	September 30, 2021	December 3, 2021	Retained earnings

(*1) Total amount of dividends based on the resolution at the Board of Directors meeting held on May 14, 2021 includes ¥11 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors meeting held on November 12, 2021 includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the nine months ended December 31, 2021
Not applicable.

6. The Company acquired 162,906 thousand shares of its treasury stock based on the resolution at the Board of Directors meeting held on May 14, 2021, as a result of which, treasury stock increased by ¥358,882 million.

Meanwhile, other capital surplus and treasury stock each decreased by ¥358,887 million, due to the cancellation of 162,906 thousand shares of treasury stock, based on the resolution at the Board of Directors meeting held on July 28, 2021.

Since the balance of other capital surplus amounted to ¥(358,887) million due to the cancellation of treasury stock, other capital surplus was reduced to nil whereby the aforementioned negative value was deducted from retained earnings brought forward.

Retained earnings brought forward at the end of the nine months ended December 31, 2021 decreased by ¥312,761 million from the end of the previous fiscal year to ¥519,224 million, while treasury stock decreased by ¥42 million to ¥355 million.

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

Net income per share for the nine months ended December 31, 2021 was ¥277.33.

5. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Nine months ended December 31		2020	2021
Core profit	A	309,713	317,369
Capital gains		47,226	91,234
Gains on money held in trust		27,615	72,504
Gains on trading securities		-	-
Gains on sales of securities		16,925	17,731
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		2,684	998
Other capital gains		-	-
Capital losses		89,251	87,021
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		24,196	18,051
Losses on valuation of securities		-	-
Losses on derivative financial instruments		16,613	5,482
Losses on foreign exchanges		-	-
Other capital losses		48,442	63,487
Net capital gains (losses)	B	(42,024)	4,213
Core profit including net capital gains (losses)	A+B	267,688	321,583
Other one-time gains		-	-
Reinsurance income		-	-
Reversal of contingency reserve		-	-
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		7,668	52,576
Reinsurance premiums		-	-
Provision for contingency reserve		7,668	52,576
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		-	-
Other one-time profits (losses)	C	(7,668)	(52,576)
Ordinary profit	A+B+C	260,019	269,006

Note: The amount equivalent to income gains associated with money held in trust (¥48,442 million for the nine months ended December 31, 2020 and ¥63,487 million for the nine months ended December 31, 2021) is recognized as "other capital losses" and included in core profit.

6. Solvency Margin Ratio

(Millions of yen)

As of		March 31, 2021	December 31, 2021
Total amount of solvency margin	(A)	6,229,928	6,181,671
Capital stock, etc.		1,763,923	1,505,915
Reserve for price fluctuations		904,816	962,409
Contingency reserve		1,611,343	1,663,920
General reserve for possible loan losses		36	36
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)		1,283,545	1,432,433
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)		2,203	1,809
Excess of continued Zillmerized reserve		364,059	314,656
Capital raised through debt financing		300,000	300,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin		-	-
Deductions		-	-
Other		-	489
Total amount of risk	(B)	1,114,326	1,121,062
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$			
Insurance risk	R ₁	130,961	126,526
Underwriting risk of third-sector insurance	R ₈	49,371	45,866
Anticipated yield risk	R ₂	131,404	126,798
Minimum guarantee risk	R ₇	-	-
Investment risk	R ₃	942,799	955,526
Business management risk	R ₄	25,090	25,094
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$		1,118.1 %	1,102.8 %

Note: These figures are calculated based on the provisions set forth in the Public Notice 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 Nine Months Ended December 31, 2021

Not applicable.

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Nine months ended December 31	2020	2021
Ordinary income	5,127,335	4,821,041
Ordinary profit	260,892	270,097
Net income attributable to Japan Post Insurance	129,015	119,525
Comprehensive income (loss)	804,638	237,737

As of	March 31, 2021	December 31, 2021
Total assets	70,172,982	67,212,461
Consolidated solvency margin ratio	1,121.2 %	1,106.3 %

(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
- Changes in significant subsidiaries during the period: None

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Items	Term	As of March 31, 2021	As of December 31, 2021
		Amount	Amount
ASSETS:			
Cash and deposits		1,335,014	918,818
Call loans		130,000	90,000
Receivables under resale agreements		-	1,943,380
Receivables under securities borrowing transactions		2,585,087	-
Monetary claims bought		276,772	70,470
Money held in trust		4,189,294	4,434,456
Securities		55,273,610	53,763,490
Loans		4,964,087	4,583,513
Tangible fixed assets		105,399	94,065
Intangible fixed assets		113,420	90,514
Agency accounts receivable		53,250	44,793
Reinsurance receivables		3,938	4,094
Other assets		239,354	285,577
Deferred tax assets		904,135	889,704
Reserve for possible loan losses		(384)	(418)
Total assets		70,172,982	67,212,461
LIABILITIES:			
Policy reserves and others		61,159,597	58,949,872
Reserve for outstanding claims		419,021	388,008
Policy reserves		59,397,720	57,284,757
Reserve for policyholder dividends		1,342,855	1,277,106
Reinsurance payables		6,394	6,284
Bonds payable		300,000	300,000
Payables under repurchase agreements		-	2,419,031
Payables under securities lending transactions		4,587,469	1,672,447
Other liabilities		303,851	171,164
Reserve for insurance claims and others		2,851	1,951
Liability for retirement benefits		66,414	69,515
Reserve for management board benefit trust		110	158
Reserve for price fluctuations		904,816	962,409
Total liabilities		67,331,506	64,552,836
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Retained earnings		901,390	601,285
Treasury stock		(397)	(355)
Total shareholders' equity		1,806,036	1,505,974
Net unrealized gains (losses) on available-for-sale securities		1,031,384	1,150,292
Net deferred gains (losses) on hedges		573	252
Accumulated adjustments for retirement benefits		3,480	3,104
Total accumulated other comprehensive income		1,035,438	1,153,650
Total net assets		2,841,475	2,659,624
Total liabilities and net assets		70,172,982	67,212,461

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

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Term	Nine months ended December 31, 2020	Nine months ended December 31, 2021
		Amount	Amount
ORDINARY INCOME		5,127,335	4,821,041
Insurance premiums and others		2,052,722	1,841,422
Investment income		801,256	833,125
[Interest and dividend income]		[753,069]	[741,099]
[Gains on money held in trust]		[27,615]	[72,504]
[Gains on sales of securities]		[16,925]	[17,731]
Other ordinary income		2,273,357	2,146,493
[Reversal of reserve for outstanding claims]		[58,385]	[31,012]
[Reversal of policy reserves]		[2,187,897]	[2,112,962]
ORDINARY EXPENSES		4,866,443	4,550,944
Insurance claims and others		4,435,363	4,161,242
[Insurance claims]		[3,530,210]	[3,354,020]
[Annuity payments]		[273,850]	[241,638]
[Benefits]		[91,813]	[103,705]
[Surrender benefits]		[356,948]	[358,780]
Provision for policy reserves and others		6	6
Provision for interest on policyholder dividends		6	6
Investment expenses		53,112	32,590
[Interest expenses]		[1,504]	[1,787]
[Losses on sales of securities]		[24,196]	[18,051]
[Losses on derivative financial instruments]		[16,613]	[5,482]
Operating expenses		302,586	281,578
Other ordinary expenses		75,373	75,525
ORDINARY PROFIT		260,892	270,097
EXTRAORDINARY GAINS		-	5,696
Gains on sales of fixed assets		-	5,696
EXTRAORDINARY LOSSES		5,456	57,884
Losses on sales and disposal of fixed assets		67	292
Provision for reserve for price fluctuations		5,389	57,592
Provision for reserve for policyholder dividends		68,523	51,289
Income before income taxes		186,912	166,619
Income taxes - Current		57,653	78,914
Income taxes - Deferred		242	(31,820)
Total income taxes		57,896	47,094
Net income		129,015	119,525
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		129,015	119,525

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Term	Nine months ended December 31, 2020	Nine months ended December 31, 2021
		Amount	Amount
Net income		129,015	119,525
Other comprehensive income (loss)		675,622	118,211
Net unrealized gains (losses) on available-for-sale securities		675,071	118,908
Net deferred gains (losses) on hedges		(10)	(320)
Adjustments for retirement benefits		561	(376)
Total comprehensive income (loss)		804,638	237,737
Comprehensive income (loss) attributable to Japan Post Insurance		804,638	237,737
Comprehensive income (loss) attributable to non-controlling interests		-	-

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2021

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

1. Changes in Accounting Policies

The Company has applied the Fair Value Measurement Accounting Standard, etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment set forth in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the Financial Instruments Accounting Standard, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Accounting Standard, etc. into the future. Accordingly, while the fair value method based on the average market price over the month preceding the quarterly consolidated balance sheet date was previously adopted for stocks with market price included in available-for-sale securities, from the first quarter of the fiscal year ending March 31, 2022, the fair value method based on the market price as of the quarterly consolidated balance sheet date is adopted.

2. The outline of the risk management policy of policy-reserve-matching bonds is as follows:

The Company categorizes its insurance products into the following sub-groups based on the attributes of each product in order to manage risks arising from fluctuations in interest rates of assets and liabilities, and adopts a management policy whereby the duration gap between policy-reserve-matching bonds and policy reserves by sub-groups are reconciled within a certain range and the duration gap is periodically checked.

- 1) Postal Life Insurance Contracts (all insurance policies)
- 2) Japan Post Insurance life insurance contracts (general) (all insurance policies)
- 3) Japan Post Insurance life insurance contracts (lump-sum payment annuity) (excluding some insurance types)

The remaining period of insurance contracts comprising the sub-group Postal Life Insurance Contracts used to be within 30 years, but has been eliminated from the beginning of the first quarter of the fiscal year ending March 31, 2022, as the issuance of 30- and 40-year Japanese government bonds has stably expanded to facilitate possession of super long-term bonds and duration gap adjustment of longer-term insurance contracts. This change has no impact on profit or loss.

3. Securities lent under lending agreements in the amount of ¥2,488,649 million were included in “Securities” in the consolidated balance sheet as of December 31, 2021.

4. Changes in reserve for policyholder dividends for the nine months ended December 31, 2021 were as follows:

Balance at the beginning of the fiscal year	¥1,342,855 million
Policyholder dividends paid during the nine months ended December 31, 2021	¥116,850 million
Interest accrual	¥6 million
Reduction due to the acquisition of additional annuity	¥195 million
Provision for reserve for policyholder dividends	¥51,289 million
Balance at the end of the nine months ended December 31, 2021	¥1,277,106 million

5. Information on dividends was as follows:

(1) Dividends paid

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 14, 2021	Common stock	42,756	76.00	March 31, 2021	June 17, 2021	Retained earnings
Board of Directors' meeting held on November 12, 2021	Common stock	17,985	45.00	September 30, 2021	December 3, 2021	Retained earnings

(*1) Total amount of dividends based on the resolution at the Board of Directors meeting held on May 14, 2021 includes ¥11 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors meeting held on November 12, 2021 includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the nine months ended December 31, 2021
Not applicable.

6. The Company acquired 162,906 thousand shares of its treasury stock based on the resolution at the Board of Directors meeting held on May 14, 2021, as a result of which, treasury stock increased by ¥358,882 million.

Meanwhile, capital surplus and treasury stock each decreased by ¥358,887 million, due to the cancellation of 162,906 thousand shares of treasury stock, based on the resolution at the Board of Directors meeting held on July 28, 2021.

Since the balance of other capital surplus under the heading of capital surplus amounted to ¥(358,887) million due to the cancellation of treasury stock, other capital surplus was reduced to nil whereby the aforementioned negative value was deducted from other retained earnings.

Retained earnings at the end of the nine months ended December 31, 2021 decreased by ¥300,104 million from the end of the previous fiscal year to ¥601,285 million, while treasury stock decreased by ¥42 million to ¥355 million.

(Notes to the Unaudited Consolidated Statement of Income)

1. Net income per share for the nine months ended December 31, 2021 was ¥278.97.
2. Depreciation and amortization for the nine months ended December 31, 2021 was ¥45,188 million.

(5) Consolidated Solvency Margin Ratio

(Millions of yen)

As of	March 31, 2021	December 31, 2021
Total amount of solvency margin (A)	6,216,257	6,164,000
Capital stock, etc.	1,763,280	1,505,974
Reserve for price fluctuations	904,816	962,409
Contingency reserve	1,611,343	1,663,920
Catastrophe loss reserve	-	-
General reserve for possible loan losses	36	36
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	1,283,545	1,432,433
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	2,203	1,809
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	4,835	4,312
Excess of continued Zillmerized reserve	364,059	314,656
Capital raised through debt financing	300,000	300,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	(17,862)	(22,042)
Other	-	489
Total amount of risk (B)	1,108,789	1,114,254
$\sqrt{(\sqrt{R_1^2 + R_5^2} + R_8 + R_9)^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$		
Insurance risk R ₁	130,961	126,526
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
Underwriting risk of third-sector insurance R ₈	49,371	45,866
Small amount and short-term insurance risk R ₉	-	-
Anticipated yield risk R ₂	131,404	126,798
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	937,296	948,768
Business management risk R ₄	24,980	24,959
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,121.2 %	1,106.3 %

Note: These figures are calculated based on the provisions set forth in the Public Notice 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.