

Outline of Financial Results for the Three Months Ended June 30, 2021

August 11, 2021



JAPAN POST INSURANCE

Summary of Financial Results

| | 3 months ended Jun-21 | Year on Year |
|---|--|------------------------|
| Ordinary Profit | ¥ 92.0bn | ¥ 22.1bn + 31.6 % |
| Net income | ¥ 41.2bn | ¥ (5.5)bn (11.8) % |
| Annualized premiums from New policies | (Individual Insurance) ¥ 11.6bn | ¥ 5.6bn + 93.0 % |
| | (Medical Care) ¥ 0.4bn | ¥ 0.2bn + 72.8 % |
| Annualized premiums from Policies in Force | (Individual Insurance) ¥ 3,800.4bn | ¥ (97.6)bn (2.5) % |
| | (Medical Care) ¥ 657.5bn | ¥ (11.5)bn (1.7) % |
| EV | ¥ 3,771.1bn | ¥ (255.0)bn (6.3) % |

【Financial Highlights】 (Ref.P3)

- Ordinary profit increased 31.6% year on year to ¥ 92.0billion due to an improvement in capital losses, despite a decrease in core profit as a result of a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc.
- Capital gains are offset by the price fluctuation reserves. Thus, net income for the current period was ¥ 41.2billion, an 11.8 % decrease year on year.

【Policy Sales】 (Ref.P4)

- As we have been resumed proactive proposals from April 1, 2021, annualized premiums from new policies for individual insurance in FY22/3 1Q were ¥ 11.6billion, a 93.0% increase year on year, while in FY21/3 1Q, it had decreased 93.5% compared with FY20/3 1Q due to the refraining from proactive sales proposal during that period.
- Similarly, in FY22/3 1Q, annualized premiums from new policies for medical care were ¥ 0.4billion, a 72.8% increase year on year, while in FY2021/3 1Q, it had decreased 98.3% compared with FY20/3 1Q.

【Embedded Value】 (Ref.P10)

- EV decreased by 6.3% from the end of the previous fiscal year to ¥ 3,771.1billion, 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 Three Months Ended June 30, 2021 (Year on Year)

Statement of Income

| | 3 months ended Jun-20 | 3 months ended Jun-21 | Change | (¥bn) (Reference) Year ended Mar-21 |
|--|-----------------------|-----------------------|--------|--|
| Ordinary income | 1,696.3 | 1,665.1 | (31.2) | 6,786.2 |
| Insurance premiums and others | 712.8 | 644.0 | (68.8) | 2,697.9 |
| Investment income | 260.7 | 280.9 | 20.2 | 1,121.6 |
| Reversal of policy reserves | 701.2 | 736.1 | 34.9 | 2,895.4 |
| Ordinary expenses | 1,626.4 | 1,573.0 | (53.4) | 6,440.4 |
| Insurance claims and others | 1,461.9 | 1,437.8 | (24.1) | 5,866.0 |
| Investment expenses | 38.3 | 13.8 | (24.4) | 70.8 |
| Operating expenses etc ¹ | 126.1 | 121.4 | (4.7) | 503.5 |
| Ordinary profit | 69.9 | 92.0 | 22.1 | 345.7 |
| Extraordinary gains and losses | 22.3 | (18.9) | (41.3) | (46.7) |
| Reversal of reserve for price fluctuations | 22.3 | (18.9) | (41.3) | (46.4) |
| Provision for reserve for policyholder dividends | 20.4 | 15.4 | (4.9) | 65.4 |
| Total income taxes | 25.2 | 16.5 | (8.6) | 67.4 |
| Net income attributable to Japan Post Insurance | 46.7 | 41.2 | (5.5) | 166.1 |

Note: Only major line items are shown.

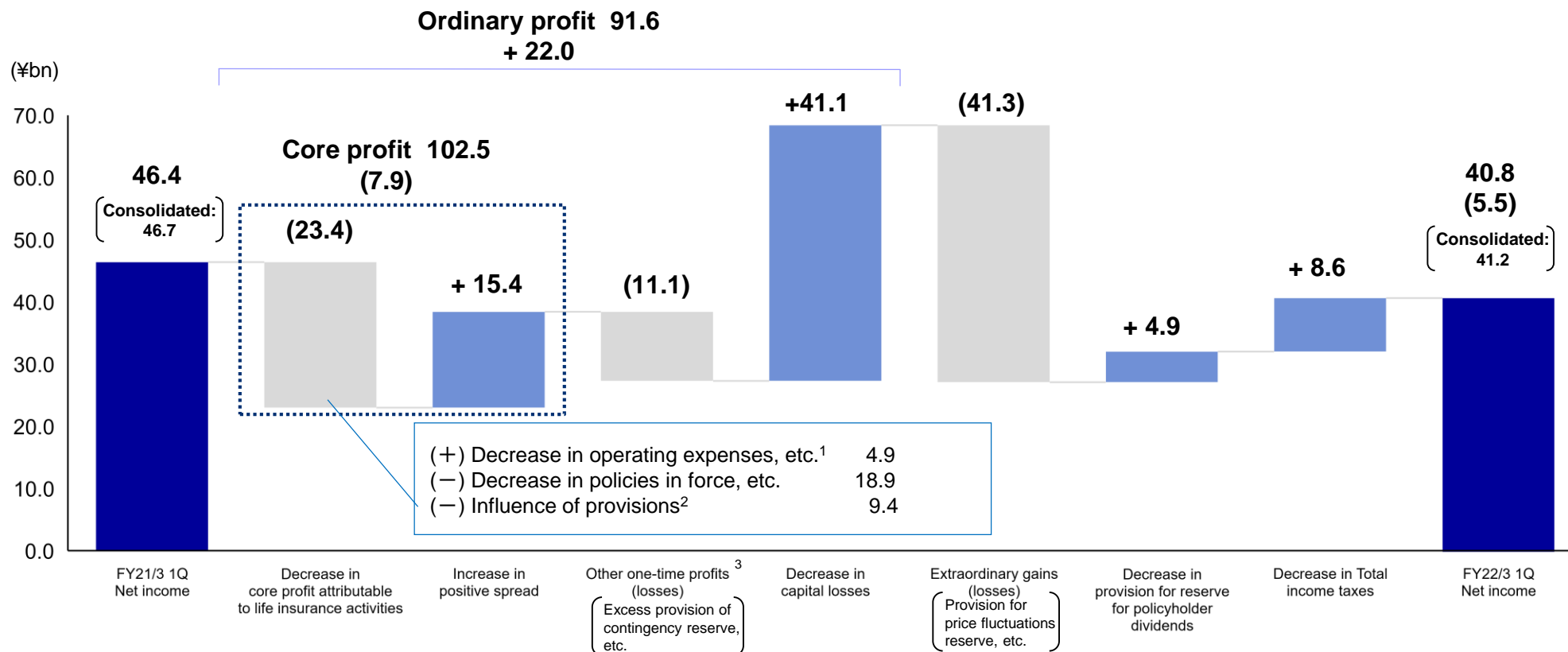
1. Sum of Operating expenses and Other ordinary expenses

Details of Ordinary Profit (Non-Consolidated)

| | 3 months ended Jun-20 | 3 months ended Jun-21 | Change | (¥bn) (Reference) Year ended Mar-21 |
|---|-----------------------|-----------------------|--------|--|
| Core profit | 110.4 | 102.5 | (7.9) | 421.9 |
| Core profit attributable to life insurance activities | 103.8 | 80.3 | (23.4) | 345.6 |
| Positive spread | 6.6 | 22.1 | 15.4 | 76.3 |
| Net capital gains (losses) | (38.2) | 2.9 | 41.1 | (17.1) |
| Other one-time profits (losses) | (2.6) | (13.7) | (11.1) | (59.8) |
| Ordinary profit | 69.5 | 91.6 | 22.0 | 345.0 |

Factors for Year on Year Changes (Non-Consolidated)

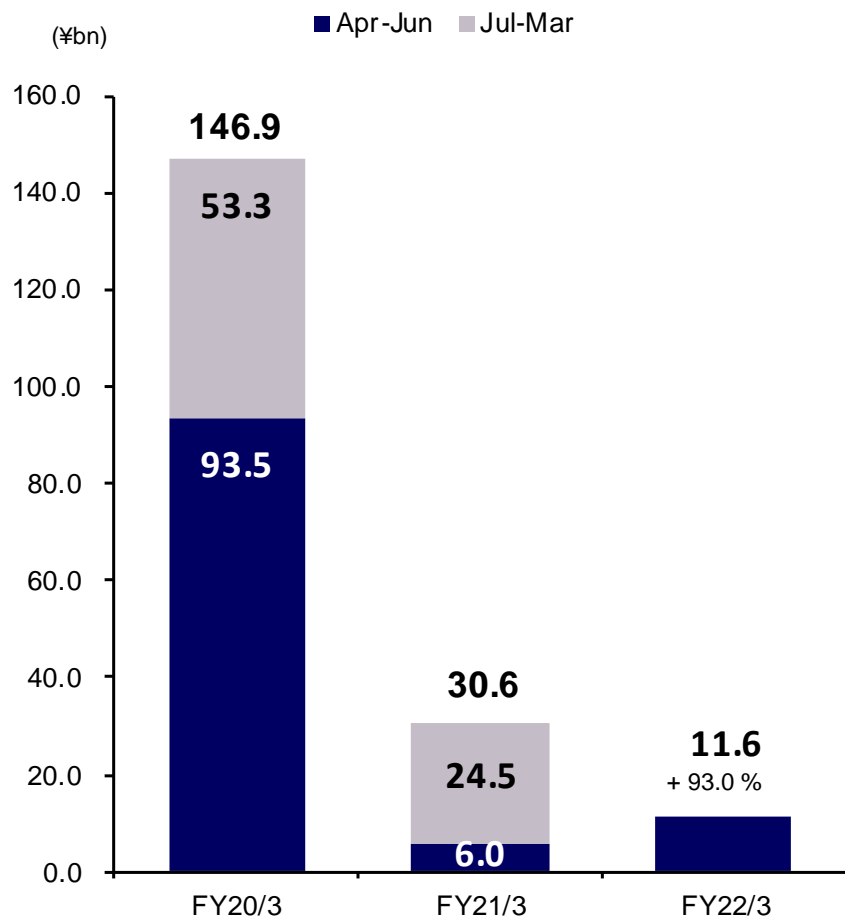
- Although positive spread increased, core profit fell below year on year to ¥ 102.5billion due to a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc.
- Regarding capital gains or losses, we continued to adopt accounting treatments to provide or to reverse the price fluctuation reserves corresponding to the gain or loss amount. Net income decreased year on year to ¥ 40.8billion as a result of a decrease in core profit, etc.



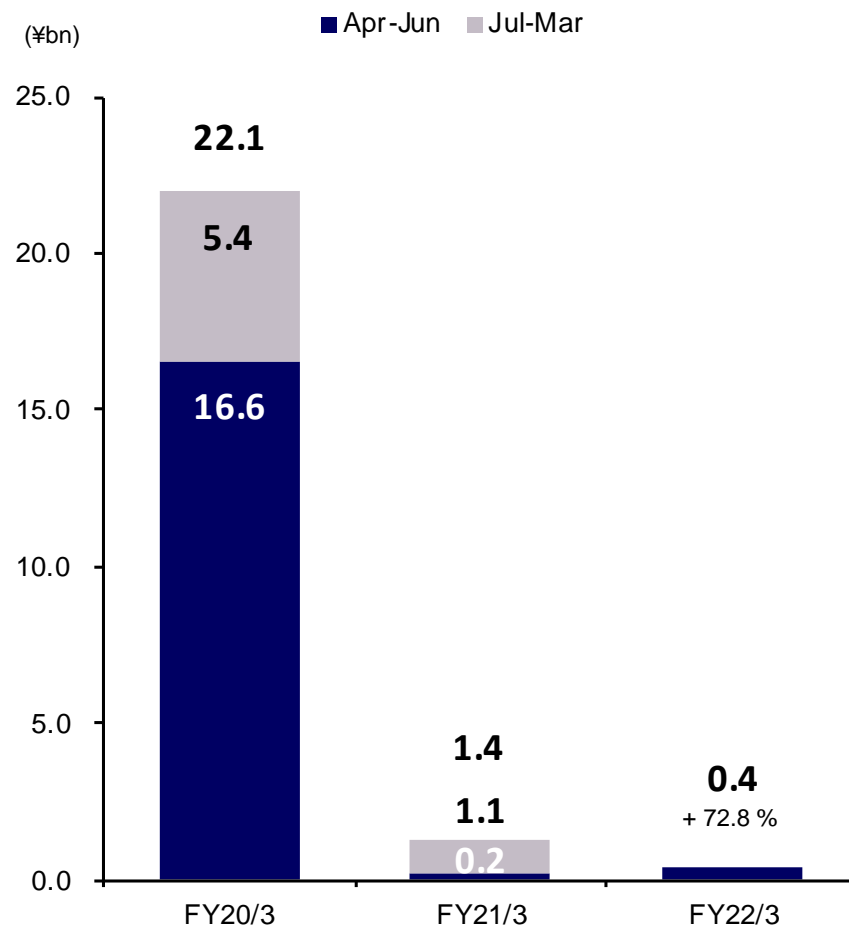
1. "Decrease in operating expenses, etc." shows the difference of figures between FY21/3 1Q and FY22/3 1Q. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses". However, the impact of reserve for insurance claims and others, etc. have been adjusted through the item "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 progress in the policy investigation and actual policy reinstatement. This includes the impact of reserve for insurance claims and others, etc. in FY21/3. (Amount of provision, etc. in FY22/3 1Q: ¥ 1.5billion, Amount of reversal, etc. in FY21/3 1Q: ¥ 7.9billion)
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)

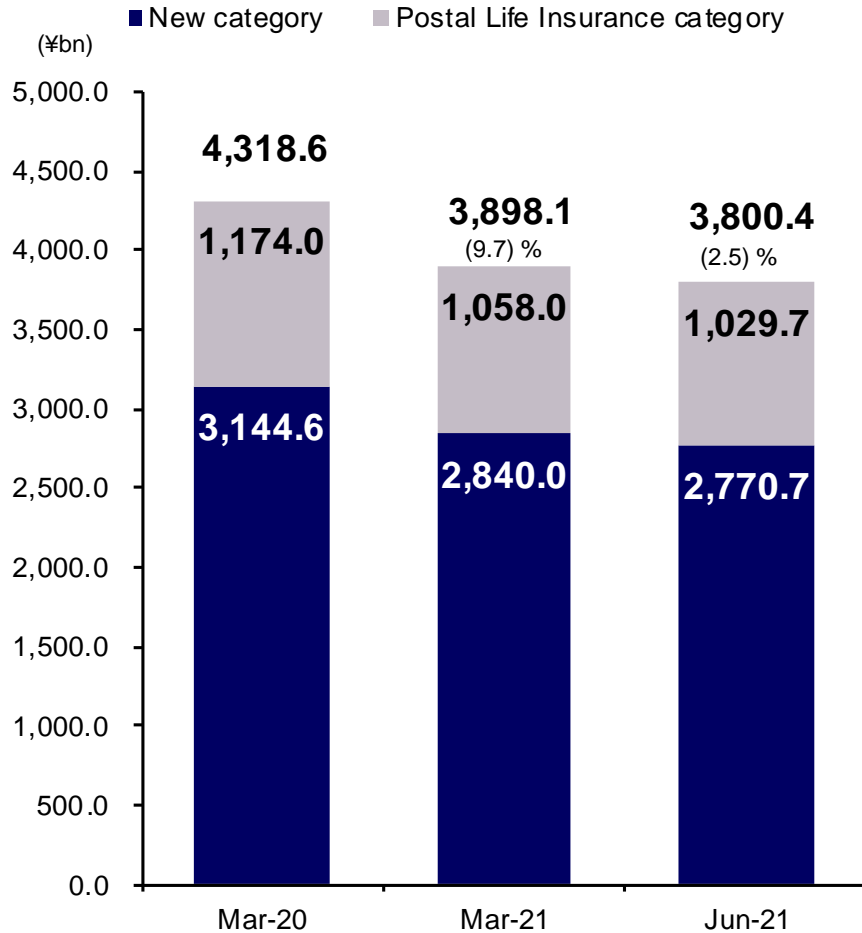


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium 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.

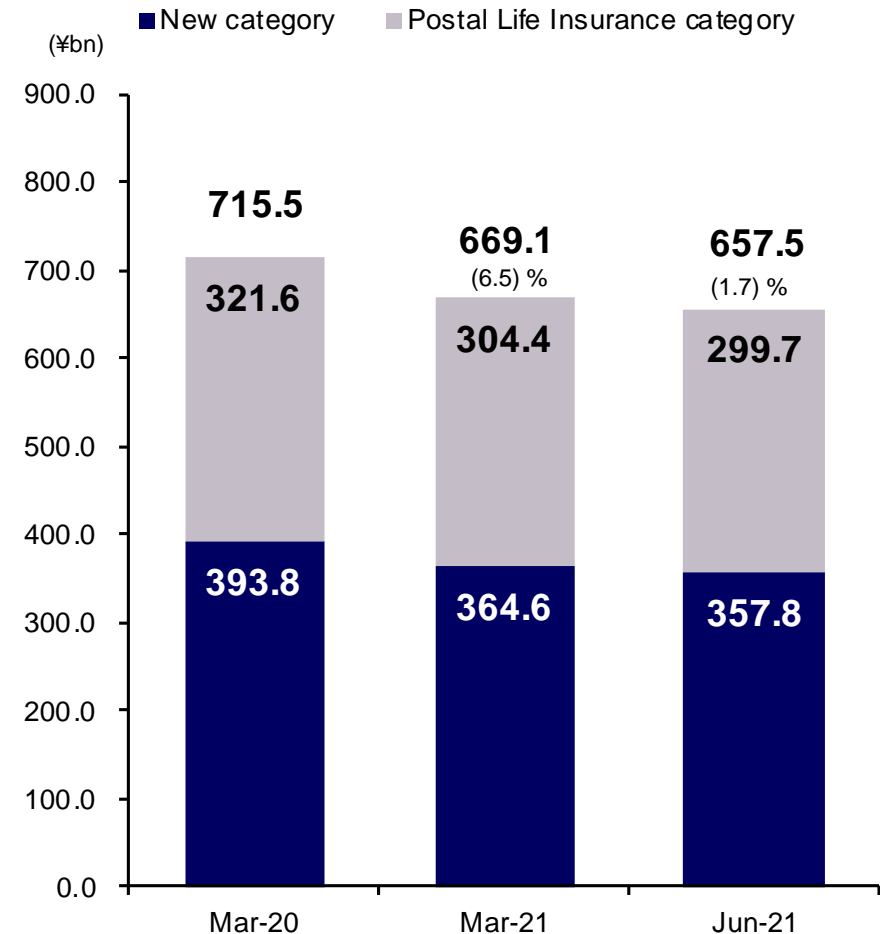
Note2 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

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 | | Jun-21 | | Change |
|---|----------|---------|----------|---------|-----------|
| | Amount | Share | Amount | Share | |
| Bonds | 48,088.2 | 68.5 % | 47,693.9 | 69.3 % | (394.3) |
| Japanese government bonds | 37,345.6 | 53.2 % | 37,274.6 | 54.2 % | (71.0) |
| Japanese local government bonds | 5,583.9 | 8.0 % | 5,315.8 | 7.7 % | (268.0) |
| Japanese corporate bonds | 5,158.5 | 7.4 % | 5,103.3 | 7.4 % | (55.2) |
| Return seeking assets ¹ | 11,181.2 | 15.9 % | 11,356.8 | 16.5 % | 175.6 |
| Domestic stocks ² | 2,514.2 | 3.6 % | 2,516.6 | 3.7 % | 2.3 |
| Foreign stocks ² | 489.5 | 0.7 % | 529.5 | 0.8 % | 40.0 |
| Foreign bonds ² | 6,606.7 | 9.4 % | 6,745.3 | 9.8 % | 138.6 |
| Other ³ | 1,570.6 | 2.2 % | 1,565.2 | 2.3 % | (5.3) |
| Loans | 4,964.0 | 7.1 % | 4,944.0 | 7.2 % | (19.9) |
| Others | 5,939.4 | 8.5 % | 4,834.7 | 7.0 % | (1,104.7) |
| Cash and deposits, call loans | 1,465.0 | 2.1 % | 1,058.2 | 1.5 % | (406.7) |
| Receivables under resale agreements | - | - | 1,948.8 | 2.8 % | 1,948.8 |
| Receivables under securities borrowing transactions | 2,585.0 | 3.7 % | - | - | (2,585.0) |
| Total assets | 70,172.9 | 100.0 % | 68,829.5 | 100.0 % | (1,343.4) |

- 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” and “real estate fund” etc.

Spread and Investment Yield

(¥bn)

| | 3 months ended Jun-20 | 3 months ended Jun-21 | (Reference) Year ended Mar-21 |
|---|-----------------------|-----------------------|-------------------------------|
| Positive spread | 6.6 | 22.1 | 76.3 |
| Average assumed rates of return ¹ | 1.69 % | 1.69 % | 1.69 % |
| Investment return on core profit ² | 1.74 % | 1.84 % | 1.82 % |
| Net capital gains (losses) | (38.2) | 2.9 | (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 | | | Jun-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 | 57,765.6 | 65,291.2 | 7,525.6 | (519.7) | (375.0) | 144.6 |
| Held-to-maturity bonds | 35,327.9 | 40,512.9 | 5,184.9 | 35,024.9 | 40,227.0 | 5,202.1 | (303.0) | (285.8) | 17.2 |
| Policy-reserve-matching bonds | 9,382.4 | 10,158.5 | 776.1 | 9,416.8 | 10,189.5 | 772.7 | 34.4 | 30.9 | (3.4) |
| Available-for-sale securities | 13,574.8 | 14,994.7 | 1,419.8 | 13,323.8 | 14,874.5 | 1,550.7 | (251.0) | (120.1) | 130.8 |
| Securities etc. | 10,798.1 | 11,297.8 | 499.7 | 10,527.8 | 11,101.1 | 573.3 | (270.3) | (196.6) | 73.6 |
| Bonds | 3,519.1 | 3,554.0 | 34.8 | 3,384.4 | 3,430.8 | 46.3 | (134.6) | (123.1) | 11.4 |
| Domestic stocks | 322.8 | 398.8 | 76.0 | 323.7 | 401.3 | 77.6 | 0.8 | 2.4 | 1.6 |
| Foreign securities | 4,290.1 | 4,632.3 | 342.2 | 4,343.5 | 4,697.4 | 353.9 | 53.4 | 65.1 | 11.6 |
| Other securities | 1,910.8 | 1,955.8 | 44.9 | 1,846.3 | 1,940.0 | 93.7 | (64.5) | (15.7) | 48.8 |
| Deposits etc. | 755.1 | 756.7 | 1.5 | 629.7 | 631.3 | 1.5 | (125.3) | (125.4) | (0.0) |
| Money held in trust | 2,776.7 | 3,696.9 | 920.1 | 2,795.9 | 3,773.4 | 977.4 | 19.2 | 76.5 | 57.2 |
| Domestic stocks ¹ | 1,431.5 | 2,115.4 | 683.9 | 1,445.6 | 2,115.2 | 669.6 | 14.1 | (0.1) | (14.2) |
| Foreign stocks ¹ | 303.3 | 489.5 | 186.1 | 305.0 | 529.5 | 224.4 | 1.7 | 40.0 | 38.3 |
| Foreign bonds ¹ | 742.7 | 779.9 | 37.2 | 744.5 | 808.2 | 63.7 | 1.7 | 28.2 | 26.4 |
| Other ² | 299.1 | 311.9 | 12.8 | 300.7 | 320.3 | 19.5 | 1.6 | 8.3 | 6.7 |

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)

| | 3 months ended Jun-20 | 3 months ended Jun-21 | Change | (Reference) Year ended Mar-21 |
|-------------------------------|--------------------------|--------------------------|--------|-------------------------------------|
| Operating expenses | 100.3 | 94.3 | (5.9) | 403.0 |
| Commissions ¹ | 49.9 | 45.0 | (4.8) | 198.1 |
| Sales Commissions | 14.4 | 8.1 | (6.3) | 42.2 |
| Maintenance Commissions | 35.5 | 36.9 | 1.4 | 155.8 |
| Contributions ² | 14.0 | 13.5 | (0.5) | 56.0 |
| Others | 36.3 | 35.7 | (0.6) | 148.8 |
| Other ordinary expenses | 25.8 | 27.0 | 1.2 | 100.4 |
| Depreciation and amortization | 15.2 | 15.0 | (0.1) | 59.3 |
| Operating expenses etc | 126.1 | 121.4 | (4.7) | 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 | Jun-21 | (¥bn) |
|---|---------|---------|--------|
| Contingency reserve | 1,611.3 | 1,625.1 | 13.7 |
| Postal Life Insurance category ¹ | 1,129.6 | 1,141.7 | 12.1 |
| New category | 481.6 | 483.3 | 1.6 |
| Price fluctuations reserve | 904.8 | 923.7 | 18.9 |
| Postal Life Insurance category | 655.1 | 664.1 | 9.0 |
| New category | 249.7 | 259.6 | 9.9 |
| Additional policy reserve | 5,858.0 | 5,798.9 | (59.0) |
| Postal Life Insurance category ¹ | 5,850.8 | 5,792.4 | (58.3) |
| New category | 7.1 | 6.5 | (0.6) |

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 | Jun-21 | (¥bn) |
|---------------------------------|-----------|-----------|-------|
| Solvency Margin Ratio | 1,121.2 % | 1,095.4 % | |
| Total amount of solvency margin | 6,216.2 | 6,030.1 | |
| Total amount of risk | 1,108.7 | 1,100.9 | |

Embedded Value

Breakdown of EV

| | | (¥bn) | | |
|----|-------------------------------------|---------|---------------------|-----------------------|
| | | Mar-21 | Jun-21 ¹ | Change |
| EV | | 4,026.2 | 3,771.1 | (255.0) ((6.3) %) |
| | Adjusted net worth | 2,376.8 | 2,032.8 | (343.9) ((14.5) %) |
| | Value of in- force covered business | 1,649.3 | 1,738.2 | + 88.9 (+ 5.4 %) |

Value of New Business

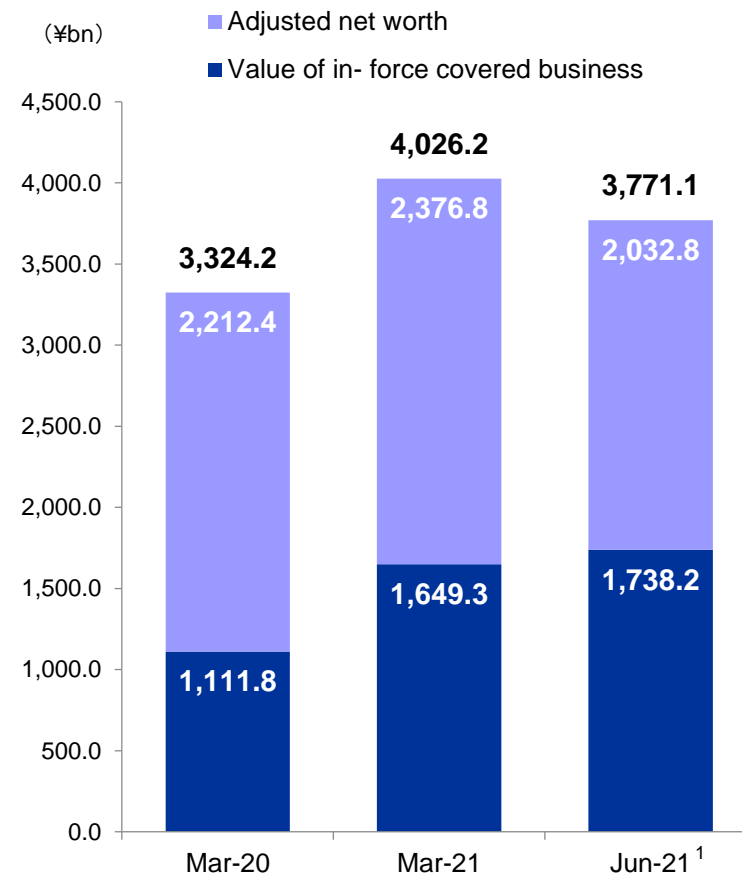
Value of new business as of 3 months ended Jun-21^{1,2} ¥ (2.6)bn

New business margin as of 3 months ended Jun-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 June 2021. The value of new business includes the increase or decrease due to switchover of riders, conditional cancellation and conversion.
3. The value of new business divided by the present value of future premium income

EV



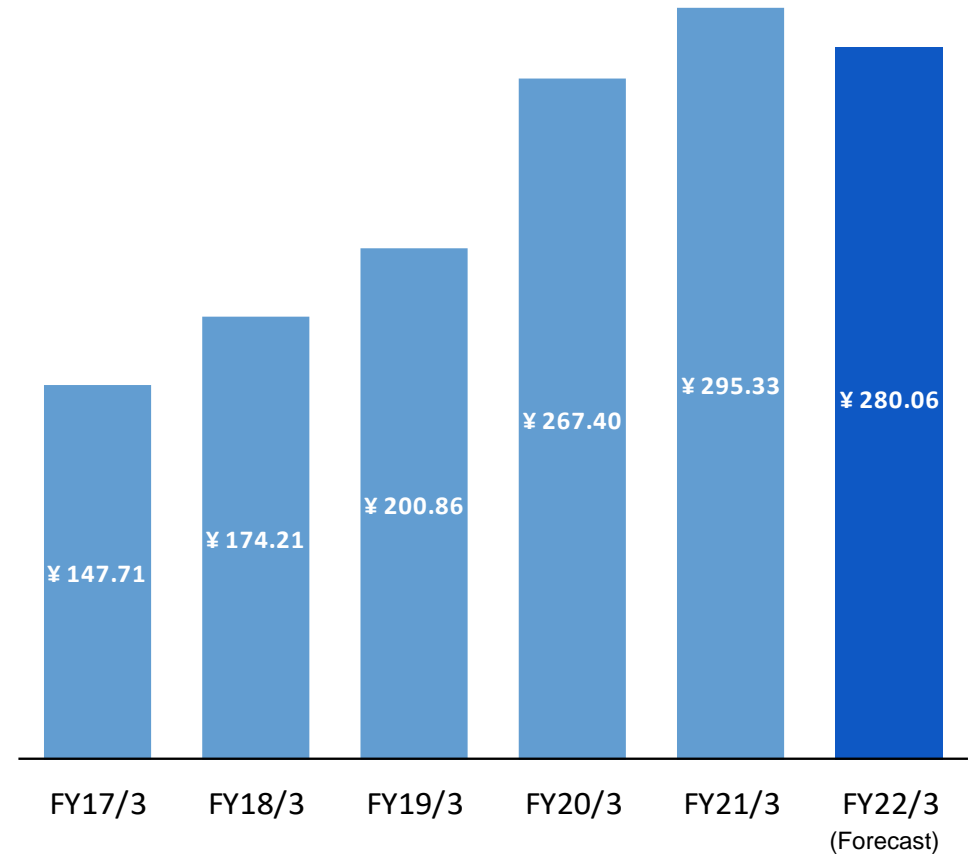
The Forecasts for Full-year Financial Results for the Year Ending March 31, 2022

Full-year Financial Results Forecast

(¥bn)

| | Year ending Mar-22 (forecasts) | 3 months ended Jun-21 | Achievement |
|-------------------------|--------------------------------------|--------------------------|-------------|
| Ordinary income | 6,380.0 | 1,665.1 | 26.1 % |
| Ordinary profit | 290.0 | 92.0 | 31.8 % |
| Net income ¹ | 118.0 | 41.2 | 34.9 % |
| Net income per share | ¥ 280.06 | ¥ 84.75 | |

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

Shareholder Return

(Payout Ratio)

40.6 %

39.0 %

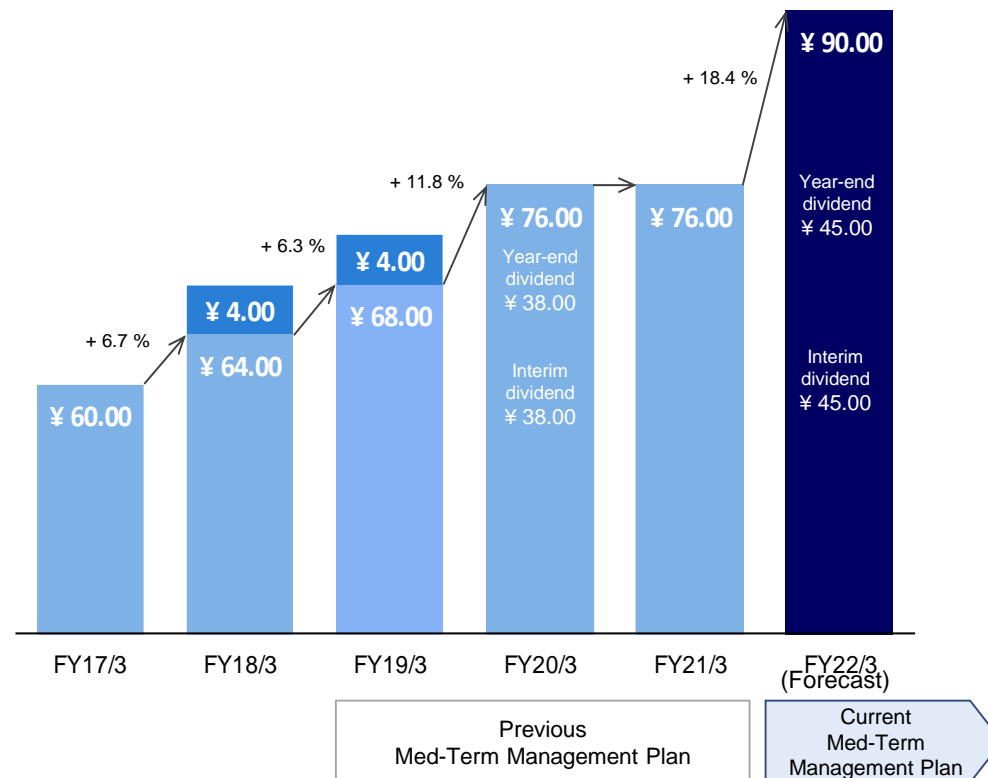
35.8 %

28.4 %

25.7 %

(Forecast)

32.1 %



APPENDIX

Overview of Balance Sheets

Overview of Balance Sheets

(¥bn)

| | Mar-21 | Jun-21 | Change | | Mar-21 | Jun-21 | Change |
|-------------------------|----------|----------|-----------|--|----------|----------|-----------|
| Total Assets | 70,172.9 | 68,829.5 | (1,343.4) | Total Liabilities | 67,331.5 | 66,253.3 | (1,078.1) |
| Cash and deposits | 1,335.0 | 863.2 | (471.7) | Policy reserves | 59,397.7 | 58,661.5 | (736.1) |
| Money held in trust | 4,189.2 | 4,306.9 | 117.6 | Contingency reserve | 1,611.3 | 1,625.1 | 13.7 |
| Securities | 55,273.6 | 54,935.8 | (337.7) | Additional policy reserve | 5,858.0 | 5,798.9 | (59.0) |
| Loans | 4,964.0 | 4,944.0 | (19.9) | Bonds payable | 300.0 | 300.0 | - |
| Tangible fixed assets | 105.3 | 104.8 | (0.5) | Reserve for price fluctuations | 904.8 | 923.7 | 18.9 |
| Intangible fixed assets | 113.4 | 103.5 | (9.8) | Net assets | 2,841.4 | 2,576.1 | (265.3) |
| Deferred tax assets | 904.1 | 878.8 | (25.2) | Total shareholders' equity | 1,806.0 | 1,445.6 | (360.4) |
| | | | | Capital stock | 500.0 | 500.0 | - |
| | | | | Capital surplus | 405.0 | 405.0 | - |
| | | | | Retained earnings | 901.3 | 899.8 | (1.5) |
| | | | | Treasury stock ¹ | (0.3) | (359.2) | (358.8) |
| | | | | Total accumulated other comprehensive income | 1,035.4 | 1,130.5 | 95.1 |

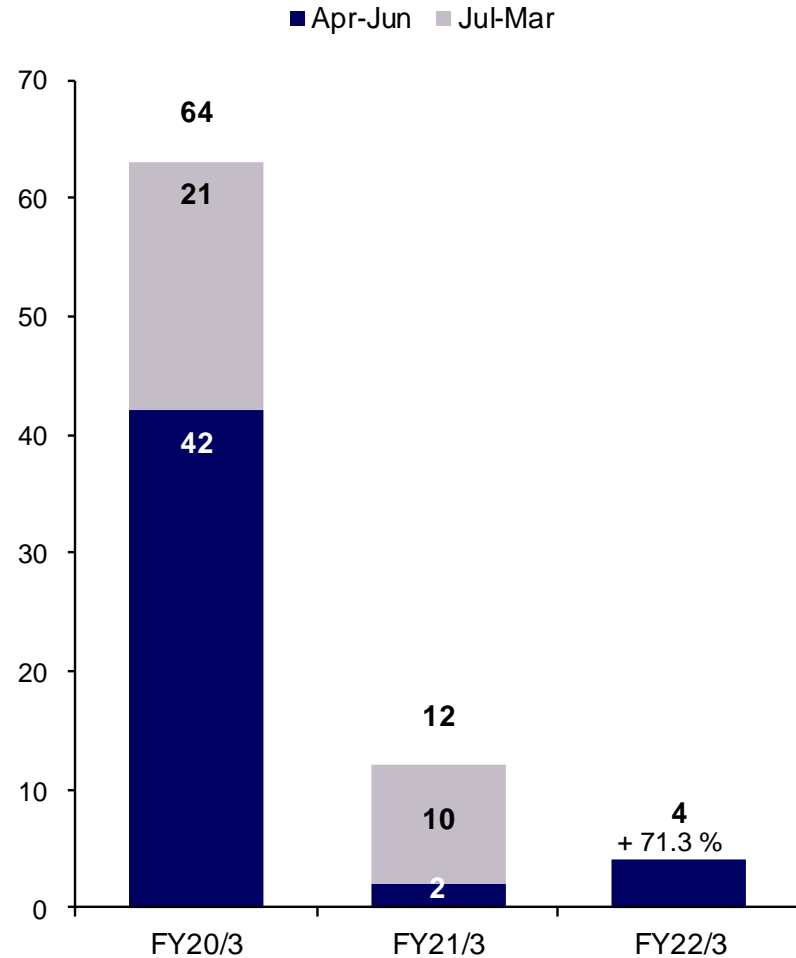
Note: Only major line items are shown.

1. The meeting of the Board of Directors held on July 28, 2021, had resolved to cancel the Company's treasury stock. The scheduled date of the cancellation is August 20, 2021

Policy Sales

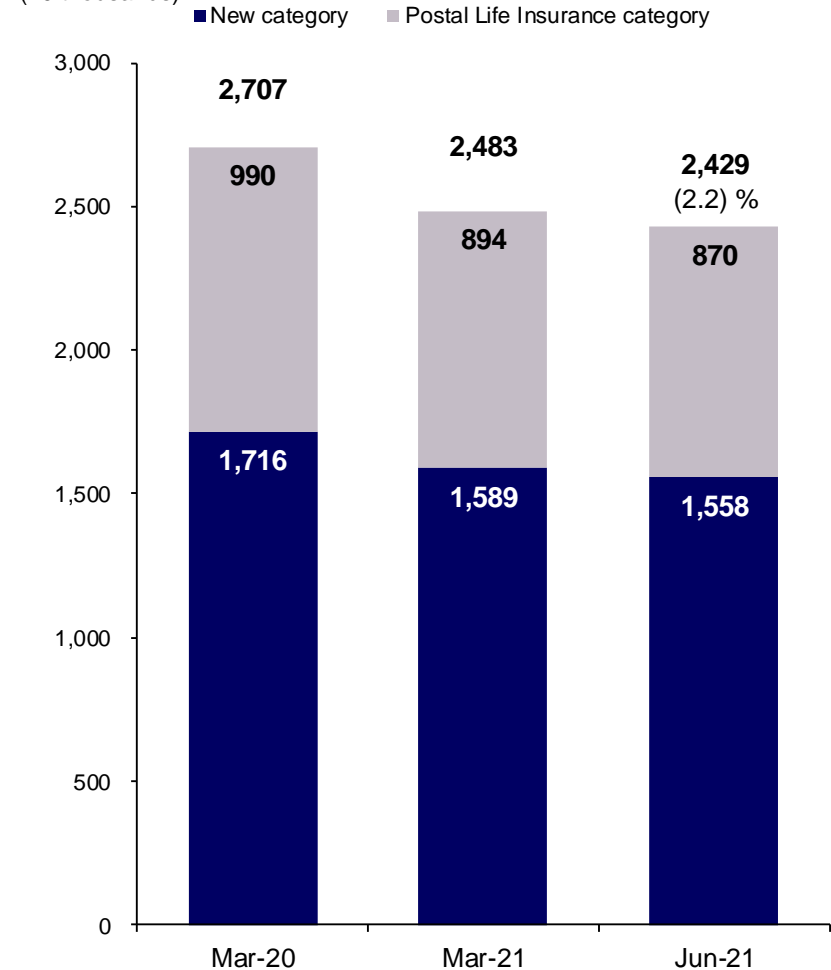
Number of New Policies (Individual Insurance)

(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)

| | 3 months ended Jun-20 | | 3 months ended Jun-21 | |
|--|-----------------------|---------|-----------------------|---------|
| | Number of policies | Share | Number of policies | Share |
| Individual insurance | 2 | 100.0 % | 4 | 100.0 % |
| Endowment insurance | 1 | 75.0 % | 3 | 78.1 % |
| Ordinary endowment insurance | 1 | 56.6 % | 2 | 59.7 % |
| Ordinary endowment insurance (with a relaxed underwriting criteria) | 0 | 0.9 % | 0 | 1.2 % |
| Special endowment insurance ¹ | 0 | 17.5 % | 0 | 17.2 % |
| Whole life insurance | 0 | 9.3 % | 0 | 9.3 % |
| Ordinary whole life insurance (Fixed amount type) | 0 | 1.9 % | 0 | 2.0 % |
| Ordinary whole life insurance (with a relaxed underwriting criteria) | 0 | 0.4 % | 0 | 0.5 % |
| Ordinary whole life insurance (Increased amount type) | 0 | 5.5 % | 0 | 4.9 % |
| Special whole life insurance | 0 | 1.5 % | 0 | 1.9 % |
| Educational endowment insurance | 0 | 15.5 % | 0 | 11.6 % |
| Other insurance | 0 | 0.2 % | 0 | 1.0 % |

Note1 : Only major products are shown.

Note2 : 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 | | Jun-21 | |
|--|--------------------|---------|--------------------|---------|
| | Number of policies | Share | Number of policies | Share |
| Individual insurance | 2,483 | 100.0 % | 2,429 | 100.0 % |
| Endowment insurance | 906 | 36.5 % | 872 | 35.9 % |
| Ordinary endowment insurance | 582 | 23.5 % | 562 | 23.2 % |
| Ordinary endowment insurance (with a relaxed underwriting criteria) | 3 | 0.1 % | 3 | 0.1 % |
| Special endowment insurance ¹ | 318 | 12.8 % | 304 | 12.6 % |
| Whole life insurance | 1,206 | 48.6 % | 1,193 | 49.1 % |
| Ordinary whole life insurance (Fixed amount type) | 372 | 15.0 % | 367 | 15.1 % |
| 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 % | 259 | 10.7 % |
| Special whole life insurance | 565 | 22.8 % | 560 | 23.1 % |
| Educational endowment insurance | 357 | 14.4 % | 350 | 14.4 % |
| Other insurance | 12 | 0.5 % | 12 | 0.5 % |

Quarterly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)

(¥bn)

| | FY19/3 | FY20/3 | FY21/3 | FY22/3 | |
|--------------|--------------|--------------|-------------|-------------|----------|
| 1Q | 94.6 | 93.5 | 6.0 | 11.6 | + 93.0 % |
| 2Q | 89.8 | 38.0 | 9.0 | — | |
| 3Q | 89.1 | 12.2 | 7.2 | — | |
| 4Q | 77.6 | 3.0 | 8.3 | — | |
| Total | 351.3 | 146.9 | 30.6 | 11.6 | |

Annualized Premiums from New Policies (Medical Care)

(¥bn)

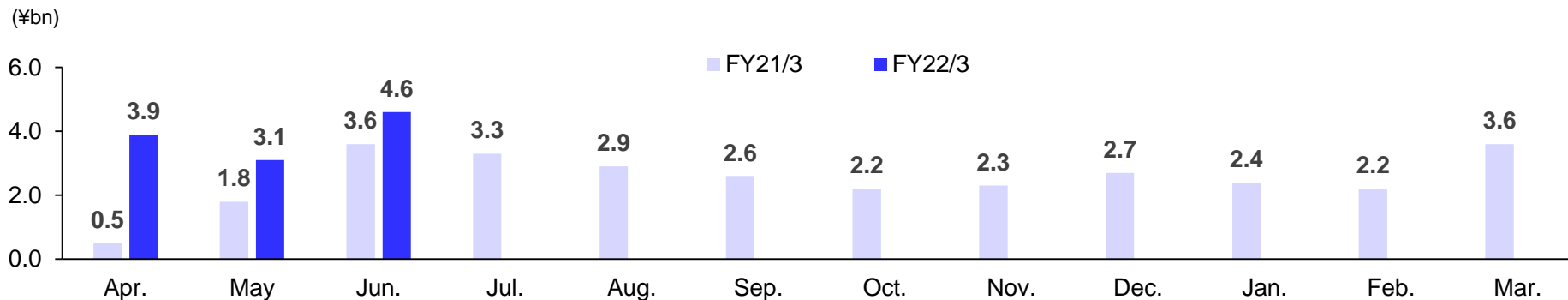
| | FY19/3 | FY20/3 | FY21/3 | FY22/3 | |
|--------------|-------------|-------------|------------|------------|----------|
| 1Q | 17.0 | 16.6 | 0.2 | 0.4 | + 72.8 % |
| 2Q | 16.0 | 4.4 | 0.4 | — | |
| 3Q | 15.6 | 0.8 | 0.3 | — | |
| 4Q | 12.9 | 0.1 | 0.4 | — | |
| Total | 61.6 | 22.1 | 1.4 | 0.4 | |

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.

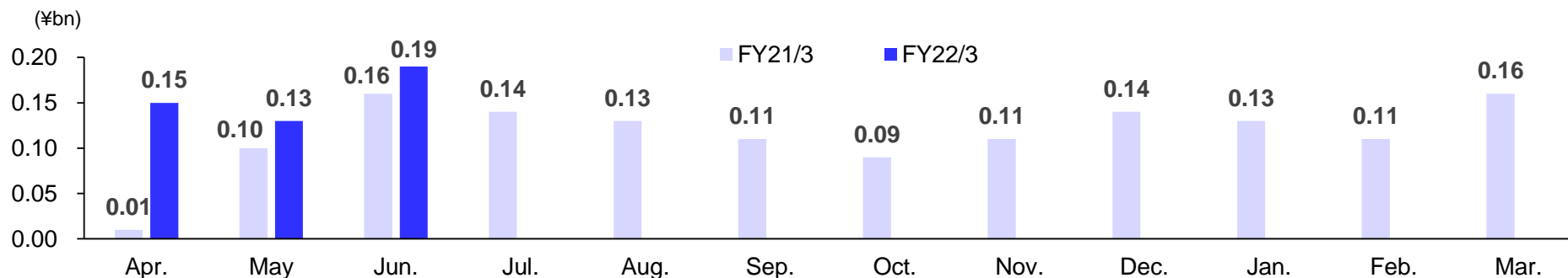
Note2 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

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 % | — | — | — | — | — | — | — | — | — |

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

(¥bn)

| | 3 months ended Jun-20 | 3 months ended Jun-21 | (Reference) Year ended Mar-21 |
|--|-----------------------|-----------------------|-------------------------------|
| Investment income | 260.7 | 280.9 | 1,121.6 |
| Interest, dividends and other income | 254.6 | 252.4 | 1,004.6 |
| Interest on deposits | 0.0 | 0.0 | 0.0 |
| Interest and dividends on securities | 226.8 | 228.8 | 898.4 |
| Interest on corporate and government bonds | 184.0 | 180.5 | 733.2 |
| Domestic stock dividends | 0.2 | 0.8 | 8.2 |
| Interest and dividends on foreign securities | 29.5 | 37.5 | 115.8 |
| Others | 13.0 | 9.8 | 41.0 |
| Interest on loans | 3.3 | 3.4 | 13.3 |
| Interest on loans to the Management Organization | 22.7 | 19.0 | 86.9 |
| Rent revenue from real estate | - | - | - |
| Interest and dividends on others | 1.6 | 1.1 | 5.9 |

Capital gains(losses)

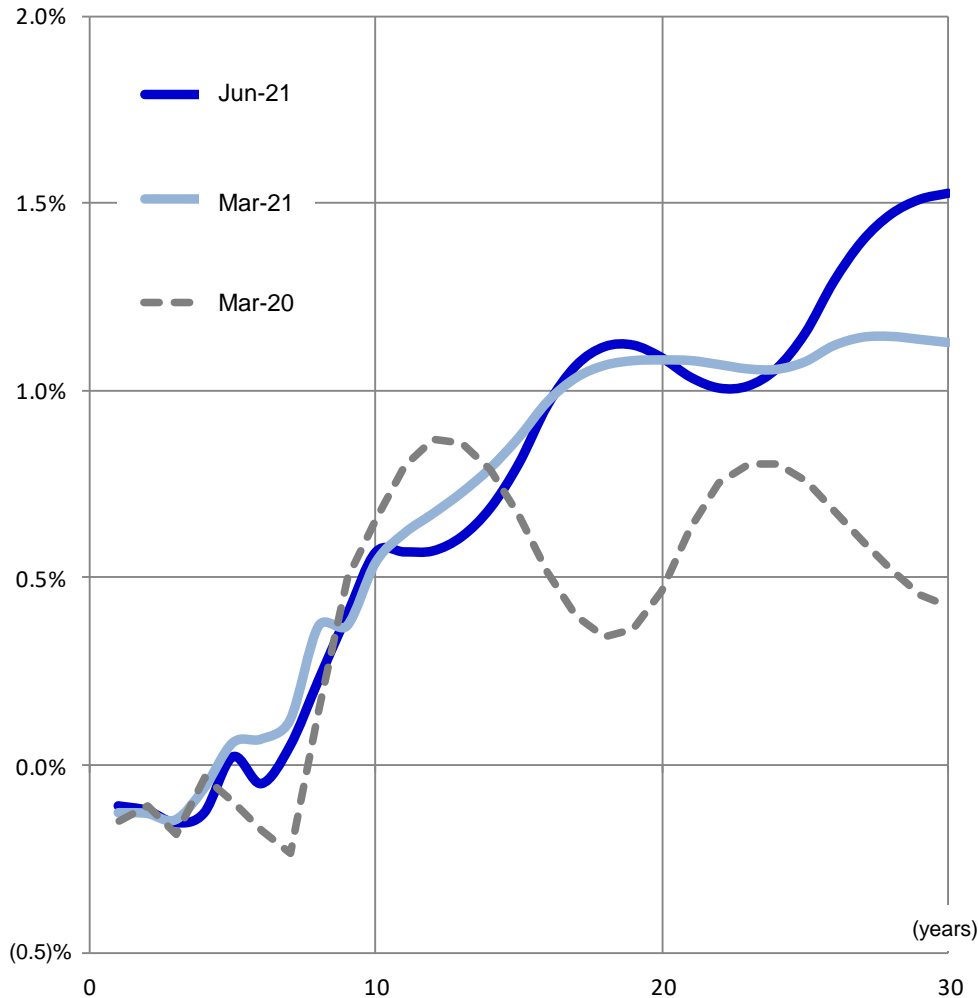
(¥bn)

| | 3 months ended Jun-20 | 3 months ended Jun-21 | (Reference) Year ended Mar-21 |
|--|-----------------------|-----------------------|-------------------------------|
| Capital gains | 5.7 | 28.2 | 115.7 |
| Gains on money held in trust | - | 25.9 | 87.5 |
| Gains on sales of securities | 5.7 | 2.3 | 20.4 |
| Gains on derivative financial instruments | - | - | - |
| Gains on foreign exchanges | - | 0.0 | 7.7 |
| Other capital gains | - | - | - |
| Capital losses | (44.0) | (25.3) | (132.8) |
| Losses on money held in trust | (15.0) | - | - |
| Losses on sales of securities | (8.9) | (7.8) | (32.7) |
| Losses on valuation of securities | - | - | - |
| Losses on derivative financial instruments | (10.0) | (2.3) | (21.6) |
| Losses on foreign exchanges | (0.2) | - | - |
| Other capital losses ¹ | (9.6) | (15.1) | (78.4) |
| Net Capital gains(losses) | (38.2) | 2.9 | (17.1) |

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-19 to Mar-21)



Forward Rate

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

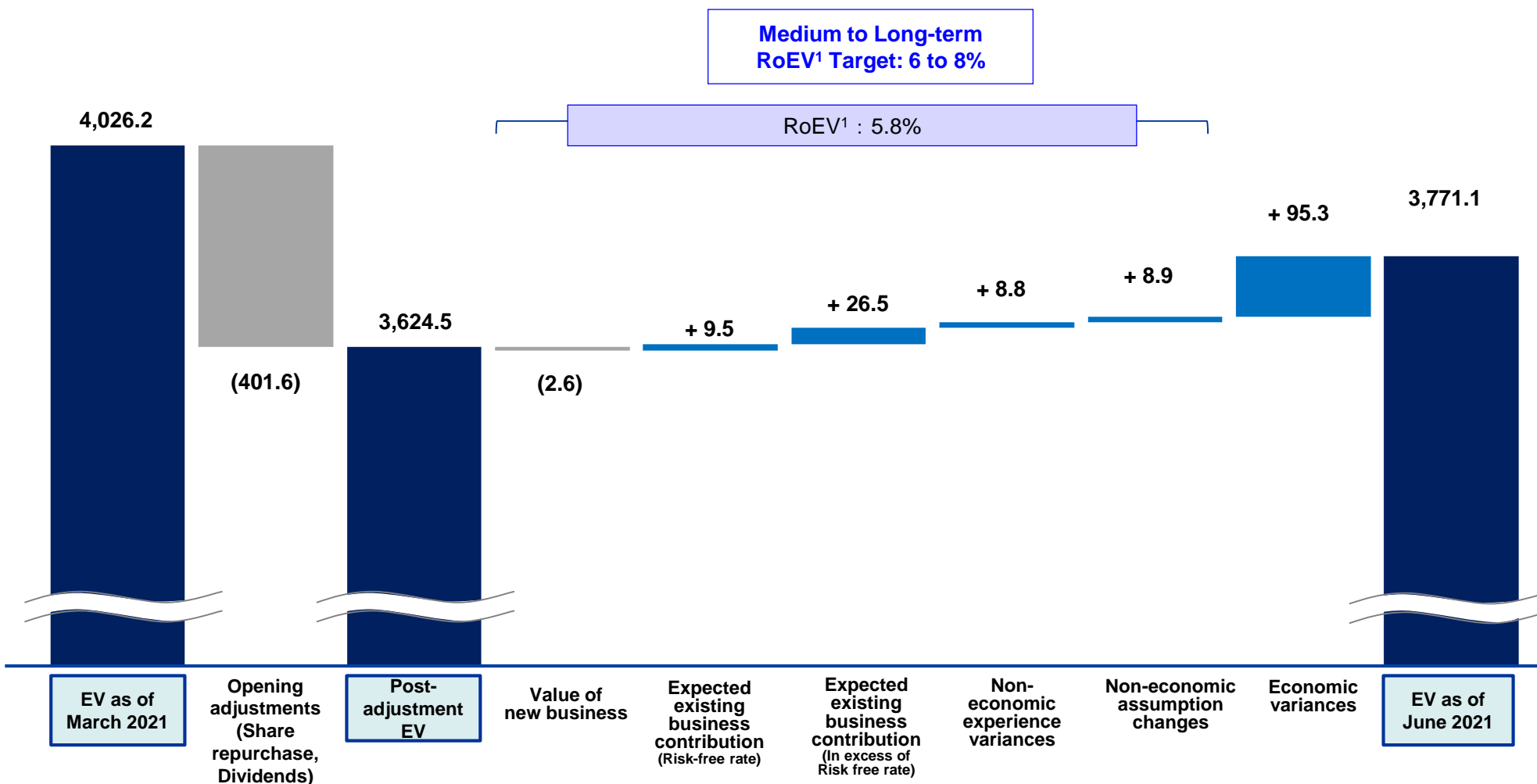
Note: The economic assumptions used for the calculation of EV and the value of new business are as follows:

EV as of March 31, 2021 : ①
 Value of new business for FY22/3 1Q: ②
 EV as of June 30, 2021 : ②

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

(¥bn)



1. Calculated by excluding economic variance factors

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

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

(¥bn)

| | FY18/3 | | FY19/3 | | FY20/3 | | FY21/3 | | FY21/3 1Q | | FY22/3 1Q | |
|---|---------|-------------|---------|-------------|---------|-------------|---------|-------------|-----------|-------------|-----------|-------------|
| | 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 | 904.3 | 799.5 | 888.5 | 777.6 |
| Insurance premiums and others | 3,481.2 | 755.2 | 3,369.5 | 590.3 | 2,786.3 | 459.1 | 2,333.7 | 364.1 | 615.3 | 97.4 | 566.9 | 77.0 |
| Investment income ¹ | 454.6 | 830.3 | 440.1 | 764.3 | 441.2 | 696.5 | 448.4 | 673.6 | 109.4 | 151.2 | 119.2 | 161.8 |
| Other ordinary income ¹ | 3.0 | 3,903.7 | 4.9 | 3,019.8 | 354.9 | 2,503.0 | 809.7 | 2,156.8 | 179.5 | 550.8 | 202.3 | 538.6 |
| 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 | 841.1 | 793.2 | 819.2 | 755.2 |
| 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 | 724.5 | 737.4 | 722.3 | 715.4 |
| Provision for policy reserves and others ¹ | 1,474.7 | - | 272.5 | - | 29.9 | - | 0.0 | - | 7.5 | - | 0.9 | - |
| Investment expenses ¹ | 78.5 | 27.9 | 99.1 | 46.8 | 85.7 | 38.2 | 59.5 | 11.7 | 21.9 | 16.3 | 12.4 | 1.5 |
| Operating expenses | 372.8 | 159.9 | 376.2 | 142.1 | 336.3 | 135.8 | 275.4 | 126.6 | 69.3 | 30.8 | 64.5 | 29.7 |
| Other ordinary expenses | 75.2 | 39.8 | 77.7 | 40.4 | 94.2 | 42.7 | 68.9 | 33.2 | 17.7 | 8.5 | 18.9 | 8.5 |
| Ordinary profit | 171.7 | 137.0 | 151.1 | 113.9 | 194.3 | 92.4 | 262.5 | 82.4 | 63.2 | 6.3 | 69.3 | 22.3 |
| Extraordinary gains and losses ² | (27.2) | (17.0) | 13.8 | 3.6 | 9.3 | 29.8 | (23.6) | (23.1) | 3.2 | 19.0 | (9.9) | (9.0) |
| Provision for reserve for policyholder dividends | 21.6 | 96.1 | 19.6 | 92.1 | 15.4 | 93.7 | 18.7 | 46.7 | 4.7 | 15.6 | 4.5 | 10.8 |
| Income before income taxes | 122.9 | 23.8 | 145.3 | 25.5 | 188.2 | 28.5 | 220.2 | 12.6 | 61.8 | 9.7 | 54.8 | 2.4 |
| Total income taxes | 35.4 | 6.9 | 41.1 | 8.7 | 54.9 | 10.7 | 61.1 | 6.0 | 17.8 | 7.2 | 15.4 | 1.0 |
| Net income | 87.4 | 16.8 | 104.1 | 16.7 | 133.3 | 17.8 | 159.0 | 6.5 | 43.9 | 2.4 | 39.4 | 1.4 |

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 1Q, ¥ 0.9billion was added to "Reversal of reserve for outstanding claims," under "Other ordinary income," and to "Provision for policy reserves and others," under "Ordinary 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 1Q | FY22/3 1Q |
|--|-------|------------|------------|------------|------------|------------|------------|
| Total assets | ¥mn | 76,832,508 | 73,904,576 | 71,667,398 | 70,173,857 | 70,802,041 | 68,828,822 |
| Postal Life Insurance category | | 46,684,937 | 41,354,076 | 39,225,493 | 37,815,270 | 38,747,781 | 37,213,149 |
| New category | | 30,147,570 | 32,550,500 | 32,441,904 | 32,358,586 | 32,054,260 | 31,615,672 |
| Number of policies in force | (000) | 30,405 | 29,143 | 27,070 | 24,837 | 26,477 | 24,292 |
| Postal Life Insurance category (insurance) | | 12,484 | 11,048 | 9,907 | 8,944 | 9,668 | 8,706 |
| New category (individual insurance) | | 17,921 | 18,095 | 17,163 | 15,893 | 16,808 | 15,586 |
| Insurance premiums and others | ¥mn | 4,236,461 | 3,959,928 | 3,245,541 | 2,697,936 | 712,835 | 644,021 |
| Postal Life Insurance category | | 755,221 | 590,340 | 459,151 | 364,196 | 97,476 | 77,073 |
| New category | | 3,481,240 | 3,369,588 | 2,786,389 | 2,333,740 | 615,359 | 566,947 |
| Ordinary profit | ¥mn | 308,845 | 265,143 | 286,829 | 345,022 | 69,590 | 91,667 |
| Postal Life Insurance category | | 137,074 | 113,981 | 92,490 | 82,454 | 6,342 | 22,348 |
| New category | | 171,771 | 151,162 | 194,338 | 262,568 | 63,247 | 69,319 |
| Net income | ¥mn | 104,309 | 120,958 | 151,132 | 165,586 | 46,473 | 40,891 |
| Postal Life Insurance category | | 16,878 | 16,763 | 17,806 | 6,566 | 2,493 | 1,434 |
| New category | | 87,430 | 104,195 | 133,325 | 159,020 | 43,980 | 39,456 |
| Contingency reserve (reversal) provision | ¥mn | (139,678) | (151,592) | (165,388) | (186,023) | 2,619 | 13,788 |
| Postal Life Insurance category | | (173,722) | (173,590) | (170,814) | (191,014) | 1,457 | 12,128 |
| New category | | 34,043 | 21,997 | 5,425 | 4,991 | 1,161 | 1,660 |
| Price fluctuations reserve (reversal) provision | ¥mn | 128,031 | (19,251) | (39,152) | 46,477 | (22,397) | 18,923 |
| Postal Life Insurance category | | 17,090 | (3,686) | (29,845) | 23,121 | (19,084) | 9,001 |
| New category | | 110,940 | (15,564) | (9,306) | 23,355 | (3,313) | 9,922 |
| Additional policy reserve (reversal) provision | ¥mn | (30,648) | (50,292) | (49,750) | 27,652 | (53,477) | (59,045) |
| Postal Life Insurance category | | (47,674) | (46,698) | (46,396) | 30,553 | (52,695) | (58,393) |
| New category | | 17,025 | (3,594) | (3,354) | (2,901) | (781) | (651) |

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 1Q | FY22/3 1Q |
|---|----------|----------|----------|----------|-----------|-----------|
| Insurance premiums and others | 4,236.4 | 3,959.9 | 3,245.5 | 2,697.9 | 712.8 | 644.0 |
| Ordinary profit | 309.2 | 264.8 | 286.6 | 345.7 | 69.9 | 92.0 |
| Provision for reserve for policyholder dividends | 117.7 | 111.8 | 109.2 | 65.4 | 20.4 | 15.4 |
| Net income | 104.4 | 120.4 | 150.6 | 166.1 | 46.7 | 41.2 |
| Net assets | 2,003.1 | 2,135.1 | 1,928.3 | 2,841.4 | 2,353.8 | 2,576.1 |
| Total assets | 76,831.2 | 73,905.0 | 71,664.7 | 70,172.9 | 70,801.8 | 68,829.5 |
| Return on equity | 5.4 % | 5.8 % | 7.4 % | 7.0 % | - | - |
| RoEV ¹ | 9.9 % | 8.6 % | (2.8) % | 5.0 % | 4.2 % | 5.8 % |
| 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 | 3,608.5 | 3,771.1 |
| Value of New Business | 226.7 | 223.8 | 60.6 | (12.7) | (1.1) | (2.6) |
| Core profit (Non-consolidated) | 386.1 | 377.1 | 400.6 | 421.9 | 110.4 | 102.5 |
| Core profit attributable to life insurance activities | 320.3 | 318.7 | 320.1 | 345.6 | 103.8 | 80.3 |
| Spread (positive/negative spread) | 65.8 | 58.4 | 80.4 | 76.3 | 6.6 | 22.1 |

1. Calculated by excluding economic variance factors.

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