

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year ended March 31, 2019	Yen -	Yen 0.00	Yen -	Yen 72.00	Yen 72.00
Fiscal year ending March 31, 2020	-	38.00			
Fiscal year ending March 31, 2020 (Forecast)			-	38.00	76.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,180,000	(9.3)	270,000	1.9	134,000	11.2	237.79

Notes: 1. Revisions to the most recently announced financial results forecast: Yes

2. For details on revisions to the consolidated financial results forecast, please refer to “Notice Regarding Revisions to the Full-Year Consolidated Financial Results Forecast” released on November 14, 2019.

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (3) Total number of shares issued (common stock)
- 1) Total number of shares issued at the end of the period:
 - September 30, 2019: 562,600,000 shares
 - March 31, 2019: 600,000,000 shares
 - 2) Total number of treasury stock at the end of the period:
 - September 30, 2019: 187,600 shares
 - March 31, 2019: 191,400 shares
 - 3) Average number of shares during the period:
 - Six months ended September 30, 2019: 564,646,908 shares
 - Six months ended September 30, 2018: 599,807,689 shares

(Note) Total number of treasury stock at the end of the period includes shares of the Company held in the Board Benefit Trust (BBT), namely 176,500 shares as of September 30, 2019, and 191,400 shares as of March 31, 2019.

The average number of treasury stock held in the BBT (178,524 shares for the six months ended September 30, 2019 and 192,310 shares for the six months ended September 30, 2018) was deducted from the calculation of the average number of shares during the six months ended September 30, 2019 and 2018.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Six Months Ended September 30, 2019 (April 1, 2019 to September 30, 2019)

(1) Non-Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Six months ended September 30, 2019	3,661,331	(6.1)	141,945	(12.1)	76,865	11.7
Six months ended September 30, 2018	3,898,358	(3.9)	161,529	(4.2)	68,797	34.4

	Net income per share
	Yen
Six months ended September 30, 2019	136.13
Six months ended September 30, 2018	114.70

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2019	73,036,599	2,238,300	3.1
As of March 31, 2019	73,904,576	2,132,564	2.9

Net assets attributable to the Company's shareholders as of September 30, 2019 and March 31, 2019 were ¥2,238,300 million and ¥2,132,564 million, respectively.

* The summary of interim consolidated financial results is outside the scope of the interim audit by certified public accountants or audit corporations.

* Explanation on the appropriate use of financial results forecasts, and other notes

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Please note that actual results may differ from the forecast figures due to various factors including changes in the operating environment.

Table of Contents of Appendix

1. Unaudited Consolidated Financial Statements and Principal Notes.....	2
(1) Consolidated Balance Sheets	2
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	3
(3) Consolidated Statements of Changes in Net Assets	5
(4) Notes to the Consolidated Financial Statements	7
(Notes on Going-Concern Assumption)	7
(Additional Information)	7

* The Company has prepared supplementary briefing materials, etc. in relation to financial information, which can be viewed on the Company's website.

1. Unaudited Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of September 30, 2019
ASSETS:		
Cash and deposits	917,708	1,313,212
Call loans	150,000	150,000
Receivables under securities borrowing transactions	2,792,202	3,090,219
Monetary claims bought	354,958	454,434
Money held in trust	2,787,555	2,974,161
Securities	58,451,581	57,451,399
Loans	6,786,074	6,052,395
Tangible fixed assets	108,422	111,690
Intangible fixed assets	153,271	146,425
Agency accounts receivable	21,960	35,210
Reinsurance receivables	3,872	3,964
Other assets	355,776	261,434
Deferred tax assets	1,022,091	990,088
Reserve for possible loan losses	(459)	(450)
Total assets	73,905,017	73,034,186
LIABILITIES:		
Policy reserves and others	67,093,751	65,767,202
Reserve for outstanding claims	519,568	444,169
Policy reserves	65,060,549	63,851,184
Reserve for policyholder dividends	1,513,634	1,471,848
Reinsurance payables	6,470	6,601
Bonds payable	100,000	100,000
Payables under securities lending transactions	3,422,810	3,801,914
Other liabilities	183,889	178,880
Liability for retirement benefits	65,262	67,429
Reserve for management board benefit trust	203	192
Reserve under the special law	897,492	871,855
Reserve for price fluctuations	897,492	871,855
Total liabilities	71,769,880	70,794,077
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	500,044	405,044
Retained earnings	675,526	703,668
Treasury stock	(450)	(445)
Total shareholders' equity	1,675,120	1,608,267
Net unrealized gains (losses) on available-for-sale securities	456,694	628,728
Net deferred gains (losses) on hedges	33	34
Accumulated adjustments for retirement benefits	3,289	3,077
Total accumulated other comprehensive income	460,017	631,841
Total net assets	2,135,137	2,240,109
Total liabilities and net assets	73,905,017	73,034,186

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

Consolidated Statements of Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
ORDINARY INCOME	3,898,358	3,661,332
Insurance premiums and others	2,040,437	1,801,184
Investment income	618,001	574,092
Interest and dividend income	553,912	534,099
Gains on money held in trust	46,341	16,981
Gains on sales of securities	17,577	22,712
Gains on redemption of securities	114	247
Reversal of reserve for possible loan losses	9	8
Other investment income	46	42
Other ordinary income	1,239,919	1,286,056
Reversal of reserve for outstanding claims	23,241	75,398
Reversal of policy reserves	1,213,484	1,209,364
Other ordinary income	3,192	1,293
ORDINARY EXPENSES	3,736,758	3,519,828
Insurance claims and others	3,356,240	3,143,881
Insurance claims	2,678,839	2,492,681
Annuity payments	198,563	200,137
Benefits	40,061	50,934
Surrender benefits	312,459	300,155
Other refunds	114,861	88,040
Reinsurance premiums	11,455	11,931
Provision for policy reserves and others	3	4
Provision for interest on policyholder dividends	3	4
Investment expenses	65,410	67,090
Interest expenses	444	998
Losses on sales of securities	30,454	16,586
Losses on redemption of securities	2,619	2,990
Losses on derivative financial instruments	29,911	42,759
Losses on foreign exchanges	569	2,163
Other investment expenses	1,411	1,591
Operating expenses	257,003	253,533
Other ordinary expenses	58,101	55,318
Ordinary profit	161,600	141,504
EXTRAORDINARY GAINS	-	26,031
Gains on sales of fixed assets	-	393
Reversal of reserve for price fluctuations	-	25,637
EXTRAORDINARY LOSSES	2,063	209
Losses on sales and disposal of fixed assets	129	209
Provision for reserve for price fluctuations	1,933	-
Provision for reserve for policyholder dividends	63,451	54,558
Income before income taxes	96,085	112,766
Income taxes - Current	74,106	71,282
Income taxes - Deferred	(46,757)	(34,827)
Total income taxes	27,348	36,454
Net income	68,737	76,312
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	68,737	76,312

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net income	68,737	76,312
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	3,316	172,034
Net deferred gains (losses) on hedges	(12)	1
Adjustments for retirement benefits	(213)	(211)
Total other comprehensive income (loss)	3,090	171,823
Comprehensive income (loss)	71,827	248,136
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	71,827	248,136
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Six months ended September 30, 2018 (From April 1, 2018 to September 30, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	595,846	(466)	1,595,424
Changes in the period					
Cash dividends			(40,800)		(40,800)
Net income attributable to Japan Post Insurance			68,737		68,737
Disposals of treasury stock				15	15
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	-	27,937	15	27,952
Balance at the end of the period	500,000	500,044	623,783	(450)	1,623,376

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	403,913	32	3,755	407,701	2,003,126
Changes in the period					
Cash dividends					(40,800)
Net income attributable to Japan Post Insurance					68,737
Disposals of treasury stock					15
Net changes in items other than shareholders' equity in the period	3,316	(12)	(213)	3,090	3,090
Net changes in the period	3,316	(12)	(213)	3,090	31,043
Balance at the end of the period	407,230	20	3,542	410,792	2,034,169

Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	675,526	(450)	1,675,120
Changes in the period					
Cash dividends			(43,200)		(43,200)
Net income attributable to Japan Post Insurance			76,312		76,312
Purchases of treasury stock				(99,999)	(99,999)
Disposals of treasury stock				35	35
Cancellation of treasury stock		(99,970)		99,970	-
Transfer from retained earnings to capital surplus		4,970	(4,970)		-
Net changes in items other than shareholders' equity in the period					
Net changes in the period	-	(95,000)	28,142	5	(66,852)
Balance at the end of the period	500,000	405,044	703,668	(445)	1,608,267

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	456,694	33	3,289	460,017	2,135,137
Changes in the period					
Cash dividends					(43,200)
Net income attributable to Japan Post Insurance					76,312
Purchases of treasury stock					(99,999)
Disposals of treasury stock					35
Cancellation of treasury stocks					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity in the period	172,034	1	(211)	171,823	171,823
Net changes in the period	172,034	1	(211)	171,823	104,971
Balance at the end of the period	628,728	34	3,077	631,841	2,240,109

(4) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Additional Information)

The Company promotes thoroughgoing customer-first business operation as one of its critical management priorities. However, following the internal investigation into the handling of customers' revision of their insurance coverage, it was discovered that in some cases, such revision was carried out in a manner that may have caused disadvantages to customers, not in line with their intentions. As a result, the Company decided to further investigate the policies issued by the Company. The Company is conducting the investigation in an appropriate manner by providing explanations to and receiving advice from the Special Investigative Committee composed of neutral and fair external experts, regarding the methods for confirming customers' intentions as well as for analyzing the information obtained.

In the six months ended September 30, 2019, the Company individually made contact with customers identifiable as those likely to have suffered disadvantages not in line with their intentions (including cases in which the previous policy was cancelled but the new policy underwriting was declined), and managed to confirm the circumstances at the time of contract and their intentions, with some of them requesting detailed explanations on policy reinstatement and relevant matters. To all other policyholders, the Company has sent notification documents with reply cards asking them to reconfirm their intentions and let it know of any points the Company should be aware of. The Company will carry out investigations based on the results of the reconfirmation.

Referring to the impact of these measures on its financial results, for the cases identifiable as those likely to have caused disadvantages to customers not in line with their intentions, a provision of ¥1,084 million has been recorded under other liabilities, which is equivalent to the amounts of refund of premiums or payments of insurance claims and others that are reasonably estimated to be payable in the future by the Company to the customers concerned due to the reinstatement of policies and other actions, based on the progress of the investigation as of the end of the six months ended September 30, 2019.

Of all the cases identifiable as those likely to have caused disadvantages to customers not in line with their intentions, as for other cases than the aforementioned, the Company is in the process of calculating the adjustments necessary for the reinstatement of policies, along with explanations of related details. For such cases, the impact from the implementation of these measures are not reflected in the interim consolidated financial statements for the six months ended September 30, 2019, as it is difficult to reasonably estimate the expenses to be incurred in the future at the end of the six months ended September 30, 2019 due to the necessity for it to specifically confirm customers' individual intentions including the reinstatement of their policies, as well as the necessity for it to carry out follow-up investigations into individual cases in the investigation of all insurance policies, based on the contents of their replies and inquiries it receives. However, such impact may materialize in the future financial periods depending on the progress in the implementation of these measures.