

Kampo

**Outline of Financial Results for
the Six Months Ended September 30, 2019**

November 14, 2019

 **JAPAN POST INSURANCE**

Summary of Financial Results

	6months ended Sep-19	Year on Year	
Net income	¥ 76.3bn	+ 11.0 %	<ul style="list-style-type: none"> ➤ Net income was ¥ 76.3billion (an 11.0% increase year on year).
Annualized premiums from New policies	(Individual Insurance) ¥ 131.6bn	(28.7) %	<ul style="list-style-type: none"> ➤ Annualized premiums from new policies for individual insurance were ¥ 131.6billion, a 28.7% decrease year on year. ➤ Annualized premiums from new policies for medical care were ¥ 21.1billion, a 36.1% decrease year on year. ➤ New policy sales results for the current period were influenced by refraining from proactive sales proposal from mid-July.
	(Medical Care) ¥ 21.1bn	(36.1) %	
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 4,555.8bn	(2.6) %	<ul style="list-style-type: none"> ➤ Annualized premiums from policies in force for individual insurance were ¥ 4,555.8billion, a 2.6% decrease from the end of the previous fiscal year. ➤ Annualized premiums from policies in force for medical care were ¥ 744.3billion, a 1.2% decrease from the end of the previous fiscal year.
	(Medical Care) ¥ 744.3bn	(1.2) %	
Return seeking assets	¥ 10,119.1bn	(1.0) %	<ul style="list-style-type: none"> ➤ Amounts of return seeking assets (foreign securities etc.) were ¥ 10,119.1billion, a 1.0% decrease from the end of the previous fiscal year. ➤ The ratio of return seeking assets to total assets was 13.9%.
Solvency Margin Ratio	1,189.5 %	(0.3) points	<ul style="list-style-type: none"> ➤ The solvency margin ratio was 1,189.5%, a 0.3 points decrease from the end of the previous fiscal year.

Financial Highlights

Financial Highlights

(¥bn)

	6 months ended Sep-18	6 months ended Sep-19	Year on year
Ordinary income	3,898.3	3,661.3	(6.1) %
Ordinary profit	161.6	141.5	(12.4) %
Net income ¹	68.7	76.3	+ 11.0 %
Net income per share	¥ 114.60	¥ 135.15	+ ¥ 20.55

(¥bn)

	Mar-19	Sep-19	Change
Total assets	73,905.0	73,034.1	(1.2) %
Net assets	2,135.1	2,240.1	+ 4.9 %
Total shareholders' equity	1,675.1	1,608.2	(4.0) %

1. Net income attributable to Japan Post Insurance.

Comparison with Forecasts

(¥bn)

Year ending Mar-20 (Financial results forecasts)
7,180.0
190.0
93.0
¥ 165.03

(¥bn)

Year ending Mar-20 (Revised forecasts)	Achievement
7,180.0	51.0 %
270.0	52.4 %
134.0	56.9 %
¥ 237.79	56.8 %

Second quarter result (Year on Year)

Statement of Income

(¥bn)

	6 months ended Sep-18	6 months ended Sep-19	Change
Ordinary income	3,898.3	3,661.3	(237.0)
Insurance premiums and others	2,040.4	1,801.1	(239.2)
Investment income	618.0	574.0	(43.9)
Reversal of policy reserves	1,213.4	1,209.3	(4.1)
Ordinary expenses	3,736.7	3,519.8	(216.9)
Insurance claims and others	3,356.2	3,143.8	(212.3)
Investment expenses	65.4	67.0	1.6
Operating expenses etc ¹	315.1	308.8	(6.2)
Ordinary profit	161.6	141.5	(20.0)
Extraordinary gains and losses	(2.0)	25.8	27.8
Provision for reserve for policyholder dividends	63.4	54.5	(8.8)
Income before income taxes	96.0	112.7	16.6
Total income taxes	27.3	36.4	9.1
Net income attributable to Japan Post Insurance	68.7	76.3	7.5

[Main Factors for Changes in the Line Items]

- Decrease in policies in the premium payment period (policies in force).
- Decrease in new policy sales by refraining from proactive sales proposal from mid-July.
- Decrease in interest, dividends and other income due to decrease in total amount of assets.
- Decrease in gains on money held in trust.
- Decrease in matured endowment payments.
- Decrease in commissions (sales commissions) paid to Japan Post Co., Ltd.
- Ordinary profit decreased by ¥20.0 billion year on year mainly due to increase in capital losses.
- Reversal of price fluctuations reserve corresponding to capital losses.
- Decrease in provision for reserve for policyholder dividends along with the decrease in policies with policyholder's dividend.
- Net income increased by ¥7.5 billion year on year mainly due to the decrease in provision for reserve for policyholder dividends.

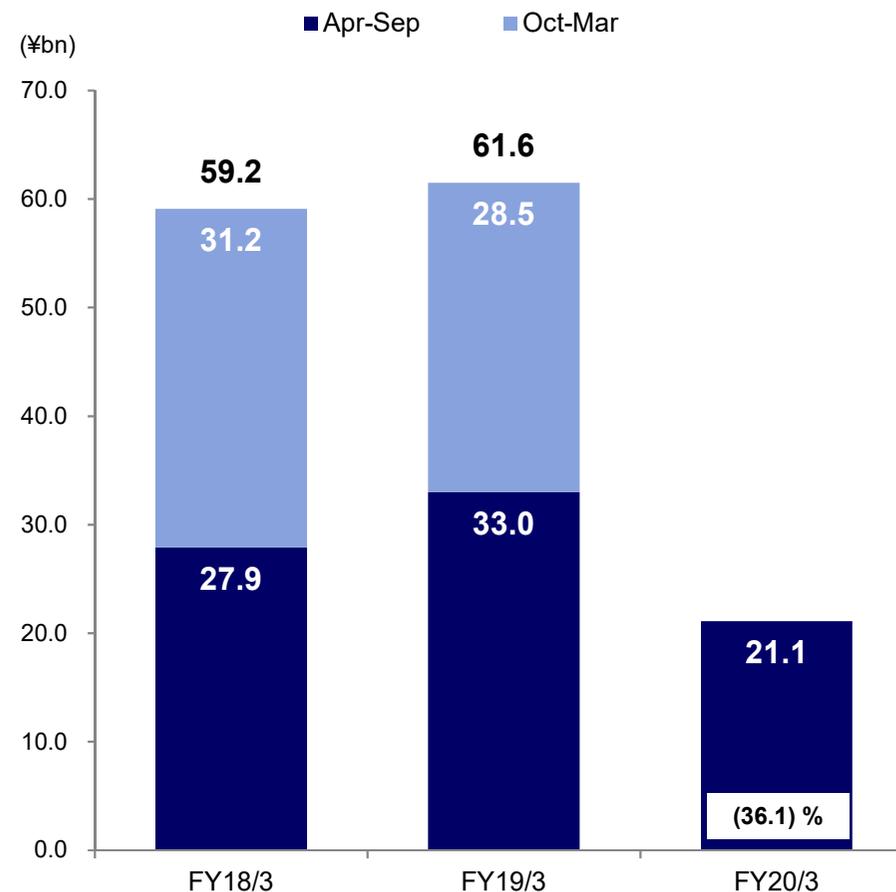
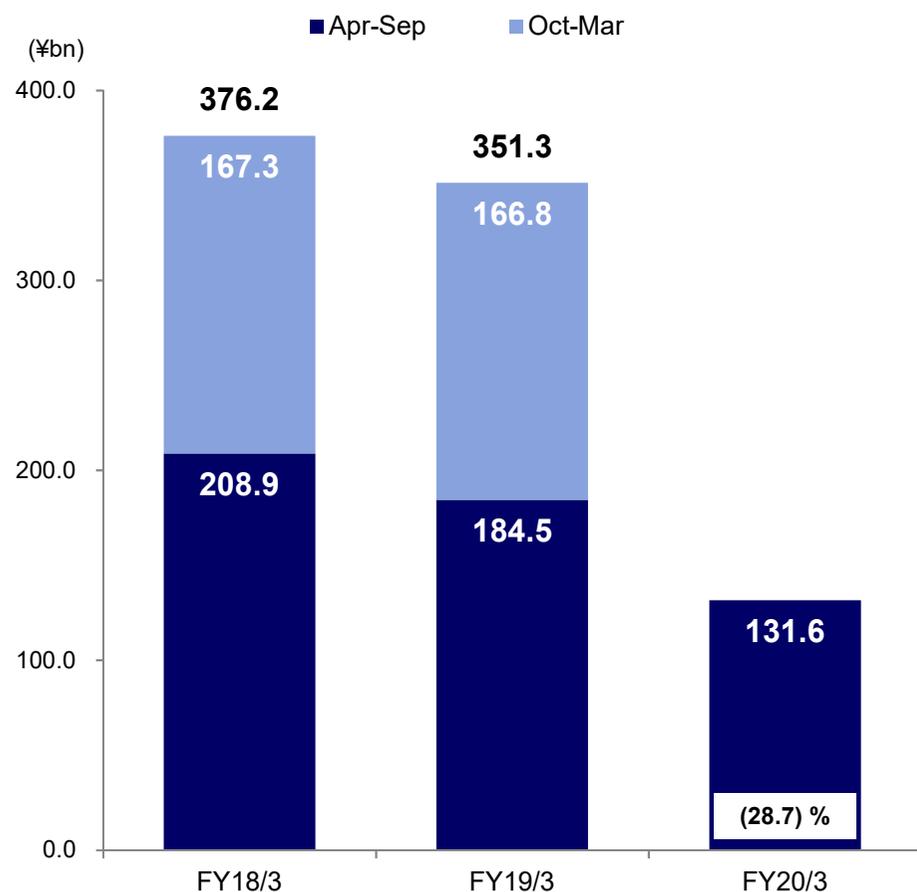
Note: Only major line items are shown.

1. Sum of operating expenses and other ordinary expenses

Policy Sales (1) Annualized Premiums from New Policies

Annualized Premiums from New Policies
(Individual Insurance)

Annualized Premiums from New Policies
(Medical Care)

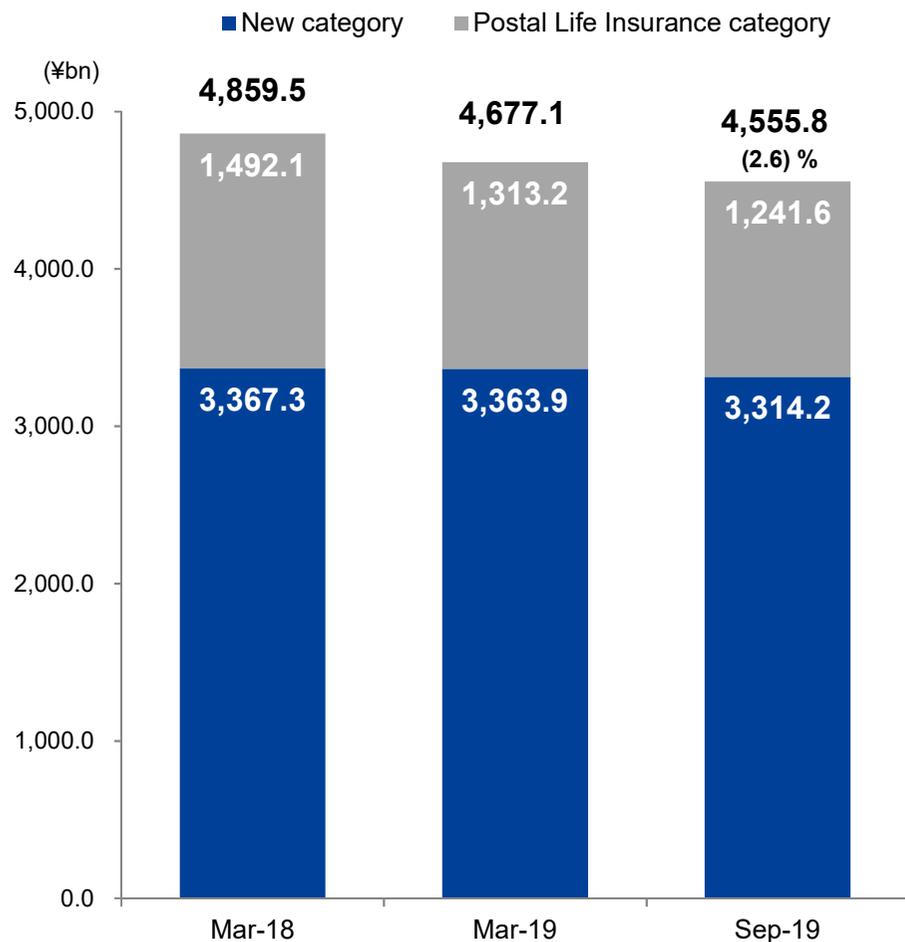


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium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

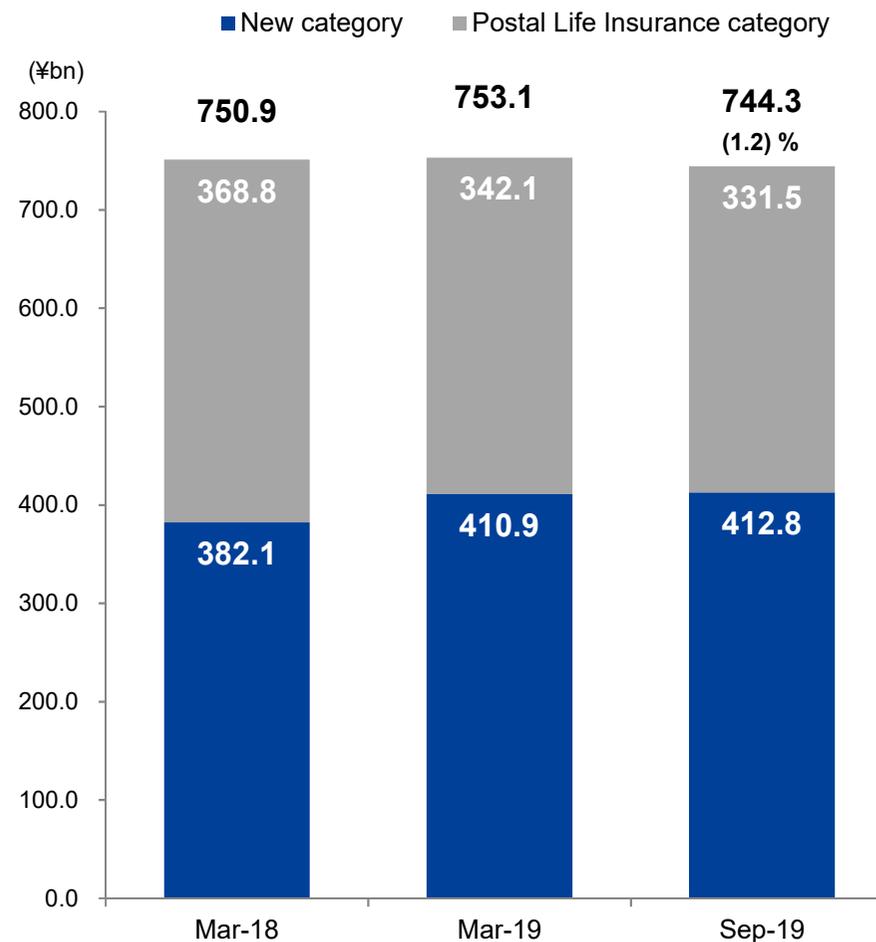
Note2 : The figures for the year ending March 31, 2020 include the influenced by refraining from proactive sales proposal from mid-July.

Policy Sales (2) Annualized Premiums from Policies in Force

Annualized Premiums from Policies in Force
(Individual Insurance)



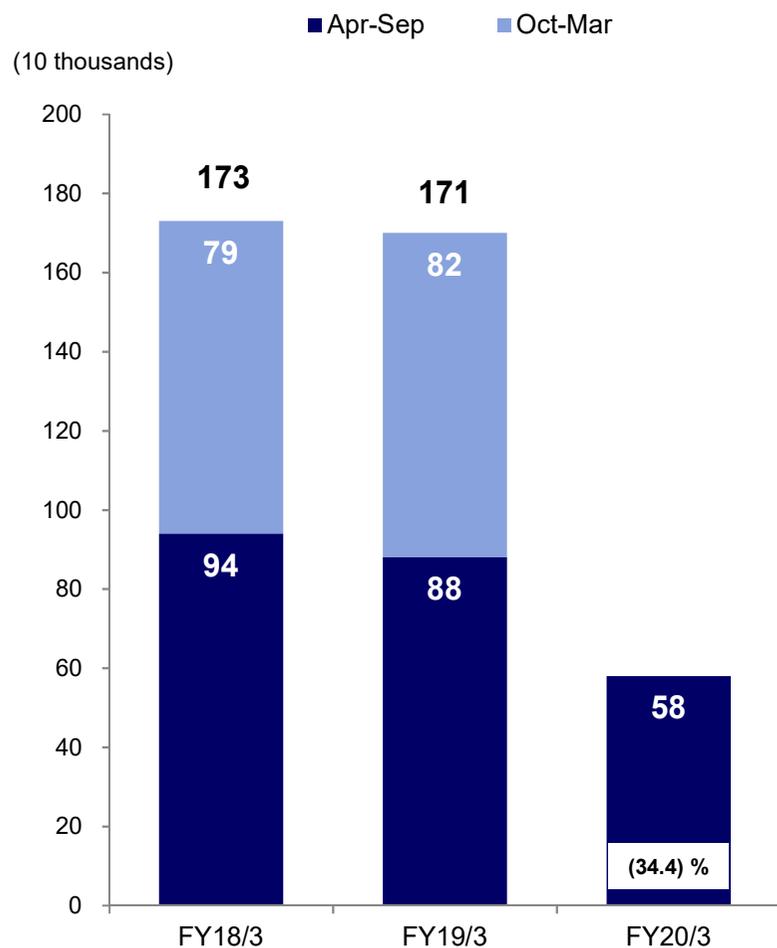
Annualized Premiums from Policies in Force
(Medical Care)



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 the Postal Management and Support Organization (until March 31, 2019, known as 'the Management Organization for Postal Savings and Postal Life Insurance')

Policy Sales (3) Number of New Policies

Number of New Policies (Individual Insurance)



Note : The figures for the year ending March 31, 2020 include the influenced by refraining from proactive sales proposal from mid-July.

Breakdown of New Policies

(10 thousands)

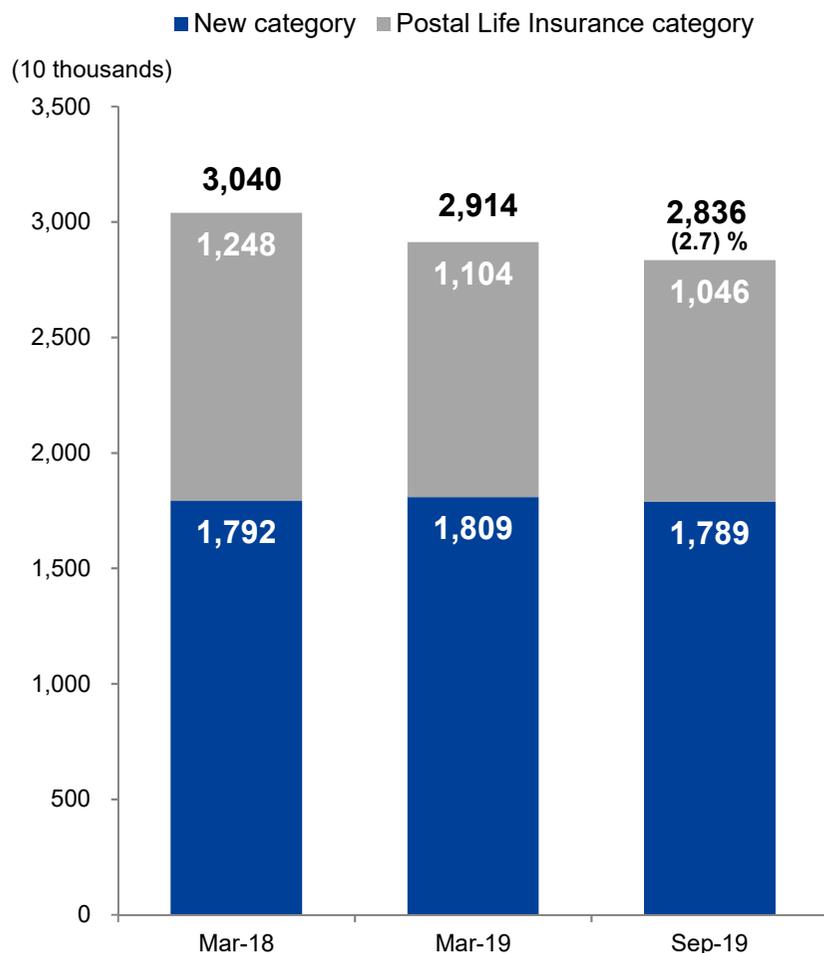
	6 months ended Sep-18		6 months ended Sep-19	
	Number of policies	Share	Number of policies	Share
Individual insurance	88	100.0 %	58	100.0 %
Endowment insurance	43	49.3 %	30	51.9 %
Ordinary endowment insurance	23	26.7 %	16	27.5 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	-	-	3	5.5 %
Special endowment insurance ¹	20	22.5 %	11	18.9 %
Whole life insurance	38	43.5 %	24	41.7 %
Ordinary whole life insurance (Fixed amount type)	12	13.7 %	5	10.0 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	-	-	6	10.9 %
Ordinary whole life insurance (Increased amount type)	21	23.8 %	9	16.8 %
Special whole life insurance	5	6.0 %	2	4.1 %
Educational endowment insurance	6	7.0 %	3	6.3 %
Other insurance	0	0.2 %	0	0.1 %

Note: Only major products are shown.

1. Increased amount type endowment insurance

Policy Sales (4) Number of Policies in Force

Number of Policies in Force (Individual Insurance)



Note: "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 the Postal Management and Support Organization.

Breakdown of Policies in Force

(10 thousands)

	Mar-19		Sep-19	
	Number of policies	Share	Number of policies	Share
Individual insurance	2,914	100.0 %	2,836	100.0 %
Endowment insurance	1,165	40.0 %	1,114	39.3 %
Ordinary endowment insurance	745	25.6 %	713	25.2 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	-	-	3	0.1 %
Special endowment insurance ¹	410	14.1 %	390	13.8 %
Whole life insurance	1,301	44.6 %	1,292	45.6 %
Ordinary whole life insurance (Fixed amount type)	412	14.1 %	405	14.3 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	-	-	5	0.2 %
Ordinary whole life insurance (Increased amount type)	281	9.7 %	282	9.9 %
Special whole life insurance	606	20.8 %	597	21.1 %
Educational endowment insurance	434	14.9 %	416	14.7 %
Other insurance	13	0.5 %	13	0.5 %

Note: Only major products are shown.

1. Increased amount type endowment insurance

Investments (1) Asset Portfolio

Asset Portfolio

(¥bn)

	Mar-19		Sep-19	
	Amount	Share	Amount	Share
Bonds	50,960.1	69.0 %	50,203.8	68.7 %
Japanese government bonds	38,041.4	51.5 %	37,571.2	51.4 %
Japanese local government bonds	7,515.9	10.2 %	7,207.2	9.9 %
Japanese corporate bonds	5,402.7	7.3 %	5,425.4	7.4 %
Return seeking assets ¹	10,217.7	13.8 %	10,119.1	13.9 %
Domestic stocks ²	1,756.0	2.4 %	1,782.7	2.4 %
Foreign stocks ²	345.5	0.5 %	350.3	0.5 %
Foreign bonds ²	6,708.7	9.1 %	6,600.9	9.0 %
Other ³	1,407.3	1.9 %	1,385.1	1.9 %
Loans	6,786.0	9.2 %	6,052.3	8.3 %
Others	5,940.9	8.0 %	6,658.7	9.1 %
Cash and deposits, call loans	1,067.7	1.4 %	1,463.2	2.0 %
Receivables under securities borrowing transactions	2,792.2	3.8 %	3,090.2	4.2 %
Total assets	73,905.0	100.0 %	73,034.1	100.0%

- 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)

	6 months ended Sep-18	6 months ended Sep-19	(Reference) Year ended Mar-19
Positive spread	30.6	38.5	58.4
Average assumed rates of return ¹	1.70 %	1.69 %	1.70 %
Investment return on core profit ²	1.80 %	1.81 %	1.79 %

Net capital gains (losses)	(30.2)	(57.4)	(83.7)
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	Sep-18	Sep-19	(Reference) Year ended Mar-19
Interest rate (10Y JGB)	0.125 %	(0.215) %	(0.095) %
USD/JPY	¥ 113.57	¥ 107.92	¥ 110.99

- 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 (2) Fair Value Information of Securities

Fair Value Information of Securities

(¥bn)

	Mar-19			Sep-19		
	Book value	Fair value	Net unrealized gains (losses)	Book value	Fair value	Net unrealized gains (losses)
Total	61,196.0	69,706.0	8,509.9	60,222.3	69,571.6	9,349.3
Held-to-maturity bonds	36,391.2	43,113.4	6,722.1	36,216.7	43,455.8	7,239.1
Policy-reserve-matching bonds	10,570.0	11,724.3	1,154.3	10,269.0	11,502.4	1,233.4
Available-for-sale securities	14,234.7	14,868.1	633.4	13,736.6	14,613.3	876.7
Securities etc.	12,000.3	12,240.9	240.6	11,393.6	11,857.6	464.0
Bonds	4,197.3	4,265.4	68.0	3,858.1	3,944.4	86.3
Domestic stocks	211.7	200.8	(10.8)	226.4	216.9	(9.5)
Foreign securities	5,006.6	5,186.9	180.2	4,629.1	4,959.9	330.8
Other securities	1,826.8	1,827.7	0.9	1,777.7	1,831.9	54.1
Deposits etc.	757.7	759.9	2.1	902.1	904.4	2.2
Money held in trust	2,234.3	2,627.2	392.8	2,342.9	2,755.6	412.6
Domestic stocks ¹	1,263.8	1,555.2	291.3	1,277.6	1,565.8	288.2
Foreign stocks ¹	269.6	345.5	75.8	273.5	350.3	76.7
Foreign bonds ¹	528.0	550.3	22.2	582.5	619.8	37.3
Other ²	172.7	176.1	3.4	209.2	219.6	10.4

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" and "bank loans" etc.

Expenses

Operating Expenses (Commissions¹ etc.)

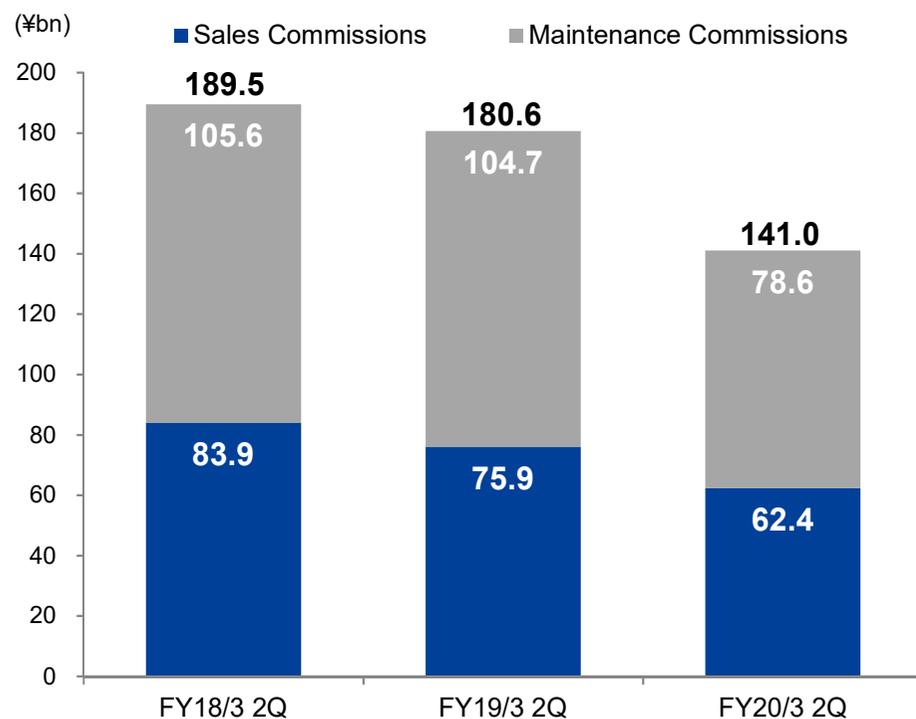
Operating expenses

6months
(Full-year)

¥ 266.0bn
(¥ 533.4bn)

¥ 257.0bn
(¥ 519.8bn)

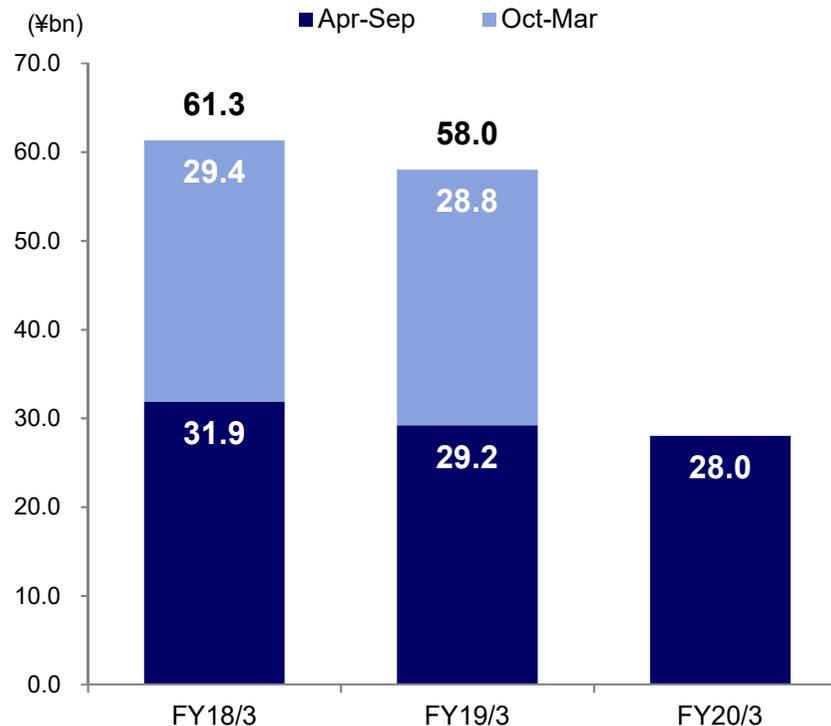
¥ 253.5bn



Contributions² ¥ 28.7bn

Payments to The Postal Management and Support Organization required by the related law from FY20/3

Depreciation and amortization



Note : The figures for the year ending March 31, 2020 include the influenced by refraining from proactive sales proposal from mid-July.

1. Commissions paid to Japan Post Co.
2. Contributions paid to The Postal Management and Support Organization based on the related law.
(amounts corresponding to 2Q out of the expected amounts of ¥57.5 billion for FY20/3)

Financial Soundness

Internal Reserves

	Mar-19	Sep-19	(¥bn)
			Provisions in the period
Contingency reserve	1,962.7	1,880.4	(82.3)
Postal Life Insurance category	1,491.4	1,405.9	(85.5)
New category	471.2	474.5	3.2
Price fluctuations reserve	897.4	871.8	(25.6)
Postal Life Insurance category	661.8	642.1	(19.6)
New category	235.6	229.6	(5.9)
Additional policy reserve	5,880.1	5,855.7	(24.3)
Postal Life Insurance ¹ Category	5,866.6	5,844.0	(22.6)
New category ²	13.4	11.7	(1.7)

Solvency Margin Ratio

	Mar-19	Sep-19	(¥bn)
Solvency Margin Ratio	1,189.8 %	1,189.5 %	
Total amount of solvency margin	5,647.8	5,698.5	
Total amount of risk	949.3	958.1	
Real net assets	13,535.7	14,189.0	

Notes: "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.

1. Including the amount determined to be additionally provided over 10 years from the year ended March 31, 2011 for annuity in the postal life insurance policies (for the 6months ended September 30, 2019, the amount of additional provision was ¥ 88.6bn and the accumulated amount was ¥ 1,659.8bn).

2. The amount accumulated in the year ended March 31, 2018 for single-payment annuity policies among the individual annuities underwritten by Japan Post Insurance.

The Forecasts for Full-year Financial Results and Shareholder Return for the Year Ending March 31, 2020

Full-year Financial Results Forecast

(¥bn)

	Year ended Mar-19 (Actual)	Year ending Mar-20 (Revised forecasts)
Ordinary income	7,916.6	7,180.0
Ordinary profit	264.8	270.0
Net income ¹	120.4	134.0
Net income per share ²	¥ 200.86	¥ 237.79

1. Net income attributable to Japan Post Insurance

2. Net income per share in the consolidated financial results forecasts for the year ending March 31, 2020 has been calculated, considering the impact of the acquisition of the treasury stock on April 2019, and the cancellation of the treasury stock on May 2019.

Shareholder Return Policy

- Aim for a steady increase in dividends per share while considering earning prospects and financial soundness

Shareholder Return for the Year Ended March 31, 2019

- The year-end dividend for the year ended March 31, 2019, is ¥ 72 per share, including an ordinary dividend of ¥ 68 and a special dividend of ¥ 4.
- Share repurchase in April 2019 (Approx. ¥ 100.0bn)

Shareholder Return for the Year Ending March 31, 2020

- Increase the ordinary dividend by ¥ 8 per share to ¥ 76 (forecast)
 - Increase ordinary dividends per share, taking into account of the share repurchase
- Pay dividends from surplus twice a year; an interim and a year-end dividends
 - Increase the opportunities to return profits to shareholders
- Canceled treasury stock (37.4 million shares)
 - Cancel almost the same amount of treasury stock as that acquired in April 2019

The reasons of revisions to the forecasts for full-year financial results

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

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

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

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

【Ordinary income】

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

【Ordinary profit】

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

【Net income attributable to Japan Post Insurance】

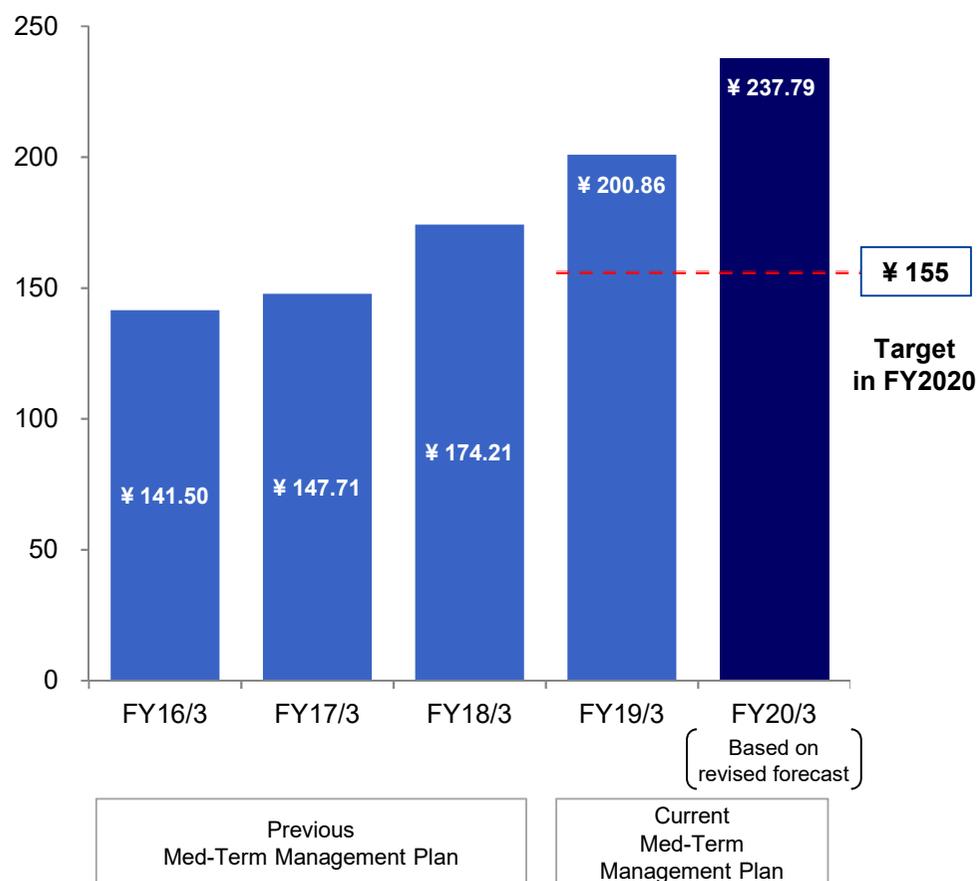
The company is revising its forecast upward in light of the effect of “6. Increase in provision for reserve for policyholder dividends” and “7. Increase in income tax payments,” in addition to the revision of ordinary profit described above.

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

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

Earnings Per Share and Shareholder Return

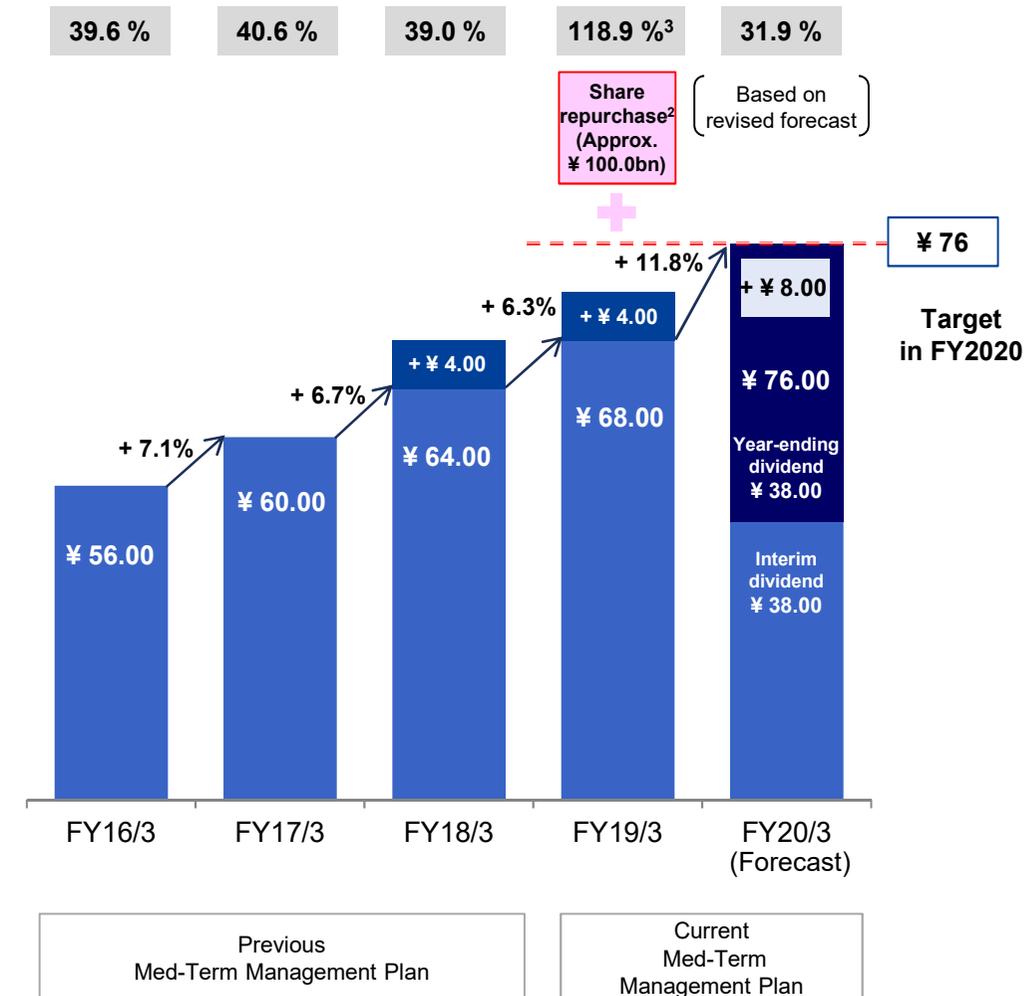
Earnings Per Share¹



1. Net income per share in the consolidated financial results forecasts for the year ending March 31, 2020 has been calculated, considering the impact of the acquisition of the treasury stock on April 2019, and the cancellation of the treasury stock on May 2019.

Shareholder Return

(Total Return Ratio)



2. Share repurchase on April 2019

3. Total return ratio including share repurchase as mentioned in Note 2

APPENDIX

Overview of Financial Statements

Statement of Income

	6 months ended Sep-18	6 months ended Sep-19	Change	(Reference) Year ended Mar-19
Ordinary income	3,898.3	3,661.3	(237.0)	7,916.6
Insurance premiums and others	2,040.4	1,801.1	(239.2)	3,959.9
Investment income	618.0	574.0	(43.9)	1,204.4
Reversal of policy reserves	1,213.4	1,209.3	(4.1)	2,716.7
Ordinary expenses	3,736.7	3,519.8	(216.9)	7,651.7
Insurance claims and others	3,356.2	3,143.8	(212.3)	6,868.8
Investment expenses	65.4	67.0	1.6	146.0
Operating expenses etc ¹	315.1	308.8	(6.2)	636.8
Ordinary profit	161.6	141.5	(20.0)	264.8
Extraordinary gains and losses	(2.0)	25.8	27.8	17.5
Provision for reserve for policyholder dividends	63.4	54.5	(8.8)	111.8
Income before income taxes	96.0	112.7	16.6	170.6
Total income taxes	27.3	36.4	9.1	50.1
Net income attributable to Japan Post Insurance	68.7	76.3	7.5	120.4

Note: Only major line items are shown.

Balance Sheets

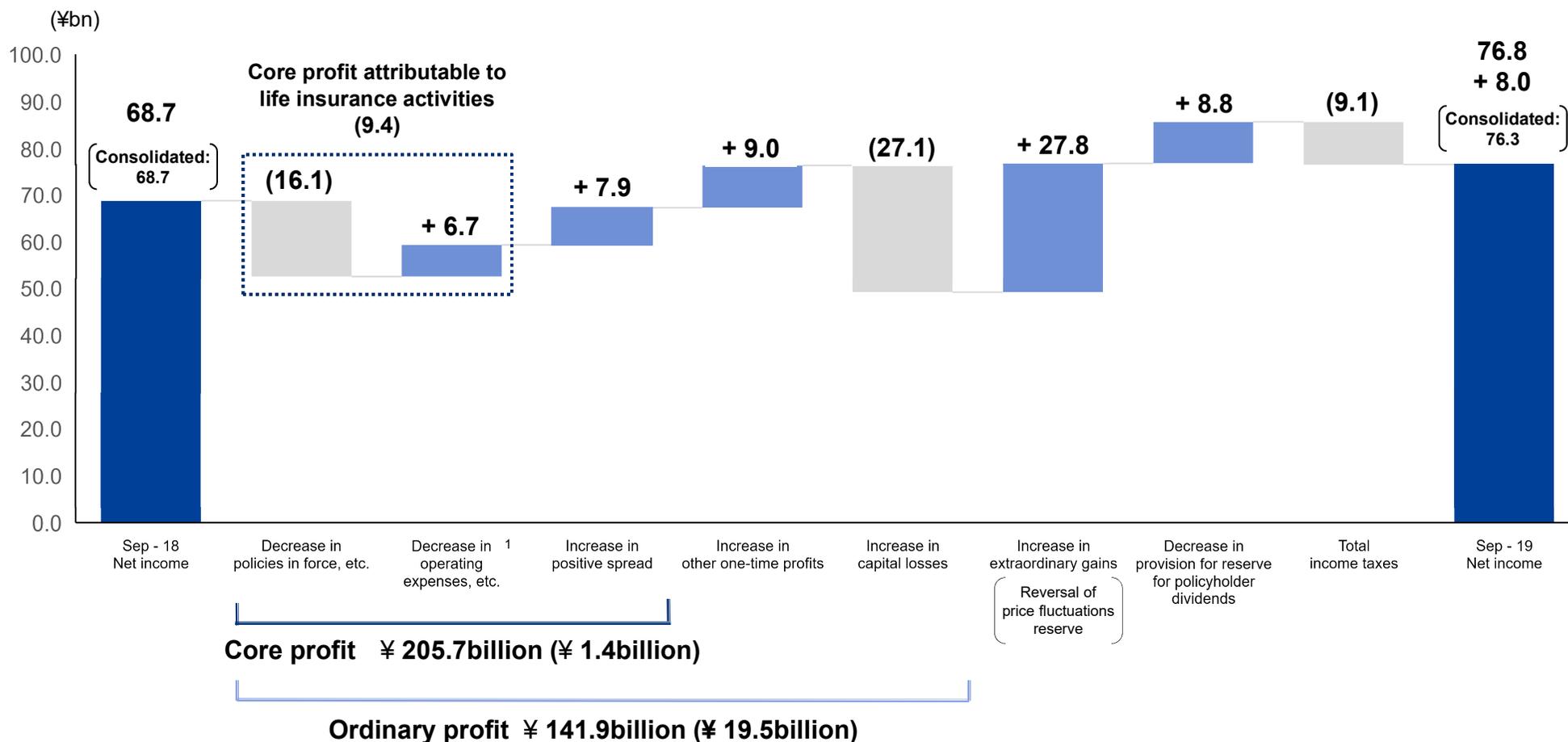
	Mar-19	Sep-19	Change
Total Assets	73,905.0	73,034.1	(870.8)
Cash and deposits	917.7	1,313.2	395.5
Money held in trust	2,787.5	2,974.1	186.6
Securities	58,451.5	57,451.3	(1,000.1)
Loans	6,786.0	6,052.3	(733.6)
Fixed assets ²	261.6	258.1	(3.5)
Deferred tax assets	1,022.0	990.0	(32.0)
Total Liabilities	71,769.8	70,794.0	(975.8)
Policy reserves	65,060.5	63,851.1	(1,209.3)
Reserve for price fluctuations	897.4	871.8	(25.6)
Net assets	2,135.1	2,240.1	104.9
Total shareholders' equity	1,675.1	1,608.2	(66.8)
Total accumulated other comprehensive income	460.0	631.8	171.8

1. Sum of Operating expenses and Other ordinary expenses

2. Sum of Tangible fixed assets and Intangible fixed assets

Second quarter result (Factors for Year on Year Changes) (Non-Consolidated)

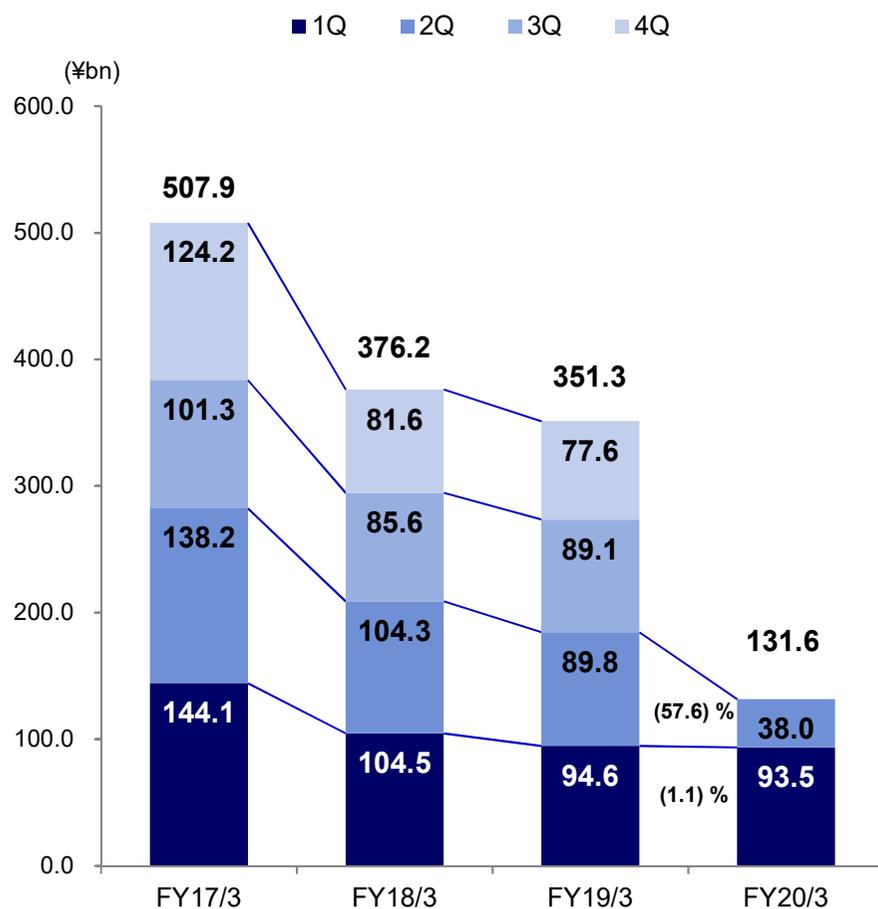
- While core profit attributable to life insurance activities decreased by ¥9.4 billion mainly due to the decrease in the number of policies in force, total core profit remained almost the same at ¥205.7 billion, as a result of improvement of positive spread.
- We continue accounting treatments to neutralize capital losses using the reserve for price fluctuations. Net income increased by ¥8.0 billion due to the decrease in policies with policyholder's dividend.



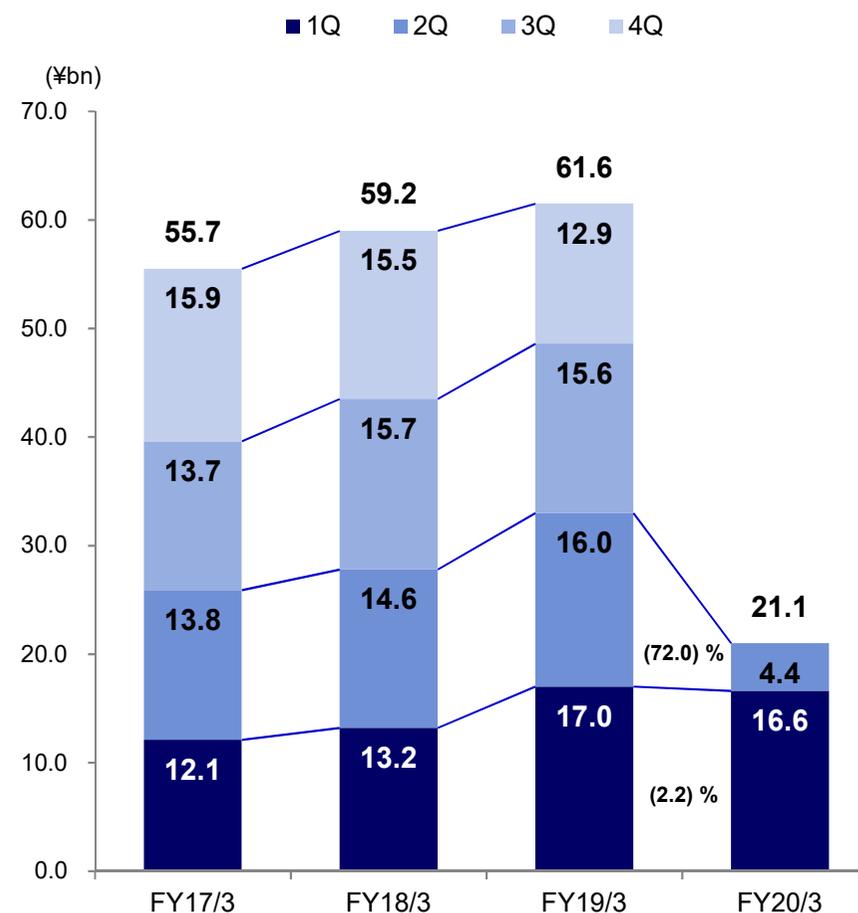
1. "Decrease in operating expenses, etc." shows the difference of 2Q figures between the year ended March 31, 2019, and the year ended March 31, 2020. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses".

Quarterly Trends in Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)



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.

Note 2: The figures for the year ending March 31, 2020 include the influenced by refraining from proactive sales proposal from mid-July.

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

Interest, Dividends and Other Income

(¥bn)

	6 months ended Sep-18	6 months ended Sep-19	(Reference) Year ended Mar-19
Investment income	618.0	574.0	1,204.4
Interest, dividends and other income	553.9	534.0	1,085.9
Interest on deposits	0.0	0.0	0.0
Interest and dividends on securities	478.7	469.1	941.3
Interest on corporate and government bonds	402.4	384.7	793.6
Domestic stock dividends	3.0	3.1	5.8
Interest and dividends on foreign securities	65.2	66.9	131.4
others	8.0	14.2	10.3
Interest on loans	6.9	7.3	14.1
Interest on loans to the Management Organization	64.5	55.1	124.0
Rent revenue from real estate	-	-	-
Interest and dividends on others	3.7	2.4	6.3

Breakdown of Capital gains(losses)

(¥bn)

	6 months ended Sep-18	6 months ended Sep-19	(Reference) Year ended Mar-19
Capital gains	63.9	39.6	117.8
Gains on money held in trust	46.3	16.9	78.9
Gains on sales of securities	17.5	22.7	38.9
Gains on derivative financial instruments	-	-	-
Gains on foreign exchanges	-	-	-
Other capital gains	-	-	-
Capital losses	(94.1)	(97.1)	(201.6)
Losses on money held in trust	-	-	-
Losses on sales of securities	(30.4)	(16.5)	(62.2)
Losses on derivative financial instruments	(29.9)	(42.7)	(73.3)
Losses on foreign exchanges	(0.5)	(2.1)	(1.1)
Other capital losses ¹	(33.2)	(35.6)	(64.8)
Net Capital gains(losses)	(30.2)	(57.4)	(83.7)

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

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

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

(¥bn)

	FY16/3		FY17/3		FY18/3		FY19/3		FY19/3 2Q		FY20/3 2Q	
	New	Postal Life	New	Postal Life	New	Postal Life						
Ordinary income ¹	4,431.7	8,039.6	4,464.2	6,889.2	3,938.8	5,489.2	3,814.7	4,374.4	1,961.1	2,165.5	1,789.0	1,884.1
Insurance premiums and others	4,091.5	1,322.3	4,039.0	1,002.8	3,481.2	755.2	3,369.5	590.3	1,729.4	310.9	1,558.9	242.2
Investment income ¹	337.6	1,017.3	422.8	945.0	454.6	830.3	440.1	764.3	228.8	389.1	227.5	346.5
Other ordinary income ¹	2.5	5,700.0	2.3	4,941.3	3.0	3,903.7	4.9	3,019.8	2.7	1,465.4	2.6	1,295.4
Ordinary expenses ¹	4,276.8	7,781.6	4,370.1	6,704.0	3,767.1	5,352.2	3,663.5	4,260.4	1,865.0	2,100.0	1,691.3	1,839.9
Insurance claims and others	1,031.6	7,518.7	1,136.5	6,413.7	1,765.6	5,124.3	2,837.9	4,030.9	1,367.8	1,988.3	1,409.3	1,734.5
Provision for policy reserves and others ¹	2,865.7	-	2,694.0	-	1,474.7	-	272.5	-	228.2	-	11.9	-
Investment expenses ¹	3.8	5.8	103.8	56.5	78.5	27.9	99.1	46.8	42.9	22.4	47.7	19.3
Operating expenses	318.0	219.0	366.5	193.6	372.8	159.9	376.2	142.1	186.0	70.4	184.2	68.1
Other ordinary expenses	57.4	37.9	69.0	40.0	75.2	39.8	77.7	40.4	39.9	18.7	38.1	17.8
Ordinary profit	154.9	258.0	94.0	185.2	171.7	137.0	151.1	113.9	96.0	65.5	97.7	44.2
Extraordinary gains and losses ²	(62.4)	(8.9)	5.7	(12.6)	(27.2)	(17.0)	13.8	3.6	(3.9)	1.9	6.1	19.6
Provision for reserve for policyholder dividends	7.5	170.4	15.6	137.0	21.6	96.1	19.6	92.1	10.1	53.2	7.5	47.0
Income before income taxes	84.9	78.6	84.2	35.5	122.9	23.8	145.3	25.5	81.8	14.1	96.3	16.8
Total income taxes	31.4	45.7	21.7	9.5	35.4	6.9	41.1	8.7	22.9	4.2	28.1	8.1
Net income	53.4	32.8	62.4	26.0	87.4	16.8	104.1	16.7	58.9	9.8	68.1	8.6

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.: FY20/3 2Q, ¥ 11.9billion was added to "Reversal of policy reserves," 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)

		FY16/3	FY17/3	FY18/3	FY19/3	FY19/3 2Q	FY20/3 2Q
Total assets	¥mn	81,543,623	80,336,414	76,832,508	73,904,576	74,765,583	73,036,599
Postal Life Insurance category		55,832,787	51,447,550	46,684,937	41,354,076	43,076,398	40,185,635
New category		25,710,836	28,888,864	30,147,570	32,550,500	31,689,184	32,850,963
Number of policies in force	(000)	32,323	31,562	30,405	29,143	29,840	28,365
Postal Life Insurance category (insurance)		16,972	14,411	12,484	11,048	11,788	10,469
New category (individual insurance)		15,350	17,150	17,921	18,095	18,051	17,896
Insurance premiums and others	¥mn	5,413,862	5,041,868	4,236,461	3,959,928	2,040,437	1,801,184
Postal Life Insurance category		1,322,308	1,002,816	755,221	590,340	310,944	242,264
New category		4,091,554	4,039,051	3,481,240	3,369,588	1,729,492	1,558,920
Ordinary profit	¥mn	413,023	279,347	308,845	265,143	161,529	141,945
Postal Life Insurance category		258,059	185,250	137,074	113,981	65,500	44,202
New category		154,963	94,097	171,771	151,162	96,029	97,743
Net income	¥mn	86,338	88,520	104,309	120,958	68,797	76,865
Postal Life Insurance category		32,850	26,044	16,878	16,763	9,896	8,692
New category		53,487	62,475	87,430	104,195	58,901	68,173
Contingency reserve (reversal) provision	¥mn	(123,864)	(120,819)	(139,678)	(151,592)	(75,150)	(82,306)
Postal Life Insurance category		(171,199)	(172,881)	(173,722)	(173,590)	(87,248)	(85,575)
New category		47,335	52,061	34,043	21,997	12,098	3,268
Price fluctuations reserve (reversal) provision	¥mn	70,100	6,444	128,031	(19,251)	1,933	(25,637)
Postal Life Insurance category		8,957	12,625	17,090	(3,686)	(1,929)	(19,674)
New category		61,143	(6,181)	110,940	(15,564)	3,863	(5,962)
Additional policy reserve (reversal) provision	¥mn	(55,533)	(50,454)	(30,648)	(50,292)	(22,807)	(24,350)
Postal Life Insurance category		(55,533)	(50,454)	(47,674)	(46,698)	(20,989)	(22,636)
New category		-	-	17,025	(3,594)	(1,818)	(1,713)

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)					
	FY16/3	FY17/3	FY18/3	FY19/3	FY19/3 2Q	FY20/3 2Q
Insurance premiums and others	5,413.8	5,041.8	4,236.4	3,959.9	2,040.4	1,801.1
Ordinary profit	411.5	279.7	309.2	264.8	161.6	141.5
Provision for reserve for policyholder dividends	178.0	152.6	117.7	111.8	63.4	54.5
Net income	84.8	88.5	104.4	120.4	68.7	76.3
Net assets	1,882.9	1,853.2	2,003.1	2,135.1	2,034.1	2,240.1
Total assets	81,545.1	80,336.7	76,831.2	73,905.0	74,763.9	73,034.1
Return on equity	4.4 %	4.7 %	5.4 %	5.8 %	-	-
Return on shareholders' equity	5.9 %	5.9 %	6.7 %	7.4 %	-	-
Dividends to shareholders ¹	33.6	36.0	40.8	43.2	-	21.3
Total Return Ratio ²	39.6 %	40.6 %	39.0 %	118.9 %	-	-
Core profit (Non-consolidated)	464.2	390.0	386.1	377.1	207.1	205.7
Core profit attributable to life insurance activities	366.8	311.4	320.3	318.7	176.5	167.1
Spread (positive/negative spread)	97.4	78.5	65.8	58.4	30.6	38.5

1. The figure for FY20/3 2Q reflects the resolution made on November 14, 2019 at the meeting of the Board of Directors regarding the interim dividend to be paid.

2. The figure for FY19/3 represents the total return ratio including share repurchase (approximately ¥100.0 billion) in April 2019.

<Points of Attention Regarding EV>

EV must be calculated in accordance with the EEV Principles by using appropriate assumptions for future experience.

In particular, the company understands that we have to reflect the influence of the initiatives, which we announced as 'Investigation of Rewritten Insurance Policies and Initiatives for Improvement' on July 31, 2019, on non-economic assumptions such as surrender and lapse rate, operating expenses etc.

However, it is impossible to make appropriate assumptions for future experience to calculate EV as of the end of September 2019 at present. We plan to calculate and disclose EV once we prepare appropriate non-economic assumptions.

(Note) We have also not disclosed EV as of the end of June 2019, but plan to calculate and disclose it once we prepare appropriate non-economic assumptions, as with EV as of the end of September 2019.

<Disclaimer>

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of this document's disclosure. Please note that actual results may differ materially from such forward-looking statements due to various factors including changes in the operating environment, interest rates or general economic conditions or other future events and circumstances.

Contact information

**IR Office, Corporate Planning Department
JAPAN POST INSURANCE Co., Ltd.**

TEL: +81 3-3477-2383