

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.

May 15, 2019
JAPAN POST INSURANCE Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2019

(1) Policies

		Fiscal Year Ended March 31, 2018		Six Months Ended September 30, 2018		Fiscal Year Ended March 31, 2019	
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2017		Increase (Decrease) as % of Six Months Ended September 30, 2017		Increase (Decrease) as % of Fiscal Year Ended March 31, 2018
Annualized premiums from new policies	(Millions of yen)	376,502	(28.6)	184,642	(11.6)	351,570	(6.6)
Of which, medical coverage, living benefits and others	(Millions of yen)	59,205	6.2	33,073	18.5	61,618	4.1
Annualized premiums from policies in force	(Millions of yen)	3,858,573	2.2	3,844,055	(0.4)	3,816,419	(1.1)
Of which, medical coverage, living benefits and others	(Millions of yen)	382,107	14.5	399,655	13.1	410,929	7.5
Insurance premiums and others	(Millions of yen)	4,236,461	(16.0)	2,040,437	(7.4)	3,959,928	(6.5)
Of which, individual insurance sector	(Millions of yen)	3,468,801	(14.0)	1,721,683	(4.2)	3,353,120	(3.3)
Of which, group insurance sector	(Millions of yen)	—	—	—	—	—	—
Policy amount of policies in force	(Millions of yen)	55,102,266	3.5	55,344,148	0.9	55,331,354	0.4
Policy amount of surrenders and lapses	(Millions of yen)	2,251,278	16.9	1,305,721	25.7	2,586,564	14.9

* Figures represent those for sums of individual insurance and individual annuities excluding figures of insurance premiums and others.

* Policy amount of surrenders and lapses are not offset by the amounts of lapses which are reinstated.

* Insurance premiums and others are based on statements of income.

* Insurance premiums and others from individual insurance sector are the total of premiums from individual insurance and individual annuities; insurance premiums and others from group insurance sector are the total of premiums from group insurance and group annuities.

* Figures of annualized premiums represent the sum of those of individual insurance and individual annuities. 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) Assets

(Consolidated Basis)

		As of March 31, 2018		As of September 30, 2018		As of March 31, 2019	
			Increase (Decrease) as % of March 31, 2017		Increase (Decrease) as % of September 30, 2017		Increase (Decrease) as % of March 31, 2018
Total assets	(Millions of yen)	76,831,261	(4.4)	74,763,934	(4.9)	73,905,017	(3.8)
Real net assets	(Billions of yen)	12,904.8	1.1	11,891.2	(6.8)	13,535.7	4.9
Solvency margin ratio	(%)	1,131.8		1,107.4		1,189.8	

(3) Core profit, Positive spread and Investment yield

		Fiscal Year Ended March 31, 2018		Fiscal Year Ended March 31, 2019		Forecast for the Fiscal Year Ending March 31, 2020
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2017		Increase (Decrease) as % of Fiscal Year Ended March 31, 2018	
Core profit	(Millions of yen)	386,199	(1.0)	377,176	(2.3)	To be decreased

		Fiscal Year Ended March 31, 2018		Fiscal Year Ended March 31, 2019		Forecast for the Fiscal Year Ending March 31, 2020
			Increase (Decrease) compared to Fiscal Year Ended March 31, 2017		Increase (Decrease) compared to Fiscal Year Ended March 31, 2018	
Positive spread	(Billions of yen)	65.8	(12.7)	58.4	(7.4)	To be decreased

		Fiscal Year Ended March 31, 2018		Fiscal Year Ended March 31, 2019		Forecast for the Fiscal Year Ending March 31, 2020
Investment return on core profit	(%)		1.81		1.79	To be decreased
Investment yield (General account)	(%)		1.51		1.42	To be decreased
Average assumed rates of return	(%)		1.71		1.70	To be decreased

(4) Breakdown of core profit

		Fiscal Year Ended March 31, 2018		Fiscal Year Ended March 31, 2019	
			Increase (Decrease) compared to Fiscal Year Ended March 31, 2017		Increase (Decrease) compared to Fiscal Year Ended March 31, 2018
Positive spread	(Millions of yen)	65,875	(12,706)	58,460	(7,414)
Core profit attributable to life insurance activities	(Millions of yen)	320,324	8,835	318,715	(1,608)

(5) Reserves

		As of March 31, 2018		As of September 30, 2018		As of March 31, 2019	
			Increase (Decrease) compared to March 31, 2017		Increase (Decrease) compared to September 30, 2017		Increase (Decrease) compared to March 31, 2018
Policy reserves (excluding contingency reserve)	(Millions of yen)	65,662,949	(2,258,257)	64,524,615	(2,280,124)	63,097,793	(2,565,155)
Reserve for price fluctuations	(Millions of yen)	916,743	128,031	918,677	101,139	897,492	(19,251)
Contingency reserve	(Millions of yen)	2,114,348	(139,678)	2,039,197	(147,186)	1,962,755	(151,592)
Contingency funds	(Millions of yen)	—	—	—	—	—	—
Fund for price fluctuation allowance	(Millions of yen)	—	—	—	—	—	—

(6) Unrealized gains (losses)

		As of March 31, 2018		As of September 30, 2018		As of March 31, 2019	
			Increase (Decrease) compared to March 31, 2017		Increase (Decrease) compared to September 30, 2017		Increase (Decrease) compared to March 31, 2018
Securities	(Millions of yen)	7,769,528	71,388	6,809,875	(905,920)	8,508,462	738,934
Domestic stocks	(Millions of yen)	453,150	129,471	453,468	53,886	280,440	(172,710)
Domestic bonds	(Millions of yen)	7,243,680	(48,480)	6,256,491	(829,179)	7,943,172	699,492
Foreign securities	(Millions of yen)	85,547	(7,631)	139,496	(77,135)	275,269	189,722
Real estate	(Millions of yen)	—	—	—	—	—	—

* Securities invested as money held in trust are included.

* The Company does not hold real estate.

* Non-consolidated results of Japan Post Insurance are listed.

(7) Investment results

		Actual results for the Fiscal Year Ended March 31, 2019
Domestic stocks	(Millions of yen)	(284,589)
Domestic bonds	(Millions of yen)	(2,447,667)
Foreign stocks and others	(Millions of yen)	192,543
Foreign bonds	(Millions of yen)	873,303
Real estate	(Millions of yen)	—

* Securities invested as money held in trust are included.

* Non-consolidated results of Japan Post Insurance are listed.

(8) Break-even levels

		As of March 31, 2019
Nikkei Average	(Yen)	17,900
TOPIX	(Point)	1,340
Domestic bonds	(%)	1.0
Foreign securities	(Yen)	97

* The break-even level for stocks is calculated based on valuation method of stocks fully linked to Nikkei Average and TOPIX.

* The break-even level for domestic bonds is translated into a newly-issued 10-year JGB yield and rounded to one decimal place.

* The break-even level for foreign securities is calculated based on the JPY/USD exchange rate.

(9) Outlook for the Fiscal Year Ending March 31, 2020

		Forecast for the Fiscal Year Ending March 31, 2020
Insurance premiums and others		To be almost flat

(10) Number of employees

		As of March 31, 2018		As of September 30, 2018		As of March 31, 2019	
			Increase (Decrease) as % of March 31, 2017		Increase (Decrease) as % of September 30, 2017		Increase (Decrease) as % of March 31, 2018
Sales personnel	(Number of persons)	1,148	4.0	1,184	2.4	1,154	0.5
Office personnel	(Number of persons)	6,342	0.3	6,624	1.7	6,463	1.9

(11) Policyholder dividends (Provision for reserve for policyholder dividends)

		Fiscal Year Ended March 31, 2018		Fiscal Year Ended March 31, 2019	
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2017		Increase (Decrease) as % of Fiscal Year Ended March 31, 2018
Individual insurance/Individual annuities	(Millions of yen)	21,617	38.4	19,689	(8.9)
Others	(Millions of yen)	96,174	(29.8)	92,117	(4.2)

(12) Bancassurance sales

None

Other Question Items (Fiscal Year Ended March 31, 2019)

* Provision for (reversal of) general account policy reserves associated with minimum guarantee for variable annuities, etc.

None