

Outline of Financial Results for the Six Months Ended September 30, 2023

November 13, 2023



JAPAN POST INSURANCE

Summary of Financial Results

	6 months ended Sep-23	Year on Year
Ordinary Profit	¥ 99.3bn	+ ¥ 64.7bn + 187.5 %
Net income	¥ 50.4bn	+ ¥ 2.1bn + 4.4 %
Annualized premiums from New policies	(Individual Insurance) ¥ 45.2bn	+ ¥ 12.4bn + 38.1 %
	(Medical Care) ¥ 5.3bn	+ ¥ 2.3bn + 79.9 %
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 3,078.7bn	¥ (138.9)bn (4.3) %
	(Medical Care) ¥ 578.2bn	¥ (14.8)bn (2.5) %
EV	¥ 3,575.5bn	+ ¥ 111.7bn + 3.2 %

【Financial Highlights】

- Core profit increased mainly due to a decline in insurance claims payments for COVID-19. In addition, ordinary profit increased by ¥ 64.7bn (+ 187.5 %) year on year, owing to substantially improved capital gains.
- The above capital gains, etc. were neutralized by reserve for price fluctuations, and net income increased by ¥2.1bn (+ 4.4%) year on year.

【Policy Sales】

- Annualized premiums from new policies for individual insurance in FY24/3 2Q increased by ¥ 12.4bn (+ 38.1 %) year on year, which continued on a course toward recovery.
- Annualized premiums from policies in force decreased by ¥ 138.9bn ((4.3) %) from the end of the previous fiscal year.
- The number of new policies for individual insurance increased by 68.7% year on year.

【Embedded Value】

- EV increased by ¥ 111.7bn (+3.2 %) from the end of the previous fiscal year, mainly due to an increase in unrealized gains of domestic stocks holdings resulting from an increase in the market value of domestic stocks, etc.

Financial Results for the Six Months Ended September 30, 2023 (Year on Year)

Statement of Income

	6months ended Sep-22	6months ended Sep-23	Change	(¥bn) (Reference) Year ended Mar-23
Ordinary income	3,202.4	3,113.9	(88.4)	6,379.5
Insurance premiums and others	1,151.4	1,096.9	(54.5)	2,200.9
Investment income	556.1	619.4	63.2	1,159.0
Reversal of policy reserves	1,492.6	1,373.1	(119.4)	3,015.2
Ordinary expenses	3,167.9	3,014.6	(153.2)	6,261.9
Insurance claims and others	2,769.1	2,618.3	(150.8)	5,487.9
Investment expenses	117.0	142.1	25.1	246.4
Operating expenses etc ¹	259.5	254.1	(5.4)	519.7
Ordinary profit	34.5	99.3	64.7	117.5
Extraordinary gains and losses	81.2	7.0	(74.2)	82.3
Reversal of reserve for price fluctuations ²	81.4	7.0	(74.3)	82.6
Provision for reserve for policyholder dividends	27.1	34.4	7.2	62.0
Total income taxes	40.3	21.4	(18.8)	40.2
Net income attributable to Japan Post Insurance	48.2	50.4	2.1	97.6

Note: Only major line items are shown.

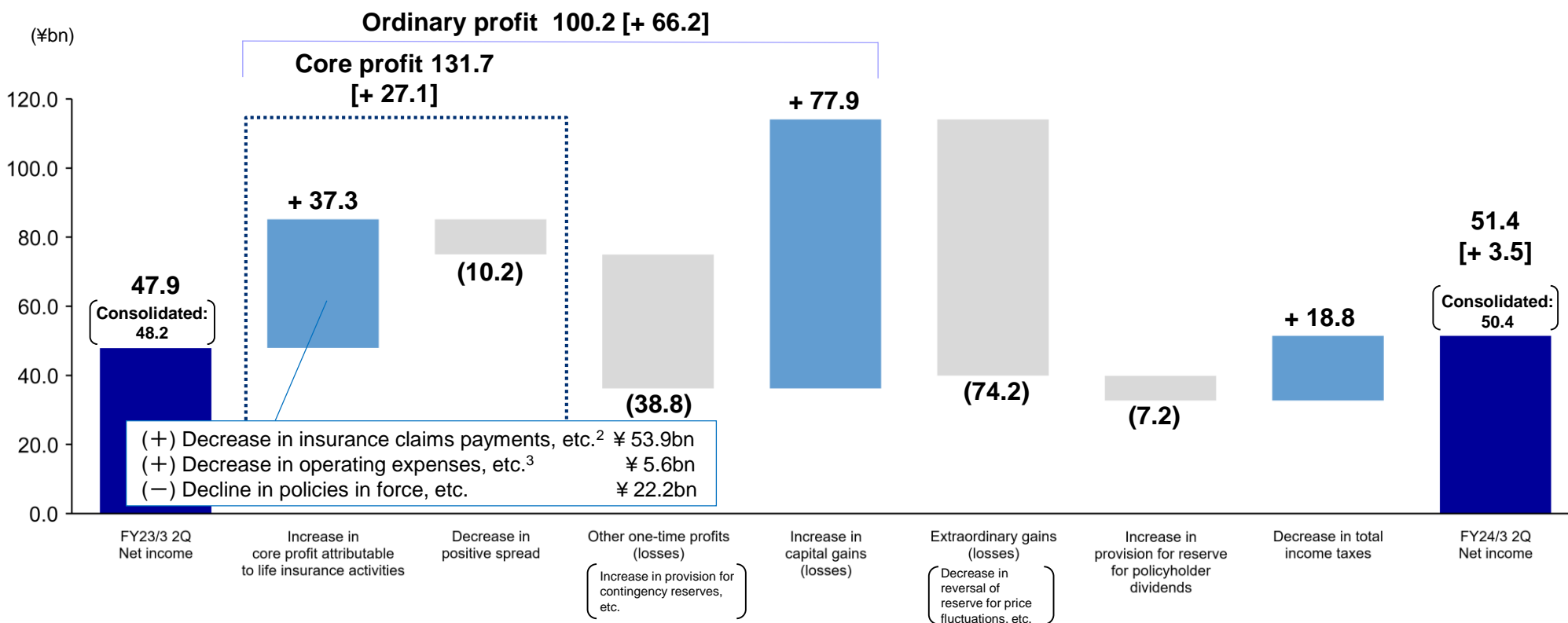
- Sum of Operating expenses and Other ordinary expenses.
- Plus signs indicate reversals, while brackets () indicate provisions.

Details of Ordinary Profit (Non-Consolidated)

	6months ended Sep-22	6months ended Sep-23	Change	(¥bn) (Reference) Year ended Mar-23
Core profit	104.6	131.7	27.1	192.3
Core profit attributable to life insurance activities	44.1	81.5	37.3	98.2
Positive spread	60.4	50.2	(10.2)	94.0
Hedging costs related to foreign exchange	(13.4)	(40.7)	(27.3)	(58.6)
Net capital gains (losses)	(72.1)	5.7	77.9	(63.8)
Gains from cancellation of investment trust	20.3	0.0	(20.3)	20.8
Other one-time profits (losses)	1.5	(37.2)	(38.8)	(10.8)
Ordinary profit	33.9	100.2	66.2	117.6

Factors for Year on Year Changes (Non-Consolidated)

- While positive spread fell, the impact of a decline in insurance claims payments for COVID-19 exceeded that of a decrease in policies in force, and core profit attributable to life insurance activities rose. Core profit increased year on year to ¥ 131.7bn.
- Ordinary profit increased year on year to ¥ 100.2bn, owing to substantially improved capital gains, although other one-time profits decreased in line with an increase in provisions for contingency reserves due to a decline in insurance claims payments for COVID-19.
- Regarding capital gains or losses¹ and hedging costs related to foreign exchange included in positive spread, the company continued to adopt accounting treatments to provide or to reverse the reserve for price fluctuations corresponding to the amount of them. Thus, net income was essentially flat year on year to ¥ 51.4bn.



1. The gains from cancellation of investment trust are excluded from provision of reserve for price fluctuations.

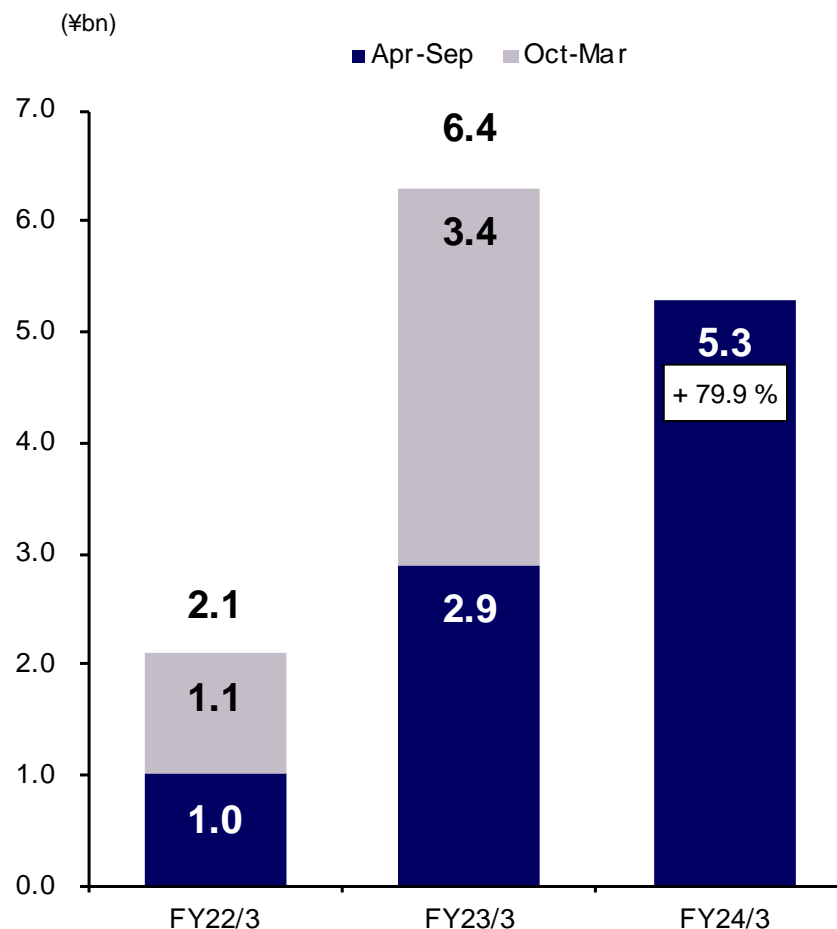
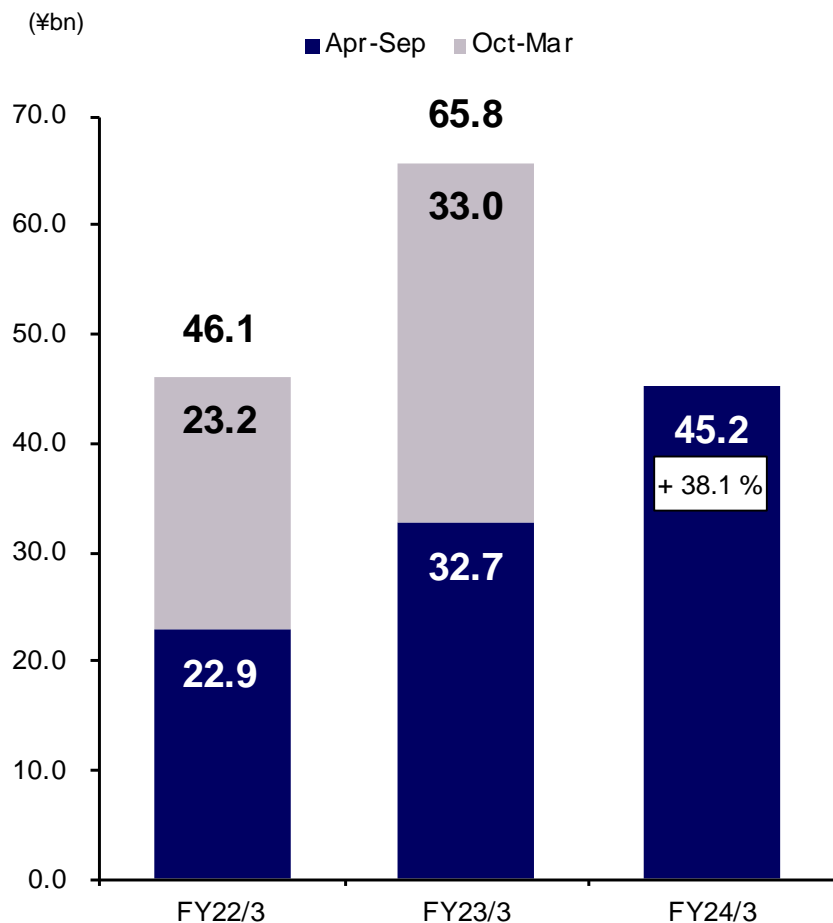
2. "Decrease in insurance claims payments, etc." is mainly due to the absence of the impact of COVID-19.

3. "Decrease in operating expenses, etc." shows the difference between FY23/3 2Q and FY24/3 2Q. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses."

Policy Sales [Annualized Premiums from New Policies]

Annualized Premiums from New Policies (Individual Insurance)

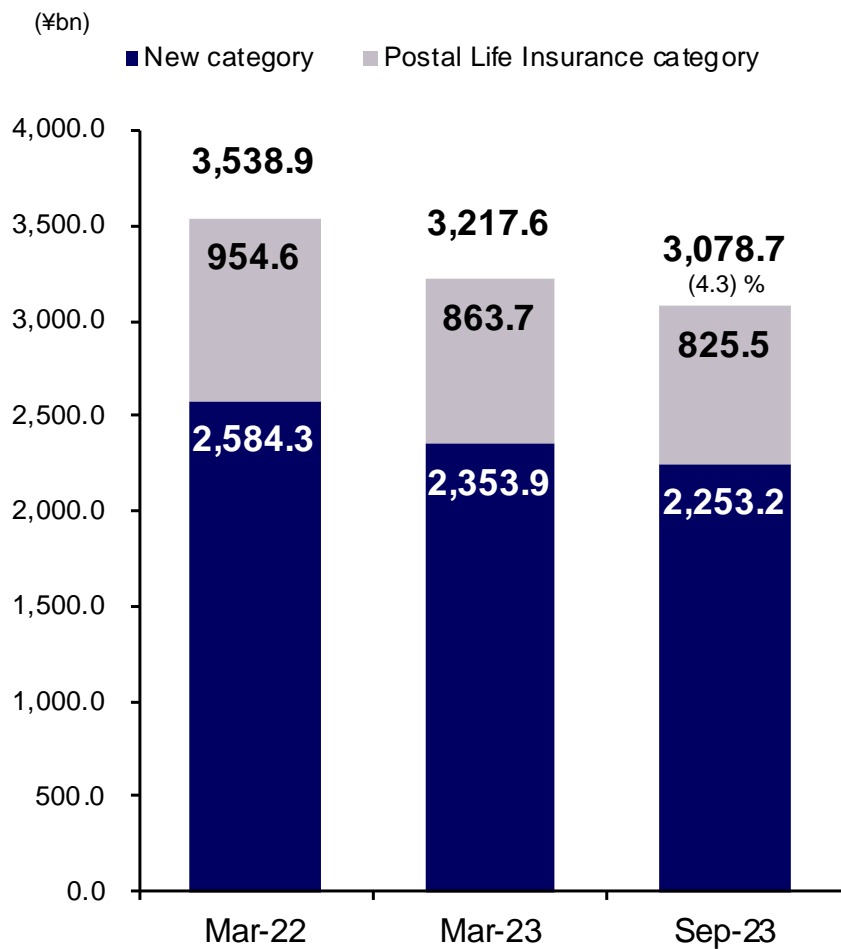
Annualized Premiums from New Policies (Medical Care)



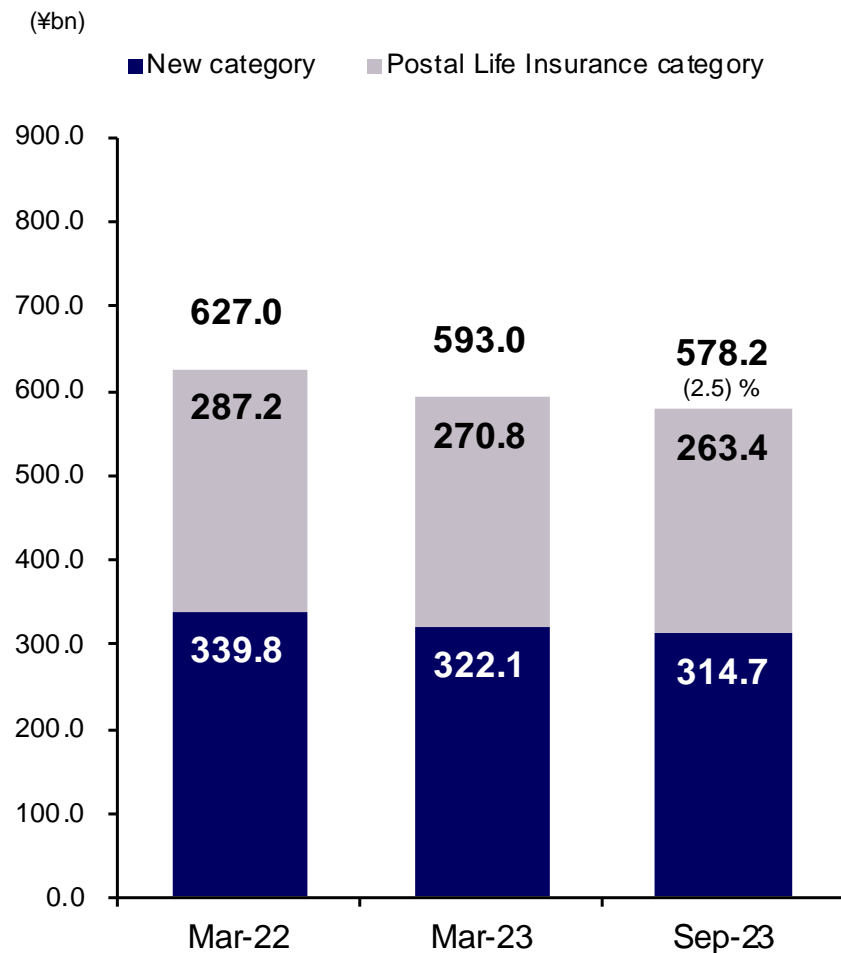
Note : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium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

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. "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-23		Sep-23		Change
	Amount	Share	Amount	Share	
Bonds	44,613.8	71.2 %	43,726.6	71.0 %	(887.1)
Japanese government bonds	37,114.6	59.2 %	36,762.2	59.7 %	(352.3)
Japanese local government bonds	3,390.6	5.4 %	2,980.4	4.8 %	(410.2)
Japanese corporate bonds	4,108.5	6.6 %	3,984.0	6.5 %	(124.5)
Return seeking assets ¹	9,830.4	15.7 %	10,183.9	16.5 %	353.4
Domestic stocks ²	2,608.4	4.2 %	2,980.4	4.8 %	372.0
Foreign stocks ²	534.5	0.9 %	610.8	1.0 %	76.3
Foreign bonds ²	4,680.3	7.5 %	4,356.6	7.1 %	(323.6)
Other ³	2,007.0	3.2 %	2,235.8	3.6 %	228.8
Alternative assets	1,313.6	2.1 %	1,523.8	2.5 %	210.2
Loans	3,605.8	5.8 %	3,571.4	5.8 %	(34.3)
Others	4,637.2	7.4 %	4,103.3	6.7 %	(533.9)
Cash and deposits, call loans	1,476.5	2.4 %	1,421.2	2.3 %	(55.2)
Receivables under resale agreements	1,384.7	2.2 %	1,006.7	1.6 %	(377.9)
Total assets	62,687.3	100.0 %	61,585.4	100.0 %	(1,101.9)

- 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 investing only in the specified assets.
- Bank loans, multi-asset, alternative investment (real estate fund, private equity, infrastructure equity, etc.), etc.

Spread and Investment Yield

(¥bn)

	6months ended Sep-22	6months ended Sep-23	(Reference) Year ended Mar-23
Positive spread	60.4	50.2	94.0
Average assumed rates of return ¹	1.67 %	1.66 %	1.67 %
Investment return on core profit ²	1.90 %	1.86 %	1.85 %
Net capital gains (losses)	(72.1)	5.7	(63.8)

- 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.

Duration

(years)

	Mar-23	Sep-23
Assets	10.6	10.1
Liabilities	12.3	11.8
Difference	1.7	1.7

Note: The duration for accounting purposes of insurance liabilities related to individual insurance and individual annuities and yen-denominated interest-bearing assets.

Investments [Fair Value Information of Securities]

Fair Value Information of Securities

(¥bn)

	Mar-23			Sep-23			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	53,932.2	57,758.3	3,826.0	53,213.1	55,742.0	2,528.8	(719.0)	(2,016.2)	(1,297.1)
Held-to-maturity bonds	32,935.5	35,502.3	2,566.8	32,466.7	33,647.2	1,180.5	(468.8)	(1,855.0)	(1,386.2)
Policy-reserve-matching bonds	8,075.0	8,237.6	162.6	8,013.5	7,877.8	(135.7)	(61.4)	(359.8)	(298.3)
Available-for-sale securities	12,921.7	14,018.3	1,096.5	12,732.9	14,216.9	1,484.0	(188.8)	198.6	387.4
Securities etc.	9,544.9	9,346.3	(198.6)	9,301.3	8,947.8	(353.5)	(243.5)	(398.4)	(154.8)
Bonds	3,878.7	3,733.1	(145.5)	3,674.4	3,408.4	(265.9)	(204.2)	(324.6)	(120.3)
Domestic stocks	330.0	397.5	67.4	337.0	457.9	120.8	6.9	60.3	53.4
Foreign securities	2,964.3	2,949.2	(15.0)	2,589.1	2,530.8	(58.3)	(375.1)	(418.4)	(43.2)
Other securities	1,800.2	1,693.9	(106.2)	1,899.9	1,749.3	(150.5)	99.7	55.4	(44.3)
Deposits etc.	571.5	572.3	0.7	800.7	801.2	0.4	229.1	228.8	(0.2)
Money held in trust	3,376.7	4,672.0	1,295.2	3,431.5	5,269.0	1,837.5	54.7	597.0	542.3
Domestic stocks ¹	1,470.7	2,199.1	728.3	1,440.6	2,510.7	1,070.0	(30.0)	311.6	341.7
Foreign stocks ¹	275.4	534.5	259.0	280.0	610.8	330.7	4.6	76.3	71.7
Foreign bonds ¹	643.1	673.2	30.0	648.4	696.5	48.0	5.2	23.2	17.9
Other ²	987.3	1,265.0	277.7	1,062.2	1,450.9	388.6	74.9	185.8	110.9

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 specified assets.
2. Cash and deposits, bank loans and alternative investment.

Expenses

Expenses

(¥bn)

	6months ended Sep-22	6months ended Sep-23	Change	(Reference) Year ended Mar-23
Operating expenses	220.7	213.9	(6.7)	445.7
Commissions ¹	69.4	60.7	(8.7)	134.8
Sales Commissions	18.7	12.0	(6.6)	34.4
Maintenance Commissions	50.7	48.6	(2.0)	100.3
Contributions ²	25.0	28.2	3.1	50.1
Others	126.1	124.9	(1.2)	260.7
Other ordinary expenses	38.8	40.1	1.3	74.0
Depreciation and amortization	19.9	20.1	0.2	39.4
Operating expenses etc	259.5	254.1	(5.4)	519.7

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-23	Sep-23	(¥bn)
			Provisions in the period
Contingency reserve	1,701.8	1,739.1	37.2
Postal Life Insurance category ¹	1,260.2	1,297.7	37.5
New category	441.6	441.4	(0.2)
Reserve for price fluctuations	889.9	882.8	(7.0)
Postal Life Insurance category	711.2	723.8	12.5
New category	178.6	158.9	(19.6)

Additional policy reserve	5,373.0	5,255.8	(117.1)
Postal Life Insurance category ¹	5,370.0	5,253.5	(116.4)
New category	2.9	2.2	(0.7)

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.

- 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 contingency reserves in excess of the statutory reserve standards in order to restore the level of them from the end of March, 2021 onward.

Solvency Margin Ratio

	Mar-23	Sep-23	(¥bn)
Solvency Margin Ratio	1,009.1 %	1,024.1 %	
Total amount of solvency margin	5,636.9	6,117.7	
Total amount of risk	1,117.1	1,194.7	
Real net assets	8,253.5	6,990.2	

Embedded Value

Breakdown of EV

	Mar-23	Sep-23 ¹	Change
EV	3,463.8	3,575.5	+ 111.7 + 3.2 %
Adjusted net worth	2,010.8	1,996.2	(14.6) (0.7) %
Value of in- force covered business	1,452.9	1,579.3	+ 126.3 + 8.7 %

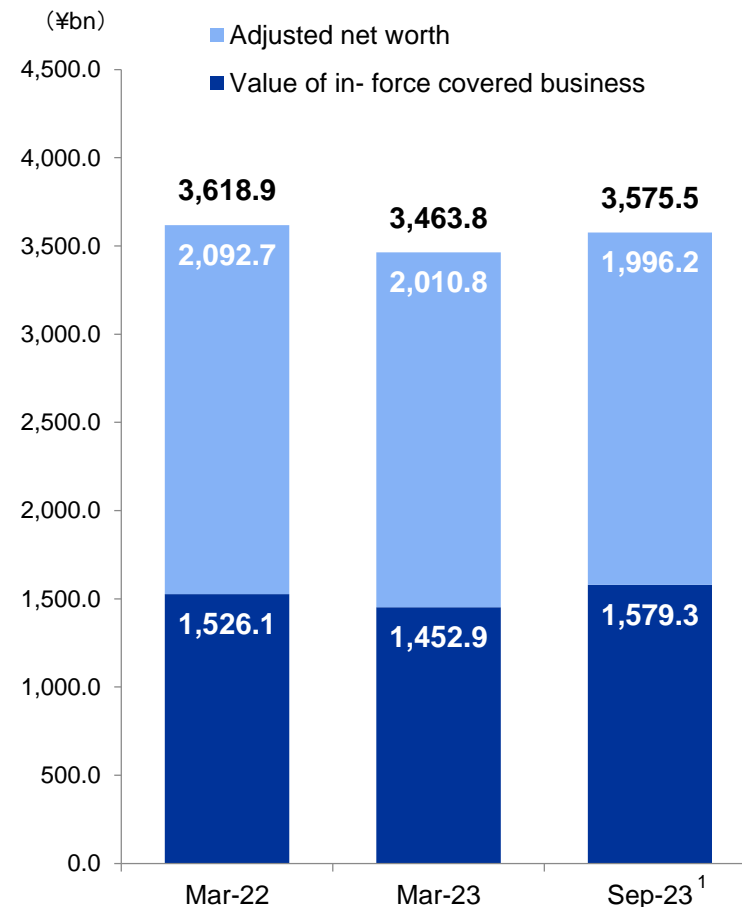
(¥bn)

Value of New Business

Value of new business as of 6 months ended Sep-23^{1,2} ¥ 6.7 bn

New business margin as of 6 months ended Sep-23^{1,2,3} 1.4 %

EV



1. Provisional calculations that have not been verified by a third party.
2. Using the economic assumptions as of September 30, 2023, based on the new policies written in the period from April 2023 to September 2023. The value of new business includes the increase or decrease due to conditional cancellation and conversion, as well as renewed policies.
3. The value of new business divided by the present value of future premium income.

The Forecasts for Full-year Financial Results for the Year Ending March 31, 2024

Full-year Financial Results Forecast

(¥bn)

	Year ending Mar-24 (Forecast)	6months ended Sep-23	Achievement
Ordinary income	5,890.0	3,113.9	52.9%
Ordinary profit	140.0	99.3	70.9%
Net income ¹	72.0	50.4	70.1%

Net income per share	¥188.11	¥ 131.78
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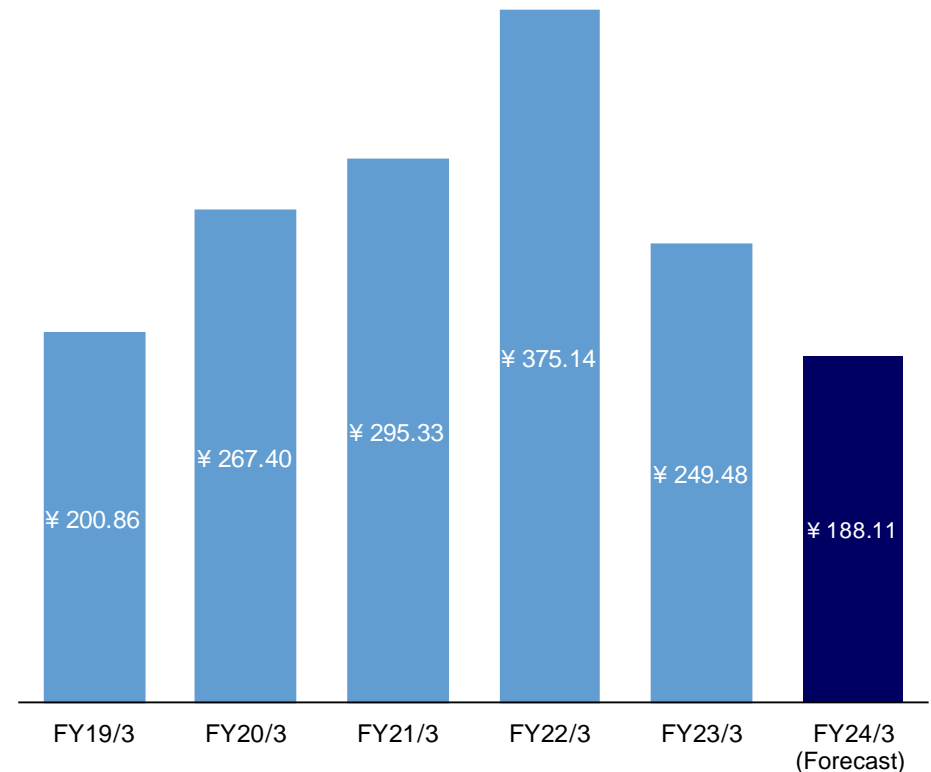
Full-year Financial Results Forecast (non-consolidated)

(¥bn)

	Year ending Mar-24 (Forecast)	6months ended Sep-23	Achievement
Core profit	Approx. 200.0	131.7	65.9 %

1. Net income attributable to Japan Post Insurance.

Earnings Per Share



Shareholder Return

Shareholder Return Policies during the period of the 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.
- By taking timely measures, including acquisition of treasury stock, to return profits to shareholders flexibly, we will aim for an average total payout ratio from 40% to 50% in the medium term.

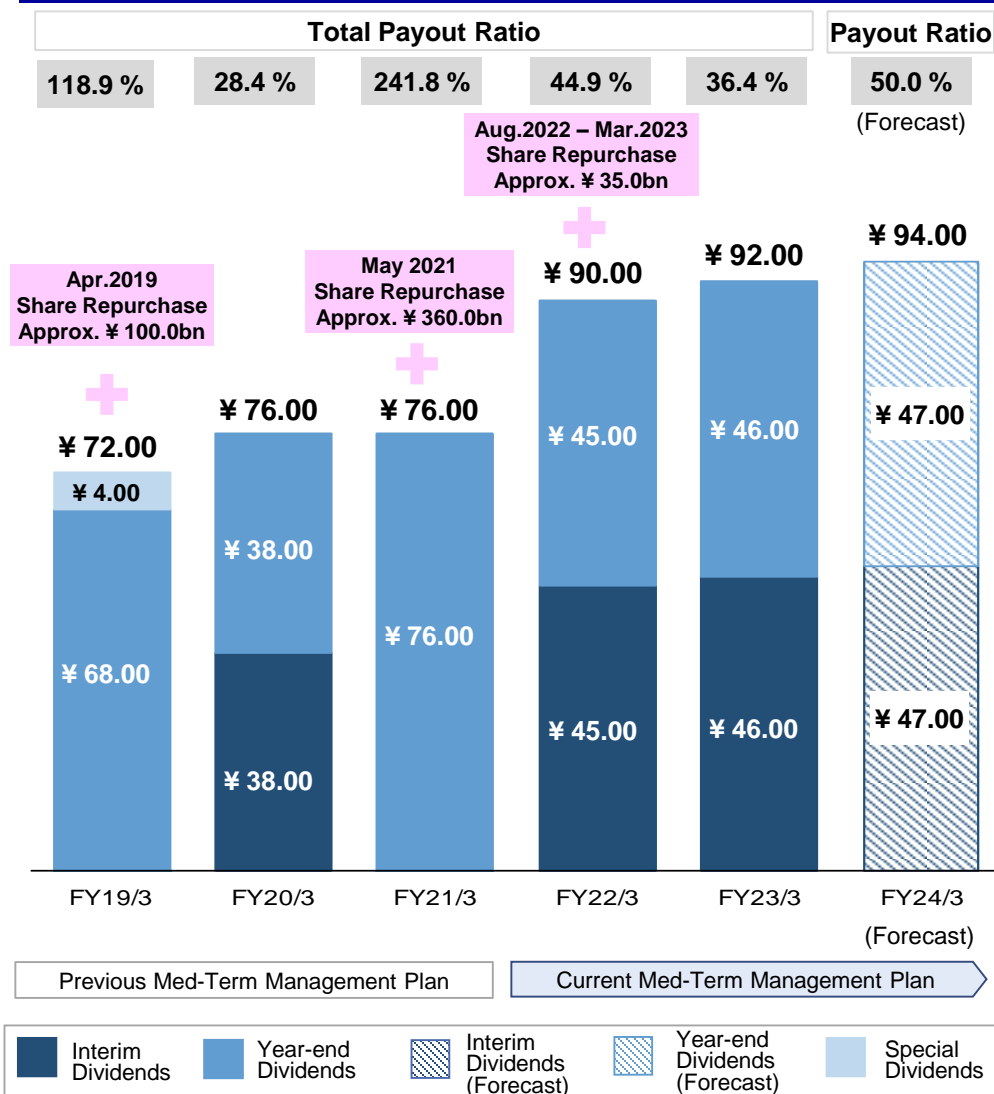
Shareholder Return for the Year Ended March 31, 2023

- For FY23/3, dividends to shareholders at ¥ 92 per share have been paid.

Shareholder Return for the Year Ending March 31, 2024

- As for dividends to shareholders for FY24/3, no change is being contemplated to ¥ 94 per share as scheduled.
- The Company plans to provide cash dividends twice a year as the interim dividends and the year-end dividends.

Shareholder Return



APPENDIX

Overview of Balance Sheets

Overview of Balance Sheets

(¥bn)

	Mar-23	Sep-23	Change
Total Assets	62,687.3	61,585.4	(1,101.9)
Cash and deposits	1,436.5	1,381.2	(55.2)
Money held in trust	4,772.3	5,376.3	604.0
Securities	49,841.4	48,709.2	(1,132.2)
Loans	3,605.8	3,571.4	(34.3)
Tangible fixed assets	92.7	89.9	(2.7)
Intangible fixed assets	92.3	95.2	2.9
Deferred tax assets	1,028.7	939.2	(89.5)

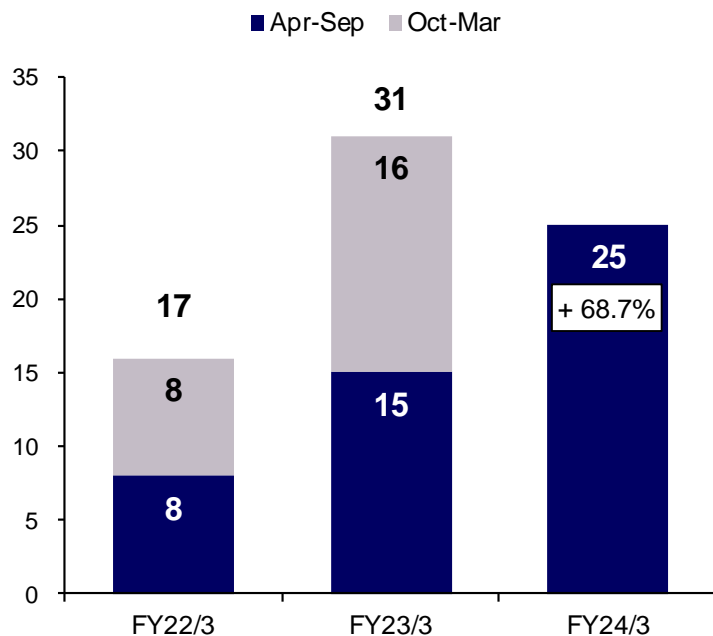
	Mar-23	Sep-23	Change
Total Liabilities	60,312.0	58,904.0	(1,407.9)
Policy reserves	53,518.2	52,145.0	(1,373.1)
Contingency reserve	1,701.8	1,739.1	37.2
Additional policy reserve	5,373.0	5,255.8	(117.1)
Bonds payable	300.0	400.0	100.0
Reserve for price fluctuations	889.9	882.8	(7.0)
Net assets	2,375.3	2,681.3	305.9
Total shareholders' equity	1,570.5	1,603.4	32.9
Capital stock	500.0	500.0	-
Capital surplus	405.0	405.0	-
Retained earnings	701.5	699.3	(2.1)
Treasury stock	(36.0)	(0.9)	35.1
Total accumulated other comprehensive income	804.8	1,077.8	272.9

Note: Only major line items are shown.

Policy Sales

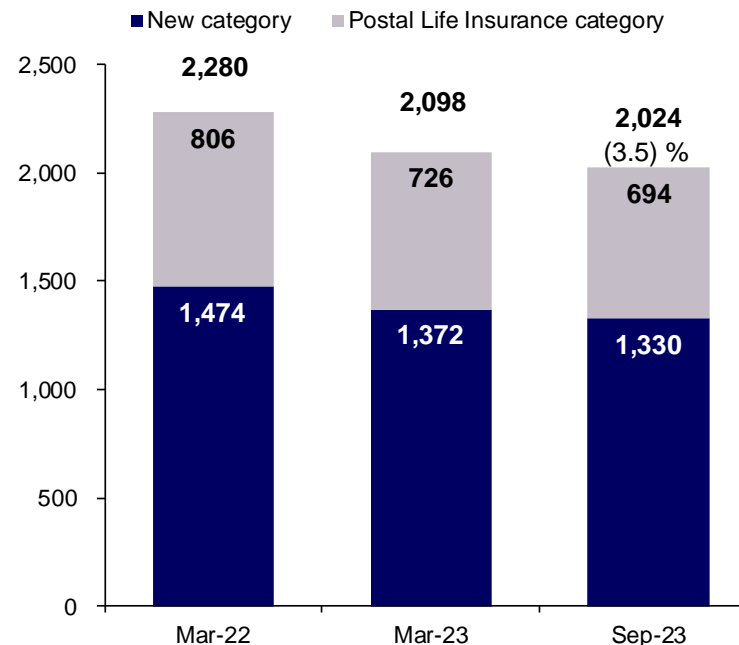
Number of New Policies (Individual Insurance)

(10 thousands)



Number of Policies in Force (Individual Insurance)

(10 thousands)



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 Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Numbers of Surrender and Lapse (Individual Insurance)

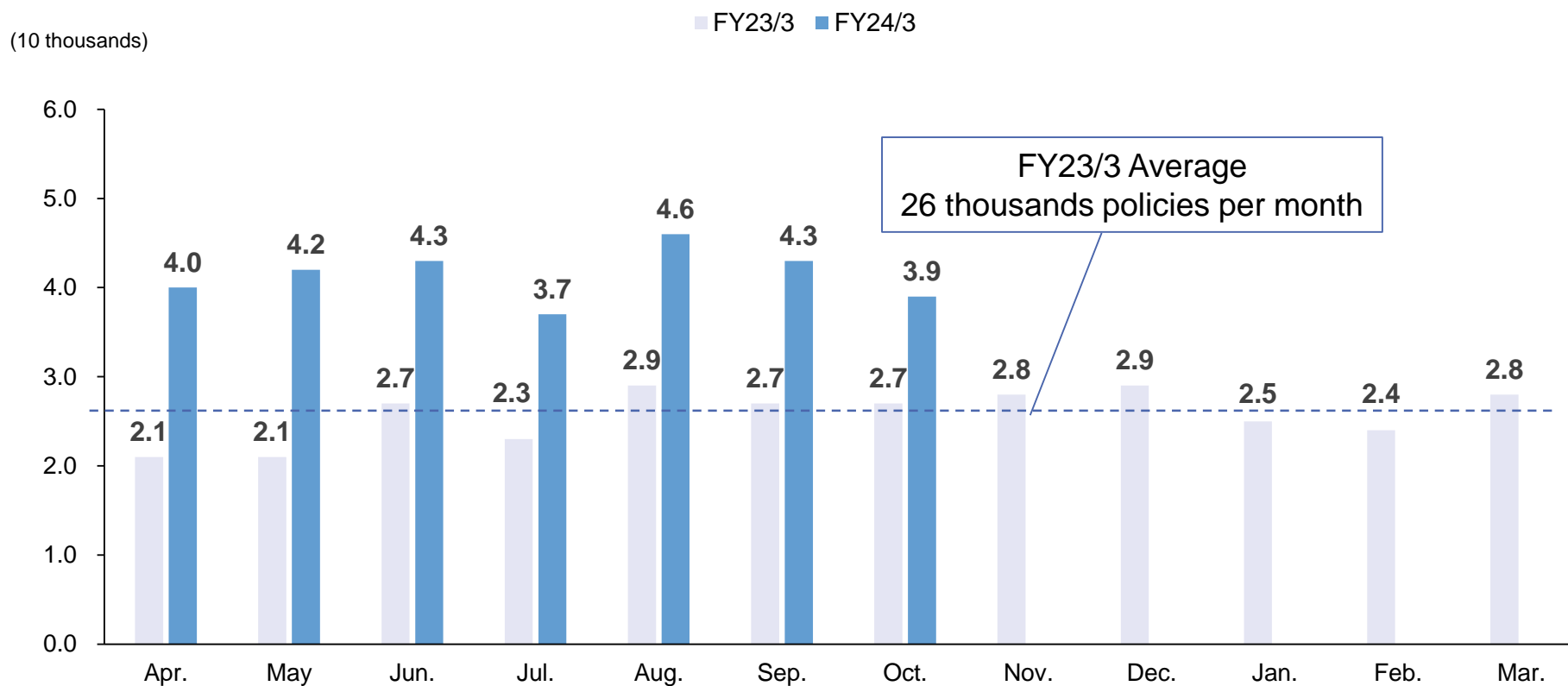
(10 thousands)

	FY22/3	FY23/3	FY24/3
Full year	50	42	-
Apr-Sep	25	22	19

Note : Sum of “New category” and “Postal Life Insurance category.”

Monthly Change of Number of New Policies

Number of New Policies¹ (Individual Insurance)



1. The number of new policies includes policies after conversion and excludes renewed policies.

Breakdown of Policies by Product

Breakdown of New Policies

(10 thousands)

	6months ended Sep-22		6months ended Sep-23	
	Number of policies	Share	Number of policies	Share
Individual insurance	15	100.0 %	25	100.0 %
Endowment insurance	10	70.8 %	14	56.9 %
Ordinary endowment insurance	7	49.7 %	9	37.8 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	0	1.8 %	0	1.4 %
Special endowment insurance ¹	2	19.4 %	4	17.7 %
Whole life insurance	2	17.2 %	5	20.3 %
Ordinary whole life insurance (Fixed amount type)	0	4.9 %	1	5.4 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	0	1.1 %	0	1.3 %
Ordinary whole life insurance (Increased amount type)	1	8.3 %	2	9.4 %
Special whole life insurance	0	2.9 %	1	4.2 %
Educational endowment insurance	1	9.2 %	4	16.5 %
Other insurance	0	2.8 %	1	6.3 %

Note1 : Only major products are shown.

Note2 : Policies in force includes postal life insurance policies.

1. Increased amount type endowment insurance.

Breakdown of Policies in Force

(10 thousands)

	Mar-23		Sep-23	
	Number of policies	Share	Number of policies	Share
Individual insurance	2,098	100.0 %	2,024	100.0 %
Endowment insurance	677	32.3 %	629	31.1 %
Ordinary endowment insurance	441	21.0 %	409	20.2 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	3	0.2 %	3	0.2 %
Special endowment insurance ¹	232	11.1 %	216	10.7 %
Whole life insurance	1,109	52.9 %	1,092	53.9 %
Ordinary whole life insurance (Fixed amount type)	332	15.8 %	324	16.0 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	5	0.2 %	5	0.3 %
Ordinary whole life insurance (Increased amount type)	246	11.7 %	244	12.1 %
Special whole life insurance	525	25.1 %	517	25.6 %
Educational endowment insurance	297	14.2 %	287	14.2 %
Other insurance	13	0.7 %	15	0.8 %

Quarterly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)

(¥bn)

	FY21/3	FY22/3	FY23/3	FY24/3	
1Q	6.0	11.6	16.6	23.0	+ 38.9 %
2Q	9.0	11.2	16.1	22.2	+ 37.2 %
3Q	7.2	11.4	16.8	—	
4Q	8.3	11.7	16.2	—	
Total	30.6	46.1	65.8	45.2	

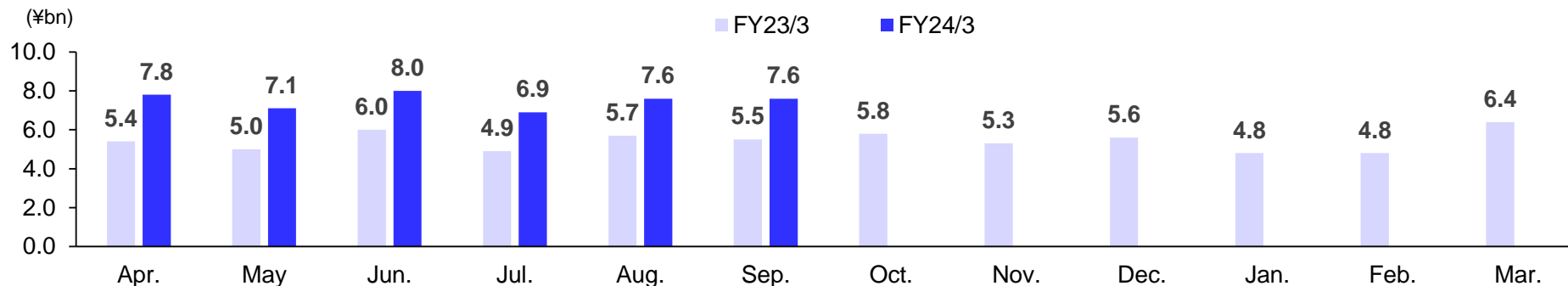
Annualized Premiums from New Policies (Medical Care)

(¥bn)

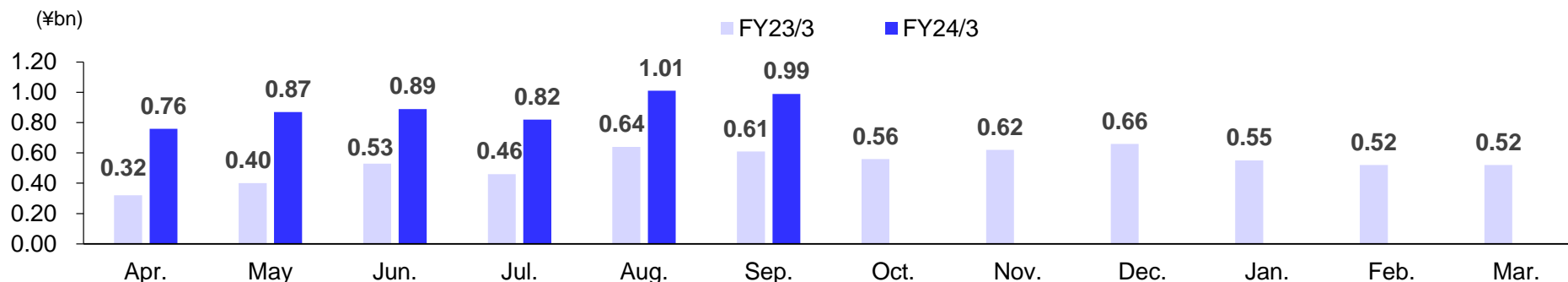
	FY21/3	FY22/3	FY23/3	FY24/3	
1Q	0.2	0.4	1.2	2.5	+ 100.5 %
2Q	0.4	0.5	1.7	2.8	+ 64.8 %
3Q	0.3	0.5	1.8	—	
4Q	0.4	0.5	1.5	—	
Total	1.4	2.1	6.4	5.3	

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.
FY23/3	5.9 %	8.0 %	8.8 %	9.4 %	11.2 %	11.2 %	9.6 %	11.7 %	11.7 %	11.3 %	10.9 %	8.0 %
FY24/3	9.7 %	12.2 %	11.1 %	11.8 %	13.4 %	13.0 %	-	-	-	-	-	-

1. Only for the premiums for medical care related to individual insurance.

Breakdown of Annualized Premiums from New Policies by Sales channel

Breakdown of Annualized Premiums from New Policies (Individual Insurance)

(¥bn)

	6months ended Sep-22		6months ended Sep-23		Change
		Share		Share	
Post Offices ¹	8.0	24.6%	13.4	29.7%	+ 66.8 %
Retail Service Division	5.9	18.3%	11.9	26.5%	+ 100.1 %
Branch offices (Whole Sales)	18.7	57.2%	19.8	43.8%	+ 5.9 %
Total	32.7	100.0%	45.2	100.0%	+ 38.1 %

Breakdown of Annualized Premiums from New Policies (Medical Care)

(¥bn)

	6months ended Sep-22		6months ended Sep-23		Change
		Share		Share	
Post Offices ¹	1.6	56.4%	2.7	51.5%	+ 64.3 %
Retail Service Division	1.1	39.9%	2.5	46.7%	+ 110.3 %
Branch offices (Whole Sales)	0.1	3.7%	0.1	1.9%	△ 9.8 %
Total	2.9	100.0%	5.3	100.0%	+ 79.9 %

1. Includes amounts of the Contracted post offices.

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

Interest, Dividends and Other Income

	6months ended Sep-22	6months ended Sep-23	(Reference) Year ended Mar-23
Investment income	556.1	619.4	1,159.0
Interest, dividends and other income	491.5	440.5	950.7
Interest on deposits	0.0	0.0	0.0
Interest and dividends on securities	450.8	403.7	869.7
Interest on corporate and government bonds	351.0	344.7	699.1
Domestic stock dividends	5.5	6.7	11.2
Interest and dividends on foreign securities	63.5	43.7	117.7
Others	30.7	8.4	41.6
Interest on loans	6.7	6.5	13.3
Interest on loans to the Management Organization	31.6	25.5	60.1
Rent revenue from real estate	-	-	-
Interest and dividends on others	2.2	4.6	7.4

(¥bn)

Capital gains(losses)

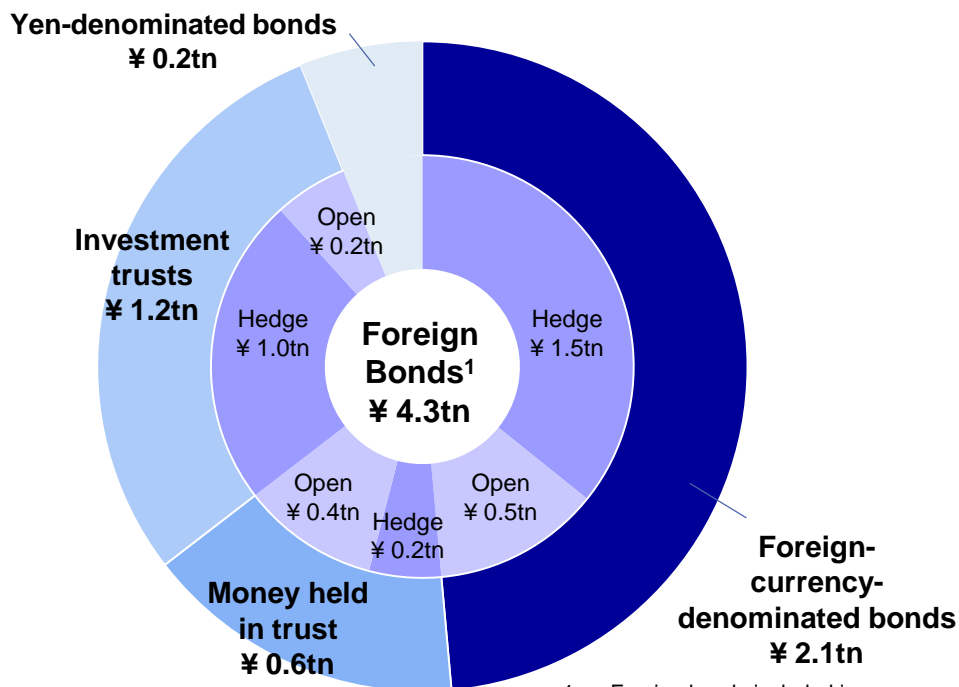
	6months ended Sep-22	6months ended Sep-23	(Reference) Year ended Mar-23
Capital gains	97.9	220.8	287.1
Gains on money held in trust	36.6	107.2	150.3
Gains on sales of securities	26.6	58.9	50.5
Gains on derivative financial instruments	-	-	-
Gains on foreign exchanges	0.9	13.9	6.8
Other capital gains ¹	33.7	40.7	79.4
Capital losses	(170.1)	(215.0)	(351.0)
Losses on money held in trust	-	-	-
Losses on sales of securities	(82.7)	(85.5)	(177.2)
Losses on valuation of securities	(15.6)	-	(0.3)
Losses on derivative financial instruments	(15.5)	(52.3)	(60.5)
Losses on foreign exchanges	-	-	-
Other capital losses ²	(56.2)	(77.2)	(112.8)
Net Capital gains(losses)	(72.1)	5.7	(63.8)

(¥bn)

1. Amount equivalent to hedging cost related to foreign exchange and gains from cancellation of investment trust is recognized as "Other capital gains."
2. Amount equivalent to income gains associated with money held in trust is recognized as "Other capital losses."

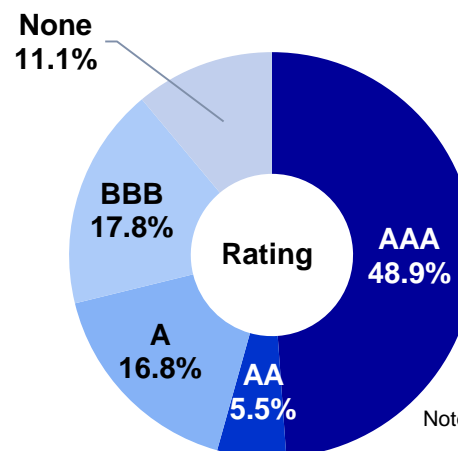
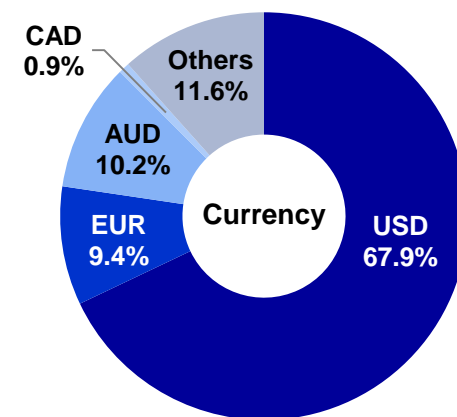
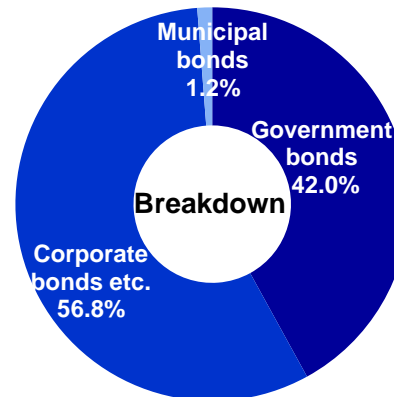
Exposure to Foreign Bonds (as of September 30, 2023)

Breakdown of Foreign Bonds



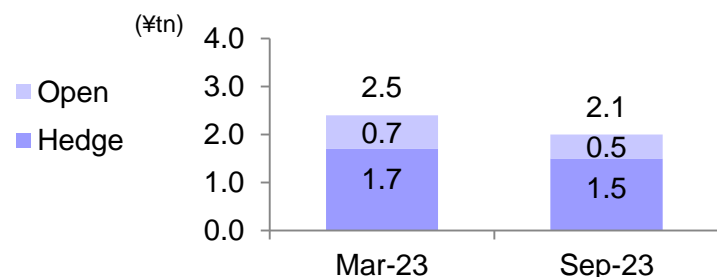
1. Foreign bonds included in return seeking assets (Ref.P6).

Foreign-currency-denominated Bonds



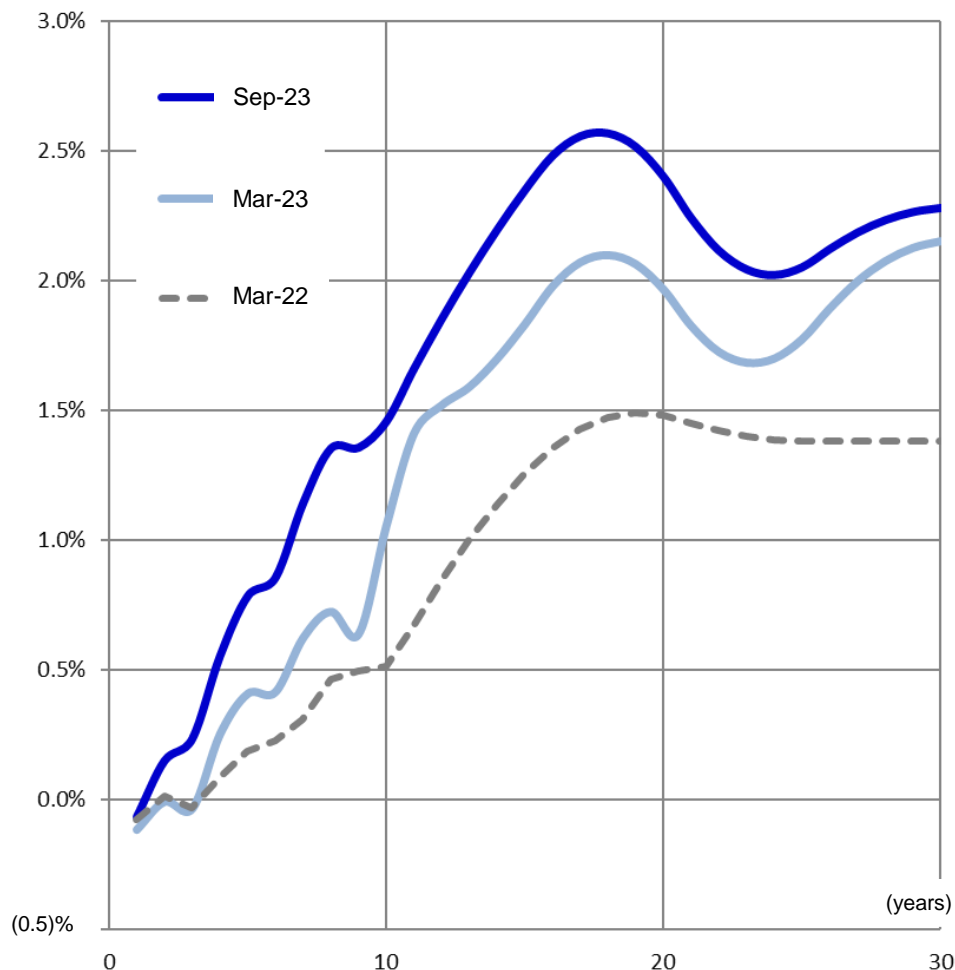
Note 1: Only foreign-currency-denominated-bonds issued by foreign entities are included in the calculation.
 Note 2: Issuer Ratings by Moody's are indicated.

Change of Foreign-currency-denominated Bonds



Fluctuations of Interest Rates (EV Assumptions)¹

Forward Rate (Mar-22 to Sep-23)



Forward Rate

	Mar-22	Mar-23 ^①	Sep-23 ^②
10 years	0.513 %	1.056 %	1.457 %
20 years	1.480 %	1.967 %	2.399 %
30 years	1.382 %	2.153 %	2.279 %

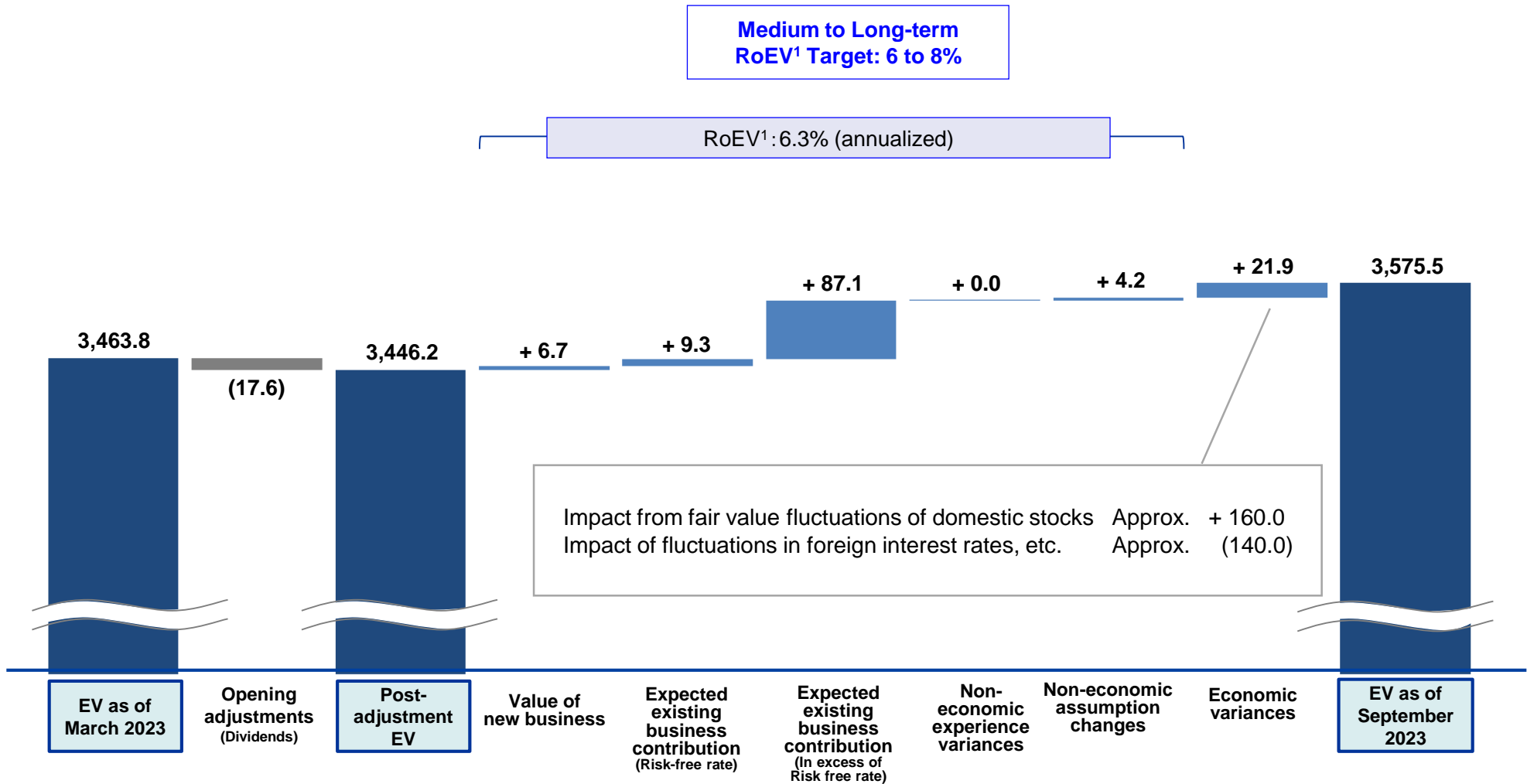
Note: The economic assumptions used for the calculation of EV and the value of new business are as follows:

- EV as of March 31, 2023 : ①
- Value of new business for FY24/3 2Q : ②
- EV as of September 30, 2023 : 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.

Sensitivity Analysis of EV

Sensitivity to Economic Assumptions

(¥bn)

Assumptions	EV	Change (%)	Adjusted net worth	Value of in- force covered business
50bp increase in risk-free rate ^{1,2}	3,515.6	(59.8) ((1.7) %)	1,971.3	1,544.3
50bp increase in risk-free rate of domestic interest rates ^{1,2}	3,570.3	(5.2) ((0.1) %)	1,976.1	1,594.1
50bp increase in risk-free rate of foreign interest rates ^{1,2}	3,517.0	(58.5) ((1.6) %)	1,991.4	1,525.5
50bp decrease in risk-free rate ^{1,2}	3,622.6	+ 47.0 (+ 1.3 %)	2,019.1	1,603.5
50bp decrease in risk-free rate (parallel shift without zero floor) ^{1,2}	3,611.0	+ 35.5 (+ 1.0 %)	2,023.1	1,587.9
10% decrease in equity and real estate value ^{1,2}	3,417.6	(157.9) ((4.4) %)	1,990.1	1,427.4
10% appreciation of the yen ^{1,2}	3,499.0	(76.5) ((2.1) %)	2,004.4	1,494.5

Sensitivity to Non-economic Assumptions

(¥bn)

Assumptions	EV	Change (%)	Adjusted net worth	Value of in- force covered business
Future volume of policies in force is 105% of the level assumed in the calculation of EV as of March 31, 2023 ^{1,2}	3,630.9	+ 55.3 (+ 1.5 %)	1,996.2	1,634.6
10% decrease in maintenance expenses ^{1,2}	3,748.8	+ 173.2 (+ 4.8 %)	1,996.2	1,752.5

- Provisional calculations that have not been verified by a third party.
- For each sensitivity scenario, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of a change of more than one assumption at a time is likely to be different from the sum of the relevant individual sensitivity results shown.

Status of Insurance payment for COVID-19

Status of insurance payment for COVID-19¹

		FY21/3	FY22/3	FY23/3	FY24/3			Total ²
					1Q	2Q		
Death benefits	Amount (¥bn)	4.9	13.3	45.8	8.9	2.0	10.9	75.1
	Number	1,456	3,807	15,257	2,943	650	3,593	24,113
Double payment	Amount (¥bn)	2.4	6.5	22.7	4.4	1.0	5.4	37.2
	Number	1,450	3,800	15,251	2,942	650	3,592	24,093
Hospitalization benefits	Amount (¥bn)	0.8	5.4	61.0	2.4	1.3	3.7	71.0
	Number	14,023	110,562	1,493,752	54,058	29,201	83,259	1,701,611
Payment for deemed hospitalization	Amount (¥bn)	0.3	3.8	58.6	1.8	1.1	2.9	65.7
	Number	7,425	94,917	1,463,136	49,212	27,213	76,425	1,641,903

(Reference) Handling of insurance claims payments for COVID-19

- From April 2020, the Company has been implementing a system in which policyholders are eligible for a double payment of insurance benefits in the event of death from COVID-19. Furthermore, the Company provides payment of hospitalization benefits for treatment at home or at a lodging (deemed hospitalization) after being diagnosed with COVID-19.
- From September 26, 2022 onward, hospitalization benefits payments for deemed hospitalization are limited to those who are at high risk of severe symptoms.
- From May 8, 2023 onward, in line with the change in COVID-19 legal status, the Company has concluded the double payment of insurance claims and the payment of hospitalization benefits claims for deemed hospitalization. As a result, eligibility for benefits claims is as shown in the table below. (○: Eligible, ×: Ineligible)

【Double payment of insurance claims】

Policyholders who deceased due to COVID-19 prior to May 7, 2023	○
Policyholders who deceased due to COVID-19 on or after May 8, 2023 onward	×

【Payment of hospitalization benefits for treatment at home or at a lodging (deemed hospitalization payments)】

Policyholders diagnosed prior to September 25, 2022	○	
Policyholders diagnosed on or after September 26, 2022, but prior to May 7, 2023	Policyholders with high risk of severe symptoms [*]	○
	Those other than the above	×
Policyholders diagnosed on or after May 8, 2023	×	

- ^{*} Those who meet any of the following eligibility criteria
- Persons aged 65 or above
 - Persons requiring hospitalization
 - Persons at risk of severe symptoms, requiring the administering of COVID-19 medication or oxygenation due to COVID-19
 - Persons who are pregnant

- Excluding insurance payments related to persons who died or were hospitalized for COVID-19 on or after May 8, 2023.
- Including insurance claims payments in FY20/3.

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

(¥bn)

C	FY20/3		FY21/3		FY22/3		FY23/3		FY23/3 2Q		FY24/3 2Q	
	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life
Ordinary income	3,582.6	3,658.6	3,591.8	3,194.6	3,462.1	2,992.1	3,580.7	2,805.9	1,811.5	1,390.8	1,782.3	1,335.1
Insurance premiums and others	2,786.3	459.1	2,333.7	364.1	2,132.1	286.8	1,978.3	222.6	1,034.3	117.1	1,006.1	90.7
Investment income	441.2	696.5	448.4	673.6	460.6	688.6	488.5	670.8	254.2	301.9	231.6	389.2
Other ordinary income	354.9	2,503.0	809.7	2,156.8	869.3	2,016.6	1,113.8	1,912.4	523.0	971.7	544.4	855.1
Ordinary expenses	3,388.2	3,566.1	3,329.3	3,112.2	3,215.3	2,883.2	3,533.5	2,735.4	1,789.7	1,378.6	1,728.1	1,289.1
Insurance claims and others	2,842.0	3,349.3	2,925.4	2,940.6	2,831.7	2,717.5	2,952.6	2,535.3	1,487.0	1,282.1	1,477.4	1,140.8
Provision for policy reserves and others	29.9	-	0.0	-	0.0	-	14.5	-	19.8	2.2	2.0	0.0
Investment expenses	85.7	38.2	59.5	11.7	56.5	13.3	207.8	39.0	102.0	14.9	75.6	66.8
Operating expenses	336.3	135.8	275.4	126.6	263.0	121.5	306.6	137.5	153.2	67.2	145.4	68.0
Other ordinary expenses	94.2	42.7	68.9	33.2	64.0	30.7	51.8	23.6	27.4	12.0	27.5	13.4
Ordinary profit	194.3	92.4	262.5	82.4	246.7	108.9	47.1	70.4	21.8	12.1	54.2	45.9
Extraordinary gains and losses ¹	9.3	29.8	(23.6)	(23.1)	(22.3)	(40.0)	98.4	(16.1)	56.3	24.9	19.6	(12.5)
Provision for reserve for policyholder dividends	15.4	93.7	18.7	46.7	18.2	54.8	18.3	43.6	8.3	18.7	8.1	26.2
Income before income taxes	188.2	28.5	220.2	12.6	206.1	14.0	127.2	10.6	69.7	18.3	65.7	7.1
Total income taxes	54.9	10.7	61.1	6.0	57.3	4.9	36.4	3.6	24.3	15.7	18.9	2.4
Net income	133.3	17.8	159.0	6.5	148.7	9.1	90.8	6.9	45.4	2.5	46.7	4.6

Note 1: "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.

Note 2: Regarding some of the line items, adjustments are made 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.

1. "Extraordinary gains and losses" includes "Price fluctuations reserve, provision" and "Price fluctuations reserve, reversal."

Figures by New and Postal Life Insurance Categories (Non-Consolidated)

		FY20/3	FY21/3	FY22/3	FY23/3	FY23/3 2Q	FY24/3 2Q
Total assets	¥mn	71,667,398	70,173,857	67,174,848	62,685,230	64,746,626	61,585,915
Postal Life Insurance category		39,225,493	37,815,270	35,929,138	33,692,133	34,576,323	33,398,736
New category		32,441,904	32,358,586	31,245,710	28,993,096	30,170,303	28,187,178
Number of policies in force	(000)	27,070	24,837	22,802	20,987	21,861	20,246
Postal Life Insurance category (insurance)		9,907	8,944	8,061	7,265	7,645	6,942
New category (individual insurance)		17,163	15,893	14,740	13,722	14,215	13,304
Numbers of new policies	(000)	644	124	173	314	150	254
Numbers of cancelled policies¹	(000)	2,717	2,357	2,209	2,128	1,091	996
Postal Life Insurance category (insurance)		1,140	962	882	796	416	323
New category (individual insurance)		1,576	1,394	1,326	1,332	675	672
Contingency reserve (reversal) provision²	¥mn	(165,388)	(186,023)	79,651	10,883	(1,541)	37,275
Postal Life Insurance category		(170,814)	(191,014)	73,581	56,976	21,505	37,502
New category		5,425	4,991	6,069	(46,093)	(23,047)	(226)
Price fluctuations reserve (reversal) provision²	¥mn	(39,152)	46,477	67,789	(82,645)	(81,410)	(7,072)
Postal Life Insurance category		(29,845)	23,121	40,045	16,140	(24,913)	12,592
New category		(9,306)	23,355	27,743	(98,786)	(56,497)	(19,665)
Additional policy reserve (reversal) provision²	¥mn	(49,750)	27,652	(239,366)	(245,641)	(119,938)	(117,173)
Postal Life Insurance category		(46,396)	30,553	(236,996)	(243,835)	(118,961)	(116,472)
New category		(3,354)	(2,901)	(2,369)	(1,806)	(976)	(700)

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.

- From FY24/3, the company has changed the definition of "numbers of cancelled policies" from "the sum of death, maturity, surrender and lapse" to "the sum of death, maturity, surrender and lapse, and other decreases (mainly the sum of cancellations, invalidations, and rescissions)." Figures for the numbers of cancelled policies from FY20/3 onward in this document are based on the revised definition.
- Plus signs indicate provisions, while brackets () indicate reversals.

Key Financial Indicators

(¥bn)

	FY20/3	FY21/3	FY22/3	FY23/3	FY23/3 2Q	FY24/3 2Q
Insurance premiums and others	3,245.5	2,697.9	2,418.9	2,200.9	1,151.4	1,096.9
Operating expenses etc ¹	609.4	503.5	479.0	519.7	259.5	254.1
Ordinary profit	286.6	345.7	356.1	117.5	34.5	99.3
Provision for reserve for policyholder dividends	109.2	65.4	73.1	62.0	27.1	34.4
Net income	150.6	166.1	158.0	97.6	48.2	50.4
Net assets	1,928.3	2,841.4	2,421.0	2,375.3	2,181.2	2,681.3
Total assets	71,664.7	70,172.9	67,174.7	62,687.3	64,748.1	61,585.4
Return on equity	7.4 %	7.0 %	6.0 %	4.1 %	-	-
RoEV ²	(2.8) %	5.0 %	4.0 %	3.1 %	2.5 %	6.3 %
Dividends to shareholders	42.7	42.7	35.9	35.5	17.9	18.0
Share repurchase	-	358.8 ³	34.9 ⁴	-	-	-
Total return ratio	28.4 %	241.8 %	44.9 %	36.4 %	-	-
EV	3,324.2	4,026.2	3,618.9	3,463.8	3,429.7	3,575.5
Value of New Business	60.6	(12.7)	(11.5)	(7.4)	(0.9)	6.7
Core profit (Non-consolidated) ⁵	400.6	421.9	429.7	192.3	104.6	131.7
Core profit attributable to life insurance activities	320.1	345.6	296.4	98.2	44.1	81.5
Spread (positive/negative spread) ⁵	80.4	76.3	133.3	94.0	60.4	50.2

1. Sum of Operating expenses and Other ordinary expenses.

2. Calculated by excluding economic variance factors.

3. Share repurchase in May 2021.

4. Share repurchase from August 2022 to March 2023.

5. Following the partial amendment to the method for calculating core profit in FY23/3, Core profit (Non-consolidated) and Spread (positive/negative spread) are calculated by using the revised method from FY22/3 onward, as opposed to the period between FY20/3 and FY21/3.

<Guidance>

Various financial data (in Excel format) are available on the Company's IR website (please refer to "Investor Relations").

- Balance Sheets and Income Statements

<https://www.jp-life.japanpost.jp/IR/en/finance/data.html>

- Other Financial Data

https://www.jp-life.japanpost.jp/IR/en/finance/financial_highlights.html

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