

UNOFFICIAL TRANSLATION

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February 14, 2023
JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for
the Nine Months Ended December 31, 2022**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; SENDA Tetsuya, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022).

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1. Business Highlights

(1) Policies in Force and New Policies

▪ Policies in Force

(Thousands of policies, billions of yen, %)

As of	March 31, 2022		December 31, 2022			
	Number of policies	Policy amount	Number of policies		Policy amount	
				% of March 31, 2022 total		% of March 31, 2022 total
Individual insurance	14,740	42,283.8	13,975	94.8	39,768.3	94.1
Individual annuities	850	1,242.7	714	84.1	1,035.2	83.3
Group insurance	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-

Note: Policy amounts for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.

▪ New Policies

(Thousands of policies, billions of yen, %)

Nine months ended December 31	2021				2022					
	Number of policies	Policy amount			Number of policies		Policy amount			
			New policies	Net increase by conversion		% of December 31, 2021 total	% of December 31, 2021 total	New policies	Net increase by conversion	
Individual insurance	128	427.2	427.1	0.0	236	184.7	628.4	147.1	628.4	0.0
Individual annuities	0	0.1	0.1	-	0	300.0	0.3	268.3	0.3	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

Notes: 1. Number of policies includes policies after conversion.

2. Policy amounts for individual annuities are the total of the accumulated contribution payment as of the date of annuity payment commencement.

(2) Annualized Premiums

▪ Policies in Force

(Billions of yen, %)

As of	March 31, 2022	December 31, 2022	
			% of March 31, 2022 total
Individual insurance	2,584.3	2,409.2	93.2
Individual annuities	301.8	254.8	84.4
Total	2,886.2	2,664.0	92.3
Medical coverage, living benefits and other	339.8	326.3	96.0

▪ New Policies

(Billions of yen, %)

Nine months ended December 31	2021	2022	
			% of December 31, 2021 total
Individual insurance	34.4	49.6	144.4
Individual annuities	0.0	0.0	254.8
Total	34.4	49.6	144.4
Medical coverage, living benefits and other	1.6	4.8	302.1

- Notes:
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.
 2. Medical coverage, living benefits and other includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).
 3. New policies include net increase by conversion.

2. Investment Performance (General Account)

(1) Asset Composition

(Billions of yen, %)

As of	March 31, 2022		December 31, 2022	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,305.0	1.9	999.9	1.6
Receivables under resale agreements	2,120.1	3.2	1,596.1	2.5
Receivables under securities borrowing transactions	-	-	-	-
Monetary claims bought	39.5	0.1	67.7	0.1
Trading account securities	-	-	-	-
Money held in trust	4,521.9	6.7	4,599.2	7.3
Securities	53,418.5	79.5	50,507.9	79.6
Corporate and government bonds	46,747.9	69.6	45,295.9	71.4
Domestic stocks	425.5	0.6	387.3	0.6
Foreign securities	4,332.5	6.4	3,142.3	5.0
Foreign corporate and government bonds	4,181.5	6.2	2,980.2	4.7
Foreign stocks and other securities	150.9	0.2	162.1	0.3
Other securities	1,912.5	2.8	1,682.2	2.7
Loans	4,251.9	6.3	3,904.5	6.2
Real estate	80.5	0.1	79.2	0.1
Deferred tax assets	1,005.3	1.5	1,143.5	1.8
Other	432.1	0.6	522.7	0.8
Reserve for possible loan losses	(0.3)	(0.0)	(0.4)	(0.0)
Total	67,174.8	100.0	63,420.8	100.0
Foreign currency-denominated assets	5,466.7	8.1	4,460.7	7.0

Note: "Real estate" is booked as the sum total of land, buildings and construction in progress.

(2) Fair Value Information of Securities (Other Than Trading Securities)

(Billions of yen)

As of	March 31, 2022					December 31, 2022				
	Book value	Fair value	Net unrealized gains			Book value	Fair value	Net unrealized gains		
			(losses)		(losses)			(losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	34,126.2	38,143.1	4,016.9	4,218.5	201.6	33,211.9	34,929.0	1,717.1	2,605.4	888.3
Policy-reserve-matching bonds	8,604.7	9,106.0	501.2	593.1	91.8	8,399.4	8,377.8	(21.6)	398.7	420.3
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	13,658.4	14,812.6	1,154.2	1,424.2	269.9	13,008.2	13,701.2	693.0	1,466.7	773.7
Corporate and government bonds	4,043.7	4,016.9	(26.7)	19.4	46.1	3,941.8	3,684.5	(257.3)	8.0	265.3
Domestic stocks	1,853.5	2,614.5	761.0	819.8	58.8	1,785.8	2,441.7	655.9	708.5	52.6
Foreign securities	4,809.4	5,208.6	399.2	487.1	87.9	4,352.2	4,786.8	434.5	685.7	251.2
Foreign corporate and government bonds	4,096.2	4,181.5	85.2	170.7	85.4	3,072.5	2,980.2	(92.2)	155.6	247.8
Foreign stocks and other securities	713.2	1,027.1	313.9	316.4	2.5	1,279.7	1,806.5	526.8	530.1	3.3
Other securities	2,508.3	2,527.9	19.6	96.5	76.9	2,376.0	2,235.3	(140.7)	63.8	204.5
Monetary claims bought	38.3	39.5	1.1	1.1	-	67.1	67.7	0.5	0.5	-
Negotiable certificates of deposit	405.0	405.0	-	-	-	485.0	485.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total	56,389.4	62,061.9	5,672.4	6,235.8	563.3	54,619.5	57,008.0	2,388.4	4,470.9	2,082.4
Corporate and government bonds	46,774.6	51,266.1	4,491.4	4,831.0	339.5	45,553.2	46,991.4	1,438.1	3,012.2	1,574.0
Domestic stocks	1,853.5	2,614.5	761.0	819.8	58.8	1,785.8	2,441.7	655.9	708.5	52.6
Foreign securities	4,809.4	5,208.6	399.2	487.1	87.9	4,352.2	4,786.8	434.5	685.7	251.2
Foreign corporate and government bonds	4,096.2	4,181.5	85.2	170.7	85.4	3,072.5	2,980.2	(92.2)	155.6	247.8
Foreign stocks and other securities	713.2	1,027.1	313.9	316.4	2.5	1,279.7	1,806.5	526.8	530.1	3.3
Other securities	2,508.3	2,527.9	19.6	96.5	76.9	2,376.0	2,235.3	(140.7)	63.8	204.5
Monetary claims bought	38.3	39.5	1.1	1.1	-	67.1	67.7	0.5	0.5	-
Negotiable certificates of deposit	405.0	405.0	-	-	-	485.0	485.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Notes: 1. This table includes money held in trust other than trading securities and its book value is ¥2,682.2 billion with net unrealized gains of ¥1,026.6 billion as of March 31, 2022 and ¥3,187.4 billion with net unrealized gains of ¥1,132.5 billion as of December 31, 2022.

2. Stocks, etc. with no market price and investments in partnerships are not included in this table.

The book values of stocks, etc. with no market price and investments in partnerships are as follows:

(Billions of yen)

As of	March 31, 2022	December 31, 2022
Equities of subsidiaries and affiliates	24.0	63.9
Available-for-sale securities	635.2	90.8
Domestic stocks	4.2	4.2
Foreign stocks	-	-
Other	630.9	86.5
Total	659.3	154.7

Notes: 1. This table includes money held in trust other than trading securities (¥630.9 billion as of March 31, 2022 and ¥86.5 billion as of December 31, 2022).

2. Net unrealized gains (losses) based on foreign exchange valuation of the foreign currency-denominated assets classified as stocks, etc. with no market price and investments in partnerships are ¥51.8 billion as of March 31, 2022.

Note: Fair value information of securities includes the handling of securities under the Financial Instruments and Exchange Act.

(3) Fair Value of Money Held in Trust

(Billions of yen)

As of	March 31, 2022					December 31, 2022				
	Balance sheet amount	Fair value	Net unrealized gains (losses)			Balance sheet amount	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Money held in trust	3,820.4	3,820.4	-	-	-	4,512.0	4,512.0	-	-	-

- Money held in trust for trading purposes

The Company does not hold money held in trust for trading purposes.

- Assets held-to-maturity in trust/assets held for reserves in trust/other money held in trust

(Billions of yen)

As of	March 31, 2022					December 31, 2022				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
				Gains	Losses				Gains	Losses
Assets held-to-maturity in trust	-	-	-	-	-	-	-	-	-	-
Assets held for reserves in trust	-	-	-	-	-	-	-	-	-	-
Other money held in trust	2,793.7	3,820.4	1,026.6	1,100.9	74.2	3,379.5	4,512.0	1,132.5	1,214.0	81.4

Note: Other money held in trust, which is not subject to fair value disclosure, is ¥701.4 billion as of March 31, 2022 and ¥87.1 billion as of December 31, 2022.

3. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items	Term	As of March 31, 2022	As of December 31, 2022
		Amount	Amount
ASSETS:			
Cash and deposits		1,265,070	959,973
Call loans		40,000	40,000
Receivables under resale agreements		2,120,137	1,596,157
Monetary claims bought		39,543	67,736
Money held in trust		4,521,912	4,599,265
Securities		53,418,564	50,507,979
[Japanese government bonds]		[37,408,974]	[37,307,916]
[Japanese local government bonds]		[4,472,466]	[3,645,245]
[Japanese corporate bonds]		[4,866,504]	[4,342,781]
[Stocks]		[425,553]	[387,398]
[Foreign securities]		[4,332,519]	[3,142,392]
Loans		4,251,956	3,904,582
Policy loans		140,980	137,338
Industrial and commercial loans		965,872	931,629
Loans to the Management Network		3,145,103	2,835,615
Tangible fixed assets		94,165	92,373
Intangible fixed assets		98,291	92,414
Agency accounts receivable		47,287	40,039
Reinsurance receivables		3,914	4,660
Other assets		269,025	372,601
Deferred tax assets		1,005,357	1,143,507
Reserve for possible loan losses		(379)	(420)
Total assets		67,174,848	63,420,871
LIABILITIES:			
Policy reserves and others		58,196,072	55,862,311
Reserve for outstanding claims		402,608	387,017
Policy reserves		56,533,454	54,282,360
Reserve for policyholder dividends		1,260,009	1,192,934
Reinsurance payables		6,256	6,272
Bonds payable		300,000	300,000
Other liabilities		5,210,469	4,218,949
Payables under repurchase agreements		2,570,899	2,100,614
Payables under securities lending transactions		2,236,696	1,994,717
Income taxes payable		39,068	-
Lease obligations		2,734	4,216
Other liabilities		361,071	119,401
Reserve for employees' retirement benefits		70,470	72,812
Reserve for management board benefit trust		230	251
Reserve for price fluctuations		972,606	899,546
Total liabilities		64,756,105	61,360,144
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Legal capital surplus		405,044	405,044
Retained earnings		640,289	680,242
Legal retained earnings		76,909	84,089
Other retained earnings		563,379	596,153
Reserve for reduction entry of real estate		5,026	4,832
Retained earnings brought forward		558,353	591,321
Treasury stock		(355)	(32,832)
Total shareholders' equity		1,544,978	1,552,455
Net unrealized gains (losses) on available-for-sale securities		873,764	508,272
Total valuation and translation adjustments		873,764	508,272
Total net assets		2,418,743	2,060,727
Total liabilities and net assets		67,174,848	63,420,871

4. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Term	Nine months ended December 31, 2021	Nine months ended December 31, 2022
		Amount	Amount
ORDINARY INCOME		4,821,026	4,798,026
Insurance premiums and others		1,841,422	1,669,883
[Insurance premiums]		[1,829,732]	[1,656,948]
Investment income		833,125	857,905
[Interest and dividend income]		[741,099]	[720,581]
[Gains on money held in trust]		[72,504]	[103,340]
[Gains on sales of securities]		[17,731]	[33,074]
Other ordinary income		2,146,478	2,270,237
[Reversal of reserve for outstanding claims]		[31,012]	[15,591]
[Reversal of policy reserves]		[2,112,962]	[2,251,094]
ORDINARY EXPENSES		4,552,020	4,719,887
Insurance claims and others		4,161,242	4,144,891
[Insurance claims]		[3,354,020]	[3,358,236]
[Annuity payments]		[241,638]	[206,295]
[Benefits]		[103,705]	[168,030]
[Surrender benefits]		[358,780]	[337,201]
[Other refunds]		[86,373]	[58,930]
Provision for policy reserves and others		6	7
Provision for interest on policyholder dividends		6	7
Investment expenses		32,589	187,162
[Interest expenses]		[1,787]	[1,570]
[Losses on sales of securities]		[18,051]	[143,531]
[Losses on derivative financial instruments]		[5,482]	[39,007]
Operating expenses		281,340	329,177
Other ordinary expenses		76,840	58,648
ORDINARY PROFIT		269,006	78,138
EXTRAORDINARY GAINS		5,696	73,059
Gains on sales of fixed assets		5,696	-
Reversal of reserve for price fluctuations		-	73,059
EXTRAORDINARY LOSSES		57,884	191
Losses on sales and disposal of fixed assets		291	191
Provision for reserve for price fluctuations		57,592	-
Provision for reserve for policyholder dividends		51,289	43,764
Income before income taxes		165,529	107,242
Income taxes - Current		78,738	26,064
Income taxes - Deferred		(32,031)	5,328
Total income taxes		46,706	31,392
Net income		118,822	75,849

NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

(Notes to the Unaudited Non-Consolidated Balance Sheet and Notes Related to Changes in Net Assets)

1. Changes in Accounting Policies

The Company has applied the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 31, June 17, 2021; hereinafter referred to as “Fair Value Measurement Implementation Guidance”) from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Implementation Guidance into the future. Accordingly, while the moving-average method was previously adopted for mutual funds with no transaction price on the market, from the first quarter of the fiscal year ending March 31, 2023, the fair value method based on the market price as of the quarterly non-consolidated balance sheet date is adopted.

2. Securities lent under lending agreements in the amount of ¥2,591,569 million were included in “Securities” in the balance sheet as of December 31, 2022.

3. Changes in reserve for policyholder dividends for the nine months ended December 31, 2022 were as follows:

Balance at the beginning of the fiscal year	¥1,260,009 million
Policyholder dividends paid during the nine months ended December 31, 2022	¥110,707 million
Interest accrual	¥7 million
Reduction due to the acquisition of additional annuity	¥139 million
Provision for reserve for policyholder dividends	¥43,764 million
Balance at the end of the nine months ended December 31, 2022	¥1,192,934 million

4. Information on dividends was as follows:

(1) Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 13, 2022	Common stock	17,985	45.00	March 31, 2022	June 16, 2022	Retained earnings
Board of Directors' meeting held on November 11, 2022	Common stock	17,910	46.00	September 30, 2022	December 5, 2022	Retained earnings

(*1) Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 13, 2022 includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 11, 2022 includes ¥21 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the nine months ended December 31, 2022
Not applicable.

5. The Company acquired 15,075 thousand shares of its treasury stock based on the resolution at the Board of Directors' meeting held on August 10, 2022, as a result of which, treasury stock increased by ¥31,749 million.

Treasury stock at the end of the nine months ended December 31, 2022 increased by ¥32,477 million from the end of the previous fiscal year to ¥32,832 million.

(Notes to the Unaudited Non-Consolidated Statement of Income)

Net income per share for the nine months ended December 31, 2022 was ¥192.59.

5. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Nine months ended December 31		2021	2022
Core profit	A	311,281	134,963
Capital gains		97,322	194,815
Gains on money held in trust		72,504	103,340
Gains on trading securities		-	-
Gains on sales of securities		17,731	33,074
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		998	430
Other capital gains		6,088	57,970
Capital losses		87,021	254,085
Losses on money held in trust		-	-
Losses on trading securities		-	-
Losses on sales of securities		18,051	143,531
Losses on valuation of securities		-	-
Losses on derivative financial instruments		5,482	39,007
Losses on foreign exchanges		-	-
Other capital losses		63,487	71,546
Net capital gains (losses)	B	10,301	(59,270)
Core profit including net capital gains (losses)	A+B	321,583	75,693
Other one-time gains		-	2,445
Reinsurance income		-	-
Reversal of contingency reserve		-	2,445
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		52,576	-
Reinsurance premiums		-	-
Provision for contingency reserve		52,576	-
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		-	-
Other one-time profits (losses)	C	(52,576)	2,445
Ordinary profit	A+B+C	269,006	78,138

Note: From the perspective of reflecting the economic situation and encouraging consistency in the handling among companies, partial amendments (including costs for hedging currency fluctuations in the calculation of core profit and excluding gains on cancellation of mutual funds from the calculation) have been made to the calculation procedures for core profit in the fiscal year ending March 31, 2023.

These figures for 2021 are calculated by applying the calculation procedures for 2022 to 2021.

(Reference) Breakdown of Other Items

(Millions of yen)

Nine months ended December 31	2021	2022
Impact on core profit	57,399	13,575
Gains on cancellation of mutual funds	(10)	(20,826)
Amount equivalent to income gains associated with money held in trust	63,487	71,546
Costs for hedging currency fluctuations	(6,077)	(37,144)
Other capital gains	6,088	57,970
Gains on cancellation of mutual funds	10	20,826
Amount equivalent to income gains associated with money held in trust	-	-
Costs for hedging currency fluctuations	6,077	37,144
Other capital losses	63,487	71,546
Amount equivalent to income gains associated with money held in trust	63,487	71,546
Costs for hedging currency fluctuations	-	-
Other one-time losses - Other	-	-
Provision for additional policy reserves	-	-

**(Reference) Breakdown of Ordinary Profit According to the Standard before Amendments
(Core Profit)**

(Millions of yen)

Nine months ended December 31		2021
Core profit	A	317,369
Capital gains		91,234
Gains on money held in trust		72,504
Gains on trading securities		-
Gains on sales of securities		17,731
Gains on derivative financial instruments		-
Gains on foreign exchanges		998
Other capital gains		-
Capital losses		87,021
Losses on money held in trust		-
Losses on trading securities		-
Losses on sales of securities		18,051
Losses on valuation of securities		-
Losses on derivative financial instruments		5,482
Losses on foreign exchanges		-
Other capital losses		63,487
Net capital gains (losses)	B	4,213
Core profit including net capital gains (losses)	A+B	321,583
Other one-time gains		-
Reinsurance income		-
Reversal of contingency reserve		-
Reversal of specific reserve for possible loan losses		-
Other		-
Other one-time losses		52,576
Reinsurance premiums		-
Provision for contingency reserve		52,576
Provision for specific reserve for possible loan losses		-
Provision for reserve for specific foreign loans		-
Write-off of loans		-
Other		-
Other one-time profits (losses)	C	(52,576)
Ordinary profit	A+B+C	269,006

Note: These figures are based on the calculation procedures used in the fiscal year ended March 31, 2022.

(Reference) Breakdown of Other Items According to the Standard before Amendments

(Millions of yen)

Nine months ended December 31	2021
Impact on core profit	63,487
Amount equivalent to income gains associated with money held in trust	63,487
Other capital gains	-
Amount equivalent to income gains associated with money held in trust	-
Other capital losses	63,487
Amount equivalent to income gains associated with money held in trust	63,487
Other one-time losses - Other	-
Provision for additional policy reserves	-

6. Solvency Margin Ratio

(Millions of yen)

As of		March 31, 2022	December 31, 2022
Total amount of solvency margin	(A)	5,878,221	5,322,028
Capital stock, etc.		1,526,993	1,541,384
Reserve for price fluctuations		972,606	899,546
Contingency reserve		1,690,994	1,688,549
General reserve for possible loan losses		32	34
(Net unrealized gains (losses) on available-for-sale securities (before taxes) · Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)		1,086,306	628,232
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)		1,809	2,534
Excess of continued Zillmerized reserve		299,478	261,287
Capital raised through debt financing		300,000	300,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin		-	-
Deductions		-	-
Other		-	458
Total amount of risk	(B)	1,127,788	1,092,968
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$			
Insurance risk	R ₁	125,154	120,902
Underwriting risk of third-sector insurance	R ₈	44,708	41,782
Anticipated yield risk	R ₂	125,089	120,313
Minimum guarantee risk	R ₇	-	-
Investment risk	R ₃	964,350	935,823
Business management risk	R ₄	25,186	24,376
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$		1,042.4 %	973.8 %

Note: These figures are calculated based on the provisions set forth in the Public Notice No. 50 issued by the Ministry of Finance in 1996, and Articles 86 and 87 of the Ordinance for Enforcement of the Insurance Business Act. However, figures for certain items are calculated based on methods deemed reasonable by the Company according to the provisions of the Ordinance for Enforcement of the Insurance Business Act, etc.

7. Separate Account for the Nine Months Ended December 31, 2022

Not applicable.

8. Consolidated Financial Summary

(1) Selected Financial Data and Other Information

(Millions of yen)

Nine months ended December 31	2021	2022
Ordinary income	4,821,041	4,798,031
Ordinary profit	270,097	78,785
Net income attributable to Japan Post Insurance	119,525	76,202
Comprehensive income (loss)	237,737	(289,646)

As of	March 31, 2022	December 31, 2022
Total assets	67,174,796	63,424,972
Consolidated solvency margin ratio	1,045.5 %	980.1 %

(2) Scope of Consolidation and Application of the Equity Method

- Number of consolidated subsidiaries: 1
- Number of non-consolidated subsidiaries accounted for under the equity method: 0
- Number of affiliates accounted for under the equity method: 0
- Changes in significant subsidiaries during the period: None

(3) Unaudited Consolidated Balance Sheets

(Millions of yen)

Items	Term	As of March 31, 2022	As of December 31, 2022
		Amount	Amount
ASSETS:			
Cash and deposits		1,270,762	968,772
Call loans		40,000	40,000
Receivables under resale agreements		2,120,137	1,596,157
Monetary claims bought		39,543	67,736
Money held in trust		4,521,912	4,599,265
Securities		53,417,580	50,506,995
Loans		4,251,956	3,904,582
Tangible fixed assets		94,497	92,677
Intangible fixed assets		93,609	88,647
Agency accounts receivable		47,287	40,039
Reinsurance receivables		3,914	4,660
Other assets		268,626	372,381
Deferred tax assets		1,005,346	1,143,475
Reserve for possible loan losses		(379)	(420)
Total assets		67,174,796	63,424,972
LIABILITIES:			
Policy reserves and others		58,196,072	55,862,311
Reserve for outstanding claims		402,608	387,017
Policy reserves		56,533,454	54,282,360
Reserve for policyholder dividends		1,260,009	1,192,934
Reinsurance payables		6,256	6,272
Bonds payable		300,000	300,000
Payables under repurchase agreements		2,570,899	2,100,614
Payables under securities lending transactions		2,236,696	1,994,717
Other liabilities		402,658	126,965
Liability for retirement benefits		68,313	71,248
Reserve for management board benefit trust		230	251
Reserve for price fluctuations		972,606	899,546
Total liabilities		64,753,732	61,361,928
NET ASSETS:			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Retained earnings		639,822	680,129
Treasury stock		(355)	(32,832)
Total shareholders' equity		1,544,511	1,552,341
Net unrealized gains (losses) on available-for-sale securities		873,764	508,272
Accumulated adjustments for retirement benefits		2,786	2,430
Total accumulated other comprehensive income		876,551	510,702
Total net assets		2,421,063	2,063,043
Total liabilities and net assets		67,174,796	63,424,972

(4) Unaudited Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Term	Nine months ended December 31, 2021	Nine months ended December 31, 2022
		Amount	Amount
ORDINARY INCOME		4,821,041	4,798,031
Insurance premiums and others		1,841,422	1,669,883
Investment income		833,125	857,905
[Interest and dividend income]		[741,099]	[720,581]
[Gains on money held in trust]		[72,504]	[103,340]
[Gains on sales of securities]		[17,731]	[33,074]
Other ordinary income		2,146,493	2,270,242
[Reversal of reserve for outstanding claims]		[31,012]	[15,591]
[Reversal of policy reserves]		[2,112,962]	[2,251,094]
ORDINARY EXPENSES		4,550,944	4,719,245
Insurance claims and others		4,161,242	4,144,891
[Insurance claims]		[3,354,020]	[3,358,236]
[Annuity payments]		[241,638]	[206,295]
[Benefits]		[103,705]	[168,030]
[Surrender benefits]		[358,780]	[337,201]
Provision for policy reserves and others		6	7
Provision for interest on policyholder dividends		6	7
Investment expenses		32,590	187,162
[Interest expenses]		[1,787]	[1,570]
[Losses on sales of securities]		[18,051]	[143,531]
[Losses on derivative financial instruments]		[5,482]	[39,007]
Operating expenses		281,578	329,622
Other ordinary expenses		75,525	57,561
ORDINARY PROFIT		270,097	78,785
EXTRAORDINARY GAINS		5,696	73,059
Gains on sales of fixed assets		5,696	-
Reversal of reserve for price fluctuations		-	73,059
EXTRAORDINARY LOSSES		57,884	191
Losses on sales and disposal of fixed assets		292	191
Provision for reserve for price fluctuations		57,592	-
Provision for reserve for policyholder dividends		51,289	43,764
Income before income taxes		166,619	107,888
Income taxes - Current		78,914	26,198
Income taxes - Deferred		(31,820)	5,487
Total income taxes		47,094	31,686
Net income		119,525	76,202
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		119,525	76,202

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Term	Nine months ended December 31, 2021	Nine months ended December 31, 2022
		Amount	Amount
Net income		119,525	76,202
Other comprehensive income (loss)		118,211	(365,848)
Net unrealized gains (losses) on available-for-sale securities		118,908	(365,492)
Net deferred gains (losses) on hedges		(320)	-
Adjustments for retirement benefits		(376)	(356)
Total comprehensive income (loss)		237,737	(289,646)
Comprehensive income (loss) attributable to Japan Post Insurance		237,737	(289,646)
Comprehensive income (loss) attributable to non-controlling interests		-	-

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTHS ENDED DECEMBER 31, 2022

(Notes to the Unaudited Consolidated Balance Sheet and Notes Related to Changes in Net Assets)

1. Changes in Accounting Policies

The Company has applied the Fair Value Measurement Implementation Guidance from the beginning of the first quarter of the fiscal year ending March 31, 2023. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Fair Value Measurement Implementation Guidance, the Company decided to apply a new accounting policy prescribed in the Fair Value Measurement Implementation Guidance into the future. Accordingly, while the moving-average method was previously adopted for mutual funds with no transaction price on the market, from the first quarter of the fiscal year ending March 31, 2023, the fair value method based on the market price as of the quarterly consolidated balance sheet date is adopted.

2. Securities lent under lending agreements in the amount of ¥2,591,569 million were included in “Securities” in the consolidated balance sheet as of December 31, 2022.

3. Changes in reserve for policyholder dividends for the nine months ended December 31, 2022 were as follows:

Balance at the beginning of the fiscal year	¥1,260,009 million
Policyholder dividends paid during the nine months ended December 31, 2022	¥110,707 million
Interest accrual	¥7 million
Reduction due to the acquisition of additional annuity	¥139 million
Provision for reserve for policyholder dividends	¥43,764 million
Balance at the end of the nine months ended December 31, 2022	¥1,192,934 million

4. Information on dividends was as follows:

(1) Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Per share amount (Yen)	Record date	Effective date	Source of dividends
Board of Directors' meeting held on May 13, 2022	Common stock	17,985	45.00	March 31, 2022	June 16, 2022	Retained earnings
Board of Directors' meeting held on November 11, 2022	Common stock	17,910	46.00	September 30, 2022	December 5, 2022	Retained earnings

(*1) Total amount of dividends based on the resolution at the Board of Directors' meeting held on May 13, 2022 includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(*2) Total amount of dividends based on the resolution at the Board of Directors' meeting held on November 11, 2022 includes ¥21 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

(2) Dividends whose effective date falls after the end of the nine months ended December 31, 2022
Not applicable.

5. The Company acquired 15,075 thousand shares of its treasury stock based on the resolution at the Board of Directors' meeting held on August 10, 2022, as a result of which, treasury stock increased by ¥31,749 million.

Treasury stock at the end of the nine months ended December 31, 2022 increased by ¥32,477 million from the end of the previous fiscal year to ¥32,832 million.

(Notes to the Unaudited Consolidated Statement of Income)

1. Net income per share for the nine months ended December 31, 2022 was ¥193.48.

2. Depreciation and amortization for the nine months ended December 31, 2022 was ¥29,684 million.

(5) Consolidated Solvency Margin Ratio

(Millions of yen)

As of	March 31, 2022	December 31, 2022
Total amount of solvency margin (A)	5,858,523	5,262,362
Capital stock, etc.	1,526,526	1,541,270
Reserve for price fluctuations	972,606	899,546
Contingency reserve	1,690,994	1,688,549
Catastrophe loss reserve	-	-
General reserve for possible loan losses	32	34
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	1,086,306	628,232
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	1,809	2,534
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	3,873	3,378
Excess of continued Zillmerized reserve	299,478	261,287
Capital raised through debt financing	300,000	300,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	(23,104)	(62,931)
Other	-	458
Total amount of risk		
$\sqrt{(\sqrt{R_1^2 + R_5^2 + R_8 + R_9})^2 + (R_2 + R_3 + R_7)^2} + R_4 + R_6$ (B)	1,120,660	1,073,826
Insurance risk R ₁	125,154	120,902
General insurance risk R ₅	-	-
Catastrophe risk R ₆	-	-
Underwriting risk of third-sector insurance R ₈	44,708	41,782
Small amount and short-term insurance risk R ₉	-	-
Anticipated yield risk R ₂	125,089	120,313
Minimum guarantee risk R ₇	-	-
Investment risk R ₃	957,278	916,835
Business management risk R ₄	25,044	23,996
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,045.5 %	980.1 %

Note: These figures are calculated based on the provisions set forth in the Public Notice No. 23 issued by the Financial Services Agency in 2011, and Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act. However, figures for certain items are calculated based on methods deemed reasonable by the Company according to the provisions of the Ordinance for Enforcement of the Insurance Business Act, etc.

(6) Segment Information

Segment information is omitted as the Company has only one segment.