

# Outline of Financial Results for the Fiscal Year Ended March 31, 2024

May 15, 2024



**JAPAN POST INSURANCE**

# Summary of Financial Results

	Year ended Mar-24	Year on Year
<b>Ordinary Profit</b>	<b>¥ 161.1bn</b>	<b>+ ¥ 43.6bn</b> + 37.1%
<b>Net income</b>	<b>¥ 87.0bn</b>	<b>¥ (10.5) bn</b> (10.8) %
<b>Annualized premiums from New policies</b>	(Individual Insurance) <b>¥ 116.8bn</b>	<b>+ ¥ 50.9bn</b> + 77.3%
	(Medical Care) <b>¥ 10.3bn</b>	<b>+ ¥ 3.9bn</b> + 61.4%
<b>Annualized premiums from Policies in Force</b>	(Individual Insurance) <b>¥ 2,987.3bn</b>	<b>¥ (230.3)bn</b> (7.2) %
	(Medical Care) <b>¥ 564.6bn</b>	<b>¥ (28.4)bn</b> (4.8) %
<b>EV</b>	<b>¥ 3,965.0bn</b>	<b>+ ¥ 501.2bn</b> + 14.5%

## 【Financial Highlights】

- While the number of policies in force decreased, core profit increased due to the decline in insurance claims payments for COVID-19. Although provisions for contingency reserves increased due to the aforementioned decline in insurance claims payments, etc., ordinary profit increased by ¥ 43.6bn (+ 37.1 %) year on year, owing to substantially improved capital gains.
- The above capital gains, etc. were neutralized by reserve for price fluctuations, and net income decreased by ¥ 10.5bn ((10.8) %) year on year.

## 【Policy Sales】

- As a result of efforts to build sales capabilities in the medium to long term, annualized premiums from new policies for individual insurance in FY24/3 increased by ¥ 50.9bn (+ 77.3 %) year on year.
- Annualized premiums from policies in force decreased by ¥ 230.3bn ((7.2) %) from the end of the previous fiscal year.
- The number of new policies for individual insurance increased by 100.1% year on year.

## 【Embedded Value】

- EV increased by ¥ 501.2bn (+ 14.5 %) from the end of the previous fiscal year, mainly due to an increase in unrealized gains(losses) of domestic stocks holdings resulting from an increase in the market value of domestic stocks, etc.

# Financial Results for the Fiscal Year Ended March 31, 2024 (Year on Year)

## Statement of Income

(¥bn)

	Year ended Mar-23	Year ended Mar-24	Change
Ordinary income	6,379.5	6,744.1	364.5
Insurance premiums and others	2,200.9	2,484.0	283.0
Investment income	1,159.0	1,211.5	52.5
Reversal of policy reserves	3,015.2	3,005.4	(9.8)
Ordinary expenses	6,261.9	6,582.9	320.9
Insurance claims and others	5,487.9	5,778.5	290.5
Investment expenses	246.4	282.5	36.1
Operating expenses etc <sup>1</sup>	519.7	521.6	1.9
Ordinary profit	117.5	161.1	43.6
Extraordinary gains and losses	82.3	15.9	(66.3)
Reversal of reserve for price fluctuations <sup>2</sup>	82.6	16.1	(66.4)
Provision for reserve for policyholder dividends	62.0	55.8	(6.1)
Total income taxes	40.2	34.1	(6.0)
Net income attributable to Japan Post Insurance	97.6	87.0	(10.5)

Note: Only major line items are shown.

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

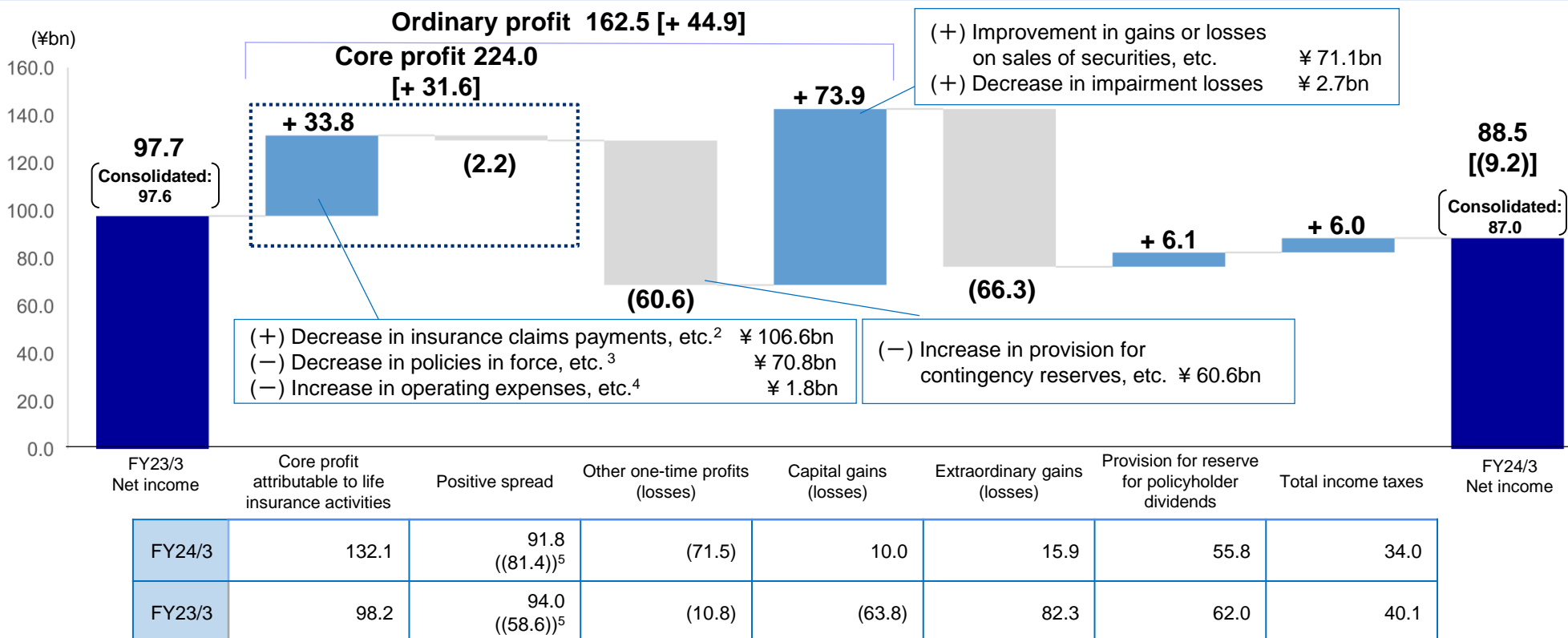
## Details of Ordinary Profit (Non-Consolidated)

(¥bn)

	Year ended Mar-23	Year ended Mar-24	Change
Core profit	192.3	224.0	31.6
Core profit attributable to life insurance activities	98.2	132.1	33.8
Positive spread	94.0	91.8	(2.2)
Hedging costs related to foreign exchange	(58.6)	(81.4)	(22.8)
Net capital gains (losses)	(63.8)	10.0	73.9
Gains from cancellation of investment trust	20.8	0.0	(20.7)
Other one-time profits (losses)	(10.8)	(71.5)	(60.6)
Ordinary profit	117.6	162.5	44.9

# Factors for Year on Year Changes (Non-Consolidated)

- Core profit increased year on year to ¥224.0bn due to the decline in insurance claims payments for COVID-19, despite the effect of decreased number of policies in force and increased regular policy-reserve burdens related to sale of lump-sum payment whole life insurance policies.
- Ordinary profit increased year on year to ¥ 162.5bn, 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 losses<sup>1</sup> 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 decreased year on year to ¥ 88.5bn.

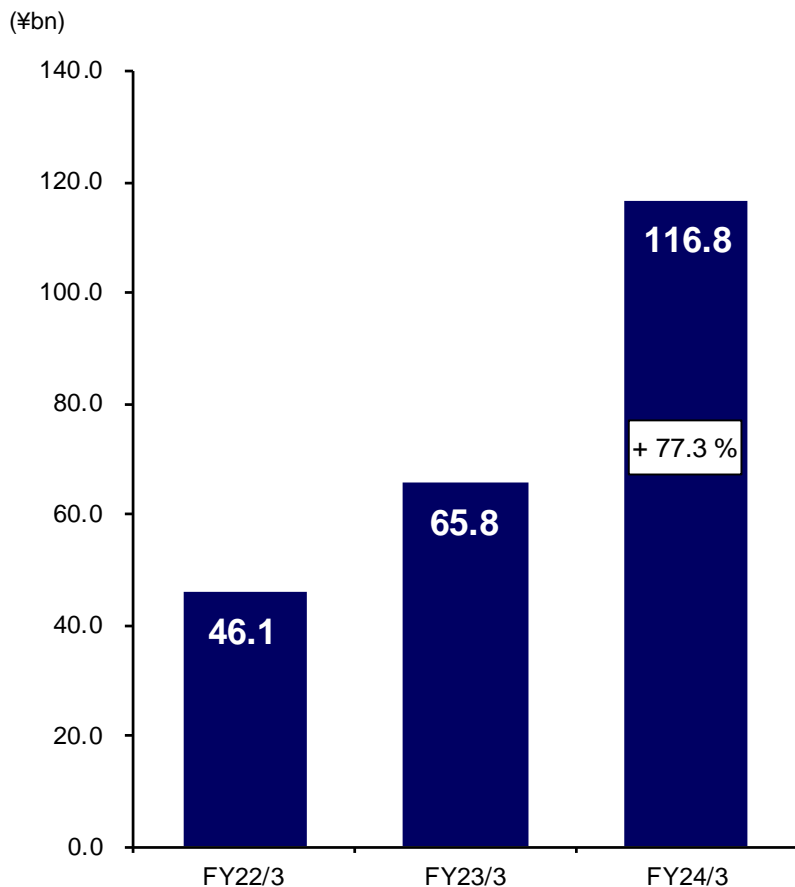


- The gains from cancellation of investment trust are excluded from provision of reserve for price fluctuations.
- "Decrease in insurance claims payments, etc." is mainly due to the absence of the impact of COVID-19.
- Including the effect of increase in regular policy-reserve burden related to sale of lump-sum payment whole life insurance
- "Increase in operating expenses, etc." shows the difference between FY23/3 and FY24/3. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses."
- Hedging costs related to foreign exchange

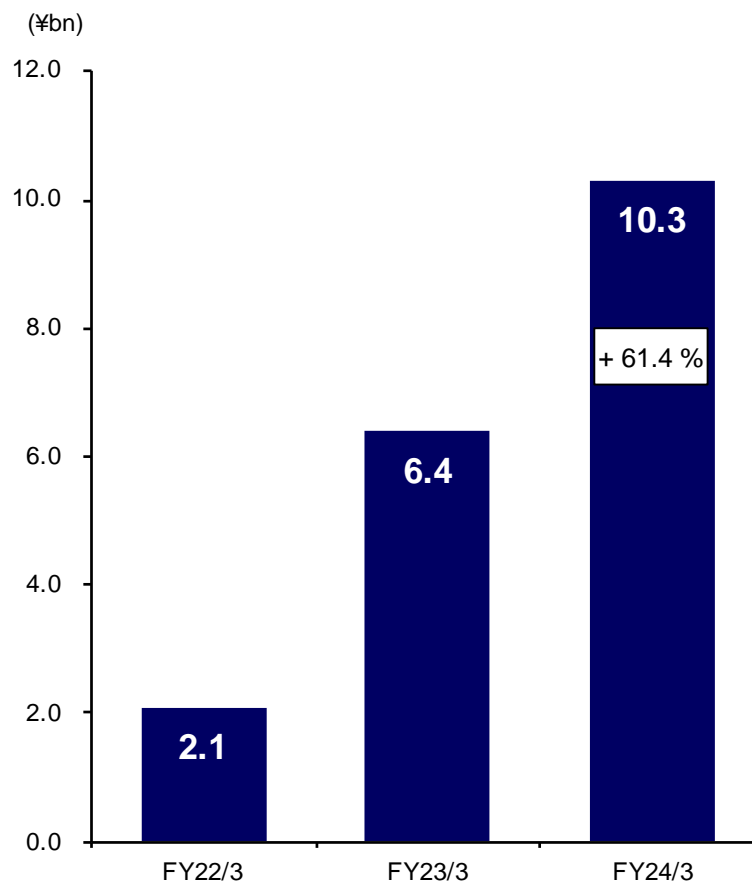
# Policy Sales [Annualized Premiums from New Policies]

- Annualized premiums from new policies increased for both individual insurance and medical care in FY24/3 as a result of efforts to build sales capabilities in the medium to long term, such as sales of new products that meet the needs of customers and introduction of the new training and evaluation system (Kampo GD System).

Annualized Premiums from New Policies  
(Individual Insurance)



Annualized Premiums from New Policies  
(Medical Care)

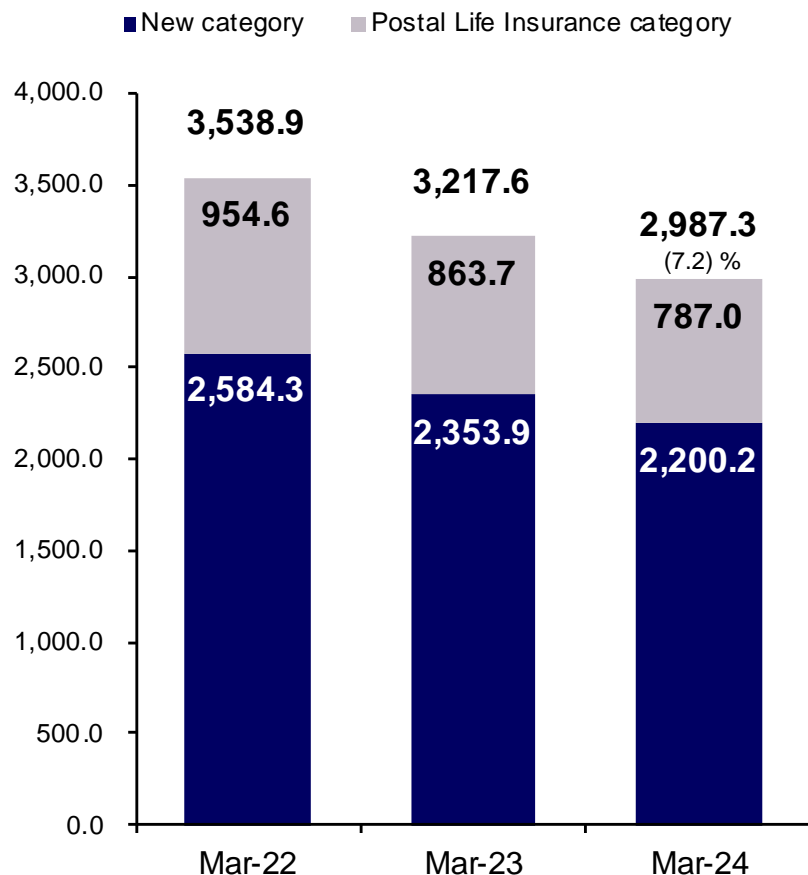


Note : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium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

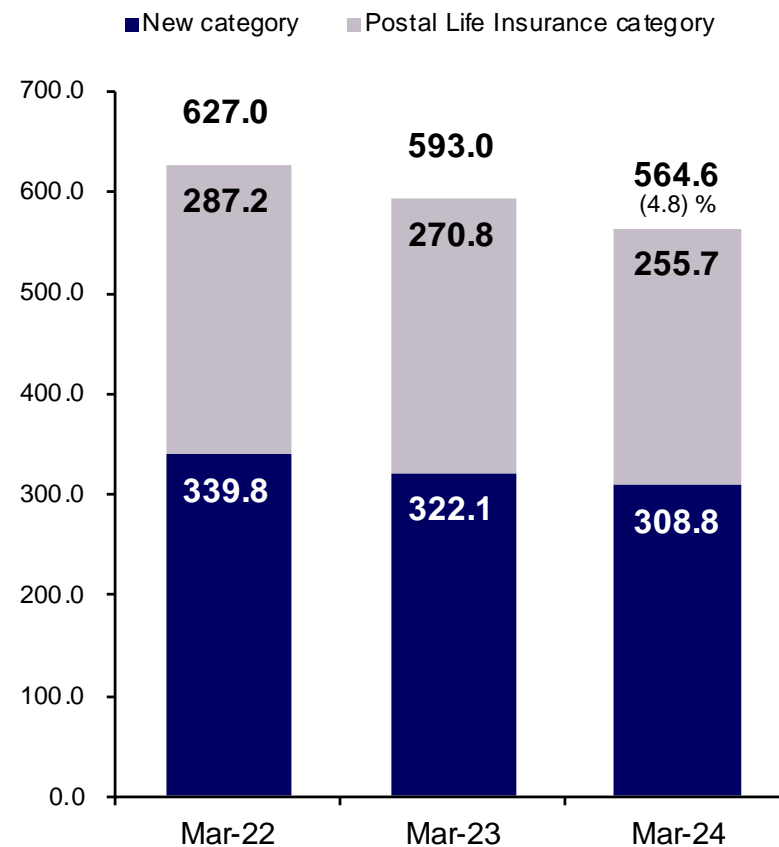
## Annualized Premiums from Policies in Force (Individual Insurance)

(¥bn)



## Annualized Premiums from Policies in Force (Medical Care)

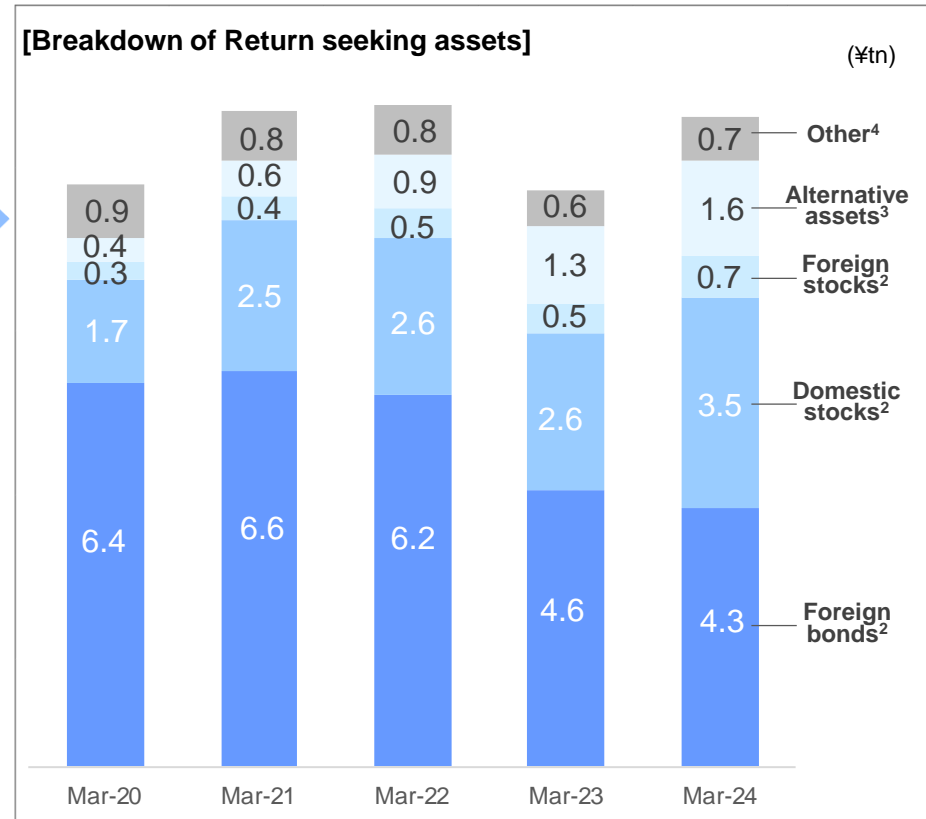
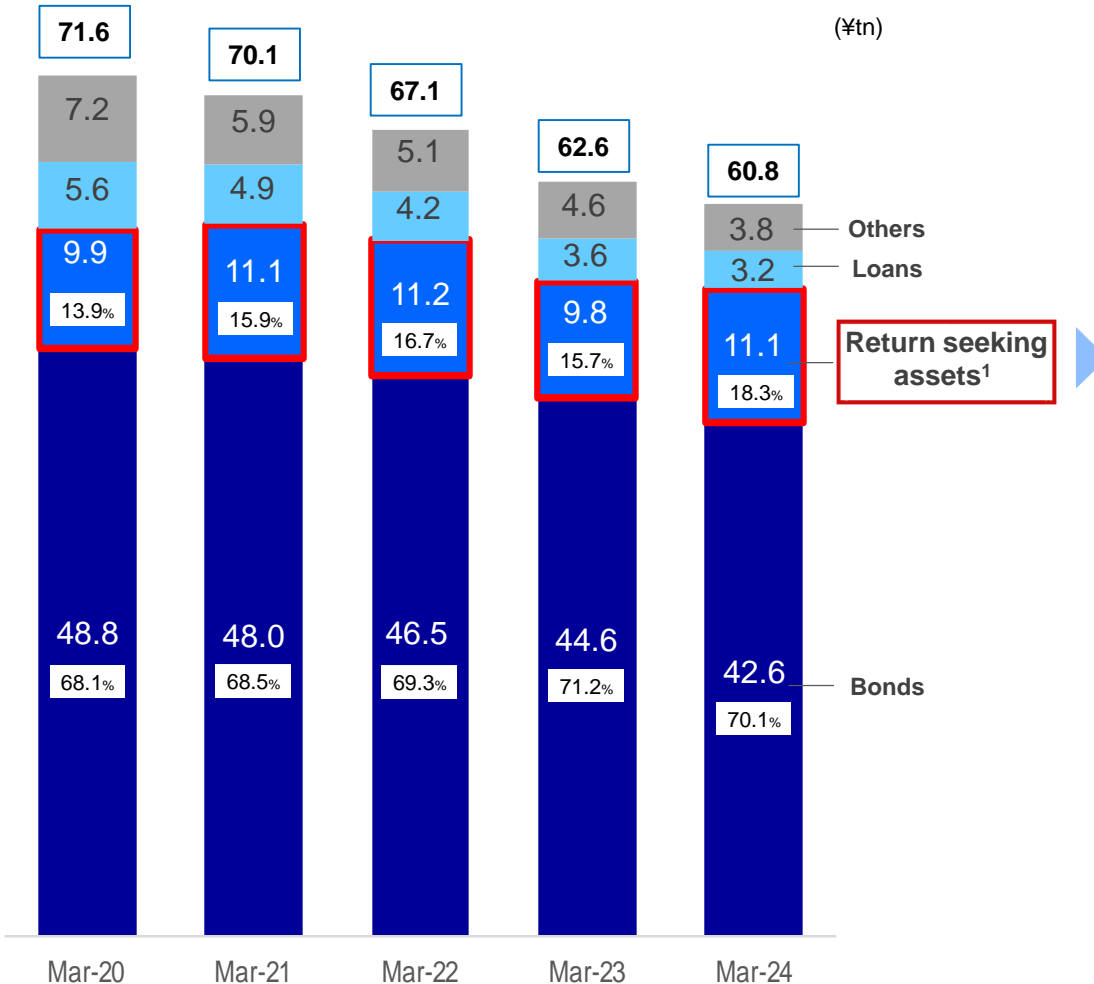
(¥bn)



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

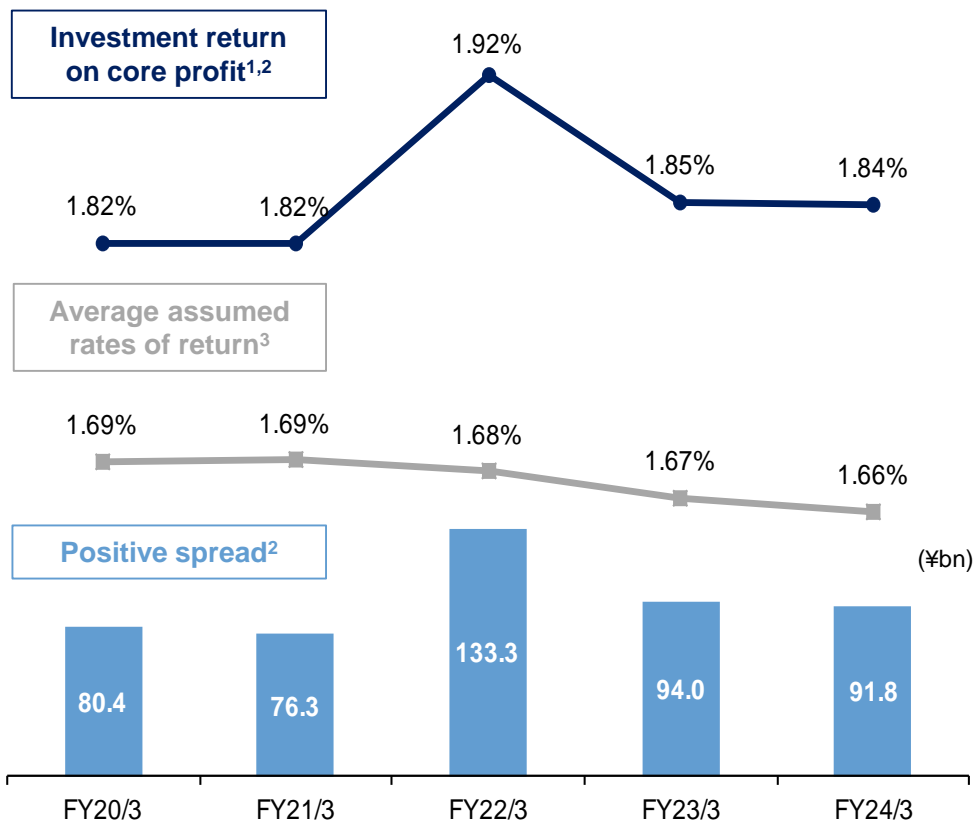


1. Return seeking assets include domestic and foreign stocks, foreign-currency-denominated bonds, investment trusts, etc. held for investment purposes among the assets recorded under “money held in trust” and “securities” on the balance sheet.

2. “Domestic stocks,” “Foreign stocks” and “Foreign bonds” include individual stocks and bonds, as well as investment trusts investing only in the specified assets.  
 3. Real estate fund, private equity, infrastructure equity, etc.  
 4. Bank loans, multi-asset, etc.

# Spread and Duration

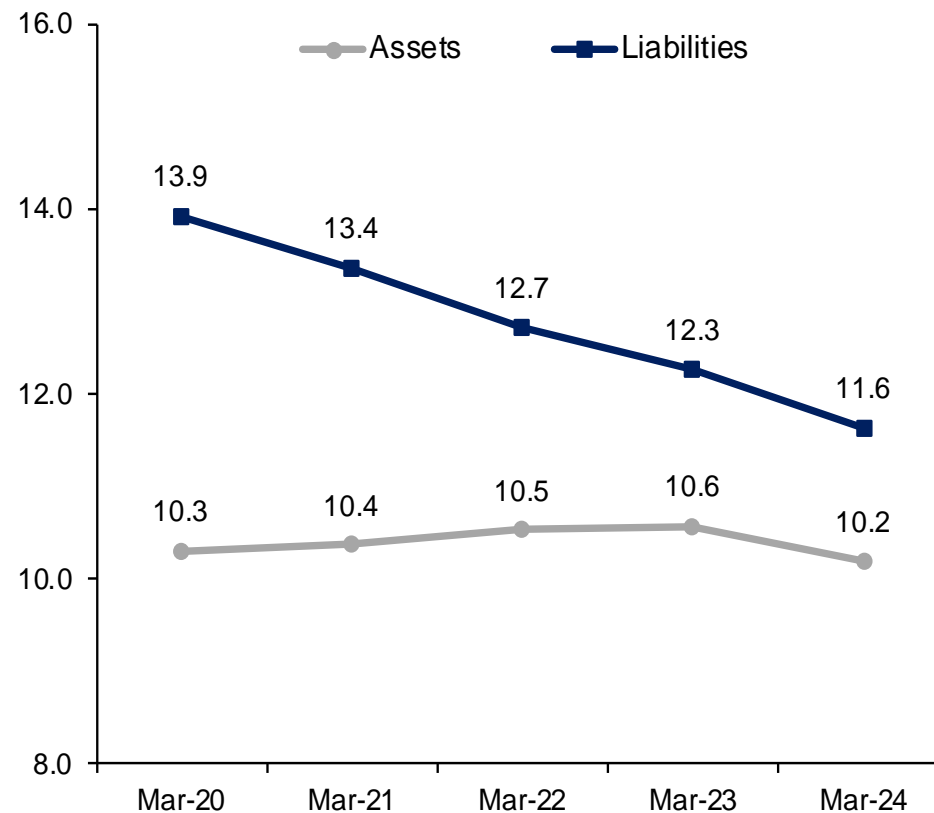
## Spread



- Investment return on core profit is the return with respect to earned policy reserves.
- 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.
- Average assumed rates of return are the assumed return on general account policy reserves.

## Duration

(years)



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			Mar-24			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	51,994.6	55,314.4	3,319.8	(1,937.6)	(2,443.8)	(506.1)
Held-to-maturity bonds	32,935.5	35,502.3	2,566.8	32,343.1	33,401.9	1,058.8	(592.4)	(2,100.3)	(1,507.9)
Policy-reserve-matching bonds	8,075.0	8,237.6	162.6	7,139.6	6,954.0	(185.5)	(935.3)	(1,283.5)	(348.1)
Available-for-sale securities	12,921.7	14,018.3	1,096.5	12,511.8	14,958.4	2,446.5	(409.8)	940.0	1,349.9
Securities etc.	9,544.9	9,346.3	(198.6)	8,869.3	8,800.3	(69.0)	(675.5)	(545.9)	129.6
Bonds	3,878.7	3,733.1	(145.5)	3,560.1	3,329.2	(230.9)	(318.5)	(403.9)	(85.4)
Domestic stocks	330.0	397.5	67.4	344.9	546.0	201.0	14.8	148.4	133.5
Foreign securities	2,964.3	2,949.2	(15.0)	2,099.7	2,124.8	25.0	(864.5)	(824.4)	40.0
Other securities	1,800.2	1,693.9	(106.2)	2,169.4	2,104.8	(64.6)	369.2	410.9	41.6
Deposits etc.	571.5	572.3	0.7	694.9	695.3	0.4	123.3	123.0	(0.2)
Money held in trust	3,376.7	4,672.0	1,295.2	3,642.4	6,158.0	2,515.5	265.6	1,486.0	1,220.3
Domestic stocks <sup>1</sup>	1,470.7	2,199.1	728.3	1,497.6	3,032.3	1,534.7	26.8	833.2	806.3
Foreign stocks <sup>1</sup>	275.4	534.5	259.0	285.2	742.2	456.9	9.7	207.6	197.9
Foreign bonds <sup>1</sup>	643.1	673.2	30.0	687.1	795.4	108.2	43.9	122.1	78.1
Other <sup>2</sup>	987.3	1,265.0	277.7	1,172.4	1,588.0	415.6	185.1	322.9	137.8

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)

	Year ended Mar-23	Year ended Mar-24	Change
Operating expenses	445.7	440.3	(5.4)
Commissions <sup>1</sup>	134.8	123.7	(11.0)
Sales Commissions	34.4	27.1	(7.3)
Maintenance Commissions	100.3	96.6	(3.6)
Contributions <sup>2</sup>	50.1	56.4	6.3
Others	260.7	260.0	(0.7)
Other ordinary expenses	74.0	81.3	7.3
Depreciation and amortization	39.4	41.2	1.7
Operating expenses etc	519.7	521.6	1.9

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	Mar-24	(¥bn)
			Provisions in the period <sup>2</sup>
Contingency reserve	1,701.8	1,725.3	23.4
Postal Life Insurance category <sup>1</sup>	1,260.2	1,283.6	23.4
New category	441.6	441.6	(0.0)
Reserve for price fluctuations	889.9	873.7	(16.1)
Postal Life Insurance category	711.2	749.9	38.6
New category	178.6	123.8	(54.8)
Additional policy reserve	5,373.0	4,909.2	(463.7)
Postal Life Insurance category <sup>1</sup>	5,370.0	4,907.5	(462.4)
New category	2.9	1.7	(1.2)

## Solvency Margin Ratio

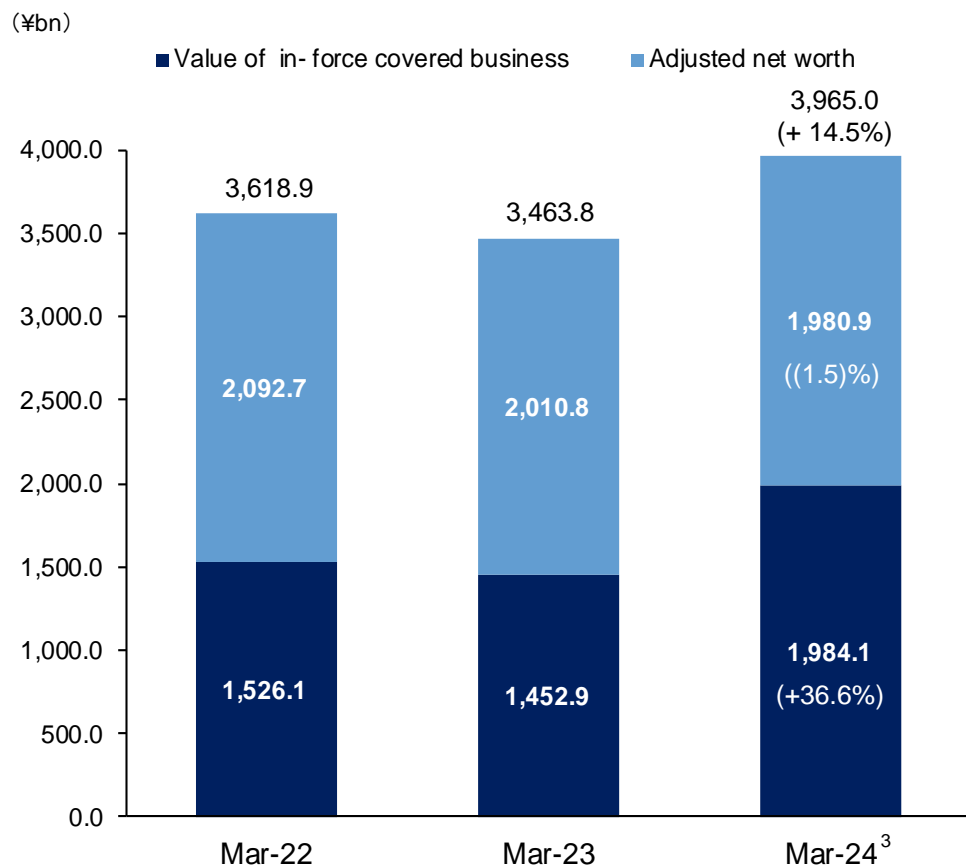
	Mar-23	Mar-24	(¥bn)
Solvency Margin Ratio	1,009.1 %	1,023.2 %	
Total amount of solvency margin	5,636.9	6,928.5	
Total amount of risk	1,117.1	1,354.1	
Real net assets	8,253.5	7,736.9	

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.

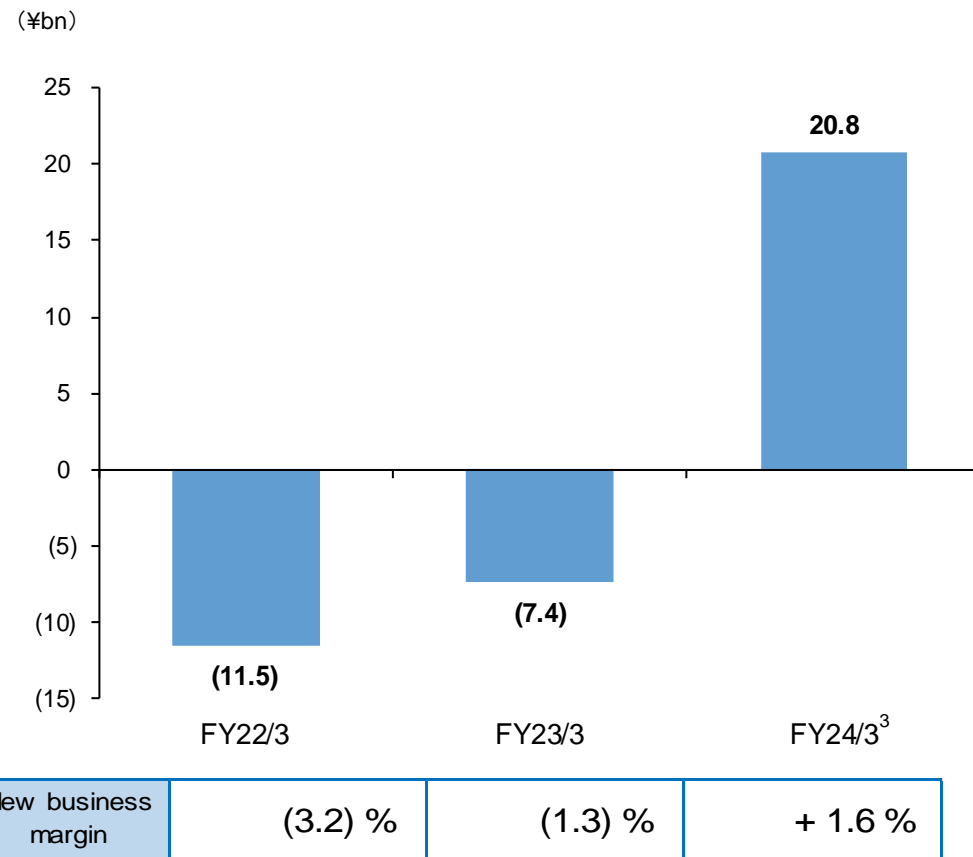
- For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided contingency reserves in excess of the statutory reserve standards in order to restore the level of them from the end of March, 2021 onward.
- Plus signs indicate provisions, while brackets ( ) indicate reversals.

# Embedded Value

## EV

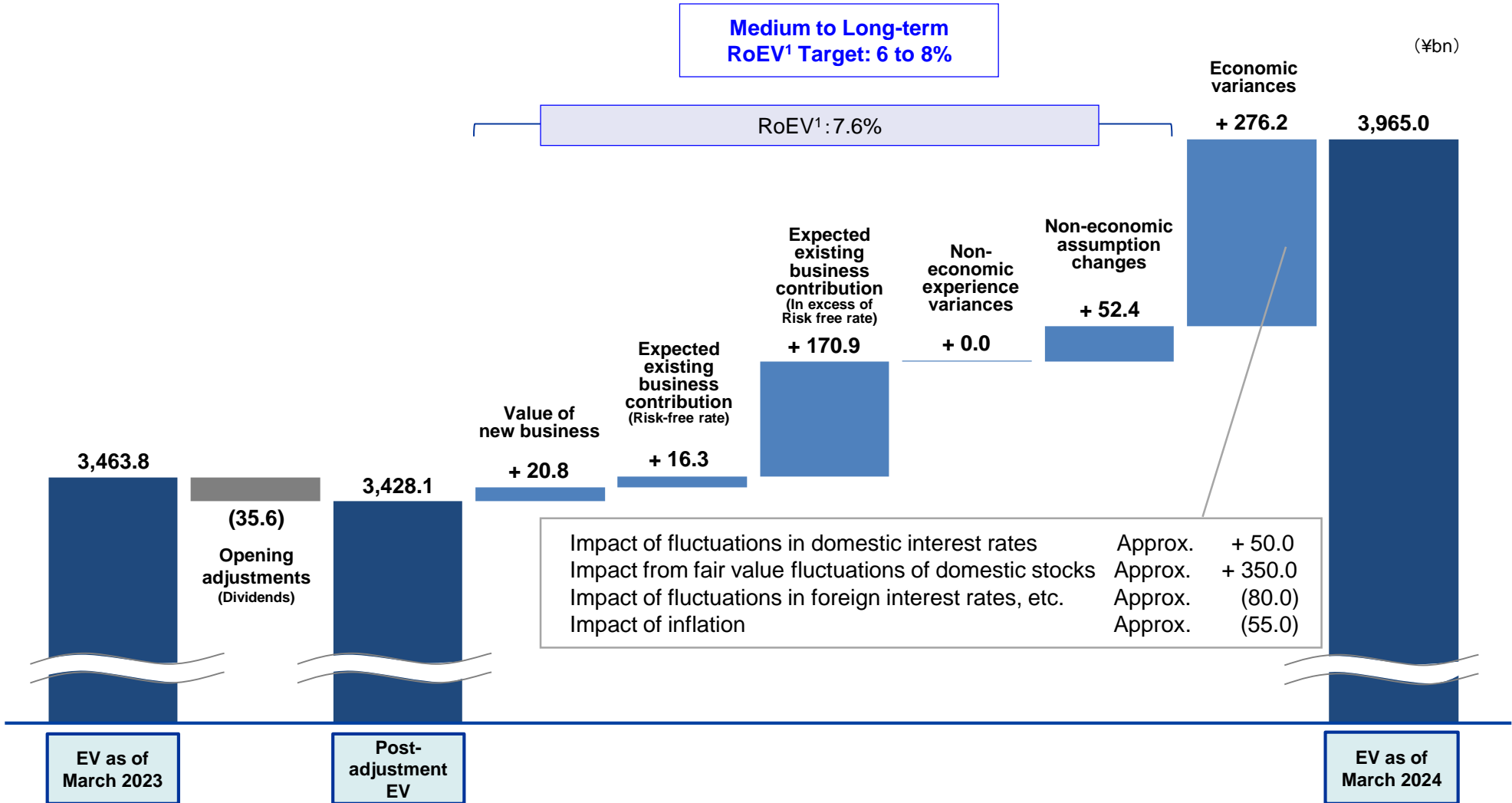


## Value of New Business<sup>1,2</sup> and New business margin<sup>1,2</sup>



- Using the economic assumptions as of December 31, 2023, based on the new policies written in the period from April 2023 to March 2024. The value of new business includes the increase or decrease due to conditional cancellation and conversion.
- The value of new business divided by the present value of future premium income.
- Provisional calculations that have not been verified by a third party. For details on EV verified by a third party, please refer to "Disclosure of European Embedded Value as of March 31, 2024" to be announced on May 29, 2024.

# Movement Analysis of EV



1. Calculated by excluding economic variance factors.

Note : Provisional calculations that have not been verified by a third party. For details on EV verified by a third party, please refer to “Disclosure of European Embedded Value as of March 31, 2024” to be announced on May 29, 2024.

# The Forecasts for Full-year Financial Results for the Year Ending March 31, 2025

## Full-year Financial Results Forecast

(¥bn)

	Year ended Mar-24 (Revised forecast) <sup>2</sup>	Year ended Mar-24	Achievement	Year ending Mar-25 (Forecast)
Ordinary income	6,690.0	6,744.1	100.8%	5,960.0
Ordinary profit	150.0	161.1	107.4%	200.0
Net income <sup>1</sup>	82.0	87.0	106.2%	79.0

**[To be introduced from FY25/3]**

Adjusted profit	Approx. 91.0
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**[Definition of adjusted profit (to be introduced from FY25/3)]**

$$\text{Adjusted profit} = \text{Net income} + \text{Adjustment of policy reserves}$$

**[Change in definition of shareholder return funds]**

- In order to partially adjust for the effect unique to life insurance companies whose net income is reduced in the short term as new policies increase, from FY25/3 we implement changes that positions adjusted profit defined above as a source of shareholder return, taking into account the adjustment for the increased burden of regular policy reserves in the first year of new policies (after tax).

## Full-year Financial Results Forecast (non-consolidated)

(¥bn)

	Year ended Mar-24 (Revised forecast) <sup>2</sup>	Year ended Mar-24	Achievement	Year ending Mar-25 (Forecast)
Core profit	Approx.210.0	224.0	106.7%	Approx.180.0
Positive spread <sup>3</sup>	Approx.80.0	91.8	114.8%	Approx.90.0

1. Net income attributable to Japan Post Insurance.
2. The figures reflect the financial results forecast revision announced on March 22,2024.
3. Includes hedging costs related to foreign exchange.

**[Assumptions underlying the financial results forecast]**

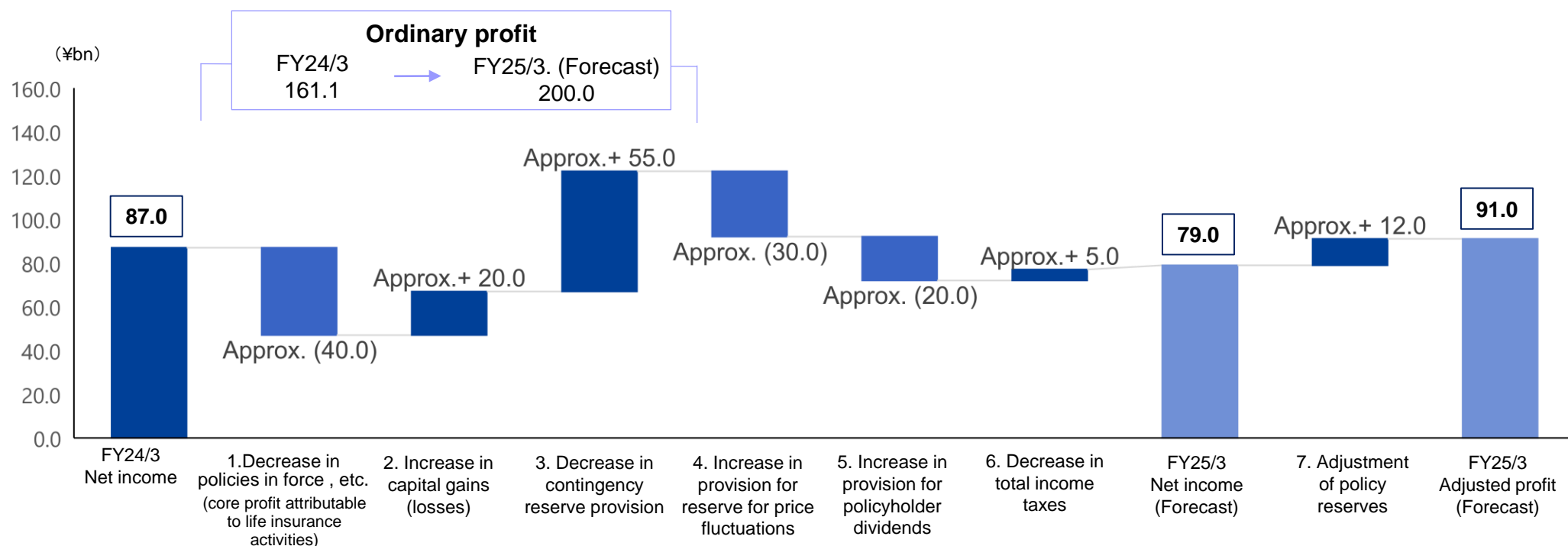
- For domestic and foreign interest rates, it is assumed they will trend in line with the implied forward rate as of March 31,2024.
  - For foreign exchange and stock price, it is assumed they will follow the trend as of March 31,2024 .  
(USD/JPY 151.4 yen, Nikkei Stock Average 40,369 yen)
  - Approximately 880 thousands cases of new policies (individual insurance) and approximately 1,770 thousands cases of cancelled policies (individual insurance)<sup>4</sup> assumed.
4. The numbers of cancelled policies are the sum of death, maturity, surrender and lapse. Also include postal life insurance policies.

# The Forecasts for Full-year Financial Results for the Year Ending March 31, 2025 (Factors for changes from FY24/3)

- Ordinary profit in FY25/3 expected to be ¥200.0bn due to factors 1) to 3).
- Net income<sup>1</sup> in FY25/3 expected to be ¥79.0bn due to factors 4) to 6) in addition to the factors above.
- Adjusted profit in FY25/3 expected to be ¥91.0bn after applying adjustment for policy reserve to net income.

## [Factors of variation]

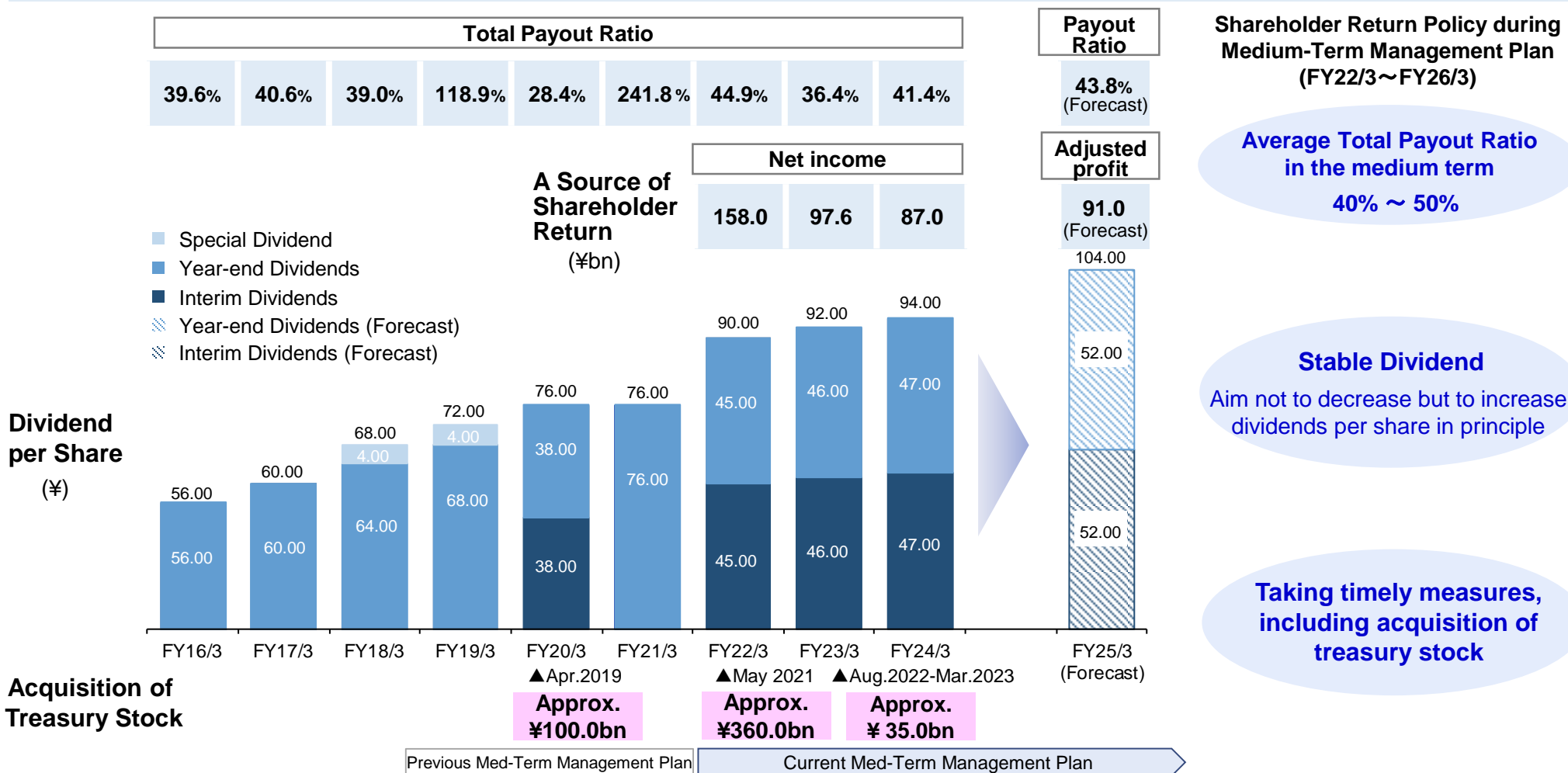
- 1) Decrease in policies in force, etc. (effect exclusively on core profit attributable to life insurance activities)
- 2) Increase in capital gains (losses)
- 3) Decrease in contingency reserve provision
- 4) Increase in provision for reserve for price fluctuations
- 5) Increase in provision for policyholder dividends
- 6) Decrease in total income taxes



1. Net income attributable to Japan Post Insurance.

# Shareholder Return

- In accordance with the shareholder return policies during the period of the Medium-term Management Plan, we provide returns to shareholders.
- The dividend per share for the fiscal year ended March 31, 2024, is ¥94 as we planned. An annual dividend for the fiscal year ending March 31, 2025 is scheduled to be ¥104 per share.
- In addition, we implement “adjusted profit” from FY25/3 and provide stable returns to shareholders by treating adjusted profit as a source of shareholder return.





# APPENDIX

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# Overview of Balance Sheets

## Overview of Balance Sheets

(¥bn)

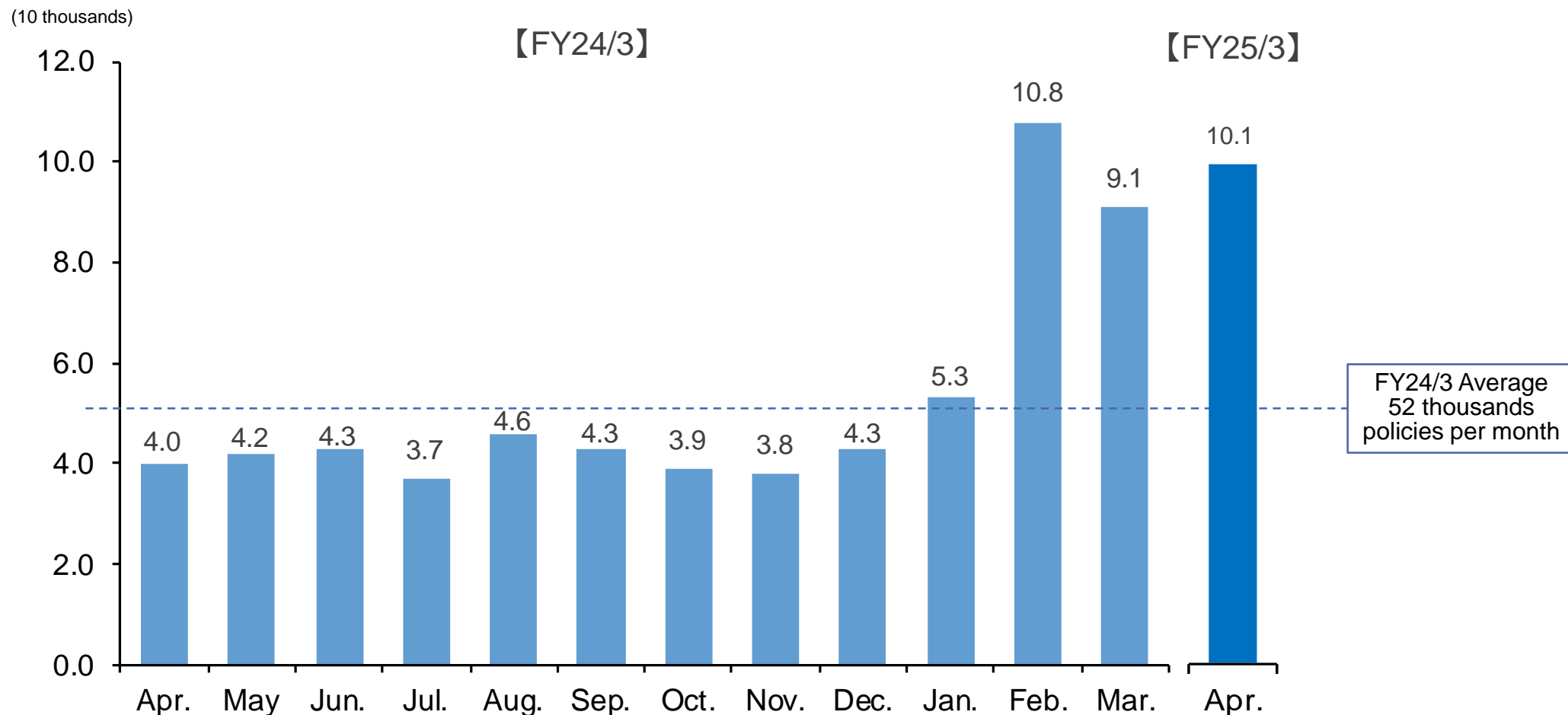
	Mar-23	Mar-24	Change
Total Assets	62,687.3	60,855.8	(1,831.4)
Cash and deposits	1,436.5	1,157.3	(279.2)
Money held in trust	4,772.3	6,271.4	1,499.0
Securities	49,841.4	47,693.8	(2,147.6)
Loans	3,605.8	3,281.3	(324.5)
Tangible fixed assets	92.7	136.9	44.2
Intangible fixed assets	92.3	97.8	5.4
Deferred tax assets	1,028.7	636.6	(392.1)

	Mar-23	Mar-24	Change
Total Liabilities	60,312.0	57,460.1	(2,851.8)
Policy reserves	53,518.2	50,512.7	(3,005.4)
Contingency reserve	1,701.8	1,725.3	23.4
Additional policy reserve	5,373.0	4,909.2	(463.7)
Bonds payable	300.0	400.0	100.0
Reserve for price fluctuations	889.9	873.7	(16.1)
Net assets	2,375.3	3,395.7	1,020.3
Total shareholders' equity	1,570.5	1,622.0	51.5
Capital stock	500.0	500.0	-
Capital surplus	405.0	405.0	-
Retained earnings	701.5	717.9	16.4
Treasury stock	(36.0)	(0.9)	35.1
Total accumulated other comprehensive income	804.8	1,773.6	968.8

Note: Only major line items are shown.

# Monthly Change of Number of New Policies

## Number of New Policies<sup>1</sup> (Individual Insurance)

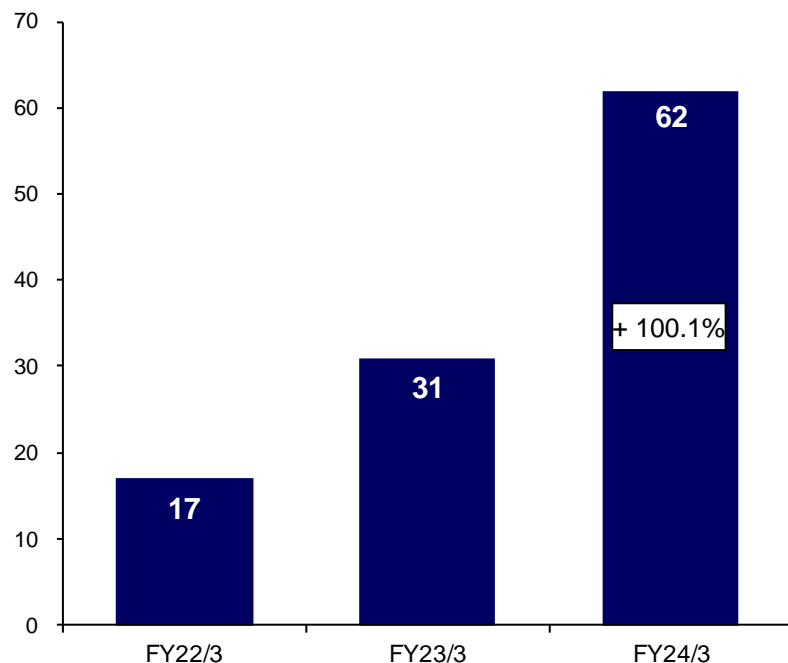


1. The number of new policies includes policies after conversion and excludes renewed policies.

# Policy Sales

## Number of New Policies (Individual Insurance)

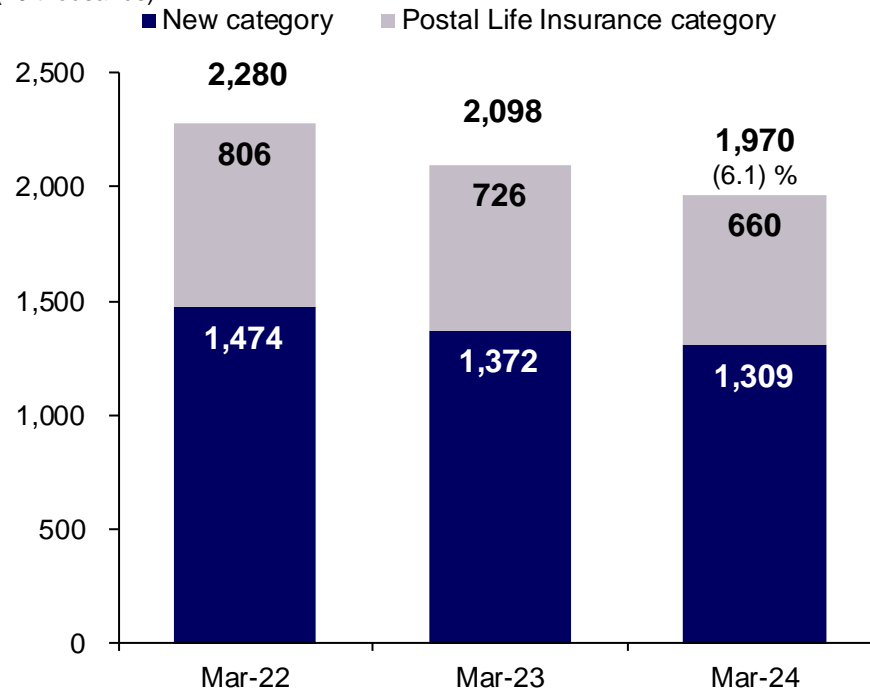
(10 thousands)



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.

## Number of Policies in Force (Individual Insurance)

(10 thousands)



## Numbers of Surrender and Lapse (Individual Insurance)

(10 thousands)

	FY22/3	FY23/3	FY24/3
Full year	50	42	38

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

# Breakdown of Number of Policies by Product

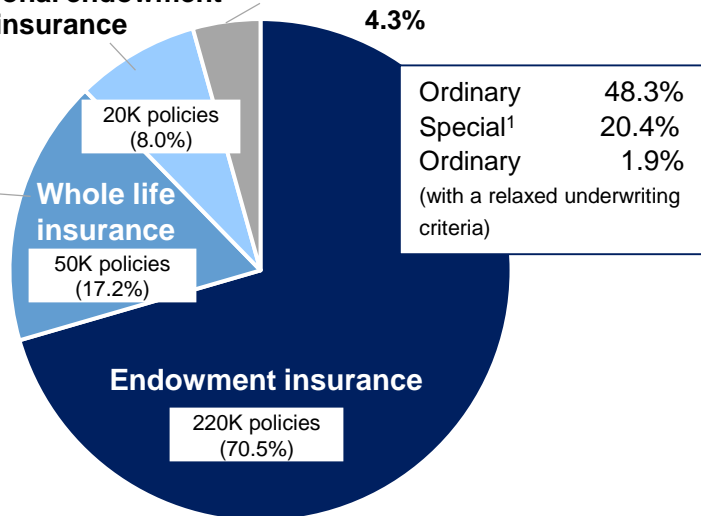
## New Policies (Individual Insurance)

FY23/3

Educational endowment insurance

Other insurance 4.3%

Ordinary (Fixed amount type)	4.9%
Ordinary (Increased amount type)	8.2%
Special	2.9%
Ordinary (with a relaxed underwriting criteria)	1.2%



Ordinary	48.3%
Special <sup>1</sup>	20.4%
Ordinary (with a relaxed underwriting criteria)	1.9%

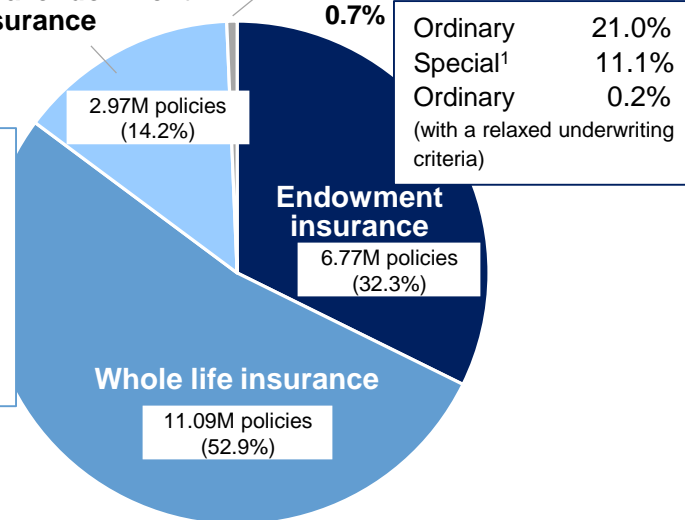
## Policies in Force (Individual Insurance)

Mar-23

Educational endowment insurance

Other insurance 0.7%

Ordinary (Fixed amount type)	15.8%
Ordinary (Increased amount type)	11.7%
Special	25.1%
Ordinary (with a relaxed underwriting criteria)	0.2%



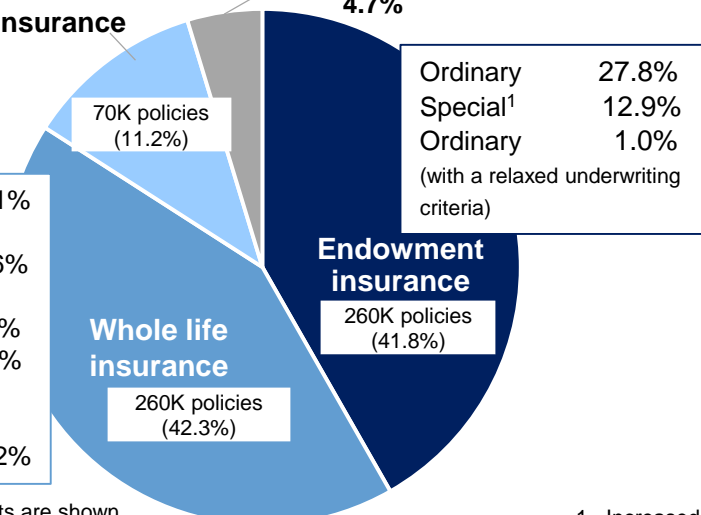
Ordinary	21.0%
Special <sup>1</sup>	11.1%
Ordinary (with a relaxed underwriting criteria)	0.2%

FY24/3

Educational endowment insurance

Other insurance 4.7%

Ordinary (Fixed amount type)	4.1%
Ordinary (Increased amount type)	7.6%
Special	3.5%
Ordinary (with a relaxed underwriting criteria)	1.0%
Lump-sum payment	26.2%



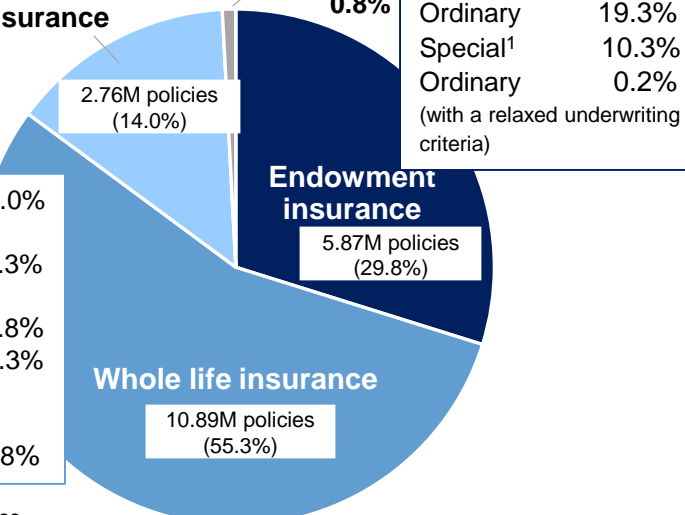
Ordinary	27.8%
Special <sup>1</sup>	12.9%
Ordinary (with a relaxed underwriting criteria)	1.0%

Mar-24

Educational endowment insurance

Other insurance 0.8%

Ordinary (Fixed amount type)	16.0%
Ordinary (Increased amount type)	12.3%
Special	25.8%
Ordinary (with a relaxed underwriting criteria)	0.3%
Lump-sum payment	0.8%



Ordinary	19.3%
Special <sup>1</sup>	10.3%
Ordinary (with a relaxed underwriting criteria)	0.2%

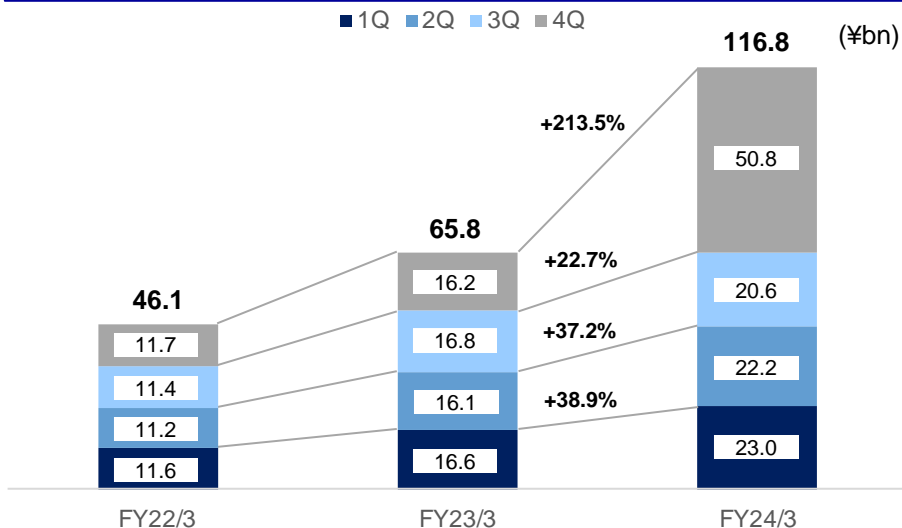
Note1 : Only major products are shown.

Note2 : Policies in force includes postal life insurance policies.

1. Increased amount type endowment insurance.

# Annualized Premiums from New Policies (Quarterly Change and Breakdown by Sales channel)

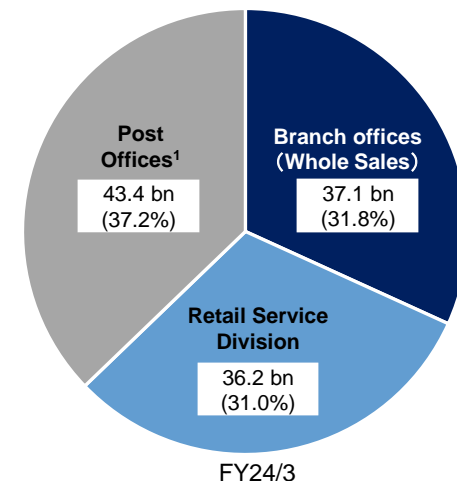
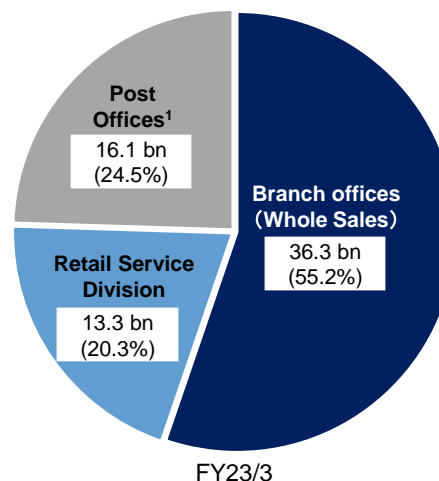
## Annualized Premiums from New Policies (Individual Insurance)



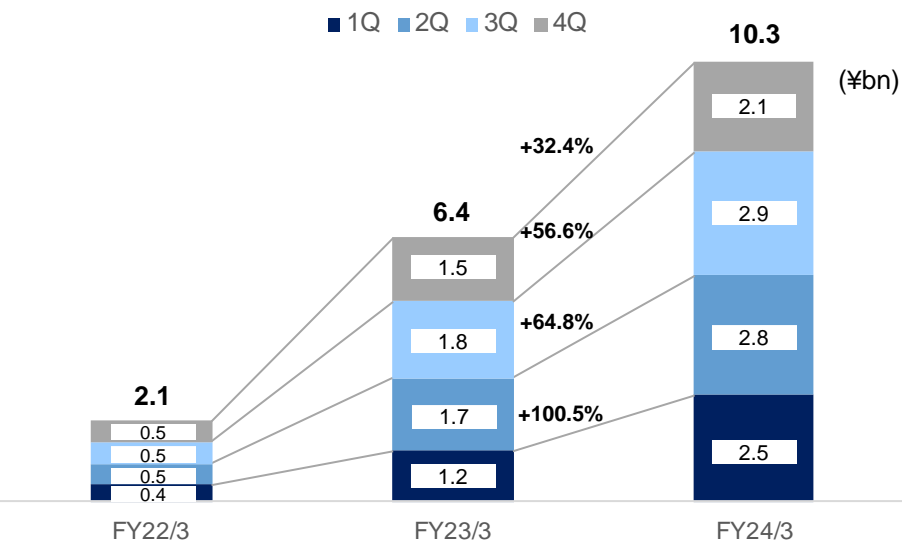
## Breakdown of Annualized Premiums from New Policies (Individual Insurance)

Retail : Whole Sales = 4 : 6

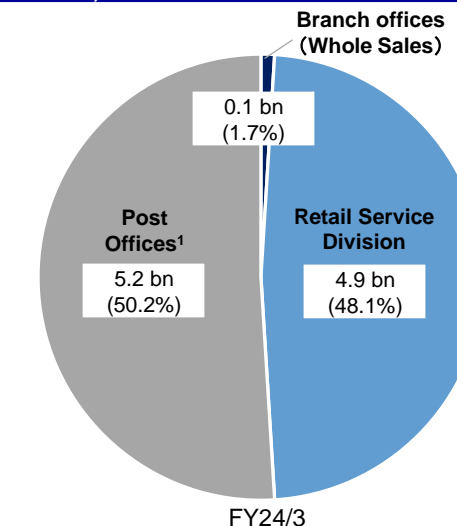
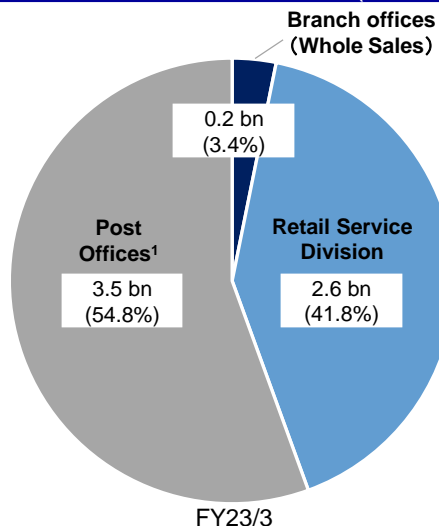
Retail : Whole Sales = 7 : 3



## Annualized Premiums from New Policies (Medical Care)



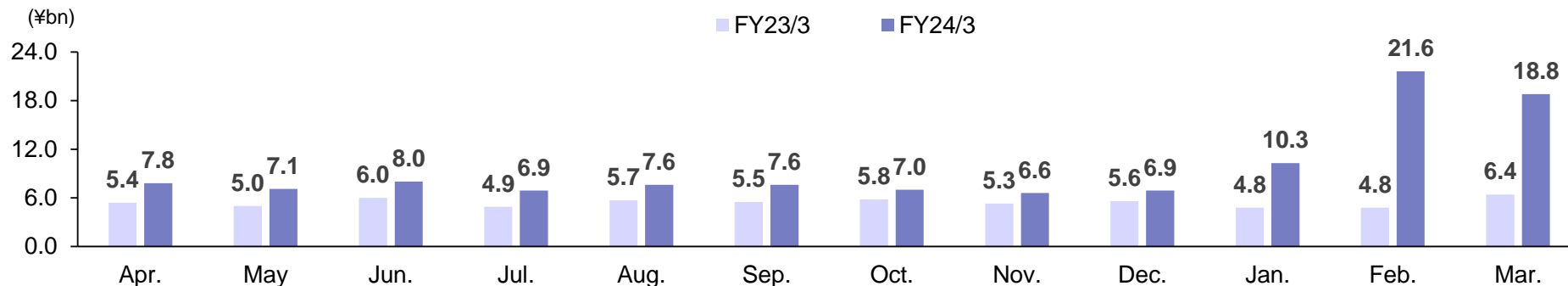
## Breakdown of Annualized Premiums from New Policies (Medical Care)



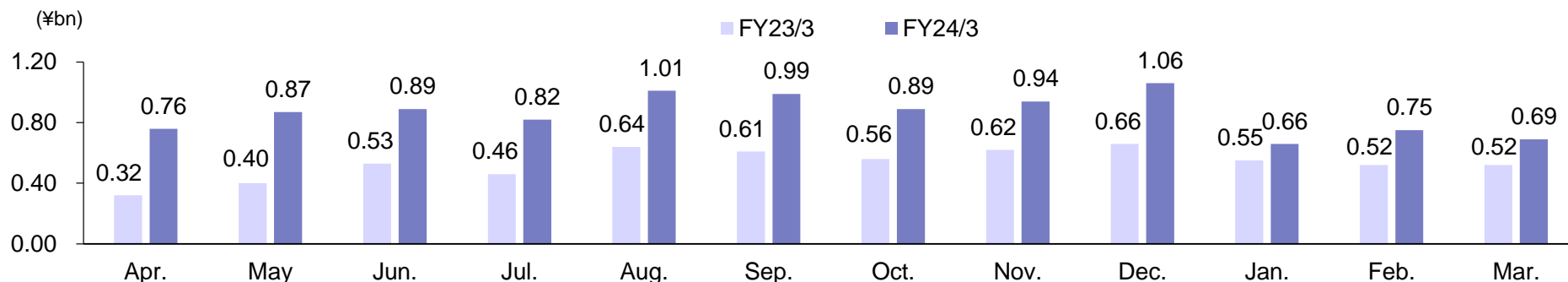
1. Includes amounts of the Contracted post offices.

# Monthly Change of Annualized Premiums from New Policies

## Annualized Premiums from New Policies (Individual Insurance)



## Annualized Premiums from New Policies (Medical Care)



## Medical Care<sup>1</sup> 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 %	12.6 %	14.2 %	15.3 %	6.5 %	3.5 %	3.7 %

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

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

## Interest, Dividends and Other Income

(¥bn)

	Year ended Mar-23	Year ended Mar-24
Investment income	1,159.0	1,211.5
Interest, dividends and other income	950.7	865.2
Interest on deposits	0.0	0.0
Interest and dividends on securities	869.7	793.7
Interest on corporate and government bonds	699.1	685.4
Domestic stock dividends	11.2	11.9
Interest and dividends on foreign securities	117.7	81.5
Others	41.6	14.8
Interest on loans	13.3	12.9
Interest on loans to the Management Organization	60.1	48.3
Rent revenue from real estate	-	-
Interest and dividends on others	7.4	10.0

## Capital gains(losses)

(¥bn)

	Year ended Mar-23	Year ended Mar-24
Capital gains	287.1	427.6
Gains on money held in trust	150.3	181.4
Gains on sales of securities	50.5	151.1
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	6.8	13.5
Other capital gains <sup>1</sup>	79.4	81.4
Capital losses	(351.0)	(417.5)
Losses on money held in trust	-	-
Losses on sales of securities	(177.2)	(177.7)
Losses on valuation of securities	(0.3)	(0.0)
Losses on derivative financial instruments	(60.5)	(95.8)
Losses on foreign exchanges	-	-
Other capital losses <sup>2</sup>	(112.8)	(143.9)
Net Capital gains(losses)	(63.8)	10.0

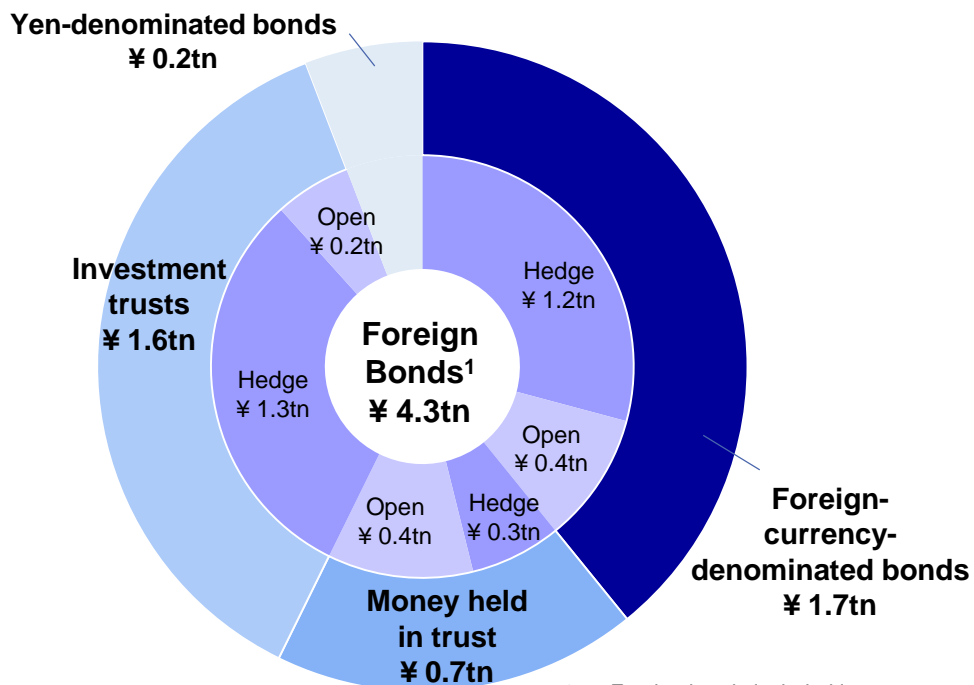
1. Amount equivalent to hedging cost related to foreign exchange and gains from cancellation of investment trust is recognized as "Other capital gains."

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



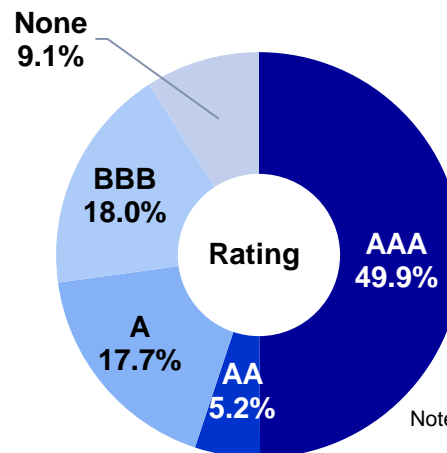
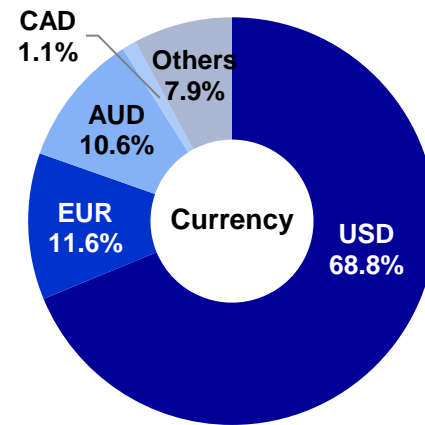
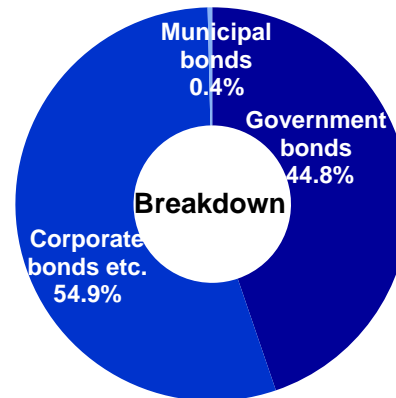
# Exposure to Foreign Bonds (as of March 31, 2024)

## Breakdown of Foreign Bonds



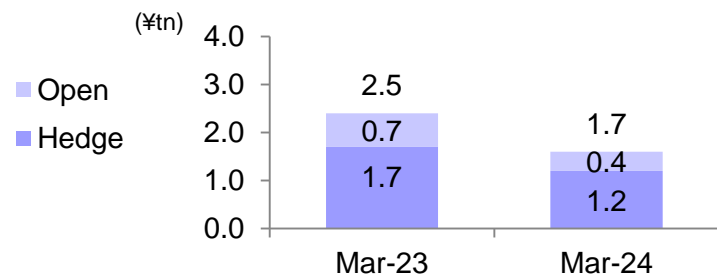
1. Foreign bonds included in return seeking assets (Ref.P6,25).

## 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



# Investments [Asset Portfolio]

## Asset Portfolio

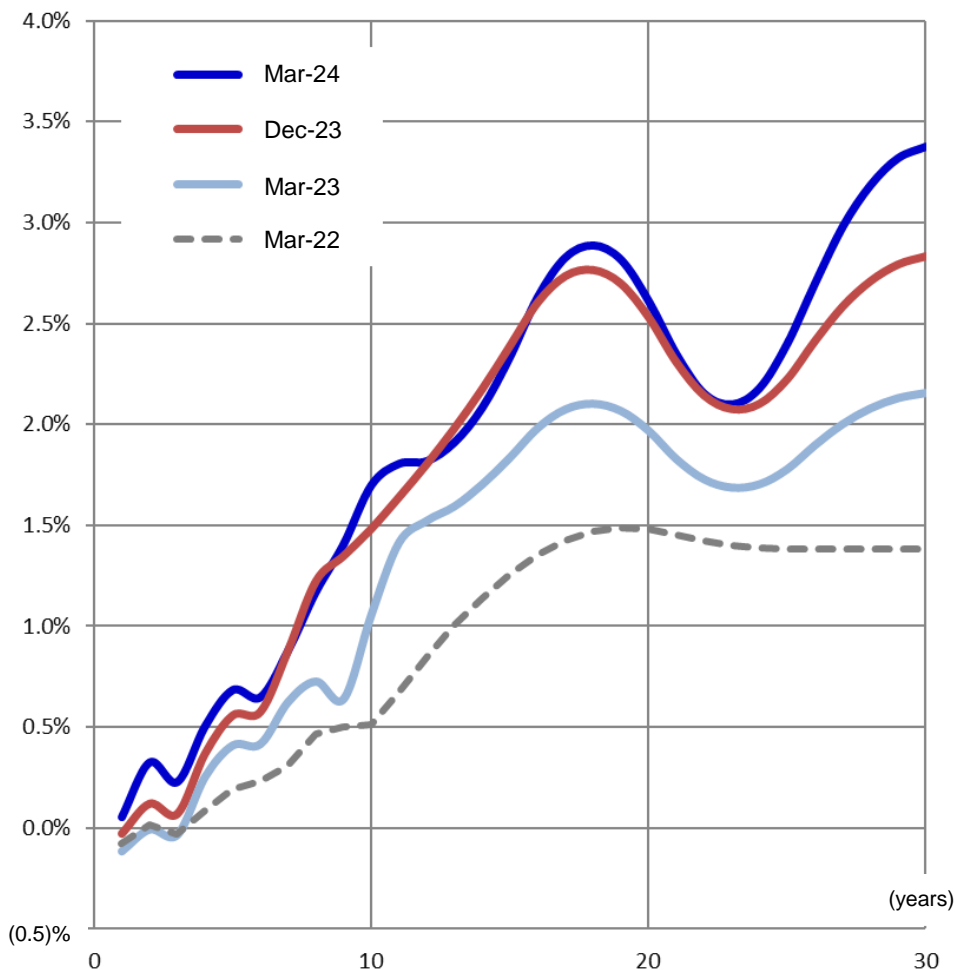
(¥bn)

	Mar-20		Mar-21		Mar-22		Mar-23		Mar-24		Change
	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	
Bonds	48,830.6	68.1%	48,088.2	68.5%	46,563.5	69.3%	44,613.8	71.2 %	42,644.2	70.1 %	(1969.5)
Japanese government bonds	36,730.7	51.3%	37,345.6	53.2%	37,408.9	55.7%	37,114.6	59.2 %	36,037.5	59.2 %	(1077.0)
Japanese local government bonds	6,728.7	9.4%	5,583.9	8.0%	4,462.6	6.6%	3,390.6	5.4 %	2,623.9	4.3 %	(766.6)
Japanese corporate bonds	5,371.1	7.5%	5,158.5	7.4%	4,691.8	7.0%	4,108.5	6.6 %	3,982.7	6.5 %	(125.8)
Return seeking assets <sup>1</sup>	9,938.6	13.9%	11,181.2	15.9%	11,228.3	16.7%	9,830.4	15.7 %	11,113.6	18.3 %	1283.1
Domestic stocks <sup>2</sup>	1,765.1	2.5%	2,514.2	3.6%	2,614.5	3.9%	2,608.4	4.2 %	3,590.7	5.9 %	982.3
Foreign stocks <sup>2</sup>	323.5	0.5%	489.5	0.7%	586.1	0.9%	534.5	0.9 %	742.2	1.2 %	207.6
Foreign bonds <sup>2</sup>	6,445.1	9.0%	6,606.7	9.4%	6,279.9	9.3%	4,680.3	7.5 %	4,388.2	7.2 %	(292.1)
Other <sup>3</sup>	1,404.8	2.0%	1,570.6	2.2%	1,747.7	2.6%	2,007.0	3.2 %	2,392.3	3.9 %	385.2
Alternative assets <sup>4</sup>	488.7	0.7%	682.2	1.0%	914.9	1.4%	1,313.6	2.1 %	1,659.4	2.7 %	345.8
Loans	5,662.7	7.9%	4,964.0	7.1%	4,251.9	6.3%	3,605.8	5.8 %	3,281.3	5.4 %	(324.5)
Others	7,232.7	10.1%	5,939.4	8.5%	5,130.9	7.6%	4,637.2	7.4 %	3,816.7	6.3 %	(820.5)
Cash and deposits, call loans	1,790.2	2.5%	1,465.0	2.1%	1,310.7	2.0%	1,476.5	2.4 %	1,197.3	2.0 %	(279.2)
Receivables under resale agreements <sup>5</sup>	-	-	-	-	2,120.1	3.2%	1,384.7	2.2 %	1,047.1	1.7 %	(337.5)
Receivables under securities borrowing transactions <sup>5</sup>	3,191.7	4.5%	2,585.0	3.7%	-	-	-	-	-	-	-
<b>Total assets</b>	<b>71,664.7</b>	<b>100.0%</b>	<b>70,172.9</b>	<b>100.0%</b>	<b>67,174.7</b>	<b>100.0%</b>	<b>62,687.3</b>	<b>100.0 %</b>	<b>60,855.8</b>	<b>100.0 %</b>	<b>(1831.4)</b>

- 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.
- From FY23/3, based on the adoption of "Implementation Guidance on Accounting Standard for Fair Value Measurement," fair value of an investment trust that has no market transaction price is determined by assuming its net asset value as its fair value.
- In short-term financial market transactions, repo transactions with cash collateral (account title: receivables under securities borrowing transactions) will transition to new transactions with resale agreement (account title: receivables under resale agreements).

# Fluctuations of Interest Rates (EV Assumptions)<sup>1</sup>

Forward Rate (Mar-22 to Mar-24)



Forward Rate

	Mar-22	Mar-23 <sup>①</sup>	Dec-23 <sup>②</sup>	Mar-24 <sup>③</sup>
10 years	0.513 %	1.056 %	1.484 %	1.698 %
20 years	1.480 %	1.967 %	2.530 %	2.610 %
30 years	1.382 %	2.153 %	2.832 %	3.374 %

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 : ②
- EV as of March 31, 2024 : ③

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.

# Sensitivity Analysis of EV

## Sensitivity to Economic Assumptions (EV)

(¥bn)

Assumptions	EV	Change (%)
50bp increase in risk-free rate <sup>1,2</sup>	3,865.2	(99.7) ((2.5) %)
50bp increase in risk-free rate of domestic interest rates <sup>1,2</sup>	3,927.4	(37.5) ((0.9) %)
50bp increase in risk-free rate of foreign interest rates <sup>1,2</sup>	3,903.4	(61.6) ((1.6) %)
50bp decrease in risk-free rate <sup>1,2</sup>	4,047.0	+ 81.9 (+ 2.1 %)
50bp decrease in risk-free rate (parallel shift without zero floor) <sup>1,2</sup>	4,045.0	+ 80.0 (+ 2.0 %)
10% decrease in equity and real estate value <sup>1,2</sup>	3,784.6	(180.3) ((4.5) %)
10% appreciation of the yen <sup>1,2</sup>	3,877.8	(87.2) ((2.2) %)

Adjusted net worth	Value of in- force covered business
1,955.1	1,910.1
1,961.2	1,966.2
1,974.8	1,928.5
2,005.7	2,041.3
2,008.6	2,036.4
1,973.1	1,811.5
1,983.1	1,894.6

## Sensitivity to Non-economic Assumptions (EV)

(¥bn)

Assumptions	EV	Change (%)
Future volume of policies in force is 105% of the level assumed in the calculation of EV as of March 31, 2024 <sup>1,2</sup>	4,018.4	+ 53.3 (+ 1.3 %)
10% decrease in maintenance expenses <sup>1,2</sup>	4,143.0	+ 177.9 (+ 4.5 %)

Adjusted net worth	Value of in- force covered business
1,980.9	2,037.4
1,980.9	2,162.1

## Sensitivity to Economic Assumptions (Value of New Business)

(¥bn)

Assumptions	Value of New Business	Change (%)
50bp increase in risk-free rate <sup>1,2</sup>	48.6	+ 27.8 (+ 133.5 %)
50bp decrease in risk-free rate (parallel shift without zero floor) <sup>1,2</sup>	(22.5)	(43.4) ((208.2) %)

- Provisional calculations that have not been verified by a third party. For details on EV verified by a third party, please refer to "Disclosure of European Embedded Value as of March 31, 2024" to be announced on May 29, 2024.
- 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-19<sup>1</sup>

		FY21/3	FY22/3	FY23/3	FY24/3				Total <sup>2</sup>	
					1Q	2Q	3Q	4Q		
Death benefits	Amount (¥bn)	4.9	13.3	45.8	8.9	2.0	1.0	0.4	12.4	76.6
	Number	1,456	3,807	15,257	2,943	650	329	166	4,088	24,608
Double payment	Amount (¥bn)	2.4	6.5	22.7	4.4	1.0	0.5	0.2	6.2	37.9
	Number	1,450	3,800	15,251	2,942	650	329	166	4,087	24,588
Hospitalization benefits	Amount (¥bn)	0.8	5.4	61.0	2.4	1.3	0.9	0.5	5.2	72.5
	Number	14,023	110,562	1,493,752	54,058	29,201	20,312	12,321	115,892	1,734,244
Payment for deemed hospitalization	Amount (¥bn)	0.3	3.8	58.6	1.8	1.1	0.7	0.4	4.2	66.9
	Number	7,425	94,917	1,463,136	49,212	27,213	19,153	11,597	107,175	1,672,653

## (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)

	FY20/3		FY21/3		FY22/3		FY23/3		FY24/3	
	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	3,383.3	3,362.3
Insurance premiums and others	2,786.3	459.1	2,333.7	364.1	2,132.1	286.8	1,978.3	222.6	2,312.2	171.7
Investment income	441.2	696.5	448.4	673.6	460.6	688.6	488.5	670.8	433.1	779.8
Other ordinary income	354.9	2,503.0	809.7	2,156.8	869.3	2,016.6	1,113.8	1,912.4	637.9	2,410.7
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	3,322.6	3,260.4
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	2,821.1	2,957.4
Provision for policy reserves and others	29.9	-	0.0	-	0.0	-	14.5	-	0.0	0.1
Investment expenses	85.7	38.2	59.5	11.7	56.5	13.3	207.8	39.0	147.6	135.1
Operating expenses	336.3	135.8	275.4	126.6	263.0	121.5	306.6	137.5	298.6	139.8
Other ordinary expenses	94.2	42.7	68.9	33.2	64.0	30.7	51.8	23.6	55.0	27.9
Ordinary profit	194.3	92.4	262.5	82.4	246.7	108.9	47.1	70.4	60.7	101.8
Extraordinary gains and losses <sup>1</sup>	9.3	29.8	(23.6)	(23.1)	(22.3)	(40.0)	98.4	(16.1)	54.6	(38.6)
Provision for reserve for policyholder dividends	15.4	93.7	18.7	46.7	18.2	54.8	18.3	43.6	9.0	46.8
Income before income taxes	188.2	28.5	220.2	12.6	206.1	14.0	127.2	10.6	106.3	16.2
Total income taxes	54.9	10.7	61.1	6.0	57.3	4.9	36.4	3.6	28.7	5.3
Net income	133.3	17.8	159.0	6.5	148.7	9.1	90.8	6.9	77.6	10.9

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	FY24/3
<b>Total assets</b>	¥mn	71,667,398	70,173,857	67,174,848	62,685,230	60,857,090
Postal Life Insurance category		39,225,493	37,815,270	35,929,138	33,692,133	32,404,929
New category		32,441,904	32,358,586	31,245,710	28,993,096	28,452,160
<b>Number of policies in force</b>	(000)	27,070	24,837	22,802	20,987	19,701
Postal Life Insurance category (insurance)		9,907	8,944	8,061	7,265	6,605
New category (individual insurance)		17,163	15,893	14,740	13,722	13,095
<b>Numbers of new policies (individual insurance)</b>	(000)	644	124	173	314	628
<b>Numbers of cancelled policies<sup>1</sup></b>	(000)	2,717	2,357	2,209	2,128	1,915
Postal Life Insurance category (insurance)		1,140	962	882	796	659
New category (individual insurance)		1,576	1,394	1,326	1,332	1,255
<b>Contingency reserve (reversal) provision<sup>2</sup></b>	¥mn	(165,388)	(186,023)	79,651	10,883	23,457
Postal Life Insurance category		(170,814)	(191,014)	73,581	56,976	23,462
New category		5,425	4,991	6,069	(46,093)	(4)
<b>Price fluctuations reserve (reversal) provision<sup>2</sup></b>	¥mn	(39,152)	46,477	67,789	(82,645)	(16,161)
Postal Life Insurance category		(29,845)	23,121	40,045	16,140	38,686
New category		(9,306)	23,355	27,743	(98,786)	(54,848)
<b>Additional policy reserve (reversal) provision<sup>2</sup></b>	¥mn	(49,750)	27,652	(239,366)	(245,641)	(463,738)
Postal Life Insurance category		(46,396)	30,553	(236,996)	(243,835)	(462,467)
New category		(3,354)	(2,901)	(2,369)	(1,806)	(1,271)

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	FY24/3
Insurance premiums and others	3,245.5	2,697.9	2,418.9	2,200.9	2,484.0
Operating expenses etc <sup>1</sup>	609.4	503.5	479.0	519.7	521.6
Ordinary profit	286.6	345.7	356.1	117.5	161.1
Provision for reserve for policyholder dividends	109.2	65.4	73.1	62.0	55.8
Net income	150.6	166.1	158.0	97.6	87.0
Net assets	1,928.3	2,841.4	2,421.0	2,375.3	3,395.7
Total assets	71,664.7	70,172.9	67,174.7	62,687.3	60,855.8
Return on equity	7.4 %	7.0 %	6.0 %	4.1 %	3.0 %
RoEV <sup>2</sup>	(2.8) %	5.0 %	4.0 %	3.1 %	7.6 %
Dividends to shareholders	42.7	42.7	35.9	35.5	36.0
Share repurchase	-	358.8 <sup>3</sup>	34.9 <sup>4</sup>	-	-
Total payout ratio	28.4 %	241.8 %	44.9 %	36.4 %	41.4 %
EV	3,324.2	4,026.2	3,618.9	3,463.8	3,965.0
Value of New Business	60.6	(12.7)	(11.5)	(7.4)	20.8
Core profit (Non-consolidated) <sup>5</sup>	400.6	421.9	429.7	192.3	224.0
Core profit attributable to life insurance activities	320.1	345.6	296.4	98.2	132.1
Spread (positive/negative spread) <sup>5</sup>	80.4	76.3	133.3	94.0	91.8

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

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