

**UNOFFICIAL TRANSLATION**

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

August 7, 2020  
JAPAN POST INSURANCE Co., Ltd.

**Announcement of Financial Results for  
the Three Months Ended June 30, 2020**

JAPAN POST INSURANCE Co., Ltd. (the “Company”; SENDA Tetsuya, Director and President, CEO, Representative Executive Officer) hereby announces its financial results for the three months ended June 30, 2020 (April 1, 2020 to June 30, 2020).

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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, 2020		June 30, 2020			
	Number of policies	Policy amount	Number of policies		Policy amount	
			% of March 31, 2020 total	% of March 31, 2020 total		
Individual insurance	17,163	49,915.5	16,808	97.9	48,836.0	97.8
Individual annuities	1,164	1,930.6	1,115	95.8	1,833.9	95.0
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, %)

Three months ended June 30	2019				2020					
	Number of policies	Policy amount			Number of policies		Policy amount			
		New policies	Net increase arising from the conversion		% of June 30, 2019 total	% of June 30, 2019 total	New policies	Net increase arising from the conversion		
Individual insurance	426	1,218.7	1,218.7	-	23	5.6	76.6	6.3	76.6	-
Individual annuities	0	2.7	2.7	-	0	1.2	0.0	1.0	0.0	-
Group insurance	-	-	-	-	-	-	-	-	-	-
Group annuities	-	-	-	-	-	-	-	-	-	-

Note: 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, 2020	June 30, 2020	
			% of March 31, 2020 total
Individual insurance	3,144.6	3,058.9	97.3
Individual annuities	412.0	394.7	95.8
Total	3,556.6	3,453.6	97.1
Medical coverage, living benefits and other	393.8	385.3	97.8

### ▪ New Policies

(Billions of yen, %)

Three months ended June 30	2019	2020	
			% of June 30, 2019 total
Individual insurance	93.5	6.0	6.5
Individual annuities	0.2	0.0	1.0
Total	93.8	6.0	6.5
Medical coverage, living benefits and other	16.6	0.2	1.7

- 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).

## 2. Investment Performance (General Account)

### (1) Asset Composition

(Billions of yen, %)

As of	March 31, 2020		June 30, 2020	
	Amount	Ratio	Amount	Ratio
Cash, deposits, call loans	1,786.6	2.5	1,186.6	1.7
Receivables under resale agreements	-	-	-	-
Receivables under securities borrowing transactions	3,191.7	4.5	2,766.5	3.9
Monetary claims bought	318.5	0.4	328.0	0.5
Trading account securities	-	-	-	-
Money held in trust	3,056.0	4.3	3,408.1	4.8
Securities	55,871.5	78.0	55,802.4	78.8
Corporate and government bonds	48,954.5	68.3	48,758.8	68.9
Domestic stocks	286.9	0.4	326.0	0.5
Foreign securities	4,687.3	6.5	4,772.8	6.7
Foreign corporate and government bonds	4,522.1	6.3	4,625.2	6.5
Foreign stocks and other securities	165.1	0.2	147.5	0.2
Other securities	1,942.7	2.7	1,944.7	2.7
Loans	5,662.7	7.9	5,708.7	8.1
Real estate	89.5	0.1	88.8	0.1
Deferred tax assets	1,173.7	1.6	1,013.3	1.4
Other	517.2	0.7	499.5	0.7
Reserve for possible loan losses	(0.4)	(0.0)	(0.4)	(0.0)
Total	71,667.3	100.0	70,802.0	100.0
Foreign currency-denominated assets	4,980.0	6.9	5,257.3	7.4

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

**(2) Fair Value Information of Securities (with Fair Value, Other Than Trading Securities)**

(Billions of yen)

As of	March 31, 2020					June 30, 2020				
	Book value	Fair value	Net unrealized gains (losses)			Book value	Fair value	Net unrealized gains (losses)		
			Gains	Losses				Gains	Losses	
Held-to-maturity bonds	35,735.7	41,953.3	6,217.6	6,217.7	0.0	35,598.6	41,355.7	5,757.0	5,770.7	13.6
Policy-reserve-matching bonds	9,574.6	10,578.5	1,003.8	1,007.4	3.5	9,517.8	10,424.7	906.8	920.5	13.6
Equities of subsidiaries and affiliates	-	-	-	-	-	-	-	-	-	-
Available-for-sale securities	13,651.6	14,021.7	370.1	786.8	416.7	13,615.0	14,540.7	925.6	1,135.4	209.8
Corporate and government bonds	3,700.4	3,742.1	41.7	46.7	4.9	3,636.7	3,681.3	44.6	49.8	5.2
Domestic stocks	1,710.0	1,765.1	55.1	265.1	210.0	1,694.2	2,018.6	324.3	430.2	105.8
Foreign securities	4,754.4	5,159.2	404.8	448.6	43.7	4,832.3	5,373.2	540.9	560.9	20.0
Foreign corporate and government bonds	4,048.9	4,424.1	375.1	378.5	3.3	4,145.6	4,586.2	440.6	446.9	6.2
Foreign stocks and other securities	705.4	735.1	29.6	70.0	40.4	686.6	786.9	100.2	114.0	13.8
Other securities	2,635.1	2,501.5	(133.6)	24.3	157.9	2,540.4	2,554.3	13.8	92.4	78.6
Monetary claims bought	316.5	318.5	2.0	2.0	-	326.2	328.0	1.8	1.8	-
Negotiable certificates of deposit	535.0	535.0	-	-	-	585.0	585.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>58,962.0</b>	<b>66,553.7</b>	<b>7,591.6</b>	<b>8,012.0</b>	<b>420.3</b>	<b>58,731.4</b>	<b>66,321.1</b>	<b>7,589.6</b>	<b>7,826.8</b>	<b>237.1</b>
Corporate and government bonds	48,912.7	56,175.8	7,263.0	7,271.6	8.6	48,714.1	55,422.7	6,708.5	6,741.2	32.6
Domestic stocks	1,710.0	1,765.1	55.1	265.1	210.0	1,694.2	2,018.6	324.3	430.2	105.8
Foreign securities	4,852.4	5,257.5	405.0	448.8	43.7	4,871.3	5,412.2	540.9	561.0	20.0
Foreign corporate and government bonds	4,146.9	4,522.4	375.4	378.7	3.3	4,184.6	4,625.2	440.6	446.9	6.2
Foreign stocks and other securities	705.4	735.1	29.6	70.0	40.4	686.6	786.9	100.2	114.0	13.8
Other securities	2,635.1	2,501.5	(133.6)	24.3	157.9	2,540.4	2,554.3	13.8	92.4	78.6
Monetary claims bought	316.5	318.5	2.0	2.0	-	326.2	328.0	1.8	1.8	-
Negotiable certificates of deposit	535.0	535.0	-	-	-	585.0	585.0	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

Note: This table includes money held in trust other than trading securities and its book value is ¥2,549.0 billion with net unrealized gains of ¥73.0 billion as of March 31, 2020 and ¥2,540.8 billion with net unrealized gains of ¥416.4 billion as of June 30, 2020.

The book values of securities for which the fair values are deemed extremely difficult to determine are as follows:  
(Billions of yen)

As of	March 31, 2020	June 30, 2020
Held-to-maturity bonds	-	-
Unlisted foreign bonds	-	-
Other	-	-
Policy-reserve-matching bonds	-	-
Equities of subsidiaries and affiliates	10.9	11.4
Available-for-sale securities	305.1	329.6
Unlisted domestic stocks (excluding OTC traded equities)	4.2	4.2
Unlisted foreign stocks (excluding OTC traded equities)	-	-
Unlisted foreign bonds	-	-
Other	300.9	325.4
<b>Total</b>	<b>316.0</b>	<b>341.1</b>

Notes: 1. This table includes money held in trust other than trading securities (¥300.9 billion as of March 31, 2020 and ¥325.4 billion as of June 30, 2020).  
2. Net unrealized gains (losses) based on foreign exchange valuation of the foreign currency-denominated assets classified as securities for which the fair values are deemed extremely difficult to determine are ¥(4.6) billion as of March 31, 2020 and ¥(5.6) billion as of June 30, 2020.

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, 2020					June 30, 2020				
	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	2,744.3	2,744.3	-	-	-	3,067.4	3,067.4	-	-	-

- 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, 2020					June 30, 2020				
	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	2,671.2	2,744.3	73.0	339.5	266.4	2,650.9	3,067.4	416.4	544.4	127.9

Note: Fair value information of money held in trust does not include other money held in trust for which the fair value is deemed extremely difficult to determine (¥311.7 billion as of March 31, 2020 and ¥340.7 billion as of June 30, 2020).

### 3. Unaudited Non-Consolidated Balance Sheets

(Millions of yen)

Items	Term	As of March 31, 2020	As of June 30, 2020
		Amount	Amount
<b>ASSETS:</b>			
Cash and deposits		1,406,640	996,687
Call loans		380,000	190,000
Receivables under securities borrowing transactions		3,191,710	2,766,590
Monetary claims bought		318,581	328,099
Money held in trust		3,056,072	3,408,182
Securities		55,871,541	55,802,437
[Japanese government bonds]		[36,730,786]	[36,906,687]
[Japanese local government bonds]		[6,737,380]	[6,473,075]
[Japanese corporate bonds]		[5,486,350]	[5,379,046]
[Stocks]		[286,975]	[326,036]
[Foreign securities]		[4,687,342]	[4,772,846]
Loans		5,662,748	5,708,727
Policy loans		152,681	173,230
Industrial and commercial loans		994,446	1,024,757
Loans to the Management Network		4,515,620	4,510,738
Tangible fixed assets		109,704	108,071
Intangible fixed assets		140,696	131,070
Agency accounts receivable		45,587	41,878
Reinsurance receivables		4,057	3,956
Other assets		306,755	303,472
Deferred tax assets		1,173,751	1,013,336
Reserve for possible loan losses		(448)	(468)
<b>Total assets</b>		<b>71,667,398</b>	<b>70,802,041</b>
<b>LIABILITIES:</b>			
Policy reserves and others		64,191,926	63,462,471
Reserve for outstanding claims		461,224	453,826
Policy reserves		62,293,166	61,591,944
Reserve for policyholder dividends		1,437,535	1,416,700
Reinsurance payables		6,595	6,616
Bonds payable		100,000	100,000
Other liabilities		4,485,343	3,960,019
Payables under securities lending transactions		4,290,140	3,818,084
Income taxes payable		62,298	11,824
Lease obligations		2,095	1,989
Asset retirement obligation		5	5
Other liabilities		130,803	128,116
Reserve for insurance claims and others		29,722	16,230
Reserve for employees' retirement benefits		68,831	68,862
Reserve for management board benefit trust		164	125
Reserve for price fluctuations		858,339	835,942
<b>Total liabilities</b>		<b>69,740,924</b>	<b>68,450,268</b>
<b>NET ASSETS:</b>			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Legal capital surplus		405,044	405,044
Retained earnings		757,826	782,921
Legal retained earnings		60,485	64,761
Other retained earnings		697,340	718,160
Reserve for reduction entry of real estate		5,545	5,480
Retained earnings brought forward		691,794	712,679
Treasury stock		(422)	(422)
Total shareholders' equity		1,662,447	1,687,542
Net unrealized gains (losses) on available-for-sale securities		264,009	664,217
Net deferred gains (losses) on hedges		16	12
Total valuation and translation adjustments		264,026	664,230
<b>Total net assets</b>		<b>1,926,474</b>	<b>2,351,773</b>
<b>Total liabilities and net assets</b>		<b>71,667,398</b>	<b>70,802,041</b>

#### 4. Unaudited Non-Consolidated Statements of Income

(Millions of yen)

Items	Term	Three months ended June 30, 2019	Three months ended June 30, 2020
		Amount	Amount
<b>ORDINARY INCOME</b>		1,818,986	1,696,408
Insurance premiums and others		935,876	712,835
[Insurance premiums]		[932,026]	[709,010]
Investment income		276,919	260,729
[Interest and dividend income]		[267,698]	[254,662]
[Gains on money held in trust]		[25]	[-]
[Gains on sales of securities]		[8,979]	[5,786]
Other ordinary income		606,190	722,843
[Reversal of reserve for outstanding claims]		[36,809]	[7,397]
[Reversal of policy reserves]		[568,733]	[701,221]
<b>ORDINARY EXPENSES</b>		1,763,106	1,626,818
Insurance claims and others		1,576,681	1,461,956
[Insurance claims]		[1,268,765]	[1,168,701]
[Annuity payments]		[100,110]	[94,728]
[Benefits]		[25,292]	[27,520]
[Surrender benefits]		[137,282]	[117,433]
[Other refunds]		[39,292]	[47,780]
Provision for policy reserves and others		2	2
Provision for interest on policyholder dividends		2	2
Investment expenses		31,112	38,310
[Interest expenses]		[502]	[609]
[Losses on money held in trust]		[-]	[15,071]
[Losses on sales of securities]		[9,905]	[8,966]
[Losses on derivative financial instruments]		[18,601]	[10,089]
Operating expenses		127,805	100,279
Other ordinary expenses		27,504	26,270
<b>ORDINARY PROFIT</b>		55,880	69,590
<b>EXTRAORDINARY GAINS</b>		15,669	22,397
Reversal of reserve for price fluctuations		15,669	22,397
<b>EXTRAORDINARY LOSSES</b>		5	16
Losses on sales and disposal of fixed assets		5	16
Provision for reserve for policyholder dividends		20,745	20,400
Income before income taxes		50,799	71,570
Income taxes - Current		36,022	19,008
Income taxes - Deferred		(18,895)	6,088
Total income taxes		17,126	25,096
Net income		33,672	46,473



## NOTES TO THE UNAUDITED NON-CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2020

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

1. Securities lent under lending agreements in the amount of ¥4,364,691 million were included in “Securities” in the balance sheet as of June 30, 2020.

2. Changes in reserve for policyholder dividends for the three months ended June 30, 2020 were as follows:

Balance at the beginning of the fiscal year	¥1,437,535 million
Policyholder dividends paid during the three months ended June 30, 2020	¥41,140 million
Interest accrual	¥2 million
Reduction due to the acquisition of additional annuity	¥96 million
Provision for reserve for policyholder dividends	¥20,400 million
<b>Balance at the end of the three months ended June 30, 2020</b>	<b>¥1,416,700 million</b>

3. Dividends paid were as follows:

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 15, 2020	Common stock	21,378	38.00	March 31, 2020	June 16, 2020	Retained earnings

(\*) Total amount of dividends includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

4. Efforts to regain customers' trust

On December 27, 2019, the Company received administrative dispositions pursuant to the Insurance Business Act from the Financial Services Agency of Japan, on account of improper solicitation actions and underlying systematic problems. The Company is resolved to treat the implementation of the business improvement plan that it formulated as its top-priority management issue, and is making company-wide efforts. Additionally, the Company has been confirming with all customers with insurance policies whether their insurance policies are in line with their intentions, and compensating customers who have suffered disadvantages.

As of June 30, 2020, the Company has reasonably estimated insurance-related expenses associated with the reinstatement of policies and other actions to compensate for the disadvantages suffered by the customers (the refund of premiums, payments of insurance claims, etc.), and recorded a reserve for insurance claims and others of ¥16,230 million.

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

Net income per share for the three months ended June 30, 2020 was ¥82.63.

## 5. Breakdown of Ordinary Profit (Core Profit)

(Millions of yen)

Three months ended June 30		2019	2020
Core profit	A	90,866	110,455
Capital gains		9,092	5,786
Gains on money held in trust		25	-
Gains on trading securities		-	-
Gains on sales of securities		8,979	5,786
Gains on derivative financial instruments		-	-
Gains on foreign exchanges		87	-
Other capital gains		-	-
Capital losses		40,744	44,032
Losses on money held in trust		-	15,071
Losses on trading securities		-	-
Losses on sales of securities		9,905	8,966
Losses on valuation of securities		-	-
Losses on derivative financial instruments		18,601	10,089
Losses on foreign exchanges		-	259
Other capital losses		12,237	9,645
Net capital gains (losses)	B	(31,652)	(38,246)
Core profit including net capital gains (losses)	A+B	59,214	72,209
Other one-time gains		41,346	-
Reinsurance income		-	-
Reversal of contingency reserve		41,346	-
Reversal of specific reserve for possible loan losses		-	-
Other		-	-
Other one-time losses		44,679	2,619
Reinsurance premiums		-	-
Provision for contingency reserve		-	2,619
Provision for specific reserve for possible loan losses		-	-
Provision for reserve for specific foreign loans		-	-
Write-off of loans		-	-
Other		44,679	-
Other one-time profits (losses)	C	(3,333)	(2,619)
Ordinary profit	A+B+C	55,880	69,590

- Notes: 1. The amount equivalent to income gains associated with money held in trust (¥12,237 million for the three months ended June 30, 2019 and ¥9,645 million for the three months ended June 30, 2020) is recognized as “other capital losses” and included in core profit.
2. “Other” in “other one-time losses” includes the amount of additional policy reserves accumulated pursuant to Article 69, Paragraph 5 of the Ordinance for Enforcement of the Insurance Business Act (¥44,679 million for the three months ended June 30, 2019).

## 6. Solvency Margin Ratio

(Millions of yen)

As of		March 31, 2020	June 30, 2020
Total amount of solvency margin	(A)	5,168,422	5,666,675
Capital stock, etc.		1,641,069	1,680,633
Reserve for price fluctuations		858,339	835,942
Contingency reserve		1,797,366	1,799,985
General reserve for possible loan losses		37	37
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)		328,782	827,863
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)		19	19
Excess of continued Zillmerized reserve		442,807	422,013
Capital raised through debt financing		100,000	100,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin		-	-
Deductions		-	-
Other		-	178
Total amount of risk	(B)	967,023	1,012,464
$\sqrt{(R_1 + R_8)^2 + (R_2 + R_3 + R_7)^2} + R_4$			
Insurance risk	R <sub>1</sub>	137,197	135,655
Underwriting risk of third-sector insurance	R <sub>8</sub>	54,172	52,955
Anticipated yield risk	R <sub>2</sub>	136,652	135,181
Minimum guarantee risk	R <sub>7</sub>	-	-
Investment risk	R <sub>3</sub>	788,454	835,942
Business management risk	R <sub>4</sub>	22,329	23,194
Solvency margin ratio			
$\frac{(A)}{(1/2) \times (B)} \times 100$		1,068.9 %	1,119.3 %

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 Three Months Ended June 30, 2020

Not applicable.

## 8. Consolidated Financial Summary

### (1) Selected Financial Data and Other Information

(Millions of yen)

Three months ended June 30	2019	2020
Ordinary income	1,818,987	1,696,390
Ordinary profit	56,002	69,956
Net income attributable to Japan Post Insurance	33,778	46,729
Comprehensive income (loss)	95,676	446,822

As of	March 31, 2020	June 30, 2020
Total assets	71,664,781	70,801,800
Consolidated solvency margin ratio	1,070.9 %	1,121.5 %

### (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, 2020	As of June 30, 2020
		Amount	Amount
<b>ASSETS:</b>			
Cash and deposits		1,410,298	1,002,093
Call loans		380,000	190,000
Receivables under securities borrowing transactions		3,191,710	2,766,590
Monetary claims bought		318,581	328,099
Money held in trust		3,056,072	3,408,182
Securities		55,870,557	55,801,453
Loans		5,662,748	5,708,727
Tangible fixed assets		110,219	108,562
Intangible fixed assets		135,010	126,041
Agency accounts receivable		45,587	41,878
Reinsurance receivables		4,057	3,956
Other assets		306,596	303,376
Deferred tax assets		1,173,789	1,013,306
Reserve for possible loan losses		(448)	(468)
<b>Total assets</b>		<b>71,664,781</b>	<b>70,801,800</b>
<b>LIABILITIES:</b>			
Policy reserves and others		64,191,926	63,462,471
Reserve for outstanding claims		461,224	453,826
Policy reserves		62,293,166	61,591,944
Reserve for policyholder dividends		1,437,535	1,416,700
Reinsurance payables		6,595	6,616
Bonds payable		100,000	100,000
Payables under securities lending transactions		4,290,140	3,818,084
Other liabilities		193,449	142,229
Reserve for insurance claims and others		29,722	16,230
Liability for retirement benefits		66,060	66,275
Reserve for management board benefit trust		164	125
Reserve for price fluctuations		858,339	835,942
<b>Total liabilities</b>		<b>69,736,400</b>	<b>68,447,975</b>
<b>NET ASSETS:</b>			
Capital stock		500,000	500,000
Capital surplus		405,044	405,044
Retained earnings		756,665	782,016
Treasury stock		(422)	(422)
Total shareholders' equity		1,661,286	1,686,637
Net unrealized gains (losses) on available-for-sale securities		264,009	664,217
Net deferred gains (losses) on hedges		16	12
Accumulated adjustments for retirement benefits		3,067	2,957
Total accumulated other comprehensive income		267,094	667,187
<b>Total net assets</b>		<b>1,928,380</b>	<b>2,353,825</b>
<b>Total liabilities and net assets</b>		<b>71,664,781</b>	<b>70,801,800</b>

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

(Unaudited Consolidated Statements of Income)

(Millions of yen)

Items	Term	Three months ended June 30, 2019	Three months ended June 30, 2020
		Amount	Amount
<b>ORDINARY INCOME</b>		1,818,987	1,696,390
Insurance premiums and others		935,876	712,835
Investment income		276,919	260,729
[Interest and dividend income]		[267,698]	[254,662]
[Gains on money held in trust]		[25]	[-]
[Gains on sales of securities]		[8,979]	[5,786]
Other ordinary income		606,191	722,825
[Reversal of reserve for outstanding claims]		[36,809]	[7,397]
[Reversal of policy reserves]		[568,733]	[701,221]
<b>ORDINARY EXPENSES</b>		1,762,984	1,626,434
Insurance claims and others		1,576,681	1,461,956
[Insurance claims]		[1,268,765]	[1,168,701]
[Annuity payments]		[100,110]	[94,728]
[Benefits]		[25,292]	[27,520]
[Surrender benefits]		[137,282]	[117,433]
Provision for policy reserves and others		2	2
Provision for interest on policyholder dividends		2	2
Investment expenses		31,113	38,310
[Interest expenses]		[502]	[609]
[Losses on money held in trust]		[-]	[15,071]
[Losses on sales of securities]		[9,905]	[8,966]
[Losses on derivative financial instruments]		[18,601]	[10,089]
Operating expenses		128,010	100,313
Other ordinary expenses		27,177	25,850
<b>ORDINARY PROFIT</b>		56,002	69,956
<b>EXTRAORDINARY GAINS</b>		15,669	22,397
Reversal of reserve for price fluctuations		15,669	22,397
<b>EXTRAORDINARY LOSSES</b>		5	16
Losses on sales and disposal of fixed assets		5	16
Provision for reserve for policyholder dividends		20,745	20,400
Income before income taxes		50,921	71,937
Income taxes - Current		36,022	19,008
Income taxes - Deferred		(18,878)	6,199
Total income taxes		17,143	25,207
Net income		33,778	46,729
Net income attributable to non-controlling interests		-	-
Net income attributable to Japan Post Insurance		33,778	46,729

(Unaudited Consolidated Statements of Comprehensive Income)

(Millions of yen)

Items	Term	Three months ended June 30, 2019	Three months ended June 30, 2020
		Amount	Amount
Net income		33,778	46,729
Other comprehensive income (loss)		61,898	400,093
Net unrealized gains (losses) on available-for-sale securities		62,001	400,207
Net deferred gains (losses) on hedges		2	(4)
Adjustments for retirement benefits		(105)	(109)
Total comprehensive income (loss)		95,676	446,822
Comprehensive income (loss) attributable to Japan Post Insurance		95,676	446,822
Comprehensive income (loss) attributable to non-controlling interests		-	-

## NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTHS ENDED JUNE 30, 2020

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

1. Securities lent under lending agreements in the amount of ¥4,364,691 million were included in “Securities” in the consolidated balance sheet as of June 30, 2020.

2. Changes in reserve for policyholder dividends for the three months ended June 30, 2020 were as follows:

Balance at the beginning of the fiscal year	¥1,437,535 million
Policyholder dividends paid during the three months ended June 30, 2020	¥41,140 million
Interest accrual	¥2 million
Reduction due to the acquisition of additional annuity	¥96 million
Provision for reserve for policyholder dividends	¥20,400 million
Balance at the end of the three months ended June 30, 2020	¥1,416,700 million

3. Dividends paid were as follows:

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 15, 2020	Common stock	21,378	38.00	March 31, 2020	June 16, 2020	Retained earnings

(\*) Total amount of dividends includes ¥6 million of dividends paid to shares of the Company held in the Board Benefit Trust (BBT).

4. Efforts to regain customers' trust

On December 27, 2019, the Company received administrative dispositions pursuant to the Insurance Business Act from the Financial Services Agency of Japan, on account of improper solicitation actions and underlying systematic problems. The Company is resolved to treat the implementation of the business improvement plan that it formulated as its top-priority management issue, and is making company-wide efforts. Additionally, the Company has been confirming with all customers with insurance policies whether their insurance policies are in line with their intentions, and compensating customers who have suffered disadvantages.

As of June 30, 2020, the Company has reasonably estimated insurance-related expenses associated with the reinstatement of policies and other actions to compensate for the disadvantages suffered by the customers (the refund of premiums, payments of insurance claims, etc.), and recorded a reserve for insurance claims and others of ¥16,230 million.

### (Notes to the Unaudited Consolidated Statement of Income)

1. Net income per share for the three months ended June 30, 2020 was ¥83.09.

2. Depreciation and amortization for the three months ended June 30, 2020 was ¥15,212 million.

## (5) Consolidated Solvency Margin Ratio

(Millions of yen)

As of	March 31, 2020	June 30, 2020
Total amount of solvency margin (A)	5,161,600	5,659,431
Capital stock, etc.	1,639,908	1,679,728
Reserve for price fluctuations	858,339	835,942
Contingency reserve	1,797,366	1,799,985
Catastrophe loss reserve	-	-
General reserve for possible loan losses	37	37
(Net unrealized gains (losses) on available-for-sale securities (before taxes) • Net deferred gains (losses) on hedges (before taxes)) × 90% (if negative, × 100%)	328,782	827,863
Net unrealized gains (losses) on real estate × 85% (if negative, × 100%)	19	19
Sum of unrecognized actuarial differences and unrecognized prior service cost (before taxes)	4,261	4,108
Excess of continued Zillmerized reserve	442,807	422,013
Capital raised through debt financing	100,000	100,000
Amounts within “excess of continued Zillmerized reserve” and “capital raised through debt financing” not calculated into the margin	-	-
Deductions	(9,923)	(10,447)
Other	-	178
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)	963,888	1,009,182
Insurance risk R <sub>1</sub>	137,197	135,655
General insurance risk R <sub>5</sub>	-	-
Catastrophe risk R <sub>6</sub>	-	-
Underwriting risk of third-sector insurance R <sub>8</sub>	54,172	52,955
Small amount and short-term insurance risk R <sub>9</sub>	-	-
Anticipated yield risk R <sub>2</sub>	136,652	135,181
Minimum guarantee risk R <sub>7</sub>	-	-
Investment risk R <sub>3</sub>	785,317	832,665
Business management risk R <sub>4</sub>	22,266	23,129
Solvency margin ratio		
$\frac{(A)}{(1/2) \times (B)} \times 100$	1,070.9 %	1,121.5 %

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.