

Kampo

**Outline of Financial Results for
the Three Months Ended June 30, 2019**

August 9, 2019

 **JAPAN POST INSURANCE**

- I am Imuta of Japan Post Insurance.
- Thank you for joining our conference call for “Financial Results for the Three Months Ended June 30, 2019.”
- I will first begin with a summary of the financial results in line with the presentation materials prepared for this meeting, followed by a question and answer session.
- In addition, we will mention the primary factors when we focus on the reasons of the increase or decrease of each indicator.
- Please look at page 1.

Summary of Financial Results

	3months ended Jun-19	Year on Year	
Net income	¥ 33.7bn	(0.9) %	➤ Net income was ¥ 33.7billion (a 0.9% decrease year on year), achieving 36.3% towards the full-year financial results forecasts.
Annualized premiums from New policies	(Individual Insurance) ¥ 93.5bn	(1.1) %	➤ Annualized premiums from new policies for individual insurance were ¥ 93.5billion, a 1.1% decrease year on year.
	(Medical Care) ¥ 16.6bn	(2.2) %	➤ Annualized premiums from new policies for medical care were ¥ 16.6billion, a 2.2% decrease year on year.
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 4,647.1bn	(0.6) %	➤ Annualized premiums from policies in force for individual insurance were ¥ 4,647.1billion, a 0.6% decrease from the end of the previous fiscal year.
	(Medical Care) ¥ 755.7bn	+ 0.4 %	➤ Annualized premiums from policies in force for medical care were ¥ 755.7billion, a 0.4% increase from the end of the previous fiscal year.
Return seeking assets	¥ 10,187.4bn	(0.3) %	➤ Investments in return seeking assets (foreign securities etc.) were ¥ 10,187.4billion, a 0.3% decrease from the end of the previous fiscal year. ➤ The ratio of return seeking assets to total assets was 13.9%.
Solvency Margin Ratio	1,198.5 %	8.7 points	➤ The solvency margin ratio was 1,198.5%, an 8.7 points increase from the end of the previous fiscal year.

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- The financial results can be summed up as you see.
- Net income for the current period was ¥ 33.7billion, a 0.9% decrease year on year, but it represented steady progress of 36.3% towards the full-year financial results forecasts.
- Annualized premiums from new policies for individual insurance were ¥93.5 billion, a 1.1 % decrease year on year. Annualized premiums from new policies for medical care were ¥16.6 billion, a 2.2 % decrease year on year.
- Although annualized premiums from policies in force for individual insurance decreased slightly to ¥4,647.1 billion year on year, annualized premiums from policies in force for medical care were ¥ 755.7 billion, a 0.4% increase from the end of the previous fiscal year.
- We invested in return seeking assets such as foreign bonds to ¥ 10,187.4billion. The ratio of return seeking assets to total assets is 13.9%.
- The solvency margin ratio was 1,198.5%, an 8.7 points increase from the end of the previous fiscal year.
- To make sure, we would like to withhold disclosing EV as of the end of June 2019 at the moment.
- EV must be calculated in accordance with the EEV Principles by using appropriate assumptions for future experience.
- In particular, the company understands that we have to reflect the influence of the initiatives, which we announced as 'Investigation of Rewritten Insurance Policies and Initiatives for Improvement' on July 31, 2019, on non-economic assumptions such as surrender and lapse rate, operating expenses etc.
- However, it is impossible to make appropriate assumptions for future experience to calculate EV as of the end of June 2019 at present. We plan to calculate and disclose EV once we prepare appropriate non-economic assumptions.
- Please look at page 2.

Financial Highlights

Financial Highlights

(¥bn)

	3 months ended Jun-18	3 months ended Jun-19	Year on year
Ordinary income	1,978.6	1,818.9	(8.1) %
Ordinary profit	75.2	56.0	(25.6) %
Net income ¹	34.0	33.7	(0.9) %
Net income per share	¥ 56.83	¥ 59.59	+ ¥ 2.75

Comparison with Forecasts

(¥bn)

Year ended Mar-20 (Financial results forecasts)	Achievement
7,180.0	25.3 %
190.0	29.5 %
93.0	36.3 %
¥ 165.03	36.1 %

(¥bn)

	Mar-19	Jun-19	Change
Total assets	73,905.0	73,455.7	(0.6) %
Net assets	2,135.1	2,087.6	(2.2) %
Total shareholders' equity	1,675.1	1,565.7	(6.5) %

1. Net income attributable to Japan Post Insurance.

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- Next, I would like to explain the financial highlights.
- Ordinary income decreased to ¥1,818.9 billion.
- Ordinary profit decreased year on year to ¥56.0 billion, mainly due to increases in capital losses and operating expenses.
- As for net income, reversal of price fluctuations reserve offset the capital losses, which resulted in ¥33.7 billion.
- Ordinary income, ordinary profit, and net income all progressed steadily towards the full-year financial results forecasts.
- Furthermore, total assets were ¥73,455.7 billion and net assets were ¥2,087.6 billion.
- Please look at page 3.

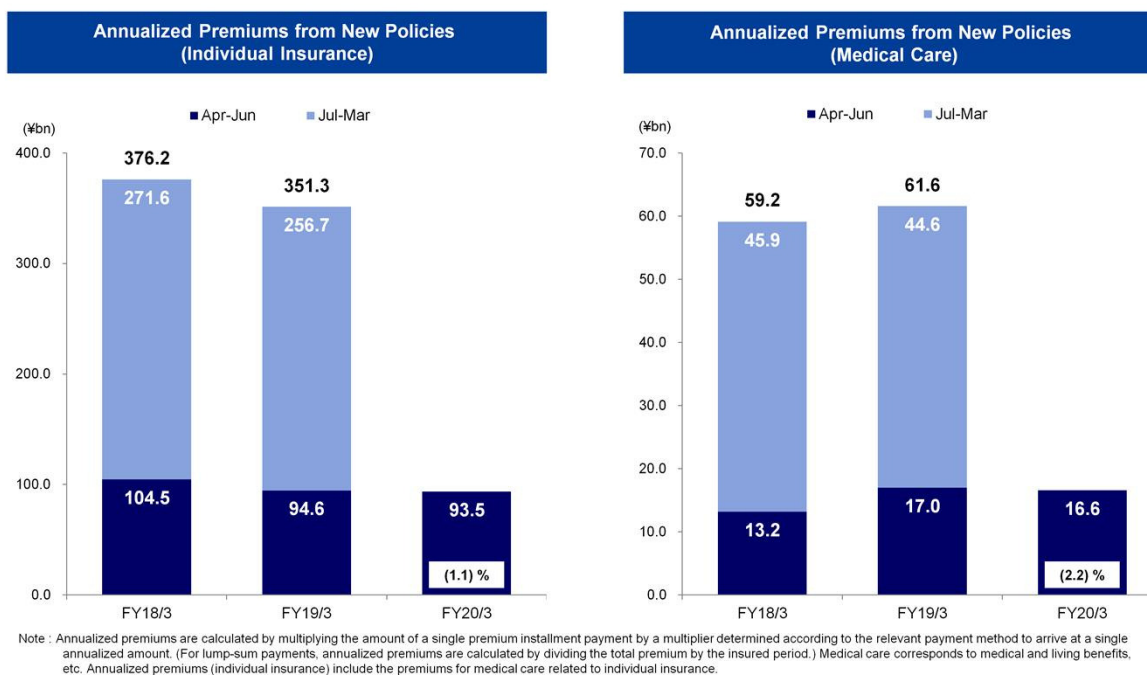
Overview of Financial Statements

Statement of Income				Balance Sheets				
	3 months ended Jun-18	3 months ended Jun-19	Change	(Reference) Year ended Mar-19		Mar-19	Jun-19	Change
Ordinary income	1,978.6	1,818.9	(159.7)	7,916.6	Total Assets	73,905.0	73,455.7	(449.2)
Insurance premiums and others	1,014.8	935.8	(78.9)	3,959.9	Cash and deposits	917.7	875.6	(42.0)
Investment income	307.6	276.9	(30.6)	1,204.4	Money held in trust	2,787.5	2,777.2	(10.2)
Reversal of policy reserves	621.3	568.7	(52.6)	2,716.7	Securities	58,451.5	58,470.5	18.9
Ordinary expenses	1,903.4	1,762.9	(140.4)	7,651.7	Loans	6,786.0	6,428.4	(357.6)
Insurance claims and others	1,715.0	1,576.6	(138.3)	6,868.8	Fixed assets ¹	261.6	257.8	(3.8)
Investment expenses	34.8	31.1	(3.7)	146.0	Deferred tax assets	1,022.0	1,016.6	(5.4)
Operating expenses	125.0	128.0	2.9	519.8	Total Liabilities	71,769.8	71,368.1	(401.7)
Ordinary profit	75.2	56.0	(19.2)	264.8	Policy reserves	65,060.5	64,491.8	(568.7)
Extraordinary profit and loss	(0.3)	15.6	15.9	17.5	Reserve for price fluctuations	897.4	881.8	(15.6)
Provision for reserve for policyholder dividends	26.8	20.7	(6.0)	111.8	Net assets	2,135.1	2,087.6	(47.4)
Income before income taxes	48.0	50.9	2.8	170.6	Total shareholders' equity	1,675.1	1,565.7	(109.3)
Total income taxes	13.9	17.1	3.1	50.1	Total accumulated other comprehensive income	460.0	521.9	61.8
Net income attributable to Japan Post Insurance	34.0	33.7	(0.3)	120.4				

Note: Only major line items are shown.
1. Sum of Tangible fixed assets and Intangible fixed assets

- This is an overview of our financial statements.
- For more information, please refer to the document on financial results.
- Please look at page 4.

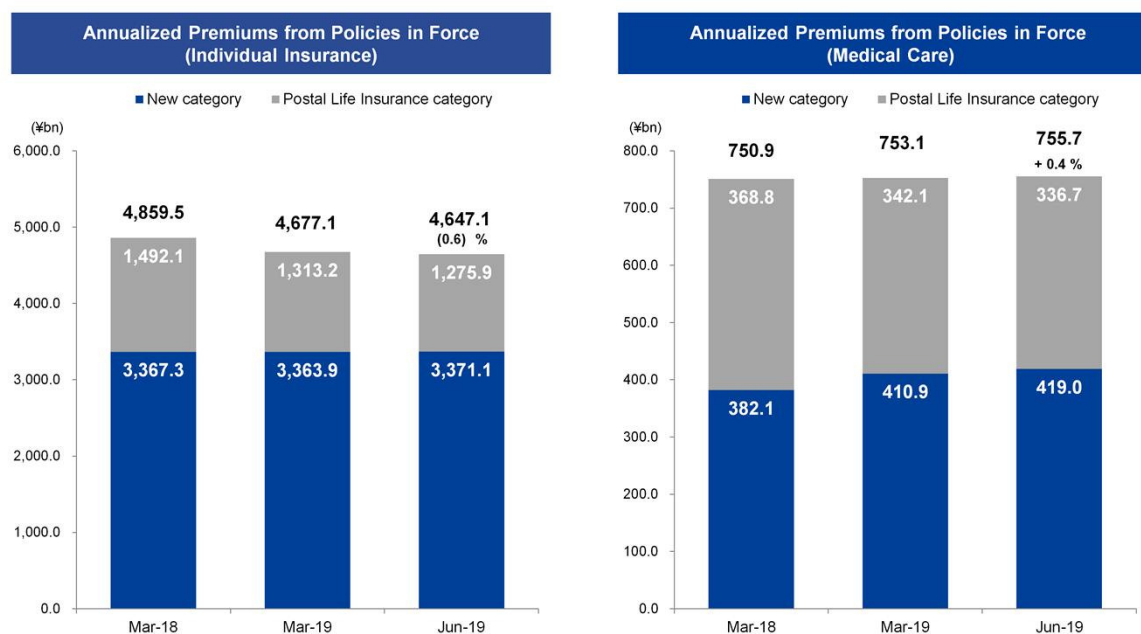
Policy Sales (1) Annualized Premiums from New Policies



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- From here, I would like to explain our policy sales.
- Annualized premiums from new policies for individual insurance decreased by 1.1% year on year to ¥93.5 billion. Numbers of new policies also declined, but products with a relaxed underwriting criteria, which we launched this April, have contributed to restraining the negative impact from the decrease in new policies. Numbers of new policies will be discussed later at page 6.
- Annualized premiums from new policies for medical care decreased by 2.2% year on year to ¥16.6 billion. However, it remained at similar level to the same period of the previous fiscal year, which was historically high as a quarterly record.
- Please look at page 5.

Policy Sales (2) Annualized Premiums from Policies in Force

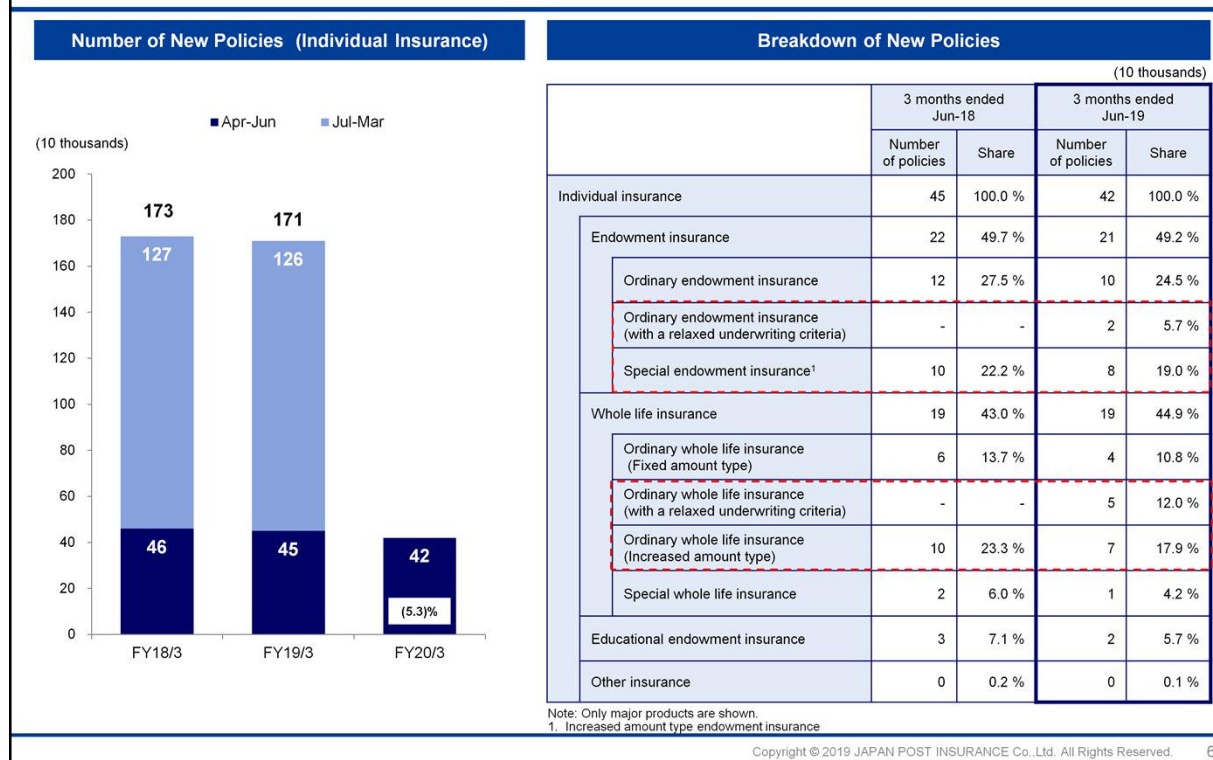


Note: "New category" shows individual insurance policies underwritten by Japan Post Insurance. The "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from the Postal Management and Support Organization (until March 31, 2019, known as "the Management Organization for Postal Savings and Postal Life Insurance")

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- As shown in the chart on the left, annualized premiums from policies in force for individual insurance were ¥4,647.1 billion, representing a decrease from the end of the previous fiscal year.
- Annualized premiums from policies in force for medical care were ¥755.7 billion, remaining on an upward trend following the previous fiscal year.
- Please look at page 6.

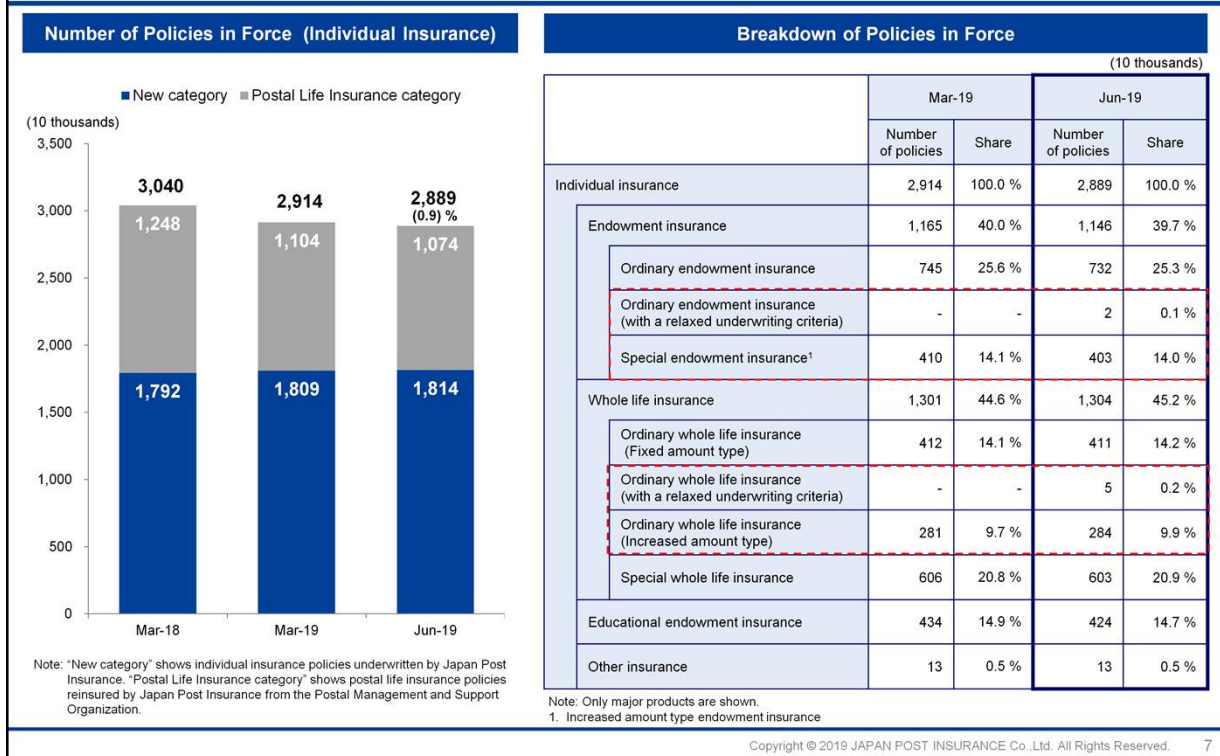
Policy Sales (3) Number of New Policies



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- The chart on the left shows changes in the number of new policies, with a breakdown by product on the right.
- The number of new policies acquired decreased by 5.3% year on year to approximately 420 thousand.
- By product, the ratio of protection-type products continued to rise as a result of sales promotion activities to capture protection needs, as well as strong sales of products with a relaxed underwriting criteria launched in April 2019. These protection-type products, namely special endowment insurance, ordinary whole life insurance (increased amount type), ordinary endowment insurance (with a relaxed underwriting criteria), and ordinary whole life insurance (with a relaxed underwriting criteria) account for over 50% of the total number of new policies.
- Please look at page 7.

Policy Sales (4) Number of Policies in Force



- Changes in the number of policies in force and its breakdown are presented on this page.
- The number of policies in force, which is the total of “New category” and “Postal Life Insurance category,” decreased by 0.9% from the end of the previous fiscal year to 28.89 million.
- The breakdown of the number of policies in force by product is shown in the chart on the right.
- Please look at page 8.

Investments (1) Asset Portfolio

Asset Portfolio					Spread and Investment Yield			
					(#bn)			
		Mar-19		Jun-19				(Reference)
		Amount	Share	Amount	Share	3 months ended Jun-18	3 months ended Jun-19	Year ended Mar-19
Bonds		50,960.1	69.0 %	51,005.8	69.4%			
Japanese government bonds		38,041.4	51.5 %	38,095.1	51.9%	Positive spread	10.1	12.5
Japanese local government bonds		7,515.9	10.2 %	7,413.9	10.1%	Average assumed rates of return ¹	1.71 %	1.69 %
Japanese corporate bonds		5,402.7	7.3 %	5,496.7	7.5%	Investment return on core profit ²	1.77 %	1.77 %
Return seeking assets ¹		10,217.7	13.8 %	10,187.4	13.9%	Net capital gains (losses)	(15.6)	(31.6)
Domestic stocks ²		1,756.0	2.4 %	1,696.8	2.3%			(83.7)
Foreign stocks ²		345.5	0.5 %	344.0	0.5%			
Foreign bonds ²		6,708.7	9.1 %	6,779.4	9.2%			
Other ³		1,407.3	1.9 %	1,367.0	1.9%			
Loans		6,786.0	9.2 %	6,428.4	8.8%			
Others		5,940.9	8.0 %	5,834.0	7.9%			
Cash and deposits, call loans		1,067.7	1.4 %	1,015.6	1.4%	Interest rate (10Y JGB)	0.030 %	(0.165) %
Receivables under securities borrowing transactions		2,792.2	3.8 %	2,857.3	3.9%	USD/JPY	¥ 110.54	¥ 107.79
Total assets		73,905.0	100.0 %	73,455.7	100.0%			Mar-19
								(0.095) %
								¥ 110.99

- 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 that invest only in the specified assets.
- "Bank loans," "multi-asset" and "real estate fund" etc.

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- I would like to move on to the results of investments.
- We mainly invest in bonds from the standpoint of ALM to match yen-denominated interest-bearing assets with yen-denominated interest-bearing liabilities.
- As shown on the left, due to our efforts to diversify our investment assets under the current historically low interest rate environment, the amount of return seeking assets such as stocks and foreign bonds reached ¥10,187.4billion, which accounts for 13.9% of total assets at the end of the current period.
- As shown in the chart on the right, the average assumed rates of return decreased by 0.02points year on year, reflecting the effect by reductions of assumed rates of return. The investment return on core profit remained flat year on year. As a result, a positive spread of ¥12.5 billion was achieved.
- Capital losses turned out to be ¥31.6 billion, as a result of an impairment of domestic stocks on money held in trust and an increase in losses on derivative financial instruments which includes cost for hedging currency fluctuation risk.
- Please look at page 9.

Investments (2) Fair Value Information of Securities

Fair Value Information of Securities						
	Mar-19			Jun-19		
	Book value	Fair value	Net unrealized gains (losses)	Book value	Fair value	Net unrealized gains (losses)
Total	61,196.0	69,706.0	8,509.9	60,926.4	70,056.9	9,130.5
Held-to-maturity bonds	36,391.2	43,113.4	6,722.1	36,385.0	43,568.3	7,183.2
Policy-reserve-matching bonds	10,570.0	11,724.3	1,154.3	10,662.2	11,886.1	1,223.9
Available-for-sale securities	14,234.7	14,868.1	633.4	13,879.1	14,602.5	723.3
Securities etc.	12,000.3	12,240.9	240.6	11,650.4	12,023.7	373.2
Bonds	4,197.3	4,265.4	68.0	4,103.3	4,190.2	86.8
Domestic stocks	211.7	200.8	(10.8)	210.2	192.8	(17.4)
Foreign securities	5,006.6	5,186.9	180.2	5,003.3	5,272.1	268.7
Other securities	1,826.8	1,827.7	0.9	1,725.9	1,758.7	32.7
Deposits etc.	757.7	759.9	2.1	607.4	609.7	2.2
Money held in trust	2,234.3	2,627.2	392.8	2,228.6	2,578.7	350.1
Domestic stocks ¹	1,263.8	1,555.2	291.3	1,262.6	1,504.0	241.3
Foreign stocks ¹	269.6	345.5	75.8	271.8	344.0	72.1
Foreign bonds ¹	528.0	550.3	22.2	530.7	562.8	32.1
Other ²	172.7	176.1	3.4	163.3	167.8	4.4

Note: This table only shows securities with a fair value. It also includes the handling of securities under the Financial Instruments and Exchange Act.

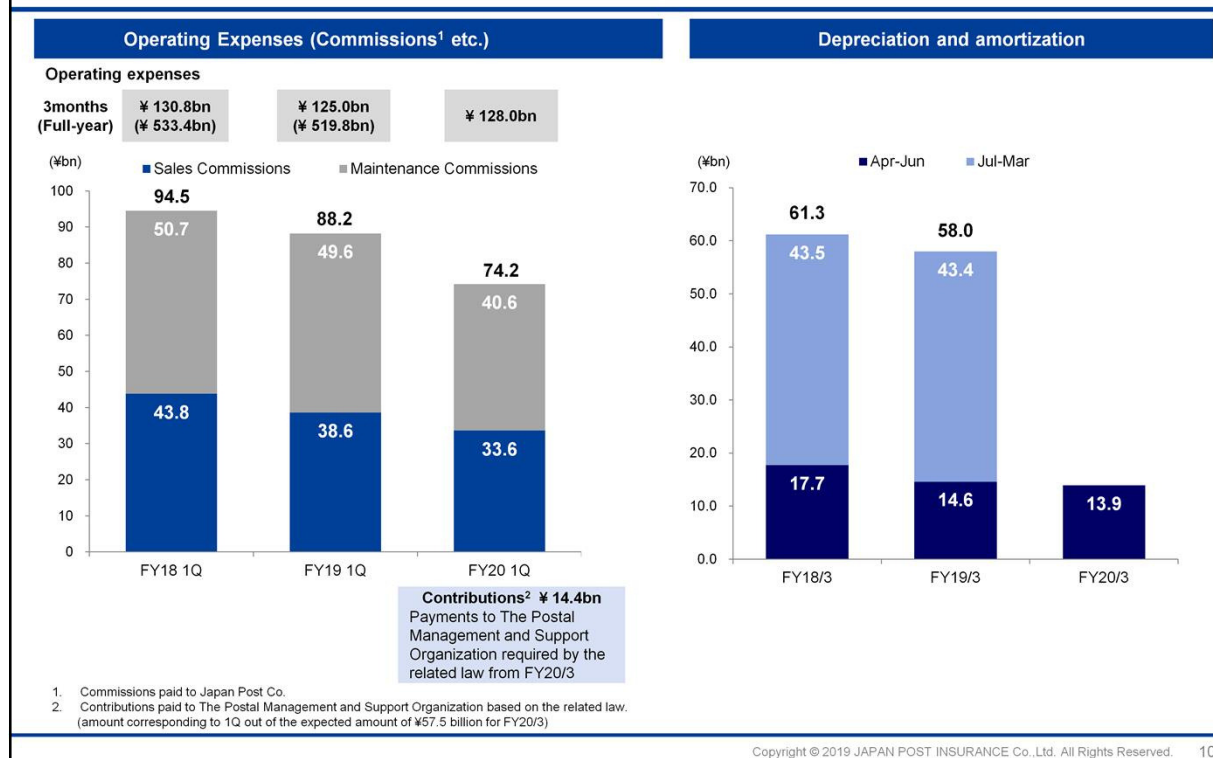
1. "Domestic stocks," "foreign stocks" and "foreign bonds" include individual stocks and bonds, as well as investment trusts investing only in the respective assets.

2. "Cash and deposits" and "bank loans" etc.

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- This slide shows the fair value of securities and net unrealized gains or losses.
- Please look at page 10.

Expenses



- Expenses for the period are presented on this page.
- Operating expenses for the current period were ¥128.0 billion, of which approximately 70% consists of commissions paid to Japan Post Co. and contributions paid to The Postal Management and Support Organization.
- The commissions consist of sales commissions corresponding to actual sales of new policies and maintenance commissions paid mainly for outsourced operations of maintenance and payment services.
- From this fiscal year, along with the establishment of the system of contributions, we revised the structure of agency commissions.
- As a result, commissions for the current period decreased by ¥14.0 billion year on year to ¥74.2 billion, mainly due to a decline in new policies and the introduction of the system of contributions. However, the sum of commissions and contributions was ¥88.6 billion, which remained almost the same year on year.
- As shown in the chart on the right, depreciation and amortization decreased by ¥0.6 billion year on year to ¥13.9 billion.
- Please look at page 11.

Financial Soundness

Internal Reserves				Solvency Margin Ratio			
				(#bn)			
	Mar-19	Jun-19	Provisions in the period		Mar-19	Jun-19	
Contingency reserve	1,962.7	1,921.4	(41.3)	Solvency Margin Ratio	1,189.8 %	1,198.5 %	
Postal Life Insurance category	1,491.4	1,448.3	(43.1)	Total amount of solvency margin	5,647.8	5,593.0	
New category	471.2	473.0	1.7	Total amount of risk	949.3	933.3	
Price fluctuations reserve	897.4	881.8	(15.6)	Real net assets	13,535.7	13,984.2	
Postal Life Insurance category	661.8	653.8	(8.0)				
New category	235.6	227.9	(7.6)				
Additional policy reserve	5,880.1	5,868.4	(11.7)				
Postal Life Insurance ¹ Category	5,866.6	5,855.8	(10.8)				
New category ²	13.4	12.5	(0.8)				

Notes: "Postal Life Insurance category" shows the amounts generated from the postal life insurance policies, and "New category" shows the figures after deduction of "Postal Life Insurance category" from the total.

1. Including the amount determined to be additionally provided over 10 years from the year ended March 31, 2011 for annuity in the postal life insurance policies (for the 3months ended June 30, 2019, the amount of additional provision was ¥ 44.6bn and the accumulated amount was ¥ 1,615.8bn).

2. The amount accumulated in the year ended March 31, 2018 for single-payment annuity policies among the individual annuities underwritten by Japan Post Insurance.

- I would like to report on our financial soundness.
- In order to maintain financial soundness for the stable management in the future, as well as counter risks associated with changes in the business environment, we have accumulated contingency reserves of ¥1,921.4billion and reserves for price fluctuations of ¥881.8 billion.
- Additional policy reserves accumulated mainly to cover negative spreads were ¥5,868.4 billion at the end of the current period.
- The solvency margin ratio was 1,198.5%, maintaining a high level of soundness.
- Please look at page 12.

Forecasts for Full-year Financial Results and Shareholder Return for the Year Ending March 31, 2020

Full-year Financial Results Forecast

- At this time, the company is not modifying the financial forecast for the Fiscal Year Ending March 31, 2020 announced on May 15, 2019 while considering the influence of 'Investigation of Rewritten Insurance Policies and Initiatives for Improvement' announced on July 31, 2019.
- We anticipate the financial impact from declines in new policies written and additional costs for investigation will be partially offset by decreased expenses for sales and underwriting, and current favorable investment performance.

(¥bn)

	Year ended Mar-19 (Actual)	Year ending Mar-20 (Forecast)
Ordinary income	7,916.6	7,180.0
Ordinary profit	264.8	190.0
Net income ¹	120.4	93.0
Net income per share ²	¥ 200.86	¥ 165.03

1. Net income attributable to Japan Post Insurance

2. Net income per share in the consolidated financial results forecasts for the year ending March 31, 2020 has been calculated, considering the impact of the acquisition of the treasury stock on April 2019, and the cancellation of the treasury stock on May 2019.

Shareholder Return Policy

- Aim for a steady increase in dividends per share while considering earning prospects and financial soundness

Shareholder Return for the Year Ended March 31, 2019

- The year-end dividend for the year ended March 31, 2019, is ¥ 72 per share, including an ordinary dividend of ¥ 68 and a special dividend of ¥ 4.
- Share repurchase in April 2019 (Approx. ¥ 100.0bn)

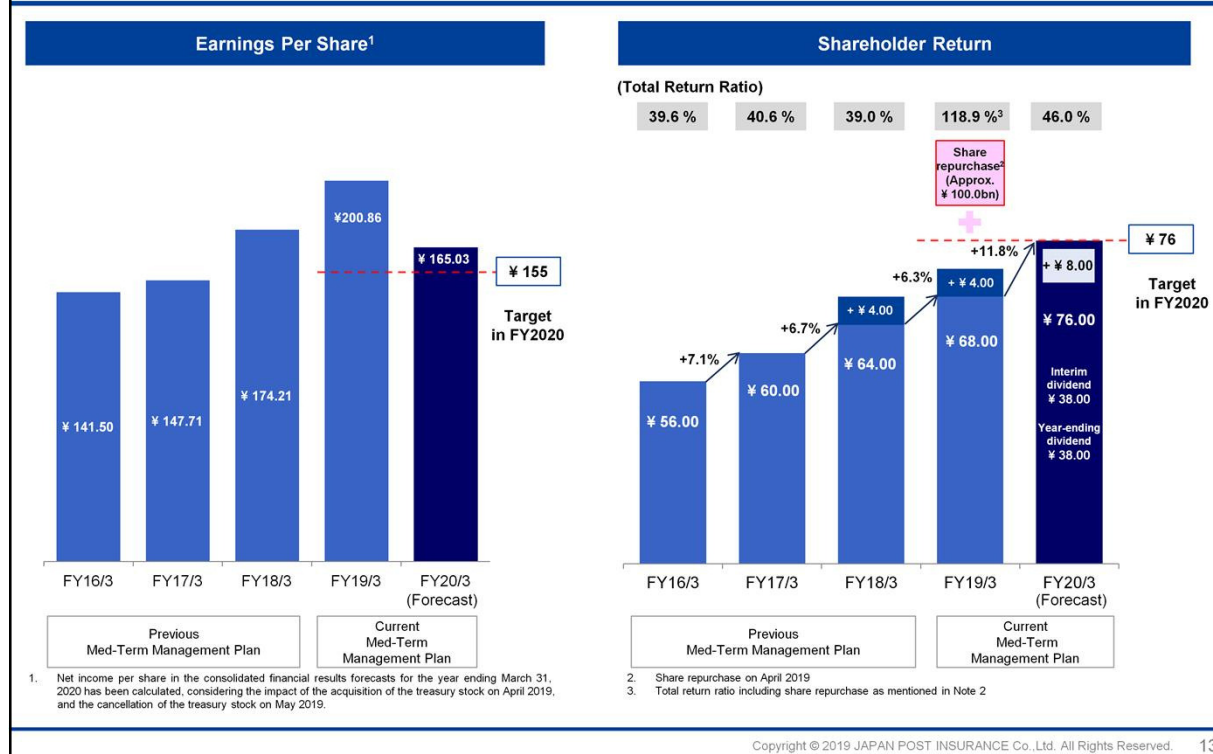
Shareholder Return for the Year Ending March 31, 2020

- Increase the ordinary dividend by ¥ 8 per share to ¥ 76 (forecast)
 - Increase ordinary dividends per share, taking into account of the share repurchase
- Pay dividends from surplus twice a year; an interim and a year-end dividends
 - Increase the opportunities to return profits to shareholders
- Canceled treasury stock (37.4 million shares)
 - Cancel almost the same amount of treasury stock as that acquired in April 2019

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- I will explain the financial results forecasts for the year ending March 31, 2020.
- At this time, the company is not modifying the financial forecast for the Fiscal Year Ending March 31, 2020 announced on May 15, 2019 while considering the influence of 'Investigation of Rewritten Insurance Policies and Initiatives for Improvement' announced on July 31, 2019.
- We anticipate the financial impact from declines in new policies written and additional costs for investigation will be partially offset by decreased expenses for sales and underwriting, and current favorable investment performance.
- Please look at page 13.

Earnings Per Share and Shareholder Return

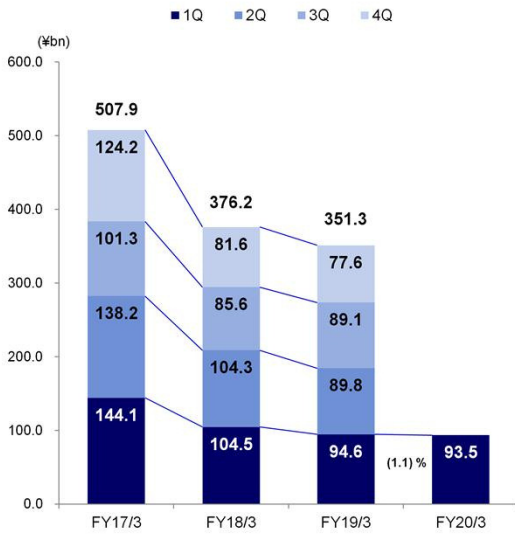


- Finally, this slide shows our trends on EPS and Shareholder Return.
- There are no changes to be mentioned at the moment.
- This concludes my explanation.

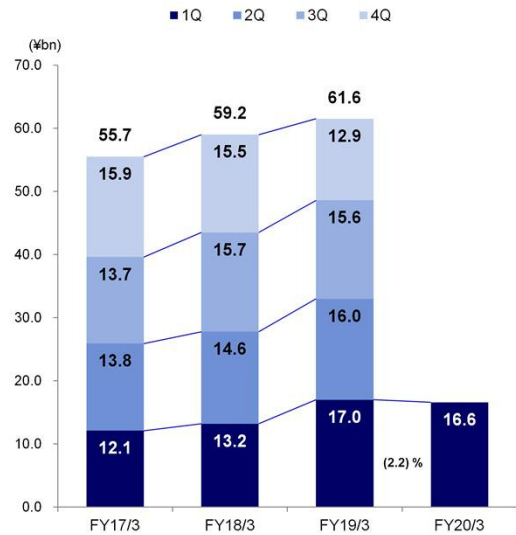
APPENDIX

Quarterly Trends in Annualized Premiums from New Policies

**Annualized Premiums from New Policies
(Individual Insurance)**



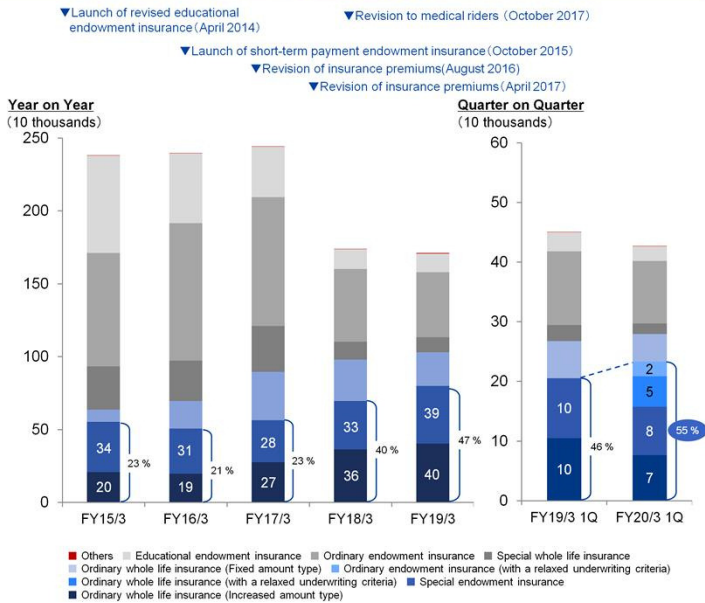
**Annualized Premiums from New Policies
(Medical Care)**



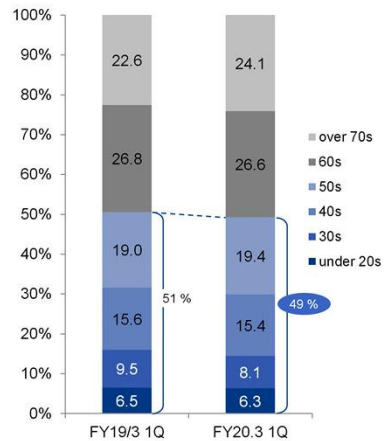
Note 1: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.) Medical care corresponds to medical and living benefits, etc. Annualized premiums (individual insurance) include the premiums for medical care related to individual insurance.

Changes in Products Portfolio and Age Composition of Policyholders

Changes in products portfolio (Number of new policy)



Change in age composition of policyholders (Number of new policy)



■ Percentage of customers under 50s declined due to the influence of the launch of new products (products with a relaxed underwriting criteria)

Note: Does not include policies whose policyholder is a corporate entity.

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

Interest, Dividends and Other Income

	Jun-18	Jun-19	Mar-19
Investment income	307.6	276.9	1,204.4
Interest, dividends and other income	280.4	267.6	1,085.9
Interest on deposits	0.0	0.0	0.0
Interest and dividends on securities	242.2	235.1	941.3
Interest on corporate and government bonds	204.3	192.9	793.6
Domestic stock dividends	0.4	0.4	5.8
Interest and dividends on foreign securities	31.6	34.2	131.4
others	5.7	7.5	10.3
Interest on loans	3.3	3.6	14.1
Interest on loans to the Management Organization	32.3	27.5	124.0
Rent revenue from real estate	-	-	-
Interest and dividends on others	2.5	1.2	6.3

Breakdown of Capital gains(losses)

	Jun-18	Jun-19	Mar-19
Capital gains	27.0	9.0	117.8
Gains on money held in trust	20.4	0.0	78.9
Gains on sales of securities	6.6	8.9	38.9
Gains on derivative financial instruments	-	-	-
Gains on foreign exchanges	-	0.0	-
Other capital gains	-	-	-
Capital losses	(42.7)	(40.7)	(201.6)
Losses on money held in trust	-	-	-
Losses on sales of securities	(18.9)	(9.9)	(62.2)
Losses on derivative financial instruments	(13.2)	(18.6)	(73.3)
Losses on foreign exchanges	(0.5)	-	(1.1)
Other capital losses ¹	(9.9)	(12.2)	(64.8)
Net Capital gains(losses)	(15.6)	(31.6)	(83.7)

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

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

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

(¥bn)

	FY16/3		FY17/3		FY18/3		FY19/3		FY19/3 1Q		FY20/3 1Q	
	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life
Ordinary income ¹	4,431.7	8,039.6	4,464.2	6,889.2	3,938.8	5,489.2	3,814.7	4,374.4	976.0	1,121.8	920.5	959.5
Insurance premiums and others	4,091.5	1,322.3	4,039.0	1,002.8	3,481.2	755.2	3,369.5	590.3	855.7	159.1	811.8	124.0
Investment income ¹	337.6	1,017.3	422.8	945.0	454.6	830.3	440.1	764.3	118.7	188.8	108.1	170.6
Other ordinary income ¹	2.5	5,700.0	2.3	4,941.3	3.0	3,903.7	4.9	3,019.8	1.5	773.8	0.5	664.8
Ordinary expenses ¹	4,276.8	7,781.6	4,370.1	6,704.0	3,767.1	5,352.2	3,663.5	4,260.4	926.9	1,095.9	880.2	943.9
Insurance claims and others	1,031.6	7,518.7	1,136.5	6,413.7	1,765.6	5,124.3	2,837.9	4,030.9	672.3	1,042.7	684.1	892.5
Provision for policy reserves and others ¹	2,865.7	-	2,694.0	-	1,474.7	-	272.5	-	119.2	-	59.2	-
Investment expenses ¹	3.8	5.8	103.8	56.5	78.5	27.9	99.1	46.8	25.9	8.9	24.1	8.8
Operating expenses	318.0	219.0	366.5	193.6	372.8	159.9	376.2	142.1	89.4	35.5	93.2	34.5
Other ordinary expenses	57.4	37.9	69.0	40.0	75.2	39.8	77.7	40.4	19.8	8.8	19.4	8.0
Ordinary profit	154.9	258.0	94.0	185.2	171.7	137.0	151.1	113.9	49.1	25.8	40.2	15.5
Extraordinary gains and losses ²	(62.4)	(8.9)	5.7	(12.6)	(27.2)	(17.0)	13.8	3.6	(1.9)	1.5	7.6	8.0
Provision for reserve for policyholder dividends	7.5	170.4	15.6	137.0	21.6	96.1	19.6	92.1	5.1	21.6	3.7	16.9
Income before income taxes	84.9	78.6	84.2	35.5	122.9	23.8	145.3	25.5	42.1	5.7	44.1	6.6
Total income taxes	31.4	45.7	21.7	9.5	35.4	6.9	41.1	8.7	11.8	2.1	13.1	3.9
Net income	53.4	32.8	62.4	26.0	87.4	16.8	104.1	16.7	30.2	3.6	31.0	2.6

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.

1. Adjusted 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.

(E.g.: FY20/3 1Q, ¥57.9billion was added to "Reversal of policy reserves," under "Other ordinary income," and to "Provision for policy reserves and others," under "Ordinary expenses")

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

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

		FY16/3	FY17/3	FY18/3	FY19/3	FY19/3 1Q	FY20/3 1Q
Total assets	¥mn	81,543,623	80,336,414	76,832,508	73,904,576	74,957,570	73,454,169
Postal Life Insurance category		55,832,787	51,447,550	46,684,937	41,354,076	43,653,831	40,640,854
New category		25,710,836	28,888,864	30,147,570	32,550,500	31,303,738	32,813,314
Number of policies in force	(000)	32,323	31,562	30,405	29,143	30,123	28,892
Postal Life Insurance category (insurance)		16,972	14,411	12,484	11,048	12,122	10,747
New category (individual insurance)		15,350	17,150	17,921	18,095	18,000	18,144
Insurance premiums and others	¥mn	5,413,862	5,041,868	4,236,461	3,959,928	1,014,865	935,876
Postal Life Insurance category		1,322,308	1,002,816	755,221	590,340	159,135	124,020
New category		4,091,554	4,039,051	3,481,240	3,369,588	855,729	811,855
Ordinary profit	¥mn	413,023	279,347	308,845	265,143	75,053	55,880
Postal Life Insurance category		258,059	185,250	137,074	113,981	25,899	15,585
New category		154,963	94,097	171,771	151,162	49,153	40,295
Net income	¥mn	86,338	88,520	104,309	120,958	33,933	33,672
Postal Life Insurance category		32,850	26,044	16,878	16,763	3,644	2,652
New category		53,487	62,475	87,430	104,195	30,288	31,020
Contingency reserve (reversal) provision	¥mn	(123,864)	(120,819)	(139,678)	(151,592)	(36,671)	(41,346)
Postal Life Insurance category		(171,199)	(172,881)	(173,722)	(173,590)	(43,159)	(43,130)
New category		47,335	52,061	34,043	21,997	6,487	1,784
Price fluctuations reserve (reversal) provision	¥mn	70,100	6,444	128,031	(19,251)	267	(15,669)
Postal Life Insurance category		8,957	12,625	17,090	(3,686)	(1,581)	(8,008)
New category		61,143	(6,181)	110,940	(15,564)	1,848	(7,661)
Additional policy reserve (reversal) provision	¥mn	(55,533)	(50,454)	(30,648)	(50,292)	(13,255)	(11,700)
Postal Life Insurance category		(55,533)	(50,454)	(47,674)	(46,698)	(12,332)	(10,828)
New category		-	-	17,025	(3,594)	(922)	(871)

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.

Key Financial Indicators

	(¥bn)					
	FY16/3	FY17/3	FY18/3	FY19/3	FY19/3 1Q	FY20/3 1Q
Insurance premiums and others	5,413.8	5,041.8	4,236.4	3,959.9	1,014.8	935.8
Ordinary profit	411.5	279.7	309.2	264.8	75.2	56.0
Provision for reserve for policyholder dividends	178.0	152.6	117.7	111.8	26.8	20.7
Net income	84.8	88.5	104.4	120.4	34.0	33.7
Net assets	1,882.9	1,853.2	2,003.1	2,135.1	2,039.2	2,087.6
Total assets	81,545.1	80,336.7	76,831.2	73,905.0	74,958.3	73,455.7
Return on equity	4.4 %	4.7 %	5.4 %	5.8 %	-	-
Return on shareholders' equity	5.9 %	5.9 %	6.7 %	7.4 %	-	-
Dividends to shareholders	33.6	36.0	40.8	43.2	-	-
Total Return Ratio	39.6 %	40.6 %	39.0 %	118.9 % ¹	-	-
Core profit (Non-consolidated)	464.2	390.0	386.1	377.1	98.8	90.8
Core profit attributable to life insurance activities	366.8	311.4	320.3	318.7	88.6	78.3
Spread (positive/negative spread)	97.4	78.5	65.8	58.4	10.1	12.5

1. Total return ratio including share repurchase (approx. ¥100.0bn) on April 2019.

<Points of Attention Regarding EV>

EV must be calculated in accordance with the EEV Principles by using appropriate assumptions for future experience.

In particular, the company understands that we have to reflect the influence of the initiatives, which we announced as 'Investigation of Rewritten Insurance Policies and Initiatives for Improvement' on July 31, 2019, on non-economic assumptions such as surrender and lapse rate, operating expenses etc.

However, it is impossible to make appropriate assumptions for future experience to calculate EV as of the end of June 2019 at present. We plan to calculate and disclose EV once we prepare appropriate non-economic assumptions.

<Disclaimer>

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of this document's disclosure. Please note that actual results may differ materially from such forward-looking statements due to various factors including changes in the operating environment, interest rates or general economic conditions or other future events and circumstances.

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