

Outline of Financial Results for the Nine Months Ended December 31, 2020

February 12, 2021



- I am Imuta of Japan Post Insurance.
- Thank you for joining our conference call for “Financial Results for the Nine Months Ended December 31, 2020.”
- 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 in each indicator.
- Please look at page 1.

Summary of Financial Results

	9 months ended Dec-20	Year on Year	
Ordinary Profit	¥ 260.8bn	¥ 26.9bn + 11.5 % (Forecast) ¥ 300.0bn Achievement : 87.0 %	【Financial Highlights】 > Ordinary profit was ¥ 260.8billion, an 11.5% increase year on year, and net income was ¥ 129.0billion, a 12.2% increase year on year, mainly due to a decrease in operating expenses as a result of decreased new policy sales. > The Company revised up its full-year financial results forecast for FY21/3. Achievement toward the revised forecast were 87.0% (ordinary profit) and 82.2% (net income). The details of the revisions are described at page 11.
Net income	¥ 129.0bn	¥ 14.0bn + 12.2 % (Forecast) ¥ 157.0bn Achievement : 82.2 %	
Annualized premiums from New policies	(Individual Insurance) ¥ 22.3bn	¥ (121.5)bn (84.5) %	【Policy Sales】 > Annualized premiums from new policies for individual insurance were ¥ 22.3billion, an 84.5% decrease year on year, while annualized premiums from new policies for medical care were ¥ 1.0billion, a 95.3% decrease year on year as we had been refraining from proactive sales proposal despite the start of operations aimed at regaining customers' trust from October 5, 2020, in order to apologize to customers for inconveniences caused.
	(Medical Care) ¥ 1.0bn	¥ 20.9bn (95.3) %	
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 3,995.5bn	¥ (323.0)bn (7.5) %	【Embedded Value】 > EV increased by 17.9% from the end of the previous fiscal year to ¥ 3,918.9billion, due to increases in interest rates and stock prices and other factors.
	(Medical Care) ¥ 679.7bn	¥ (35.8)bn (5.0) %	
EV	¥ 3,918.9bn	¥ 594.6bn + 17.9 %	

- The financial results can be summed up as you see.
- Due to a decrease in operating expenses as a result of decreased new policy sales, ordinary profit for the current period was ¥ 260.8 billion, an 11.5% increase year on year. Net income for the current period was ¥ 129.0billion, a 12.2% increase year on year.
- The Company revised up its full-year financial results forecast today. We will explain details of the revisions at page 11.
- As for new policy sales results for the current period, although the operations aimed at regaining customers' trust started from October 5, 2020 in order to apologize to customers for inconveniences caused, the Company still has been refraining from proactive sales proposal, as compared with the same period of the previous year, when we were engaged in ordinary sales activities until mid-July 2019. Annualized premiums from new policies for individual insurance were ¥ 22.3billion, an 84.5% decrease year on year. Annualized premiums from new policies for medical care were ¥ 1.0billion, a 95.3% decrease year on year.
- EV increased by 17.9% from the end of the previous fiscal year to ¥ 3,918.9billion, due to increases in interest rates and stock prices and other factors.
- Please note that the EV and value of new business figures for the current period disclosed in these materials are provisional calculations that have not been verified by a third-party.
- Please look at page 2.

Financial Results for the Nine Months Ended December 31, 2020 (Year on Year)

Statement of Income				
	9months ended Dec-19	9months ended Dec-20	Change	(Reference) Year ended Mar-20
				(¥bn)
Ordinary income	5,461.5	5,127.3	(334.2)	7,211.4
Insurance premiums and others	2,525.7	2,052.7	(473.0)	3,245.5
Investment income	867.4	801.2	(66.1)	1,137.7
Reversal of policy reserves	1,976.3	2,187.8	211.5	2,767.3
Ordinary expenses	5,227.5	4,866.4	(361.1)	6,924.8
Insurance claims and others	4,681.1	4,435.3	(245.7)	6,191.3
Investment expenses	91.3	53.1	(38.2)	124.0
Operating expenses etc ¹	455.0	377.9	(77.1)	609.4
Ordinary profit	233.9	260.8	26.9	286.6
Extraordinary gains and losses	9.9	(5.4)	(15.4)	39.2
Reversal of reserve for price fluctuations	9.8	(5.3)	(15.2)	39.1
Provision for reserve for policyholder dividends	81.3	68.5	(12.7)	109.2
Total income taxes	47.6	57.8	10.2	65.9
Net income attributable to Japan Post Insurance	115.0	129.0	14.0	150.6

Note: Only major line items are shown.

1. Sum of Operating expenses and Other ordinary expenses

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Details of Ordinary Profit (Non-Consolidated)				
	9months ended Dec-19	9months ended Dec-20	Change	(Reference) Year ended Mar-20
				(¥bn)
Core profit	300.4	309.7	9.2	400.6
Core profit attributable to life insurance activities	250.1	268.3	18.2	320.1
Positive spread	50.3	41.3	(8.9)	80.4
Net capital gains (losses)	(57.4)	(42.0)	15.4	(102.4)
Other one-time profits (losses)	(8.7)	(7.6)	1.0	(11.3)
Ordinary profit	234.2	260.0	25.7	286.8

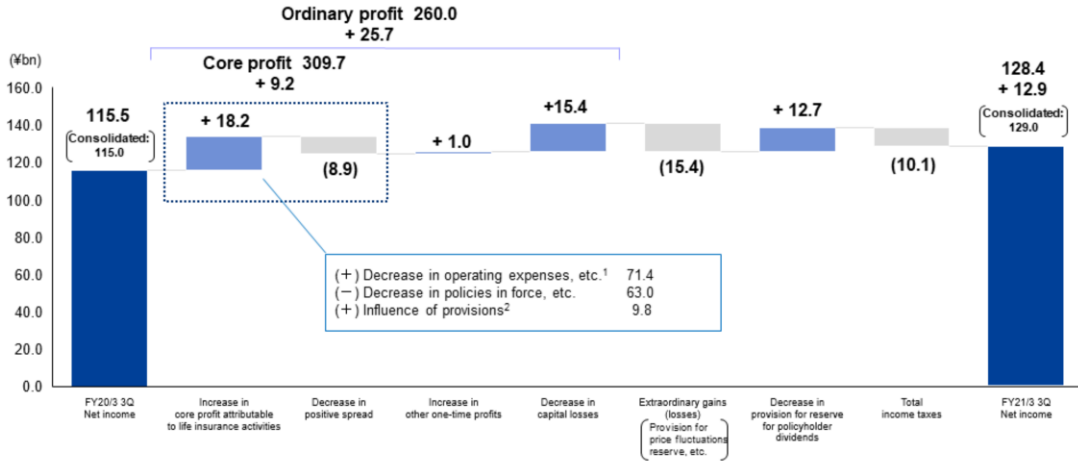
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- This page shows the financial highlights.
- The factors for changes will be explained at next page.
- Please look at page 3.

Factors for Year on Year Changes (Non-Consolidated)

- Core profit increased from the previous fiscal year to ¥ 309.7billion, as core profit attributable to life insurance activities significantly increased year on year mainly due to a decrease in operating expenses as a result of decreased new policy sales, despite a decrease in positive spread.
- Regarding capital gains or losses, we continued to adopt accounting treatments to provide or to reverse the price fluctuation reserves corresponding to the gain or loss amount. Net income increased year on year to ¥ 128.4billion as a result of an increase in core profit, etc.

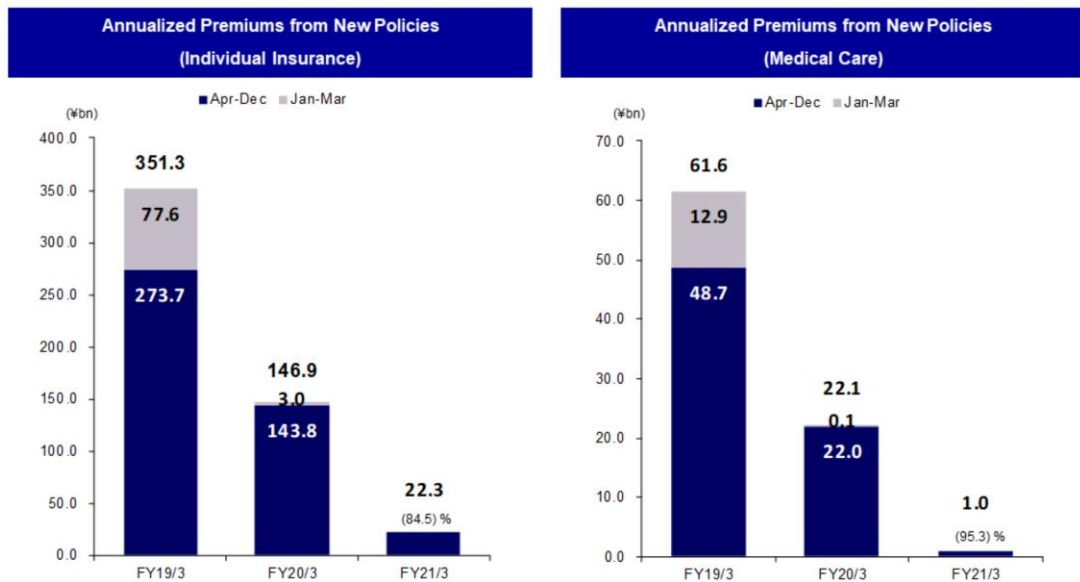


1. "Decrease in operating expenses, etc." shows the difference of figures of 3Q between FY20/3 and FY21/3. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses". However, the impact of reserve for insurance claims and others, etc. have been adjusted through the item "Influence of provisions".

2. Influence of reversal of reserve for insurance claims and others, etc. on core profit attributable to life insurance activities based on the progress in the policy investigation and actual policy reinstatement. This includes the impact of reserve for insurance claims and others, etc. in 3Q of FY20/3. (Amount of reversal, etc. in 3Q of FY21/3: ¥ 5.0billion, Amount of provision, etc. in 3Q of FY20/3: ¥ 4.7billion)

- These are the factors for changes in the financial results for the current period.
- Core profit exceed year on year to ¥ 309.7billion mainly due to the decrease in operating expenses as a result of decreased new policies sales, despite a decrease in positive spread.
- As a result of an increase in core profit and improvement of capital losses, non-consolidated ordinary profit was ¥ 260.0billion and non-consolidated net income was ¥ 128.4billion.
- Please look at page 4.

Policy Sales [Annualized Premiums from New Policies]

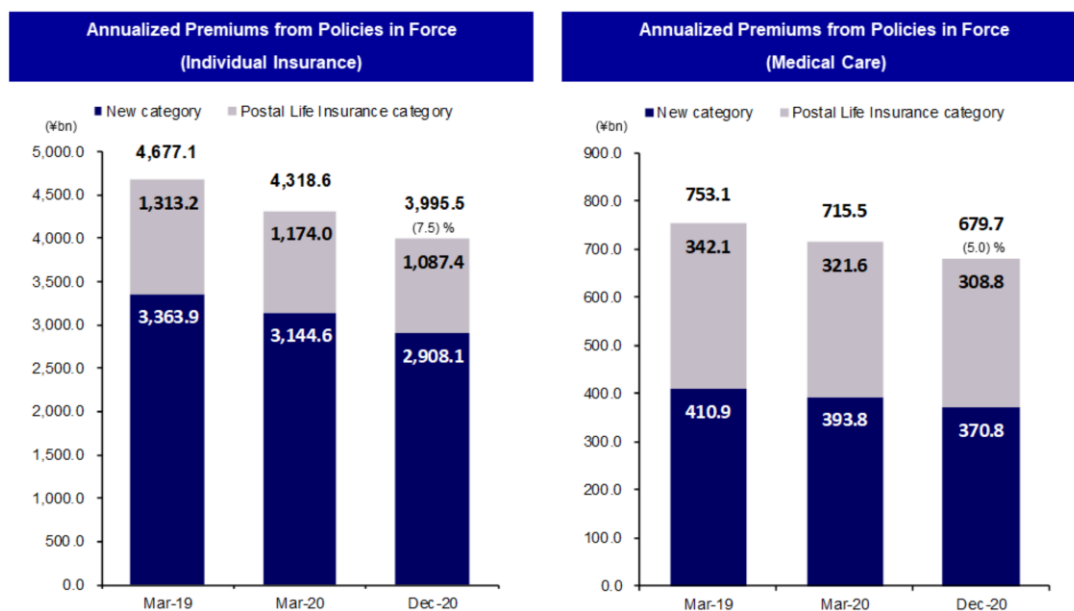


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium 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.

Note2 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

- From here, I would like to explain our policy sales.
- Though we were engaged in ordinary sales activities until mid-July 2019, we had been refraining from proactive sales proposal in 3Q 2020. As a result, annualized premiums from new policies for individual insurance decreased by 84.5% year on year to ¥ 22.3billion.
- Annualized premiums from new policies for medical care decreased by 95.3% year on year to ¥ 1.0billion.
- Please look at page 5.

Policy Sales [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.

- Annualized premiums from policies in force for individual insurance decreased by 7.5% from the end of the previous fiscal year to ¥ 3,995.5billion.
- Annualized premiums from policies in force for medical care decreased by 5.0 % from the end of the previous fiscal year to ¥ 679.7billion.
- Please look at page 6.

Investments [Asset Portfolio]

Asset Portfolio						Spread and Investment Yield			
	Mar-20		Dec-20		Change		9months ended Dec-19	9months ended Dec-20	(Reference) Year ended Mar-20
	Amount	Share	Amount	Share					
Bonds	48,830.6	68.1%	48,267.8	69.3%	(562.8)				
Japanese government bonds	36,730.7	51.3%	37,042.8	53.2%	312.0	Positive spread	50.3	41.3	80.4
Japanese local government bonds	6,728.7	9.4%	6,006.3	8.6%	(722.4)	Average assumed rates of return ¹	1.69%	1.69%	1.69%
Japanese corporate bonds	5,371.1	7.5%	5,218.5	7.5%	(152.5)	Investment return on core profit ²	1.80%	1.78%	1.82%
Return seeking assets ¹	9,938.6	13.9%	10,734.9	15.4%	796.2	Net capital gains (losses)	(57.4)	(42.0)	(102.4)
Domestic stocks ²	1,765.1	2.5%	2,290.0	3.3%	524.8				
Foreign stocks ²	323.5	0.5%	431.8	0.6%	108.3				
Foreign bonds ²	6,445.1	9.0%	6,529.2	9.4%	84.0				
Other ³	1,404.8	2.0%	1,483.8	2.1%	79.0				
Loans	5,662.7	7.9%	5,316.5	7.6%	(346.2)				
Others	7,232.7	10.1%	5,364.7	7.7%	(1,867.9)				
Cash and deposits, call loans	1,790.2	2.5%	1,079.9	1.5%	(710.3)				
Receivables under securities borrowing transactions	3,191.7	4.5%	2,284.0	3.3%	(907.6)				
Total assets	71,664.7	100.0%	69,684.0	100.0%	(1,980.7)				

- 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.

- 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 ¥ 10,734.9billion, which accounts for 15.4% of total assets at the end of the current period.
- As shown in the chart on the right, the average assumed rates of return was 1.69%. The investment return on core profit was 1.78%. As a result, a positive spread of ¥ 41.3billion was achieved.
- Capital losses turned out to be ¥ 42.0billion, as a result of an impairment of stocks on money held in trust, due to the effects of a major market turmoil caused by the COVID-19 crisis after February 2020, despite the year on year decrease in losses on derivative financial instruments which include cost for hedging currency fluctuation risk.
- Please look at page 7.

Investments [Fair Value Information of Securities]

Fair Value Information of Securities

(¥bn)

	Mar-20			Dec-20			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	59,084.1	66,675.8	7,591.6	58,291.1	66,026.6	7,735.4	(793.0)	(649.1)	143.8
Held-to-maturity bonds	35,735.7	41,953.3	6,217.6	35,315.7	40,883.1	5,567.4	(419.9)	(1,070.1)	(650.2)
Policy-reserve-matching bonds	9,574.6	10,578.5	1,003.8	9,593.8	10,450.0	856.2	19.2	(128.4)	(147.6)
Available-for-sale securities	13,773.7	14,143.9	370.1	13,381.5	14,693.3	1,311.8	(392.2)	549.4	941.7
Securities etc.	11,102.5	11,399.6	297.0	10,698.2	11,299.4	601.2	(404.3)	(100.1)	304.1
Bonds	3,700.4	3,742.1	41.7	3,477.0	3,528.0	51.0	(223.3)	(214.0)	9.2
Domestic stocks	322.0	281.2	(40.8)	320.9	363.8	42.9	(1.1)	82.5	83.7
Foreign securities	4,221.6	4,589.3	367.6	4,123.5	4,539.9	416.4	(98.1)	(49.3)	48.7
Other securities	2,006.8	1,933.2	(73.5)	1,911.0	2,000.1	89.1	(95.8)	66.8	162.6
Deposits etc.	851.5	853.5	2.0	865.6	867.4	1.7	14.0	13.8	(0.2)
Money held in trust	2,671.2	2,744.3	73.0	2,683.2	3,393.9	710.6	12.0	649.6	637.5
Domestic stocks ¹	1,387.9	1,483.9	95.9	1,399.3	1,926.1	526.8	11.3	442.2	430.8
Foreign stocks ¹	297.2	323.5	26.2	302.0	431.8	129.7	4.8	108.3	103.4
Foreign bonds ¹	736.0	698.4	(37.5)	741.1	791.2	50.1	5.1	92.7	87.6
Other ²	250.0	238.3	(11.6)	240.7	244.6	3.8	(9.2)	6.2	15.5

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," "bank loans" and "real estate fund"

- This slide shows the fair value of securities and net unrealized gains or losses.
- On available-for-sale securities that are calculated at fair value for accounting purposes, we recognized ¥ 1,311.8billion of net unrealized gains in the period under review, as the market environment improved compared with the end of March, 2020.
- Please look at page 8.

Expenses

Operating Expenses (Commissions¹ etc.)

(¥bn)

	9months ended Dec-19	9months ended Dec-20	Change	(Reference) Year ended Mar-20
Operating expenses	368.8	302.5	(66.2)	473.8
Commissions	200.7	151.9	(48.8)	248.7
Sales Commissions	86.9	34.2	(52.7)	100.9
Maintenance Commissions ²	113.8	117.7	3.8	147.8
Contributions ³	43.1	42.0	(1.1)	57.5
Others	124.8	108.5	(16.2)	167.4
Depreciation and amortization	42.3	44.7	2.4	57.4

1. Commissions paid to Japan Post Co.
2. For FY21/3, unit price of maintenance commissions were reviewed in January 2021. The difference was recorded dating back to April 2020.
3. Contributions paid to The Postal Management and Support Organization based on the related law

- Expenses for the period are presented on this page.
- Operating expenses for the current period were ¥ 302.5billion, of which approximately two thirds consist 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.
- Commissions for the current period decreased by ¥ 48.8billion year on year to ¥ 151.9billion, due to the refraining from proactive sales proposal from mid-July 2019 and business suspension from January to March 2020.
- The sum of commissions and contributions decreased by ¥ 49.9billion year on year to ¥194.0billion.
- Depreciation and amortization increased by ¥ 2.4billion year on year to ¥ 44.7billion.
- Please look at page 9.

Financial Soundness

Internal Reserves				Solvency Margin Ratio		
	Mar-20	Dec-20	(¥bn)		Mar-20	Dec-20
Contingency reserve	1,797.3	1,805.0	7.6	Solvency Margin Ratio	1,070.9 %	1,156.7 %
Postal Life Insurance category	1,320.6	1,324.9	4.2	Total amount of solvency margin	5,161.6	6,068.9
New category	476.6	480.1	3.4	Total amount of risk	963.8	1,049.3
Price fluctuations reserve	858.3	863.7	5.3			
Postal Life Insurance category	631.9	625.3	(6.6)			
New category	226.3	238.4	12.0			
Additional policy reserve	5,830.3	5,669.0	(161.3)			
Postal Life Insurance category	5,820.2	5,661.1	(159.0)			
New category	10.0	7.8	(2.2)			

Note : "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.

- 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 ¥ 1,805.0billion and reserves for price fluctuations of ¥ 863.7billion.
- Additional policy reserves accumulated mainly to cover negative spreads were ¥ 5,669.0billion at the end of the current period.
- The solvency margin ratio was 1,156.7%, maintaining a high level of soundness.
- Please look at page 10.

Embedded Value

Breakdown of EV

	Mar-20	Dec-20 ¹	Change
EV	3,324.2	3,918.9	594.6 (+ 17.9 %)
Adjusted net worth	2,212.4	2,349.1	136.7 (+ 6.2 %)
Value of in- force covered business	1,111.8	1,569.8	457.9 (+ 41.2 %)

Value of New Business

Value of new business as of 9 months ended Dec-20^{1,2} ¥ (2.8)bn

New business margin as of 9 months ended Dec-20^{1,2,3} (1.5) %

- Although Japan Post Insurance had been refraining from proactive sales proposal during the period under review, certain amount of operating expenses for new policy acquisition is required regardless of the amount of new policies sold. As a result, the value of new business of current period turned negative.

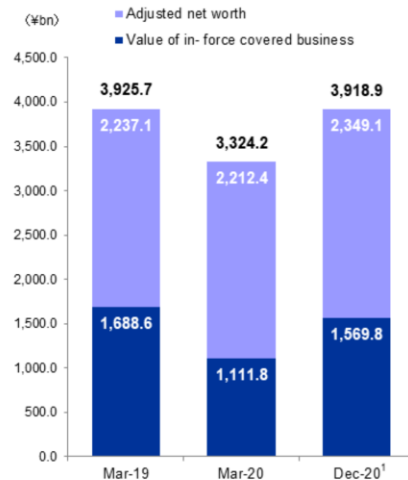
- Provisional calculations that have not been verified by a third party
- Using the economic assumptions as of December 31, 2020, based on the new policies written in the period from April 2020 to December 2020. The value of new business includes the increase or decrease due to switchover of riders and conditional cancellation.
- The value of new business divided by the present value of future premium income

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EV



- I would like to explain the current status of EV.
- EV as of December 31, 2020 was ¥ 3,918.9billion, an increase of ¥ 594.6billion from the end of the previous fiscal year.
- Adjusted net worth increased by ¥ 136.7billion from the end of the previous fiscal year to ¥ 2,349.1billion, mainly due to increase in net income.
- Value of in-force covered business increased by ¥ 457.9billion from the end of the previous fiscal year to ¥ 1,569.8billion, mainly due to increases in interest rates and stock prices and other factors.
- Value of new business for the current period was calculated based on the economic assumptions as of the end of December 2020 in which interest rate assumption is almost as same as the average of actual interest rate from April to December 2020.
- Although we had been refraining from proactive sales proposal during the period under review, certain amount of operating expenses for new policy acquisition is required regardless of the amount of new policies sold. As a result, the value of new business was ¥ (2.8) billion. Meanwhile, the new business margin was (1.5)%.
- Please note that the EV and value of new business figures for the current period disclosed in these materials are provisional calculations that have not been verified by a third-party.
- Please look at page 11.

Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2021

Full-year Financial Results Forecast

(¥bn)

	Year ending Mar-21 (Previous forecasts)	Year ending Mar-21 (Revised forecasts)	Change
Ordinary income	6,850.0	6,750.0	(100.0)
Ordinary profit	200.0	300.0	+ 100.0
Net income ¹	124.0	157.0	+ 33.0
Net income per share	¥ 220.47	¥ 279.15	—
Dividend per share (DPS)	¥ 76 (Year-end Dividend ¥ 76)	¥ 76 (Year-end Dividend ¥ 76)	—

[Reasons of the Revisions]

[Ordinary income]

The Company has revised down its forecast for ordinary income due to an expected decrease in reversal of policy reserves caused by lower-than-expected cancellations and an expected excess provision for contingency reserves², despite the improvement in market environment compared with that of when the initial financial results forecast³ was formulated.

[Ordinary profit, Net income]

The Company has revised up its forecasts for ordinary profit and net income attributable to Japan Post Insurance, due to the improvement in market environment compared with that of when the initial financial results forecast³ was formulated and an expected increase in core profit attributable to life insurance activities caused by lower-than-expected insurance claims, etc. despite an expected excess provision for contingency reserves².

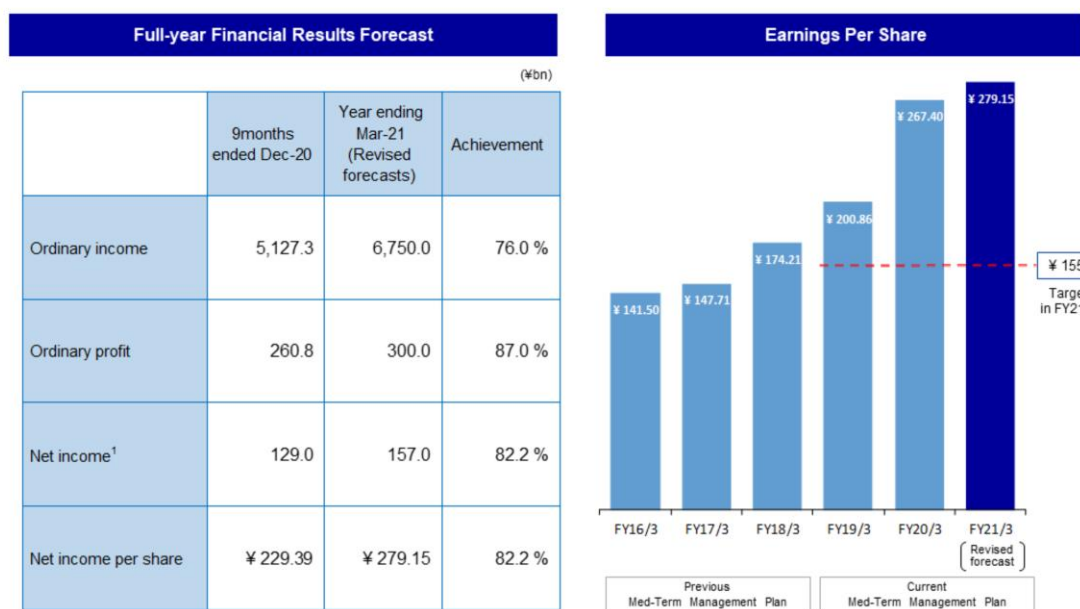
1. Net income attributable to Japan Post Insurance

2. For the Postal Life Insurance category, the Company plans to accumulate additional policy reserves which will be funded by contingency reserves at the end of March, 2021. With this operation, the Company also plans to provide excess provision for contingency reserves in order to restore the level of them at the end of March, 2021. As a prerequisite, the Company will apply and obtain approval of regulatory authorities.

3. The initial consolidated financial results forecast for the year ending March 31, 2021, which was announced on May 15, 2020. This is based on the economic assumptions as of March 31, 2020.

- I will explain the revisions to the forecasts for full-year financial results for the year ending March 31, 2021.
- The Company has revised down its forecast for ordinary income due to an expected decrease in reversal of policy reserves caused by lower-than-expected cancellations and an expected excess provision for contingency reserves, despite the improvement in market environment compared with that of when the initial financial results forecast was formulated.
- The Company has revised up its forecasts for ordinary profit and net income attributable to Japan Post Insurance, due to the improvement in market environment compared with that of when the initial financial results forecast was formulated and an expected increase in core profit attributable to life insurance activities caused by lower-than-expected insurance claims, etc. despite an expected excess provision for contingency reserves.
- Please look at page 12.

The Forecasts for Full-year Financial Results for the Year Ending March 31, 2021



1. Net income attributable to Japan Post Insurance

- I will explain the progress toward the revised forecasts.
- Achievements toward the revised forecast were, 76.0% in ordinary income, 87.0% in ordinary profit and 82.2% in net income.
- To make sure, in revised financial results forecast, we plan to provide excess provision for contingency reserves at the end of March 2021. Thus, both ordinary profit and net income have progressed at a higher rate compared to the forecast.
- Please look at page 13.

Shareholder Return

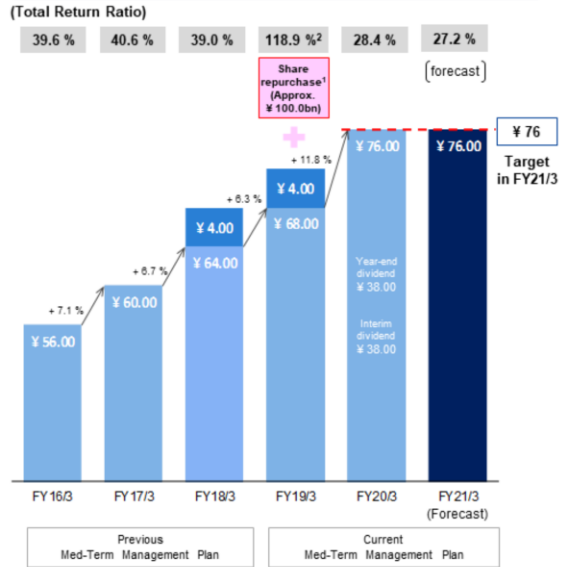
Shareholder Return Policy

- We recognize that the distribution of profit to shareholders is an important policy of management
- Aim for a steady dividends per share while considering earning prospects and financial soundness

Shareholder Return for the Year Ending March 31, 2021

- The ordinary dividend per share is ¥ 76 (Forecast)
 - Only the year-end dividend is scheduled to be paid, as it is necessary to carefully identify the impact of the spread of COVID-19
- (The dividend forecast of ¥76 per share remains unchanged from that had announced on May 15, 2020, although the Company has revised its financial results forecast on February 12, 2021.)

Shareholder Return



1. Share repurchase on April 2019
2. Total return ratio including share repurchase as mentioned in Note 1

- Finally, this slide shows our trends on Shareholder Return.
- The dividend forecast of ¥76 per share remains unchanged from that had announced on May 15, 2020.
- This concludes my explanation.

APPENDIX

Overview of Balance Sheets

Overview of Balance Sheets

(¥bn)

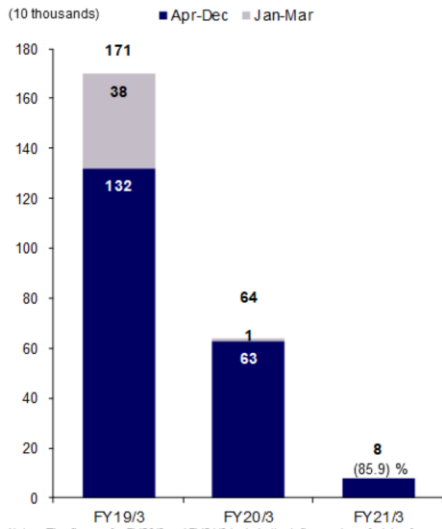
	Mar-20	Dec-20	Change		Mar-20	Dec-20	Change
Total Assets	71,664.7	69,684.0	(1,980.7)	Total Liabilities ¹	69,736.4	66,972.3	(2,764.0)
Cash and deposits	1,410.2	959.9	(450.3)	Policy reserves	62,293.1	60,105.2	(2,187.8)
Money held in trust	3,056.0	3,803.9	747.8	Contingency reserve	1,797.3	1,805.0	7.6
Securities	55,870.5	55,361.7	(508.7)	Additional policy reserve	5,830.3	5,669.0	(161.3)
Loans	5,662.7	5,316.5	(346.2)	Bonds payable	100.0	100.0	-
Tangible fixed assets	110.2	105.3	(4.8)	Reserve for price fluctuations	858.3	863.7	5.3
Intangible fixed assets	135.0	115.8	(19.1)	Net assets	1,928.3	2,711.6	783.2
Deferred tax assets	1,173.7	913.7	(260.0)	Total shareholders' equity	1,661.2	1,768.9	107.6
				Capital stock	500.0	500.0	-
				Capital surplus	405.0	405.0	-
				Retained earnings	756.6	864.3	107.6
				Treasury stock	(0.4)	(0.3)	0.0
				Total accumulated other comprehensive income	267.0	942.7	675.6

Note: Only major line items are shown.

1. Including reserve for insurance claims and others, which decreased ¥25.0billion from ¥29.7billion as of March 31, 2020 to ¥4.6billion as of December 31, 2020

Policy Sales [Number of New Policies]

Number of New Policies (Individual Insurance)



Note : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.



Breakdown of New Policies

(10 thousands)

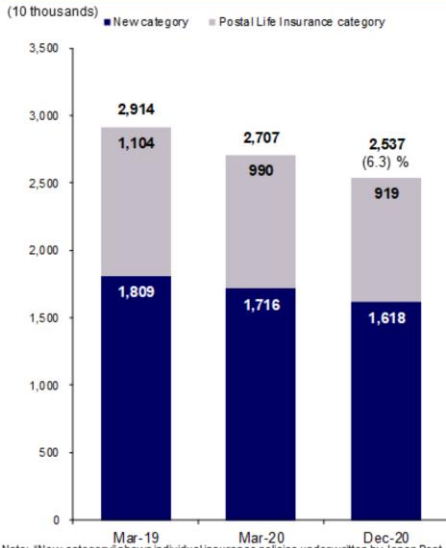
	9months ended Dec-19		9months ended Dec-20	
	Number of policies	Share	Number of policies	Share
Individual insurance	63	100.0 %	8	100.0 %
Endowment insurance	33	53.0 %	6	72.9 %
Ordinary endowment insurance	18	28.7 %	4	53.9 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	3	5.3 %	0	1.3 %
Special endowment insurance ¹	12	18.9 %	1	17.8 %
Whole life insurance	25	39.7 %	0	9.7 %
Ordinary whole life insurance (Fixed amount type)	6	9.5 %	0	2.2 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	6	10.2 %	0	0.5 %
Ordinary whole life insurance (Increased amount type)	10	16.2 %	0	5.4 %
Special whole life insurance	2	3.9 %	0	1.6 %
Educational endowment insurance	4	7.2 %	1	17.2 %
Other insurance	0	0.1 %	0	0.2 %

Note: Only major products are shown.

1. Increased amount type endowment insurance

Policy Sales [Number of Policies in Force]

Number of Policies in Force (Individual Insurance)



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 the Postal Management and Support Organization.



Breakdown of Policies in Force

(10 thousands)

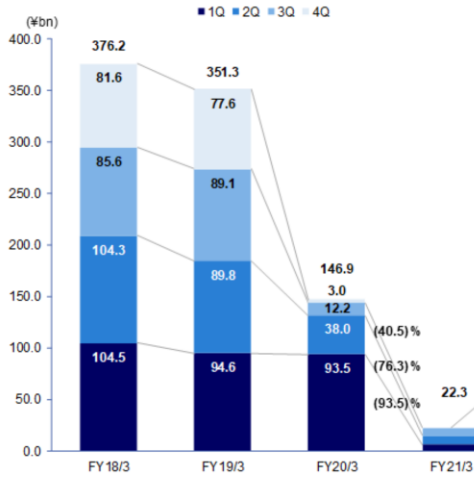
	Mar-20		Dec-20	
	Number of policies	Share	Number of policies	Share
Individual insurance	2,707	100.0 %	2,537	100.0 %
Endowment insurance	1,041	38.5 %	937	36.9 %
Ordinary endowment insurance	668	24.7 %	602	23.7 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	3	0.1 %	3	0.1 %
Special endowment insurance ¹	363	13.4 %	329	13.0 %
Whole life insurance	1,259	46.5 %	1,219	48.1 %
Ordinary whole life insurance (Fixed amount type)	393	14.5 %	377	14.9 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	5	0.2 %	5	0.2 %
Ordinary whole life insurance (Increased amount type)	273	10.1 %	265	10.4 %
Special whole life insurance	585	21.6 %	570	22.5 %
Educational endowment insurance	393	14.5 %	367	14.5 %
Other insurance	13	0.5 %	13	0.5 %

Note: Only major products are shown.

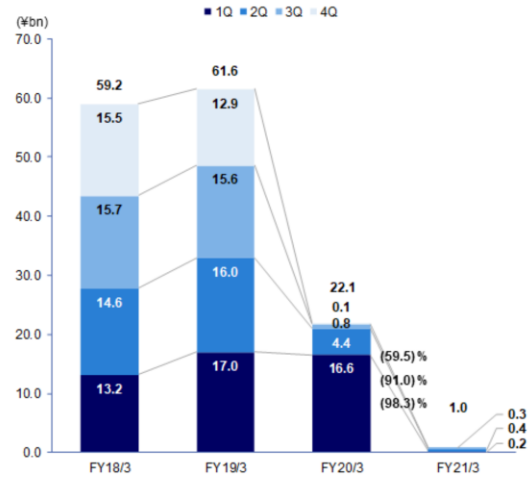
1. Increased amount type endowment insurance

Quarterly Trends in Annualized Premiums from New Policies

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



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



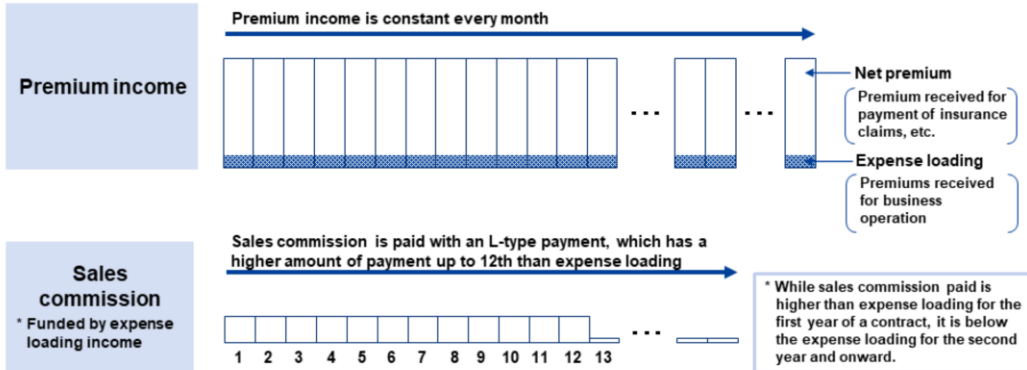
Note 1: Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium 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.

Note2: The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Impact on Profit Due to Decline in New Policy Sales

- Of the premiums received from customers, Japan Post Insurance receives a fixed amount of expense loading every month in order to operate its business. Using this expense loading as funds, Japan Post Insurance pays sales commissions monthly to Japan Post Co. However, the payment method is an L-type payment, which has a higher amount of payment up to the 12th than expense loading, and therefore profit for the first year of Japan Post Insurance worsens as the number of new policies increase.
- In the event of a significant decrease in new policy sales, a resultant decrease in operating expenses, etc. will be a factor for an increase in Japan Post Insurance's profit. However, this will effect only for a short term, and from a medium- to long-term perspective, the decrease in new policies will have a negative impact on profit of Japan Post Insurance.

<Model of receipt of premiums and payment of sales commissions (model for one contract)>

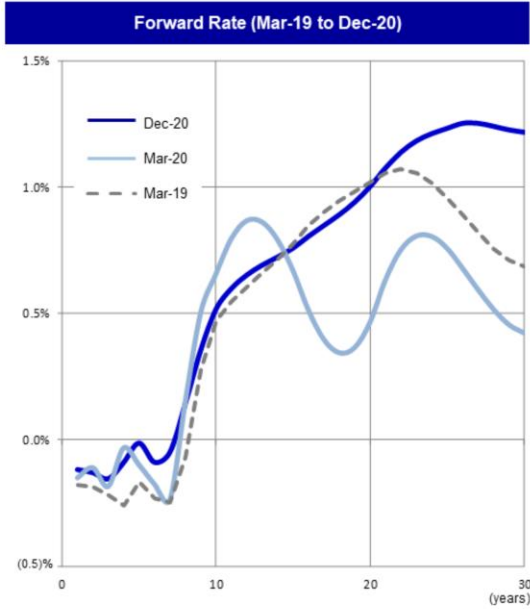


Interest, Dividends and Other Income and Capital gains(losses)

Interest, Dividends and Other Income				Breakdown of Capital gains(losses)			
	9months ended Dec-19	9months ended Dec-20	(Reference) Year ended Mar-20		9months ended Dec-19	9months ended Dec-20	(Reference) Year ended Mar-20
Investment income	867.4	801.2	1,137.7	Capital gains	73.4	47.2	87.2
Interest, dividends and other income	793.4	753.0	1,049.8	Gains on money held in trust	44.3	27.6	51.5
Interest on deposits	0.0	0.0	0.0	Gains on sales of securities	29.0	16.9	35.6
Interest and dividends on securities	697.9	672.2	924.0	Gains on derivative financial instruments	-	-	-
Interest on corporate and government bonds	575.3	551.9	762.0	Gains on foreign exchanges	-	2.6	-
Domestic stock dividends	3.7	4.4	7.6	Other capital gains	-	-	-
Interest and dividends on foreign securities	99.9	85.1	129.7	Capital losses	(130.8)	(89.2)	(189.6)
Others	18.8	30.7	24.6	Losses on money held in trust	-	-	-
Interest on loans	11.0	10.0	14.6	Losses on sales of securities	(20.1)	(24.1)	(32.0)
Interest on loans to the Management Organization	80.7	66.2	105.8	Losses on valuation of securities	-	-	(2.6)
Rent revenue from real estate	-	-	-	Losses on derivative financial instruments	(59.8)	(16.6)	(74.7)
Interest and dividends on others	3.6	4.4	5.1	Losses on foreign exchanges	(2.3)	-	(2.0)
				Other capital losses ¹	(48.4)	(48.4)	(78.0)
				Net Capital gains(losses)	(57.4)	(42.0)	(102.4)

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

Fluctuations of Interest Rates (EV Assumptions)¹

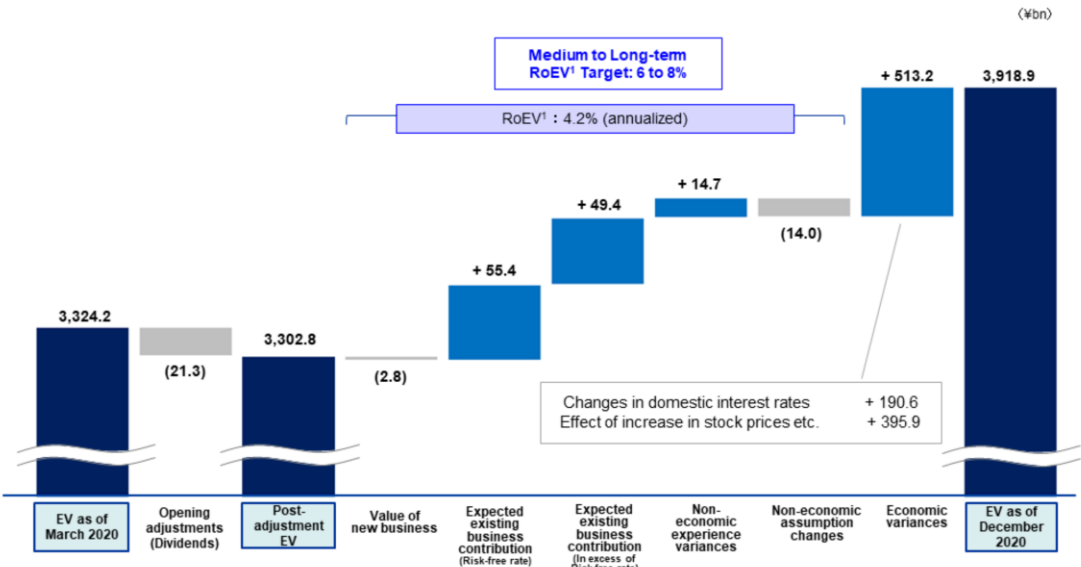


Forward Rate			
	Mar-19	Mar-20 ^①	Dec-20 ^②
10 years	0.471	0.657	0.516
20 years	1.017	0.466	1.001
30 years	0.683	0.422	1.216

Note: The economic assumptions used for the calculation of EV and the value of new business are as follows:
 EV as of March 31, 2020 : ①
 Value of new business for 3Q of FY21/3 : ②
 EV as of December 31, 2020 : 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.

Movement Analysis of EV



Note1 : Provisional calculations that have not been verified by a third party

Note2 : Mortality rates, surrender and lapse rates and expense assumptions in future are the same assumptions as those for the EV as of March 31, 2020.

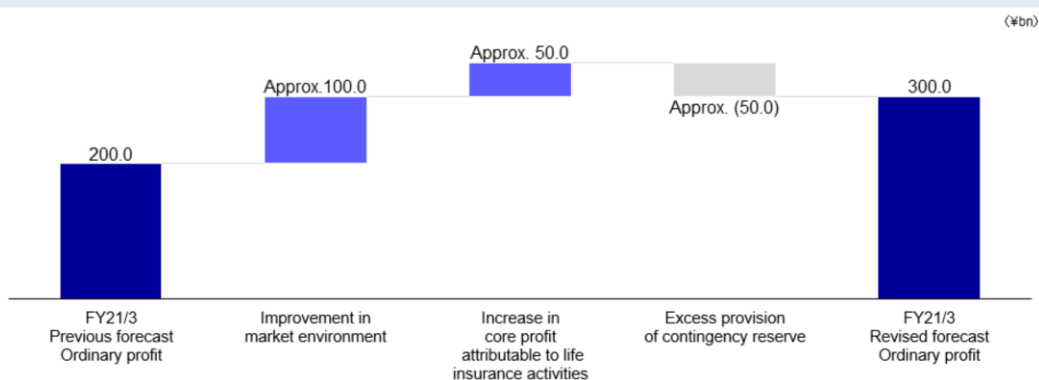
1. Calculated by excluding economic variance factors

**Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2021
(factors for changes between previous and revised forecasts in ordinary profit)**

■ Revised forecast for ordinary profit from ¥200.0bn to ¥300.0bn

[Reasons for the Revision]

1. The improvement in market environment compared with that of when the initial financial results forecast¹ was formulated
2. The increase in core profit attributable to life insurance activities is expected due to the lower-than-expected insurance claims, etc.
3. Excess provision for contingency reserves² is expected



1. The initial consolidated financial results forecast for the year ending March 31, 2021, which was announced on May 15, 2020. This is based on the economic assumptions as of March 31, 2020.
2. For the Postal Life Insurance category, the Company plans to accumulate additional policy reserves which will be funded by contingency reserves at the end of March, 2021. With this operation, the Company also plans to provide excess provision for contingency reserves in order to restore the level of them at the end of March, 2021. As a prerequisite, the Company will apply and obtain approval of regulatory authorities.

Handling in Response to the Spread of COVID-19

- As the spread of the COVID-19 has a major impact on individuals' lives and corporate management, we have been fulfill our social mission as a life insurance company by maintaining a system that enables us to carry on necessary operations, such as paying insurance claims, from the viewpoint of maintaining financial functions and protecting customers, while also implementing initiatives to support customers.

Major Initiatives Supporting Customers

Emergency handling for insurance premiums	<ul style="list-style-type: none"> Extension of the grace period for payment of premiums (up to 9 months) Dealing with payment in installments of premiums for the grace period for payment [Implemented until December 30, 2020]
Emergency handling for insurance payment	<ul style="list-style-type: none"> Due to the situation of medical institutions caused by the impact of COVID-19, the following cases are handled as payment targets for hospitalization benefit by submitting certificates of doctors, etc. <ul style="list-style-type: none"> Medical treatment at an accommodation facility offered by prefectural governments or at home In the case that the patient could not be hospitalized despite the need for inpatient treatment, or he/she is forced to exit earlier than originally planned In the event of death due to COVID-19, insurance benefits will be doubled as "Double payment of insurance benefits" are applied in addition to the death benefit Omission of part of necessary documents at the time of claim, etc.
Emergency handling for the loan interest rate	<ul style="list-style-type: none"> Policy loan at a reduced interest rate (0% interest rate) [Implemented until June 30, 2020]
Non-face-to-face procedures in claims	<ul style="list-style-type: none"> In response to the growing demand for non-face-to-face claims and requests, we accept hospitalization insurance claims by mail (through mailing of documents between customers and post offices / branches) or by online in response to customer requests. To extend the grace period for premium payments, Kampo website, call centers, and post offices and branches accepted customers' request by phone calls.

[Reference] Number of cases handled (as of the end of December 2020)

Item		Number of cases	Amount
Extension of the grace period for payment of premiums		16,113	—
Status of insurance payment	Hospitalization Benefit	4,900	¥ 337.90mn
	Death Benefit	433 *Double payment : 429	¥ 1,524.57mn *Included double payment
Policy loan (Reduction of interest)		314thousand	¥ 134.5bn

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)

	FY17/3		FY18/3		FY19/3		FY20/3		FY20/3 3Q		FY21/3 3Q	
	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life
Ordinary income ¹	4,464.2	6,889.2	3,938.8	5,489.2	3,814.7	4,374.4	3,582.6	3,658.6	2,675.5	2,788.0	2,723.9	2,403.7
Insurance premiums and others	4,039.0	1,002.8	3,481.2	755.2	3,369.5	590.3	2,786.3	459.1	2,173.3	352.3	1,773.7	278.9
Investment income ¹	422.8	945.0	454.6	830.3	440.1	764.3	441.2	696.5	337.0	530.3	327.2	474.3
Other ordinary income ¹	2.3	4,941.3	3.0	3,903.7	4.9	3,019.8	354.9	2,503.0	165.2	1,905.3	622.9	1,650.4
Ordinary expenses ¹	4,370.1	6,704.0	3,767.1	5,352.2	3,663.5	4,260.4	3,388.2	3,566.1	2,521.7	2,707.6	2,532.9	2,334.6
Insurance claims and others	1,136.5	6,413.7	1,765.6	5,124.3	2,837.9	4,030.9	2,842.0	3,349.3	2,128.5	2,552.5	2,227.2	2,208.1
Provision for policy reserves and others ¹	2,694.0	-	1,474.7	-	272.5	-	29.9	-	2.1	-	0.0	-
Investment expenses ¹	103.8	56.5	78.5	27.9	99.1	46.8	85.7	38.2	64.5	26.8	46.1	7.3
Operating expenses	366.5	193.6	372.8	159.9	376.2	142.1	336.3	135.8	265.7	101.7	207.4	94.8
Other ordinary expenses	69.0	40.0	75.2	39.8	77.7	40.4	94.2	42.7	60.7	26.5	52.2	24.3
Ordinary profit	94.0	185.2	171.7	137.0	151.1	113.9	194.3	92.4	153.8	80.4	190.9	69.0
Extraordinary gains and losses ²	5.7	(12.6)	(27.2)	(17.0)	13.8	3.6	9.3	29.8	0.8	9.1	(12.1)	6.6
Provision for reserve for policyholder dividends	15.6	137.0	21.6	96.1	19.6	92.1	15.4	93.7	11.6	69.6	13.7	54.7
Income before income taxes	84.2	35.5	122.9	23.8	145.3	25.5	188.2	28.5	143.0	19.8	165.0	20.9
Total income taxes	21.7	9.5	35.4	6.9	41.1	8.7	54.9	10.7	40.5	6.8	46.3	11.2
Net income	62.4	26.0	87.4	16.8	104.1	16.7	133.3	17.8	102.5	13.0	118.7	9.7

Note: "Postal Life Insurance category" shows the amounts generated from the Postal Life Insurance policies, and "New category" shows the figure after deduction of "Postal Life Insurance category" from the total.

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.: FY21/3 3Q, ¥0.3billion was added to "Gains on foreign exchanges," under "Investment income," and to "Losses on foreign exchanges," under "Investment 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)

		FY17/3	FY18/3	FY19/3	FY20/3	FY20/3 3Q	FY21/3 3Q
Total assets	¥mn	80,336,414	76,832,508	73,904,576	71,667,398	71,882,635	69,683,604
Postal Life Insurance category		51,447,550	46,684,937	41,354,076	39,225,493	39,567,643	37,869,228
New category		28,888,864	30,147,570	32,550,500	32,441,904	32,314,991	31,814,376
Number of policies in force	(000)	31,562	30,405	29,143	27,070	27,738	25,377
Postal Life Insurance category (insurance)		14,411	12,484	11,048	9,907	10,190	9,192
New category (individual insurance)		17,150	17,921	18,095	17,163	17,547	16,185
Insurance premiums and others	¥mn	5,041,868	4,236,461	3,959,928	3,245,541	2,525,729	2,052,722
Postal Life Insurance category		1,002,816	755,221	590,340	459,151	352,379	278,961
New category		4,039,051	3,481,240	3,369,588	2,786,389	2,173,350	1,773,760
Ordinary profit	¥mn	279,347	308,845	265,143	286,829	234,281	260,019
Postal Life Insurance category		185,250	137,074	113,981	92,490	80,408	69,075
New category		94,097	171,771	151,162	194,338	153,872	190,944
Net income	¥mn	88,520	104,309	120,958	151,132	115,508	128,446
Postal Life Insurance category		26,044	16,878	16,763	17,806	13,000	9,702
New category		62,475	87,430	104,195	133,325	102,507	118,744
Contingency reserve (reversal) provision	¥mn	(120,819)	(139,678)	(151,592)	(165,388)	(124,327)	7,668
Postal Life Insurance category		(172,881)	(173,722)	(173,590)	(170,814)	(128,539)	4,238
New category		52,061	34,043	21,997	5,425	4,212	3,430
Price fluctuations reserve (reversal) provision	¥mn	6,444	128,031	(19,251)	(39,152)	(9,835)	5,389
Postal Life Insurance category		12,625	17,090	(3,686)	(29,845)	(9,132)	(6,671)
New category		(6,181)	110,940	(15,564)	(9,306)	(702)	12,061
Additional policy reserve (reversal) provision	¥mn	(50,454)	(30,648)	(50,292)	(49,750)	(36,430)	(161,314)
Postal Life Insurance category		(50,454)	(47,674)	(46,698)	(46,396)	(33,876)	(159,087)
New category		-	17,025	(3,594)	(3,354)	(2,553)	(2,227)

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)

	FY17/3	FY18/3	FY19/3	FY20/3	FY20/3 3Q	FY21/3 3Q
Insurance premiums and others	5,041.8	4,236.4	3,959.9	3,245.5	2,525.7	2,052.7
Ordinary profit	279.7	309.2	264.8	286.6	233.9	260.8
Provision for reserve for policyholder dividends	152.6	117.7	111.8	109.2	81.3	68.5
Net income	88.5	104.4	120.4	150.6	115.0	129.0
Net assets	1,853.2	2,003.1	2,135.1	1,928.3	2,366.4	2,711.6
Total assets	80,336.7	76,831.2	73,905.0	71,664.7	71,883.2	69,684.0
Return on equity	4.7 %	5.4 %	5.8 %	7.4 %	-	-
RoEV ¹	4.9 %	9.9 %	8.6 %	(2.8) %	-	4.2 %
Dividends to shareholders	36.0	40.8	43.2	42.7	21.3	-
Total Return Ratio ²	40.6 %	39.0 %	118.9 %	28.4 %	-	-
EV	3,355.6	3,743.3	3,925.7	3,324.2	3,585.3	3,918.9
Value of New Business	36.8	226.7	223.8	60.6	63.8	(2.8)
Core profit (Non-consolidated)	390.0	386.1	377.1	400.6	300.4	309.7
Core profit attributable to life insurance activities	311.4	320.3	318.7	320.1	250.1	268.3
Spread (positive/negative spread)	78.5	65.8	58.4	80.4	50.3	41.3

1. Calculated by excluding economic variance factors. The movement analysis for FY20/3 3Q was not measured. The figure for FY21/3 3Q is annualized.
2. The figure for FY19/3 represents the total return ratio including share repurchase (approximately ¥100.0billion) in April 2019.

<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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