

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual
Fiscal year ended March 31, 2020	Yen -	Yen 38.00	Yen -	Yen 38.00	Yen 76.00
Fiscal year ending March 31, 2021	-	0.00	-		
Fiscal year ending March 31, 2021 (Forecast)				76.00	76.00

(Note) Revisions to the most recently announced dividend forecast: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,750,000	(6.4)	300,000	4.7	157,000	4.2	279.15

(Note 1) Revisions to the most recently announced financial results forecast: Yes

(Note 2) For details on revisions to the consolidated financial results forecast, please refer to “Notice Regarding Revisions to the Full-Year Consolidated Financial Results Forecast” released on February 12, 2021.

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) Adoption of special accounting methods in the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of shares issued (common stock)
 - 1) Total number of shares issued at the end of the period:
 - December 31, 2020: 562,600,000 shares
 - March 31, 2020: 562,600,000 shares
 - 2) Total number of treasury stock at the end of the period:
 - December 31, 2020: 167,350 shares
 - March 31, 2020: 178,000 shares
 - 3) Average number of shares during the period:
 - Nine months ended December 31, 2020: 562,428,315 shares
 - Nine months ended December 31, 2019: 563,902,072 shares

(Note) Total number of treasury stock at the end of the period includes shares of the Company held in the Board Benefit Trust (BBT), namely 156,200 shares as of December 31, 2020, and 166,900 shares as of March 31, 2020.

The average number of treasury stock held in the BBT (160,580 shares for the nine months ended December 31, 2020 and 177,849 shares for the nine months ended December 31, 2019) was deducted from the calculation of the average number of shares during the nine months ended December 31, 2020 and 2019.

* The summary of quarterly consolidated financial results is outside the scope of quarterly review by certified public accountants or audit corporations.

* Explanation on the appropriate use of financial results forecasts, and other notes
(Cautionary note concerning forward-looking statements)

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Please note that actual results may differ from the forecast figures due to various factors including changes in the operating environment.

(Supplementary briefing materials on financial results)

The Company has prepared supplementary briefing materials, etc. in relation to financial information, which can be viewed on the Company's website.

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1. Unaudited Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
ASSETS:		
Cash and deposits	1,410,298	959,955
Call loans	380,000	120,000
Receivables under securities borrowing transactions	3,191,710	2,284,058
Monetary claims bought	318,581	357,420
Money held in trust	3,056,072	3,803,913
Securities	55,870,557	55,361,759
Loans	5,662,748	5,316,513
Tangible fixed assets	110,219	105,387
Intangible fixed assets	135,010	115,881
Agency accounts receivable	45,587	35,770
Reinsurance receivables	4,057	4,285
Other assets	306,596	305,799
Deferred tax assets	1,173,789	913,728
Reserve for possible loan losses	(448)	(450)
Total assets	71,664,781	69,684,021
LIABILITIES:		
Policy reserves and others	64,191,926	61,893,311
Reserve for outstanding claims	461,224	402,839
Policy reserves	62,293,166	60,105,268
Reserve for policyholder dividends	1,437,535	1,385,203
Reinsurance payables	6,595	6,435
Bonds payable	100,000	100,000
Payables under securities lending transactions	4,290,140	3,903,758
Other liabilities	193,449	133,206
Reserve for insurance claims and others	29,722	4,658
Liability for retirement benefits	66,060	67,128
Reserve for management board benefit trust	164	125
Reserve under the special law	858,339	863,729
Reserve for price fluctuations	858,339	863,729
Total liabilities	69,736,400	66,972,354
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	405,044	405,044
Retained earnings	756,665	864,302
Treasury stock	(422)	(397)
Total shareholders' equity	1,661,286	1,768,949
Net unrealized gains (losses) on available-for-sale securities	264,009	939,081
Net deferred gains (losses) on hedges	16	6
Accumulated adjustments for retirement benefits	3,067	3,629
Total accumulated other comprehensive income	267,094	942,716
Total net assets	1,928,380	2,711,666
Total liabilities and net assets	71,664,781	69,684,021

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
ORDINARY INCOME	5,461,552	5,127,335
Insurance premiums and others	2,525,729	2,052,722
Investment income	867,407	801,256
Interest and dividend income	793,457	753,069
Gains on money held in trust	44,368	27,615
Gains on sales of securities	29,067	16,925
Gains on redemption of securities	443	898
Gains on foreign exchanges	-	2,684
Reversal of reserve for possible loan losses	8	-
Other investment income	61	60
Other ordinary income	2,068,415	2,273,357
Reversal of reserve for outstanding claims	90,388	58,385
Reversal of policy reserves	1,976,329	2,187,897
Other ordinary income	1,697	27,074
ORDINARY EXPENSES	5,227,575	4,866,443
Insurance claims and others	4,681,110	4,435,363
Insurance claims	3,703,770	3,530,210
Annuity payments	298,275	273,850
Benefits	82,861	91,813
Surrender benefits	447,853	356,948
Other refunds	130,476	165,259
Reinsurance premiums	17,873	17,279
Provision for policy reserves and others	6	6
Provision for interest on policyholder dividends	6	6
Investment expenses	91,361	53,112
Interest expenses	1,533	1,504
Losses on sales of securities	20,126	24,196
Losses on redemption of securities	5,050	8,363
Losses on derivative financial instruments	59,890	16,613
Losses on foreign exchanges	2,348	-
Provision for reserve for possible loan losses	-	1
Other investment expenses	2,410	2,434
Operating expenses	368,834	302,586
Other ordinary expenses	86,263	75,373
Ordinary profit	233,976	260,892
EXTRAORDINARY GAINS	10,228	-
Gains on sales of fixed assets	393	-
Reversal of reserve for price fluctuations	9,835	-
EXTRAORDINARY LOSSES	266	5,456
Losses on sales and disposal of fixed assets	266	67
Provision for reserve for price fluctuations	-	5,389
Provision for reserve for policyholder dividends	81,314	68,523
Income before income taxes	162,624	186,912
Income taxes - Current	110,702	57,653
Income taxes - Deferred	(63,087)	242
Total income taxes	47,615	57,896
Net income	115,008	129,015
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	115,008	129,015

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net income	115,008	129,015
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	281,194	675,071
Net deferred gains (losses) on hedges	(16)	(10)
Adjustments for retirement benefits	(317)	561
Total other comprehensive income (loss)	280,860	675,622
Comprehensive income (loss)	395,868	804,638
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	395,868	804,638
Non-controlling interests	-	-

(3) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Additional Information)

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.

In the nine months ended December 31, 2020, the Company recorded the refund of premiums and payment of insurance claims to compensate for the disadvantages suffered by customers as part of insurance claims and others, and the corresponding adjustment to policy reserves as part of reversal of policy reserves, while recording a reduction of the net amount totaling ¥19,972 million from reserve for insurance claims and others at the end of the previous fiscal year, and a reversal of ¥5,091 million, a decrease as a result of reflecting the status of progress in the investigation of insurance policies in accounting estimates. Consequently, reserve for insurance claims and others stood at ¥4,658 million as of December 31, 2020. The amounts of the aforementioned reduction and reversal of reserve for insurance claims and others are included in other ordinary income in the consolidated statement of income for the nine months ended December 31, 2020.