

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.

May 15, 2020
JAPAN POST INSURANCE Co., Ltd.

Summary of Financial Results for the Fiscal Year Ended March 31, 2020

(1) Policies

		Fiscal Year Ended March 31, 2019		Six Months Ended September 30, 2019		Fiscal Year Ended March 31, 2020	
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2018		Increase (Decrease) as % of Six Months Ended September 30, 2018		Increase (Decrease) as % of Fiscal Year Ended March 31, 2019
Annualized premiums from new policies	(Millions of yen)	351,570	(6.6)	131,949	(28.5)	147,280	(58.1)
Of which, medical coverage, living benefits and others	(Millions of yen)	61,618	4.1	21,136	(36.1)	22,132	(64.1)
Annualized premiums from policies in force	(Millions of yen)	3,816,419	(1.1)	3,749,065	(2.5)	3,556,673	(6.8)
Of which, medical coverage, living benefits and others	(Millions of yen)	410,929	7.5	412,838	3.3	393,881	(4.1)
Insurance premiums and others	(Millions of yen)	3,959,928	(6.5)	1,801,184	(11.7)	3,245,541	(18.0)
Of which, individual insurance sector	(Millions of yen)	3,353,120	(3.3)	1,549,937	(10.0)	2,767,826	(17.5)
Of which, group insurance sector	(Millions of yen)	—	—	—	—	—	—
Policy amount of policies in force	(Millions of yen)	55,331,354	0.4	54,358,504	(1.8)	51,846,228	(6.3)
Policy amount of surrenders and lapses	(Millions of yen)	2,586,564	14.9	1,261,810	(3.4)	2,488,350	(3.8)

* Figures represent those for sums of individual insurance and individual annuities excluding figures of insurance premiums and others.

* Policy amount of surrenders and lapses are not offset by the amounts of lapses which are reinstated.

* Insurance premiums and others are based on statements of income.

* Insurance premiums and others from individual insurance sector are the total of premiums from individual insurance and individual annuities; insurance premiums and others from group insurance sector are the total of premiums from group insurance and group annuities.

* Figures of annualized premiums represent the sum of those of individual insurance and individual annuities. 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) Assets

(Consolidated Basis)

		As of March 31, 2019		As of September 30, 2019		As of March 31, 2020	
			Increase (Decrease) as % of March 31, 2018		Increase (Decrease) as % of September 30, 2018		Increase (Decrease) as % of March 31, 2019
Total assets	(Millions of yen)	73,905,017	(3.8)	73,034,186	(2.3)	71,664,781	(3.0)
Real net assets	(Billions of yen)	13,535.7	4.9	14,189.0	19.3	12,350.9	(8.8)
Solvency margin ratio	(%)	1,189.8		1,189.5		1,070.9	

(3) Core profit, Positive spread and Investment yield

		Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020		Forecast for the Fiscal Year Ending March 31, 2021
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2018		Increase (Decrease) as % of Fiscal Year Ended March 31, 2019	
Core profit	(Millions of yen)	377,176	(2.3)	400,609	6.2	To be decreased

		Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020		Forecast for the Fiscal Year Ending March 31, 2021
			Increase (Decrease) compared to Fiscal Year Ended March 31, 2018		Increase (Decrease) compared to Fiscal Year Ended March 31, 2019	
Positive spread	(Billions of yen)	58.4	(7.4)	80.4	22.0	To be decreased

		Fiscal Year Ended March 31, 2019	Fiscal Year Ended March 31, 2020	Forecast for the Fiscal Year Ending March 31, 2021
		Investment return on core profit	(%)	1.79
Investment yield (General account)	(%)	1.42	1.41	To be decreased
Average assumed rates of return	(%)	1.70	1.69	To be almost flat

(4) Breakdown of core profit

		Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020	
			Increase (Decrease) compared to Fiscal Year Ended March 31, 2018		Increase (Decrease) compared to Fiscal Year Ended March 31, 2019
Positive spread	(Millions of yen)	58,460	(7,414)	80,466	22,005
Core profit attributable to life insurance activities	(Millions of yen)	318,715	(1,608)	320,142	1,426

(5) Reserves

		As of March 31, 2019		As of September 30, 2019		As of March 31, 2020	
			Increase (Decrease) compared to March 31, 2018		Increase (Decrease) compared to September 30, 2018		Increase (Decrease) compared to March 31, 2019
Policy reserves (excluding contingency reserve)	(Millions of yen)	63,097,793	(2,565,155)	61,970,735	(2,553,879)	60,495,799	(2,601,994)
Reserve for price fluctuations	(Millions of yen)	897,492	(19,251)	871,855	(46,822)	858,339	(39,152)
Contingency reserve	(Millions of yen)	1,962,755	(151,592)	1,880,448	(158,749)	1,797,366	(165,388)
Contingency funds	(Millions of yen)	—	—	—	—	—	—
Fund for price fluctuation allowance	(Millions of yen)	—	—	—	—	—	—

(6) Unrealized gains (losses)

		As of March 31, 2019		As of September 30, 2019		As of March 31, 2020	
			Increase (Decrease) compared to March 31, 2018		Increase (Decrease) compared to September 30, 2018		Increase (Decrease) compared to March 31, 2019
Securities	(Millions of yen)	8,508,462	738,934	9,343,512	2,533,636	7,586,866	(921,596)
Domestic stocks	(Millions of yen)	280,440	(172,710)	278,696	(174,772)	55,159	(225,280)
Domestic bonds	(Millions of yen)	7,943,172	699,492	8,558,062	2,301,571	7,263,044	(680,128)
Foreign securities	(Millions of yen)	275,269	189,722	427,279	287,782	400,455	125,186
Real estate	(Millions of yen)	—	—	—	—	—	—

* Securities invested as money held in trust are included.

* The Company does not hold real estate.

* Non-consolidated results of Japan Post Insurance are listed.

(7) Investment results

		Actual results for the Fiscal Year Ended March 31, 2020
Domestic stocks	(Millions of yen)	9,136
Domestic bonds	(Millions of yen)	(2,174,242)
Foreign stocks and others	(Millions of yen)	349,987
Foreign bonds	(Millions of yen)	(586,613)
Real estate	(Millions of yen)	—

* Securities invested as money held in trust are included.

* Non-consolidated results of Japan Post Insurance are listed.

(8) Break-even levels

		As of March 31, 2020
Nikkei Average	(Yen)	18,300
TOPIX	(Point)	1,340
Domestic bonds	(%)	1.1
Foreign securities	(Yen)	80

* The break-even level for stocks is calculated based on valuation method of stocks fully linked to Nikkei Average and TOPIX.

* The break-even level for domestic bonds is translated into a newly-issued 10-year JGB yield and rounded to one decimal place.

* The break-even level for foreign securities is calculated based on the JPY/USD exchange rate.

(9) Outlook for the Fiscal Year Ending March 31, 2021

		Forecast for the Fiscal Year Ending March 31, 2021
Insurance premiums and others		To be decreased

(10) Number of employees

		As of March 31, 2019		As of September 30, 2019		As of March 31, 2020	
			Increase (Decrease) as % of March 31, 2018		Increase (Decrease) as % of September 30, 2018		Increase (Decrease) as % of March 31, 2019
Sales personnel	(Number of persons)	1,154	0.5	1,159	(2.1)	1,104	(4.3)
Office personnel	(Number of persons)	6,463	1.9	6,720	1.4	6,534	1.1

(11) Policyholder dividends (Provision for reserve for policyholder dividends)

		Fiscal Year Ended March 31, 2019		Fiscal Year Ended March 31, 2020	
			Increase (Decrease) as % of Fiscal Year Ended March 31, 2018		Increase (Decrease) as % of Fiscal Year Ended March 31, 2019
Individual insurance/Individual annuities	(Millions of yen)	19,689	(8.9)	15,460	(21.5)
Others	(Millions of yen)	92,117	(4.2)	93,775	1.8

(12) Bancassurance sales

None

Other Question Items (Fiscal Year Ended March 31, 2020)

* Provision for (reversal of) general account policy reserves associated with minimum guarantee for variable annuities, etc.

None