

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.

**Summary of Consolidated Financial Results
for the Fiscal Year Ended March 31, 2020
[Under Japanese GAAP]**



May 15, 2020

Company Name: JAPAN POST INSURANCE Co., Ltd. Stock exchange listing: Tokyo Stock Exchange
Code Number: 7181 URL: <https://www.jp-life.japanpost.jp/>
Representative: Tetsuya Senda, President, CEO, Representative Executive Officer
Scheduled date of General Shareholder's Meeting: June 15, 2020
Scheduled date of commencing dividend payments: June 16, 2020
Scheduled date of filing securities report: June 18, 2020
Availability of supplementary briefing materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income attributable to Japan Post Insurance	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	7,211,405	(8.9)	286,601	8.2	150,687	25.1
Fiscal year ended March 31, 2019	7,916,655	(0.5)	264,870	(14.3)	120,480	15.3

(Note) Comprehensive Income (Loss) Fiscal year ended March 31, 2020 ¥(42,235) million [-%]
Fiscal year ended March 31, 2019 ¥172,795 million [(7.0)%]

	Net income per share	Diluted net income per share	Return on equity	Ordinary profit to total assets	Ordinary profit to ordinary income
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2020	267.40	-	7.4	0.4	4.0
Fiscal year ended March 31, 2019	200.86	-	5.8	0.4	3.3

(Note) Diluted net income per share is not presented as potential common stock did not exist.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	71,664,781	1,928,380	2.7	3,428.71
As of March 31, 2019	73,905,017	2,135,137	2.9	3,559.70

Net assets attributable to the Company's shareholders as of March 31, 2020 and 2019 were ¥1,928,380 million and ¥2,135,137 million, respectively.

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2020	(2,590,214)	3,248,209	(165,405)	1,410,298
Fiscal year ended March 31, 2019	(2,691,710)	2,653,004	57,909	917,708

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends on net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2019	-	0.00	-	72.00	72.00	43,200	35.8	2.1
Fiscal year ended March 31, 2020	-	38.00	-	38.00	76.00	42,756	28.4	2.2
Fiscal year ending March 31, 2021 (Forecast)	-	0.00	-	76.00	76.00		34.5	

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	6,850,000	(5.0)	200,000	(30.2)	124,000	(17.7)	220.48

*** Notes:**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change in scope of consolidation): No
- (2) 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
- (3) Total number of shares issued (common stock)
- 1) Total number of shares issued at the end of the period:
 - March 31, 2020: 562,600,000 shares
 - March 31, 2019: 600,000,000 shares
 - 2) Total number of treasury stock at the end of the period:
 - March 31, 2020: 178,000 shares
 - March 31, 2019: 191,400 shares
 - 3) Average number of shares during the period:
 - Fiscal year ended March 31, 2020: 563,533,640 shares
 - Fiscal year ended March 31, 2019: 599,808,142 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 166,900 shares as of March 31, 2020, and 191,400 shares as of March 31, 2019.
The average number of treasury stock held in the BBT (176,573 shares for the fiscal year ended March 31, 2020 and 191,857 shares for the fiscal year ended March 31, 2019) was deducted from the calculation of the average number of shares during the fiscal year ended March 31, 2020 and 2019.

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

(1) Non-Consolidated Results of Operations (% indicates changes from the previous corresponding period.)

	Ordinary income		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2020	7,211,403	(8.9)	286,829	8.2	151,132	24.9
Fiscal year ended March 31, 2019	7,916,654	(0.5)	265,143	(14.2)	120,958	16.0

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2020	268.19	-
Fiscal year ended March 31, 2019	201.66	-

(Note) Diluted net income per share is not presented as potential common stock did not exist.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	71,667,398	1,926,474	2.7	3,425.32
As of March 31, 2019	73,904,576	2,132,564	2.9	3,555.41

Net assets attributable to the Company's shareholders as of March 31, 2020 and 2019 were ¥1,926,474 million and ¥2,132,564 million, respectively.

* The summary of consolidated financial results is outside the scope of audit of 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. Overview of Consolidated Results of Operations, etc.

(1) Overview of Consolidated Results of Operations and Consolidated Financial Position for the Current Fiscal Year

1) Overview of consolidated results of operations for the current fiscal year

Ordinary income amounted to ¥7,211.4 billion (8.9% decrease year on year), comprising the sum of insurance premiums and others of ¥3,245.5 billion (18.0% decrease year on year), investment income of ¥1,137.7 billion (5.5% decrease year on year), and other ordinary income of ¥2,828.0 billion (2.8% increase year on year).

Ordinary expenses amounted to ¥6,924.8 billion (9.5% decrease year on year), comprising the sum of insurance claims and others of ¥6,191.3 billion (9.9% decrease year on year), investment expenses of ¥124.0 billion (15.1% decrease year on year), operating expenses of ¥473.8 billion (8.8% decrease year on year), other ordinary expenses of ¥135.5 billion (15.8% increase year on year) and others.

As a result, ordinary profit amounted to ¥286.6 billion (8.2% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥150.6 billion (25.1% increase year on year), which is calculated by adding and subtracting extraordinary profits and losses, provision for reserve for policyholder dividends and total income taxes from ordinary profit.

The amount of insurance claims paid pertaining to the novel coronavirus disease (COVID-19) as at the end of March 2020 is minimal.

2) Overview of consolidated financial position for the current fiscal year (overview of assets, liabilities and net assets)

Total assets at the end of the current fiscal year amounted to ¥71,664.7 billion (3.0% decrease year on year).

Total assets are mainly comprised of ¥55,870.5 billion of securities (4.4% decrease year on year), primarily including Japanese government bonds, ¥5,662.7 billion of loans (16.6% decrease year on year) and ¥3,056.0 billion of money held in trust (9.6% increase year on year).

Total liabilities amounted to ¥69,736.4 billion (2.8% decrease year on year), mainly comprising ¥64,191.9 billion of policy reserves and others (4.3% decrease year on year).

Total net assets amounted to ¥1,928.3 billion (9.7% decrease year on year). Under net assets, net unrealized gains on available-for-sale securities amounted to ¥264.0 billion (42.2% decrease year on year).

3) Overview of cash flows for the current fiscal year

Net cash used in operating activities decreased ¥101.4 billion compared with the previous fiscal year to ¥2,590.2 billion.

Net cash provided by investing activities increased ¥595.2 billion compared with the previous fiscal year to ¥3,248.2 billion.

Net cash used in financing activities increased ¥223.3 billion compared with the previous fiscal year to ¥165.4 billion.

As a result, balance of cash and cash equivalents at the end of the current fiscal year increased ¥492.5 billion

from the balance at the beginning of the current fiscal year, and amounted to ¥1,410.2 billion.

(2) Forecast

In the consolidated results forecast for the next fiscal year (fiscal year ending March 31, 2021), ordinary income is projected to decrease year on year, to ¥6,850.0 billion, while ordinary profit is projected to decrease year on year, to ¥200.0 billion, due primarily to a decrease in core profit. Net income attributable to Japan Post Insurance is projected to decrease year on year, to ¥124.0 billion.

With respect to the negative impact of the spread of COVID-19, JAPAN POST INSURANCE Co., Ltd. (the “Company”) is considering a decrease in investment income and an increase in investment expenses, in view of the global economic downturn, in addition to the “Special Handling Associated with the Spread of the Impact of COVID-19” (reduction or exemption of interest rates on ordinary policyholder loans, etc.) dated March 19, 2020 and the “Handling of Double Indemnity of Insurance Claims Associated with the Spread of the Impact of COVID-19” dated April 15, 2020, as announced on the Company website.

Going forward, the Company will promptly make announcements when new disclosures become necessary.

(3) Basic Policy for the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years

The Company recognizes that the distribution of profit to shareholders is an important policy of management, and distributes profits to shareholders stably, while securing management soundness.

Specifically, the Company aims for a stable dividend per share while considering earning prospects and financial soundness.

The Company secures internal reserves to fund stable business growth to enable it to respond to future changes in the business environment.

The Company has, in accordance with the provisions of Article 459 of the Companies Act, stipulated that it provides cash dividends based on the resolution of the Board of Directors in the Articles of Incorporation.

As for the dividend for the fiscal year ended March 31, 2020, payment of ¥76 per share (including an interim dividend of ¥38) was decided at the Board of Directors’ meeting held today.

An annual dividend for the fiscal year ending March 31, 2021 is scheduled to be ¥76 per share.

The Company stipulates in its Articles of Incorporation that it is able to pay interim dividends with a record date of September 30 of each year. However, for the fiscal year ending March 31, 2021, as it is necessary to carefully identify the impact of the spread of COVID-19, only the year-end dividend is scheduled to be paid.

Going forward, the Company will promptly make announcements when new disclosures become necessary due to the impact of the spread of COVID-19 and other developments.

2. Basic Approach Concerning Selection of Accounting Standards

The Company prepares its consolidated financial statements based on Japanese GAAP. The Company discloses its consolidated financial statements in accordance with the “Ordinance for Enforcement of the Insurance Business Act” (Ordinance No. 5 issued by the Ministry of Finance in 1996).

The Company is currently conducting examination and preliminary review with respect to the future adoption of International Financial Reporting Standards (IFRS). The adoption is to be determined in view of the trend regarding the accounting standard for insurance contracts (IFRS 17) and other factors.

3. Unaudited Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
ASSETS:		
Cash and deposits	917,708	1,410,298
Call loans	150,000	380,000
Receivables under securities borrowing transactions	2,792,202	3,191,710
Monetary claims bought	354,958	318,581
Money held in trust	2,787,555	3,056,072
Securities	58,451,581	55,870,557
Loans	6,786,074	5,662,748
Tangible fixed assets	108,422	110,219
Land	48,008	47,828
Buildings	43,246	41,710
Leased assets	2,313	2,203
Construction in progress	25	176
Other tangible fixed assets	14,827	18,300
Intangible fixed assets	153,271	135,010
Software	153,252	134,993
Other intangible fixed assets	18	16
Agency accounts receivable	21,960	45,587
Reinsurance receivables	3,872	4,057
Other assets	355,776	306,596
Deferred tax assets	1,022,091	1,173,789
Reserve for possible loan losses	(459)	(448)
Total assets	73,905,017	71,664,781
LIABILITIES:		
Policy reserves and others	67,093,751	64,191,926
Reserve for outstanding claims	519,568	461,224
Policy reserves	65,060,549	62,293,166
Reserve for policyholder dividends	1,513,634	1,437,535
Reinsurance payables	6,470	6,595
Bonds payable	100,000	100,000
Payables under securities lending transactions	3,422,810	4,290,140
Other liabilities	183,889	193,449
Reserve for insurance claims and others	-	29,722
Liability for retirement benefits	65,262	66,060
Reserve for management board benefit trust	203	164
Reserve under the special law	897,492	858,339
Reserve for price fluctuations	897,492	858,339
Total liabilities	71,769,880	69,736,400
NET ASSETS:		
Capital stock	500,000	500,000
Capital surplus	500,044	405,044
Retained earnings	675,526	756,665
Treasury stock	(450)	(422)
Total shareholders' equity	1,675,120	1,661,286
Net unrealized gains (losses) on available-for-sale securities	456,694	264,009
Net deferred gains (losses) on hedges	33	16
Accumulated adjustments for retirement benefits	3,289	3,067
Total accumulated other comprehensive income	460,017	267,094
Total net assets	2,135,137	1,928,380
Total liabilities and net assets	73,905,017	71,664,781

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

Consolidated Statements of Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
ORDINARY INCOME	7,916,655	7,211,405
Insurance premiums and others	3,959,928	3,245,541
Investment income	1,204,428	1,137,789
Interest and dividend income	1,085,969	1,049,804
Gains on money held in trust	78,902	51,560
Gains on sales of securities	38,981	35,699
Gains on redemption of securities	395	614
Reversal of reserve for possible loan losses	14	8
Other investment income	165	101
Other ordinary income	2,752,298	2,828,074
Reversal of reserve for outstanding claims	28,628	58,343
Reversal of policy reserves	2,716,748	2,767,383
Other ordinary income	6,921	2,348
ORDINARY EXPENSES	7,651,785	6,924,803
Insurance claims and others	6,868,893	6,191,369
Insurance claims	5,489,510	4,889,175
Annuity payments	400,623	394,005
Benefits	87,452	110,254
Surrender benefits	645,211	602,583
Other refunds	222,902	171,590
Reinsurance premiums	23,193	23,760
Provision for policy reserves and others	7	8
Provision for interest on policyholder dividends	7	8
Investment expenses	146,005	124,000
Interest expenses	1,064	2,132
Losses on sales of securities	62,255	32,020
Losses on valuation of securities	-	2,689
Losses on redemption of securities	4,762	6,847
Losses on derivative financial instruments	73,381	74,799
Losses on foreign exchanges	1,124	2,085
Other investment expenses	3,417	3,425
Operating expenses	519,840	473,871
Other ordinary expenses	117,038	135,553
Ordinary profit	264,870	286,601
EXTRAORDINARY GAINS	19,251	39,546
Gains on sales of fixed assets	-	393
Reversal of reserve for price fluctuations	19,251	39,152
EXTRAORDINARY LOSSES	1,709	303
Losses on sales and disposal of fixed assets	620	303
Impairment loss	1,088	-
Provision for reserve for policyholder dividends	111,806	109,236
Income before income taxes	170,605	216,607
Income taxes - Current	139,586	143,539
Income taxes - Deferred	(89,461)	(77,618)
Total income taxes	50,125	65,920
Net income	120,480	150,687
Net income attributable to non-controlling interests	-	-
Net income attributable to Japan Post Insurance	120,480	150,687

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income	120,480	150,687
Other comprehensive income:		
Net unrealized gains (losses) on available-for-sale securities	52,780	(192,684)
Net deferred gains (losses) on hedges	0	(16)
Adjustments for retirement benefits	(466)	(221)
Total other comprehensive income (loss)	52,315	(192,923)
Comprehensive income (loss)	172,795	(42,235)
Total comprehensive income (loss) attributable to:		
Japan Post Insurance	172,795	(42,235)
Non-controlling interests	-	-

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	595,846	(466)	1,595,424
Changes in the fiscal year					
Cash dividends			(40,800)		(40,800)
Net income attributable to Japan Post Insurance			120,480		120,480
Disposals of treasury stock				15	15
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	-	79,680	15	79,695
Balance at the end of the fiscal year	500,000	500,044	675,526	(450)	1,675,120

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	403,913	32	3,755	407,701	2,003,126
Changes in the fiscal year					
Cash dividends					(40,800)
Net income attributable to Japan Post Insurance					120,480
Disposals of treasury stock					15
Net changes in items other than shareholders' equity in the fiscal year	52,780	0	(466)	52,315	52,315
Net changes in the fiscal year	52,780	0	(466)	52,315	132,011
Balance at the end of the fiscal year	456,694	33	3,289	460,017	2,135,137

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	500,044	675,526	(450)	1,675,120
Changes in the fiscal year					
Cash dividends			(64,578)		(64,578)
Net income attributable to Japan Post Insurance			150,687		150,687
Purchases of treasury stock				(99,999)	(99,999)
Disposals of treasury stock				57	57
Cancellation of treasury stock		(99,970)		99,970	-
Transfer from retained earnings to capital surplus		4,970	(4,970)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	(95,000)	81,138	28	(13,833)
Balance at the end of the fiscal year	500,000	405,044	756,665	(422)	1,661,286

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
Balance at the beginning of the fiscal year	456,694	33	3,289	460,017	2,135,137
Changes in the fiscal year					
Cash dividends					(64,578)
Net income attributable to Japan Post Insurance					150,687
Purchases of treasury stock					(99,999)
Disposals of treasury stock					57
Cancellation of treasury stock					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity in the fiscal year	(192,684)	(16)	(221)	(192,923)	(192,923)
Net changes in the fiscal year	(192,684)	(16)	(221)	(192,923)	(206,756)
Balance at the end of the fiscal year	264,009	16	3,067	267,094	1,928,380

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income taxes	170,605	216,607
Depreciation and amortization	58,076	57,496
Impairment loss	1,088	-
Net change in reserve for outstanding claims	(28,628)	(58,343)
Net change in policy reserves	(2,716,748)	(2,767,383)
Provision for interest on policyholder dividends	7	8
Provision for reserve for policyholder dividends	111,806	109,236
Net change in reserve for possible loan losses	(236)	(10)
Net change in reserve for insurance claims and others	-	29,722
Net change in liability for retirement benefits	1,522	798
Net change in reserve for management board benefit trust	30	(38)
Net change in reserve for price fluctuations	(19,251)	(39,152)
Interest and dividend income (accrual basis)	(1,085,969)	(1,049,804)
Net (gains) losses on securities	27,640	5,243
Interest expenses (accrual basis)	1,064	2,132
Net (gains) losses on foreign exchanges	1,124	2,085
Net (gains) losses on tangible fixed assets	394	(272)
Net change in agency accounts receivable	11,754	(23,627)
Net change in reinsurance receivables	(645)	(185)
Net change in other assets (excluding those related to investing activities and financing activities)	3,775	47,682
Net change in reinsurance payables	436	125
Net change in other liabilities (excluding those related to investing activities and financing activities)	6,616	(23,353)
Other, net	(2,744)	26,826
Subtotal	(3,458,277)	(3,464,204)
Interest and dividend received (cash basis)	1,170,197	1,168,879
Interest paid (cash basis)	(863)	(2,080)
Policyholder dividends paid	(220,769)	(185,042)
Income taxes paid	(181,996)	(107,767)
Net cash used in operating activities	(2,691,710)	(2,590,214)

(Millions of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of call loans	(8,535,000)	(8,110,000)
Proceeds from redemption of call loans	8,650,000	7,880,000
Net change in receivables under securities borrowing transactions	504,020	(399,508)
Purchases of monetary claims bought	(1,319,999)	(1,524,997)
Proceeds from sale and redemption of monetary claims bought	1,141,145	1,561,185
Purchases of money held in trust	(380,229)	(578,400)
Proceeds from decrease in money held in trust	352,235	26,627
Purchases of securities	(3,946,108)	(2,089,450)
Proceeds from sale and redemption of securities	5,761,118	4,484,366
Payments for loans	(890,808)	(718,896)
Proceeds from collection of loans	1,731,605	1,842,215
Net change in payables under securities lending transactions	(240,736)	867,329
Other, net	(111,644)	53,220
Total of net cash provided by investment transactions	2,715,597	3,293,691
Total of net cash provided by (used in) operating activities and investment transactions	23,887	703,477
Purchases of tangible fixed assets	(27,026)	(10,040)
Proceeds from sale of tangible fixed assets	6	573
Purchases of intangible fixed assets	(35,297)	(36,618)
Other, net	(275)	603
Net cash provided by investing activities	2,653,004	3,248,209
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease obligations	(698)	(875)
Proceeds from issuance of bonds	99,398	-
Purchases of treasury stock	-	(99,999)
Dividends paid	(40,790)	(64,529)
Net cash used in financing activities	57,909	(165,405)
Effect of exchange rate changes on cash and cash equivalents	-	-
Net change in cash and cash equivalents	19,203	492,590
Cash and cash equivalents at the beginning of the fiscal year	898,504	917,708
Cash and cash equivalents at the end of the fiscal year	917,708	1,410,298

(5) Notes to the Consolidated Financial Statements

(Notes on Going-Concern Assumption)

Not applicable.

(Additional Information)

The Company promotes thoroughgoing customer-first business operation as one of its critical management priorities. However, following the internal investigation into the handling of customers' revision of their insurance coverage, it was discovered that in some cases, such revision was carried out in a manner that may have caused disadvantages to customers, not in line with their intentions. Consequently, the Company has been conducting investigations using appropriate procedures, by providing explanations to and receiving advice from the Special Investigative Committee composed of neutral and fair external experts, regarding the methods for confirming customers' intentions as well as for analyzing the information obtained.

The investigations included the investigation of specified rewriting cases (the investigation to grasp the situation of customers likely to have suffered disadvantages from the rewriting of policies), and the investigation of all insurance policies (the investigation where the Company sent notification documents with reply cards to customers of all other policies that were not subject to the investigation of specified rewriting cases, asking them to reconfirm their intentions and to let the Company know of any points it should be aware of, whereby the Company made necessary responses and investigations according to the results of the reconfirmation, and the investigation of such cases where sales personnel repeatedly made many new policy applications and cancellations, which may not have been in line with the intentions of customers, judging from the type of the policies).

In consideration of the results of these investigations obtained by the end of the fiscal year ended March 31, 2020, the Company has reasonably estimated insurance-related expenses of ¥29,722 million to be incurred due to the refund of premiums and payments of insurance claims necessary for the future reinstatement of policies, as of March 31, 2020. These expenses were recorded under reserve for insurance claims and others.

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. Following the administrative dispositions, a business improvement plan was formulated and it was submitted to the Financial Services Agency of Japan as of January 31, 2020. The Company accepts the seriousness of administrative dispositions and 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.

These initiatives may affect the financial results of the Company in the future.

(Segment Information and Others)

[Segment Information]

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019) and fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Segment information is omitted as the Company and its subsidiary (the "Group") has only one segment, namely, the life insurance business in Japan.

[Other Related Information]

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019) and fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

1. Information by product and service

Information by product and service is omitted as the Group's products and services are placed under one

category.

2. Information by geographical region

Information by geographical region is omitted as ordinary income in Japan exceeded 90% of ordinary income in the consolidated statements of income and the balance of tangible fixed assets in Japan exceeded 90% of the total balance on the consolidated balance sheets.

3. Information by major customer

Information by major customer is omitted as no customer accounted for 10% or more of ordinary income in the consolidated statements of income.

[Information Concerning Impairment Loss on Fixed Assets by Reporting Segment]

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)

Impairment loss on fixed assets by reporting segment is omitted as the Group has only one segment.

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

[Information Concerning Amortized Amounts and Unamortized Balance of Goodwill by Reporting Segment]

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019) and fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

[Information Concerning Gain on Negative Goodwill by Reporting Segment]

Fiscal year ended March 31, 2019 (From April 1, 2018 to March 31, 2019) and fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

(Per Share Data)

(Yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net assets per share	3,559.70	3,428.71
Net income per share	200.86	267.40

Notes: 1. Diluted net income per share is not presented as potential common stock did not exist.

2. Net income per share was calculated based on the following:

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net income attributable to Japan Post Insurance (Millions of yen)	120,480	150,687
Amount not attributable to common shareholders (Millions of yen)	-	-
Net income pertaining to common stock attributable to Japan Post Insurance (Millions of yen)	120,480	150,687
Average number of common stock during the fiscal year (Thousand shares)	599,808	563,533

3. Net assets per share were calculated based on the following:

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net assets (Millions of yen)	2,135,137	1,928,380
Amount deducted from total net assets (Millions of yen)	-	-
Net assets pertaining to common stock (Millions of yen)	2,135,137	1,928,380
Number of common stock at the fiscal year-end used for the calculation of net assets per share (Thousand shares)	599,808	562,422

4. The Company establishes a Board Benefit Trust (BBT). Shares of the Company held in trust, which was recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year for the purpose of calculating net income per share, and in treasury stock to be deducted from the calculation of the total number of shares issued at the fiscal year-end for the purpose of calculating net assets per share. For the fiscal years ended March 31, 2020 and 2019, the average number of treasury stock during the fiscal year which was deducted from the calculation of net income per share was 176,573 shares and 191,857 shares, respectively, and the total number of treasury stock at the fiscal year-end which was deducted from the calculation of net assets per share was 166,900 shares and 191,400 shares, respectively.

(Subsequent Events)

Not applicable.