

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

May 15, 2020



- I am Imuta of Japan Post Insurance.
- Thank you for joining our conference call for “Financial Results for the Fiscal Year Ended March 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

	Year ended Mar-20	Year on Year	
Net income	¥ 150.6bn	+ 25.1 %	> Net income was ¥ 150.6billion (a 25.1% increase year on year).
Annualized premiums from New policies	(Individual Insurance) ¥ 146.9bn	(58.2) %	> Annualized premiums from new policies for individual insurance were ¥ 146.9billion, a 58.2% decrease year on year.
	(Medical Care) ¥ 22.1bn	(64.1) %	> Annualized premiums from new policies for medical care were ¥ 22.1billion, a 64.1% decrease year on year. > New policy sales results for the current period were influenced by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 4,318.6bn	(7.7) %	> Annualized premiums from policies in force for individual insurance were ¥ 4,318.6billion, a 7.7% decrease from the end of the previous fiscal year.
	(Medical Care) ¥ 715.5bn	(5.0) %	> Annualized premiums from policies in force for medical care were ¥ 715.5billion, a 5.0% decrease from the end of the previous fiscal year.
Return seeking assets	¥ 9,938.6bn	(2.7) %	> Amounts of return seeking assets (foreign securities etc.) were ¥ 9,938.6billion, a 2.7% decrease from the end of the previous fiscal year. > The ratio of return seeking assets to total assets was 13.9%.
Solvency Margin Ratio	1,070.9 %	(118.9) points	> The solvency margin ratio was 1,070.9%, a 118.9 points decrease from the end of the previous fiscal year.
	Year ended Mar-20	Year ended Mar-19	
Dividend per share	¥ 76	¥ 72	> The ordinary dividend for the year ended March 31, 2020, is ¥ 76 per share. This includes an interim dividend of ¥38 and a year-end dividend of ¥38.

- The financial results can be summed up as you see.
- Net income for the current period was ¥ 150.6billion, a 25.1% increase year on year.
- New policy sales results for the current period were influenced by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020. Annualized premiums from new policies for individual insurance were ¥ 146.9billion, a 58.2% decrease year on year. Annualized premiums from new policies for medical care were ¥ 22.1billion, a 64.1% decrease year on year.
- Annualized premiums from policies in force for individual insurance and annualized premiums from policies in force for medical care decreased from the end of the previous fiscal year to ¥ 4,318.6billion and ¥ 715.5billion, respectively.
- Amounts of return seeking assets such as foreign bonds were ¥ 9,938.6billion. The ratio of return seeking assets to total assets is 13.9%.
- The solvency margin ratio was 1,070.9%, a 118.9 points decrease from the end of the previous fiscal year.
- We resolved at the meeting of the Board of Directors today to pay an annual ordinary dividend of ¥76 per share for the year ended March 31, 2020.
- With regard to EV as of the end of March 2020, we plan to disclose it on May 25, 2020, after obtaining third party opinions. At that time, we will also disclose ESR as of March 31, 2020 as well as EV as of June 30, September 30 and December 31, 2019
- Please look at page 2.

Financial Highlights

Financial Highlights				Comparison with Forecasts	
	Year ended Mar-19	Year ended Mar-20	Year on year	Year ended Mar-20 (Revised forecasts)	Achievement
Ordinary income	7,916.6	7,211.4	(8.9) %	7,180.0	100.4 %
Ordinary profit	264.8	286.6	+ 8.2 %	270.0	106.1 %
Net income ¹	120.4	150.6	+ 25.1 %	134.0	112.5 %
Net income per share	¥ 200.86	¥ 267.40	+ ¥ 66.54	¥ 237.79	112.5 %

	Mar-19	Mar-20	Change
Total assets	73,905.0	71,664.7	(3.0) %
Net assets	2,135.1	1,928.3	(9.7) %
Total shareholders' equity	1,675.1	1,661.2	(0.8) %

1. Net income attributable to Japan Post Insurance.

- Next, I would like to explain the financial highlights.
- Ordinary income was ¥7,211.4billion.
- Ordinary profit was ¥286.6billion and net income was ¥150.6billion due to the decrease in operating expenses, etc. as a result of decreased new policies sales, and positive spread in investments.
- Total assets were ¥ 71,664.7billion and net assets were ¥ 1,928.3billion.
- Please look at page 3.

Financial Results for the Year Ended March 31, 2020 (Year on Year)

Statement of Income

(¥bn)

	Year ended Mar-19	Year ended Mar-20	Change
Ordinary income	7,916.6	7,211.4	(705.2)
Insurance premiums and others	3,959.9	3,245.5	(714.3)
Investment income	1,204.4	1,137.7	(66.6)
Reversal of policy reserves	2,716.7	2,767.3	50.6
Ordinary expenses	7,651.7	6,924.8	(726.9)
Insurance claims and others	6,868.8	6,191.3	(677.5)
Investment expenses	146.0	124.0	(22.0)
Operating expenses etc ¹	636.8	609.4	(27.4)
Ordinary profit	264.8	286.6	21.7
Extraordinary gains and losses	17.5	39.2	21.7
Provision for reserve for policyholder dividends	111.8	109.2	(2.5)
Income before income taxes	170.6	216.6	46.0
Total income taxes	50.1	65.9	15.7
Net income attributable to Japan Post Insurance	120.4	150.6	30.2

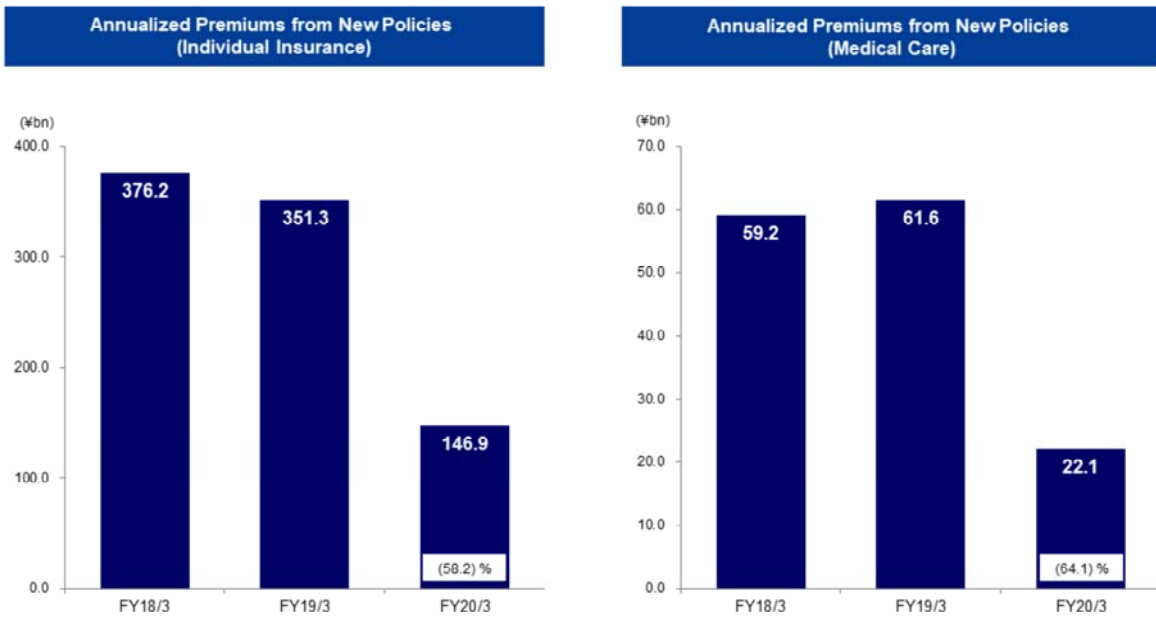
Note: Only major line items are shown.
1. Sum of operating expenses and other ordinary expenses

[Main Factors for Changes in the Line Items]

- Decrease in policies in the premium payment period (policies in force).
- Decrease in new policy sales by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.
- Decrease in interest, dividends and other income due to decrease in total amount of assets.
- Decrease in gains on money held in trust.
- Decrease in matured endowment payments.
- Decrease as a result of decreased new policy sales.
- Increase due to the decrease in operating expenses, etc. as a result of decreased new policy sales, and positive spread in investments.
- Reversal of price fluctuations reserve corresponding to capital losses.
- Net income increased by ¥ 30.2billion year on year due to the decrease in operating expenses, etc. as a result of decreased new policy sales, and positive spread in investments.

- These are the factors for changes in the financial results for the current period.
- Ordinary profit increased by ¥ 21.7billion and net income increased by ¥ 30.2billion year on year due to the decrease in operating expenses, etc. as a result of decreased new policies sales, and positive spread in investments.
- Please look at page 4.

Policy Sales (1) Annualized Premiums from New Policies

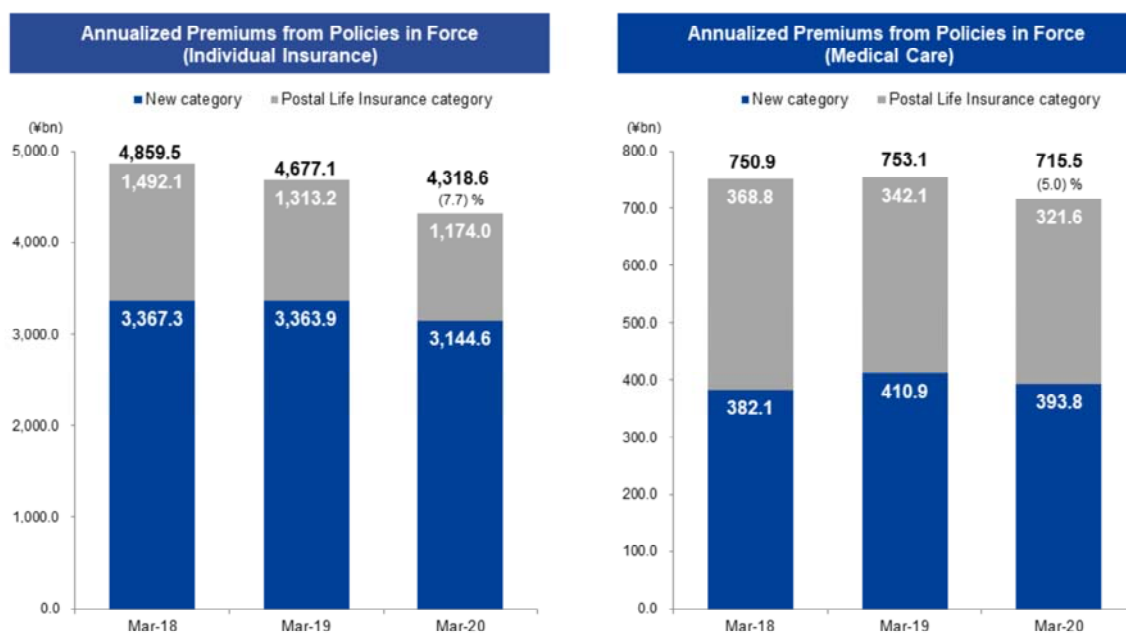


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium 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 the year ended March 31, 2020 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.

- From here, I would like to explain our policy sales.
- Annualized premiums from new policies for individual insurance decreased by 58.2% year on year to ¥ 146.9billion.
- Annualized premiums from new policies for medical care decreased by 64.1% year on year to ¥ 22.1billion.
- Please look at page 5.

Policy Sales (2) Annualized Premiums from Policies in Force

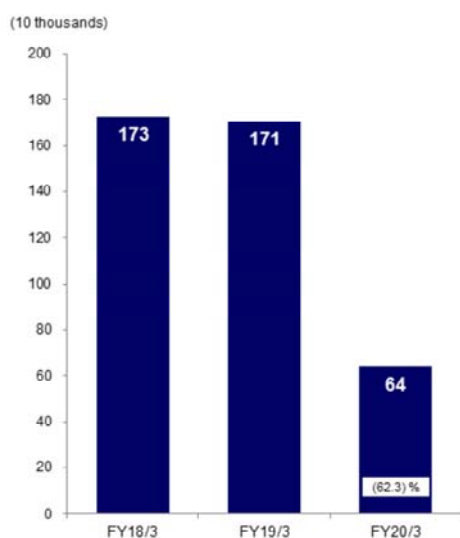


Note: "New category" shows individual insurance policies underwritten by Japan Post Insurance. The "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from the Postal Management and Support Organization.

- Annualized premiums from policies in force for individual insurance decreased by 7.7% from the end of the previous fiscal year to ¥ 4,318.6 billion.
- Annualized premiums from policies in force for medical care decreased by 5.0% from the end of the previous fiscal year to ¥ 715.5 billion.
- Please look at page 6.

Policy Sales (3) Number of New Policies

Number of New Policies (Individual Insurance)



Note : The figures for the year ended March 31, 2020 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.

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Breakdown of New Policies

(10 thousands)

	Year ended Mar-19		Year ended Mar-20	
	Number of policies	Share	Number of policies	Share
Individual insurance	171	100.0 %	64	100.0 %
Endowment insurance	84	49.2 %	34	53.5 %
Ordinary endowment insurance	44	26.1 %	18	29.4 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	-	-	3	5.3 %
Special endowment insurance ¹	39	23.0 %	12	18.8 %
Whole life insurance	73	43.2 %	25	39.3 %
Ordinary whole life insurance (Fixed amount type)	23	13.5 %	6	9.4 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	-	-	6	10.0 %
Ordinary whole life insurance (Increased amount type)	40	23.7 %	10	16.0 %
Special whole life insurance	10	6.0 %	2	3.9 %
Educational endowment insurance	12	7.5 %	4	7.2 %
Other insurance	0	0.2 %	0	0.1 %

Note: Only major products are shown.
1. Increased amount type endowment insurance

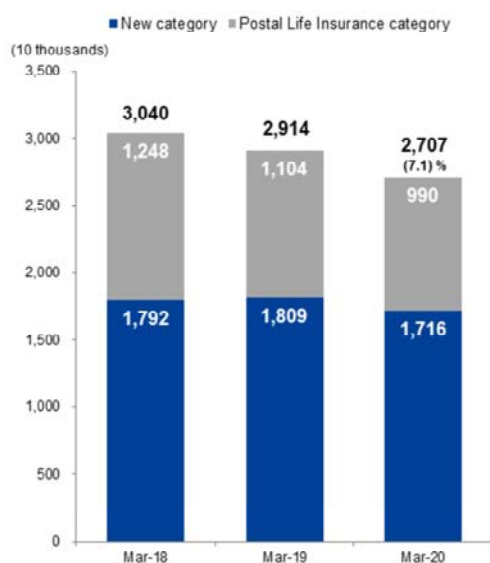
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- Changes in the number of new policies and its breakdown by products are presented on this page.
- The number of new policies acquired decreased by 62.3% year on year to approximately 640 thousand.
- The breakdown of the number of new policies by products is shown in the chart on the right.
- Please look at page 7.

Policy Sales (4) 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.

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Breakdown of Policies in Force

(10 thousands)

	Mar-19		Mar-20	
	Number of policies	Share	Number of policies	Share
Individual Insurance	2,914	100.0 %	2,707	100.0 %
Endowment insurance	1,165	40.0 %	1,041	38.5 %
Ordinary endowment insurance	745	25.6 %	668	24.7 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	-	-	3	0.1 %
Special endowment insurance ¹	410	14.1 %	363	13.4 %
Whole life insurance	1,301	44.6 %	1,259	46.5 %
Ordinary whole life insurance (Fixed amount type)	412	14.1 %	393	14.5 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	-	-	5	0.2 %
Ordinary whole life insurance (Increased amount type)	281	9.7 %	273	10.1 %
Special whole life insurance	606	20.8 %	585	21.6 %
Educational endowment insurance	434	14.9 %	393	14.5 %
Other insurance	13	0.5 %	13	0.5 %

Note: Only major products are shown.

1. Increased amount type endowment insurance

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- Changes in the number of policies in force and its breakdown by products are presented on this page.
- The number of policies in force, which is the total of "New category" and "Postal Life Insurance category," decreased by 7.1% from the end of the previous fiscal year to 27.07 million.
- The breakdown of the number of policies in force by products is shown in the chart on the right.
- Please look at page 8.

Investments (2) Fair Value Information of Securities

Fair Value Information of Securities						
	Mar-19			Mar-20		
	Book value	Fair value	Net unrealized gains (losses)	Book value	Fair value	Net unrealized gains (losses)
Total	61,196.0	69,706.0	8,509.9	59,084.1	66,675.8	7,591.6
Held-to-maturity bonds	36,391.2	43,113.4	6,722.1	35,735.7	41,953.3	6,217.6
Policy-reserve-matching bonds	10,570.0	11,724.3	1,154.3	9,574.6	10,578.5	1,003.8
Available-for-sale securities	14,234.7	14,868.1	633.4	13,773.7	14,143.9	370.1
Securities etc.	12,000.3	12,240.9	240.6	11,102.5	11,399.6	297.0
Bonds	4,197.3	4,265.4	68.0	3,700.4	3,742.1	41.7
Domestic stocks	211.7	200.8	(10.8)	322.0	281.2	(40.8)
Foreign securities	5,006.6	5,186.9	180.2	4,221.6	4,589.3	367.6
Other securities	1,826.8	1,827.7	0.9	2,006.8	1,933.2	(73.5)
Deposits etc.	757.7	759.9	2.1	851.5	853.5	2.0
Money held in trust	2,234.3	2,627.2	392.8	2,671.2	2,744.3	73.0
Domestic stocks ¹	1,263.8	1,555.2	291.3	1,387.9	1,483.9	95.9
Foreign stocks ¹	269.6	345.5	75.8	297.2	323.5	26.2
Foreign bonds ¹	528.0	550.3	22.2	736.0	698.4	(37.5)
Other ²	172.7	176.1	3.4	250.0	238.3	(11.6)

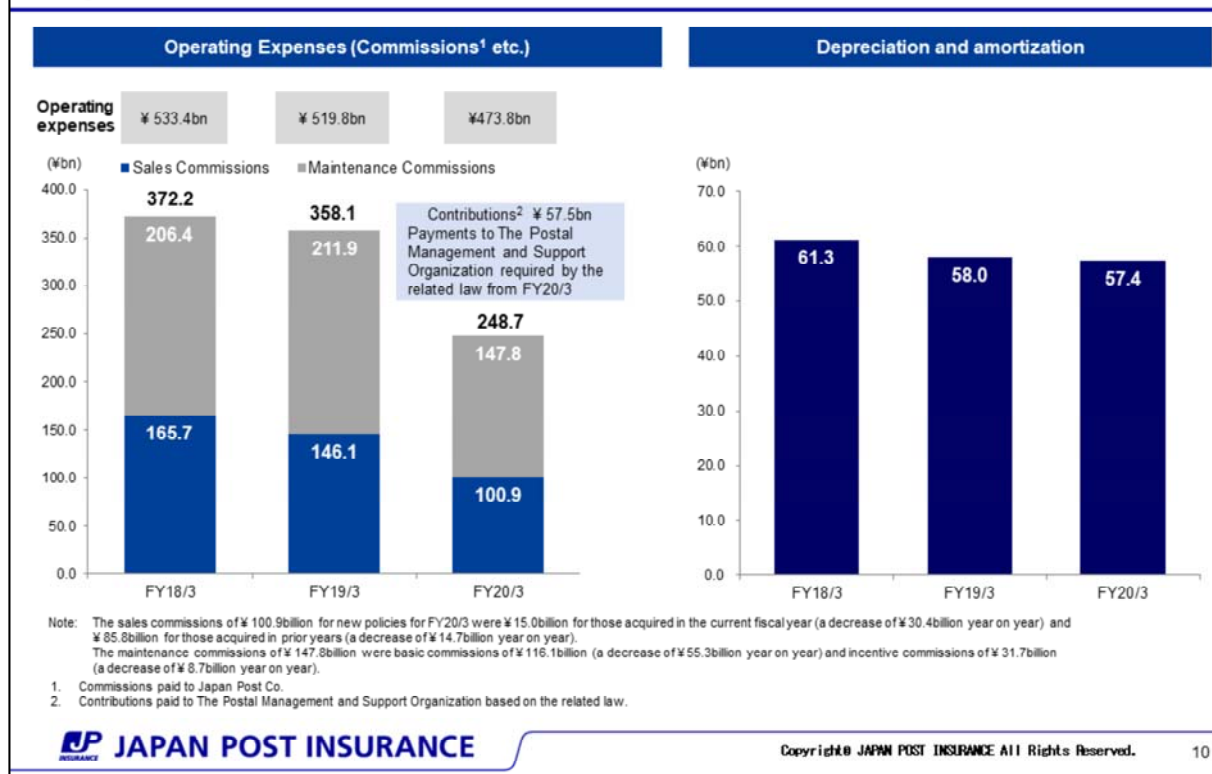
Note: This table only shows securities with a fair value. It also includes the handling of securities under the Financial Instruments and Exchange Act.

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

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

- 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 ¥ 370.1 billion of net unrealized gains, although the market environment had worsened considerably in the fourth quarter compared to the environment until the third quarter.
- Please look at page 10.

Expenses



- Expenses for the period are presented on this page.
- Operating expenses for the current period were ¥473.8billion, 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 ¥109.3billion year on year to ¥248.7billion, due to the impact of the introduction of contributions from this fiscal year, which is not included in commissions, and the refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.
- Compared with the commissions from the same period of the previous fiscal year, the sum of commissions and contributions decreased by ¥51.7billion to ¥306.3billion, due to the decrease in sales commissions resulting from the decreased new policy sales.
- As shown in the chart on the right, depreciation and amortization decreased by ¥0.5billion year on year to ¥57.4billion.
- Please look at page 11.

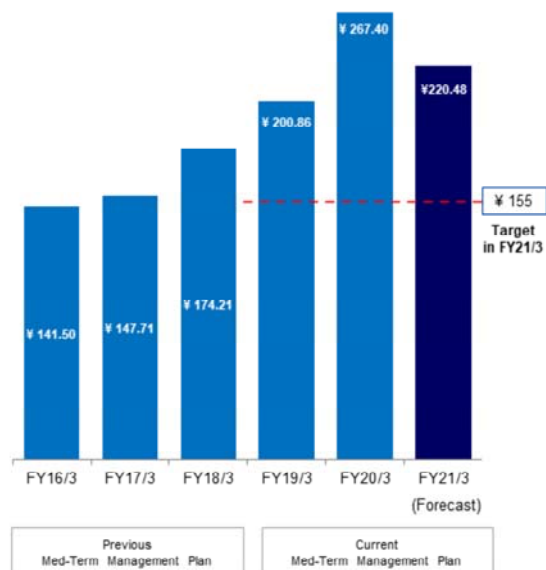
The Forecasts for Full-year Financial Results for the Year Ending March 31, 2021

Full-year Financial Results Forecast¹

(¥bn)

	Year ended Mar-20 (Actual)	Year ending Mar-21 (Forecasts)
Ordinary income	7,211.4	6,850.0
Ordinary profit	286.6	200.0
Net income ²	150.6	124.0
Net income per share	¥ 267.40	¥ 220.48

Earnings Per Share



1. With respect to the negative impact of the spread of COVID-19, 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 Insured 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.

2. Net income attributable to Japan Post Insurance

- I will explain forecasts for full-year financial results for the year ending March 31, 2021.
- The financial results forecast for the fiscal year ending March 31, 2021 decrease from the current fiscal year due to a decrease in the number of policies in force, a decrease in interest and dividend income and other factors.
- We forecast net income for the year ending March 31, 2021 to be around ¥ 124.0billion.
- The trend on our earnings per shares is shown in the right chart.
- 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 Ended March 31, 2020

- Increase the ordinary dividend by ¥ 8 per share to ¥ 76
- Pay dividends from surplus twice a year, an interim and a year-end dividends
- Canceled treasury stock (37.4 million shares)

Shareholder Return for the Year Ending March 31, 2021¹

- 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

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

Shareholder Return

(Total Return Ratio)

39.6 % 40.6 % 39.0 % 118.9 %² 28.4 % 34.5 %
[forecast]



2. Share repurchase on April 2019

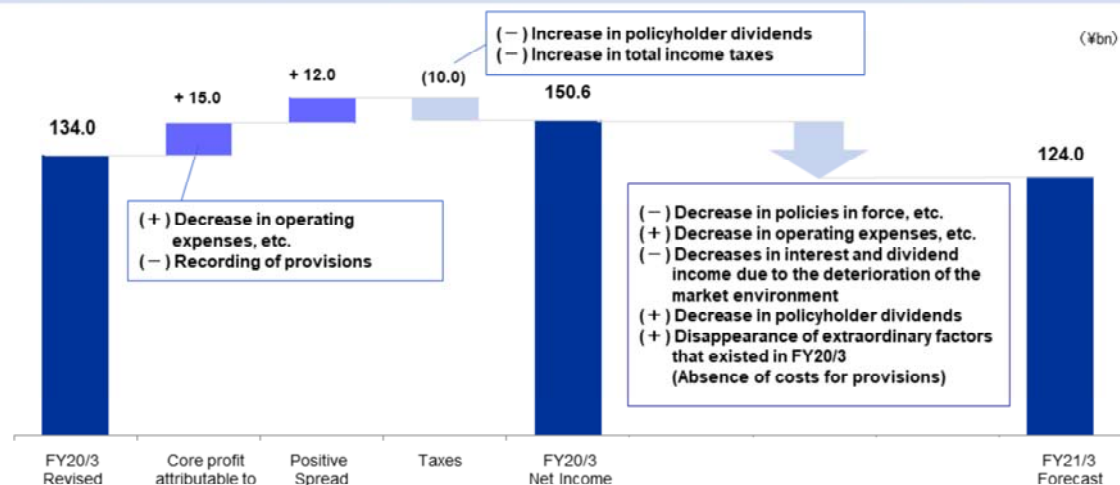
3. Total return ratio including share repurchase as mentioned in Note 2

- Finally, this slide shows our trends on Shareholder Return.
- We recognize that the distribution of profit to shareholders is an important policy of management, and distribute profits to shareholders stably, while securing management soundness.
- Specifically, we aim for stable dividends per share while considering earning prospects and financial soundness.
- As for the year-end dividend for the year ended March 31, 2020, we resolved at the meeting of the Board of Directors today to pay a year-end dividend of ¥38 per share. That means that combined with the interim dividend of ¥38, we achieved a target of the Medium-Term Management Plan, an annual dividend of ¥76 per share, ahead of schedule.
- As for the dividends for the fiscal year ending March 31, 2021, we plan to pay an ordinary dividend of ¥76 per share, in line with the dividend targeted for the final year of the Medium-Term Management Plan.
- 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.
- This concludes my explanation.

APPENDIX

Factors for changes between Financial Results in FY20/3 and Financial Forecast in FY21/3

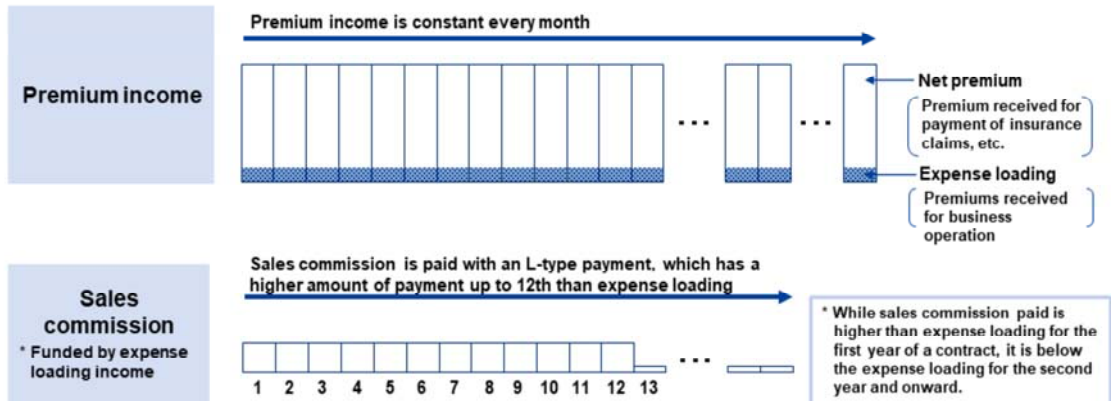
- Comparing the financial results for the current fiscal year with the revised forecasts announced on November 14, 2019, although the provisions associated with additional investigations became a factor for decrease in core profit attributable to life insurance activities, net income exceeded expectations, due to factors including a decrease in operating expenses, etc. mainly resulting from decrease in new policy sales and an increase in positive spread due to the favorable market environment until around February 2020
- The financial results forecast for the fiscal year ending March 31, 2021 decrease from the current fiscal year due to a decrease in the number of policies in force, a decrease in interest and dividend income and other factors.



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.
- One of the factors for the increase in Japan Post Insurance's profit for the FY20/3 was a decrease in operating expenses, etc. resulting from a significant decrease in new policy sales. However, this 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)>



Commissions

Sales Commissions

- Commissions are calculated based on a formula generally used in the life insurance industry, which is mainly linked to new policy sales results.
- Commissions are paid in installments over several years, and they include those paid for policies in force acquired in the period between 84 months earlier and 13 months earlier.

Comparison of FY19/3 and FY20/3

Commission for new policies acquired in the fiscal year (¥45.5bn⇒¥15.0bn)

- In FY20/3, commissions for new policies acquired in the fiscal year decreased significantly because we refrained from proactive sales proposal from mid-July 2019 and suspended business from January 2020.
- Since the commissions paid for policies in the first 12 months¹ carry greater weight, the decrease in new policies in FY20/3 will also influence the commissions in FY21/3.

Commission for new policies acquired in the period between 84 months earlier and 13 months earlier (¥100.6bn⇒¥85.8bn)

- While the commissions are paid in installments over seven years in principle, commissions are on a decreasing trend due to the decrease in the number of new policies from FY18/3.
1. From FY21/3, in order to focus on the continuation of policies, the payment for the first 12 months will be reduced while it will increase in the second year onward (the total amount of sales commissions will remain the same level).

Note: For FY21/3, the amount of commissions is expected to be ¥197.2 billion (a decrease of ¥51.5 billion year on year). The expected breakdown of the decrease is: 1) ¥49.1 billion from the impact of a decrease in policy amount; 2) ¥0.7 billion from the impact of reviewing sales commissions; and 3) ¥1.7 billion from the impact of an increase in outsourced services for maintenance commissions, and reviewing of incentive commissions.



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Maintenance Commissions

- For services outsourced to Japan Post Co., the unit price is set based on the time spent on processing, etc. assuming that the service was properly conducted at the post office.
- Comprises commission that is proportionate to the number of policies in force, the number of post offices, and other factors (basic commission), and the commission based on results (incentive commission) to encourage the achievement of targets for maintaining policies in force and follow-up activities.

Comparison of FY19/3 and FY20/3

Basic commission (¥171.4bn⇒¥116.1bn)

- In FY20/3, basic commission declined in conjunction with the launch of the contribution system (¥57.5bn).

Incentive commission² (¥40.4bn⇒¥31.7bn)

- In FY20/3, an incentive commission had been set to focus on maintaining policies in force and to thoroughly encourage follow-up activities, but incentive commissions declined because we refrained from proactive sales proposal from mid-July 2019 and suspended business from January 2020.

2. For FY21/3, we examined the concept and effects of incentive commissions. Some of them are abolished and others are integrated into the commission for the maintenance of policies in force.

Overview of Financial Statements

Statement of Income			
	(¥bn)		
	Year ended Mar-19	Year ended Mar-20	Change
Ordinary income	7,916.6	7,211.4	(705.2)
Insurance premiums and others	3,959.9	3,245.5	(714.3)
Investment income	1,204.4	1,137.7	(66.6)
Reversal of policy reserves	2,716.7	2,767.3	50.6
Ordinary expenses	7,651.7	6,924.8	(726.9)
Insurance claims and others	6,868.8	6,191.3	(677.5)
Investment expenses	146.0	124.0	(22.0)
Operating expenses etc ¹	636.8	609.4	(27.4)
Ordinary profit	264.8	286.6	21.7
Extraordinary gains and losses	17.5	39.2	21.7
Provision for reserve for policyholder dividends	111.8	109.2	(2.5)
Income before income taxes	170.6	216.6	46.0
Total income taxes	50.1	65.9	15.7
Net income attributable to Japan Post Insurance	120.4	150.6	30.2
Core profit (Non-consolidated)	377.1	400.6	23.4

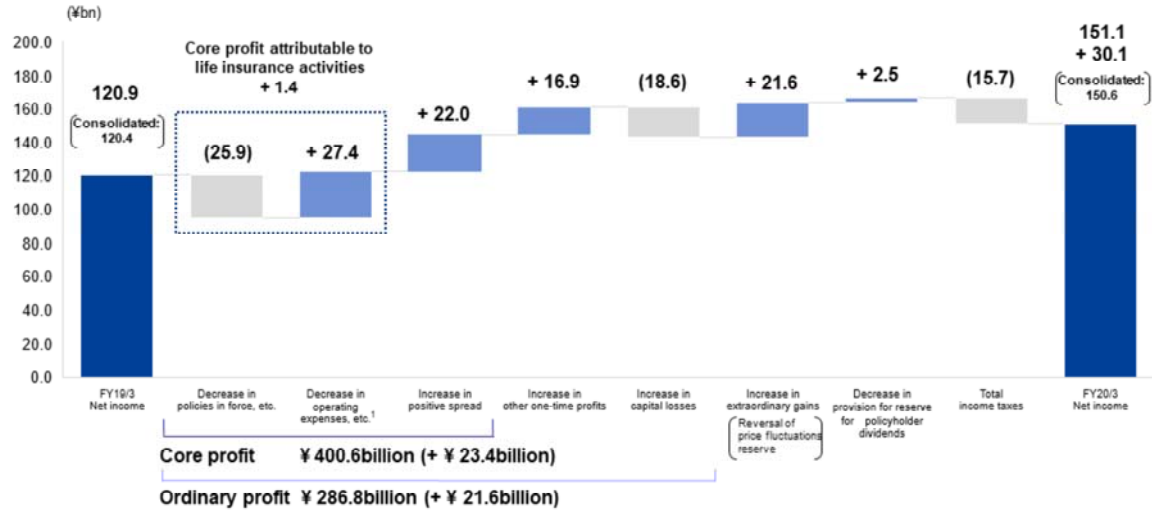
Balance Sheets			
	(¥bn)		
	Mar-19	Mar-20	Change
Total Assets	73,905.0	71,664.7	(2,240.2)
Cash and deposits	917.7	1,410.2	492.5
Money held in trust	2,787.5	3,056.0	268.5
Securities	58,451.5	55,870.5	(2,581.0)
Loans	6,786.0	5,662.7	(1,123.3)
Fixed assets ²	261.6	245.2	(16.4)
Deferred tax assets	1,022.0	1,173.7	151.6
Total Liabilities	71,769.8	69,736.4	(2,033.4)
Policy reserves	65,060.5	62,293.1	(2,767.3)
Reserve for price fluctuations	897.4	858.3	(39.1)
Net assets	2,135.1	1,928.3	(206.7)
Total shareholders' equity	1,675.1	1,661.2	(13.8)
Total accumulated other comprehensive income	460.0	267.0	(192.9)

Note: Only major line items are shown.

- Sum of Operating expenses and Other ordinary expenses
- Sum of Tangible fixed assets and Intangible fixed assets

Factors for Year on Year Changes (Non-Consolidated)

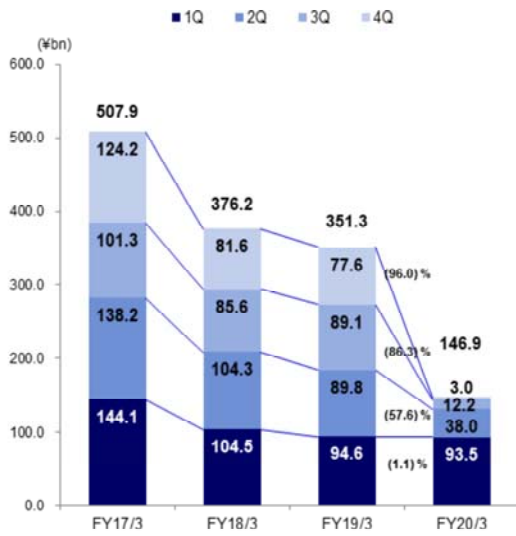
- Core profit increased from the previous fiscal year to ¥ 400.6billion thanks to a positive spread in investments in addition to core profit attributable to life insurance activities maintaining levels nearly on par as the previous fiscal year due to the decrease in operating expenses, etc., mainly as a result of the decreased new policy sales, despite the effects of the decrease in policies in force, etc.
- We continued to adopt accounting treatments to neutralize capital gains (losses) using the reserve for price fluctuations. Net income increased from the previous fiscal year to ¥ 151.1billion due to an increase in ordinary profit.



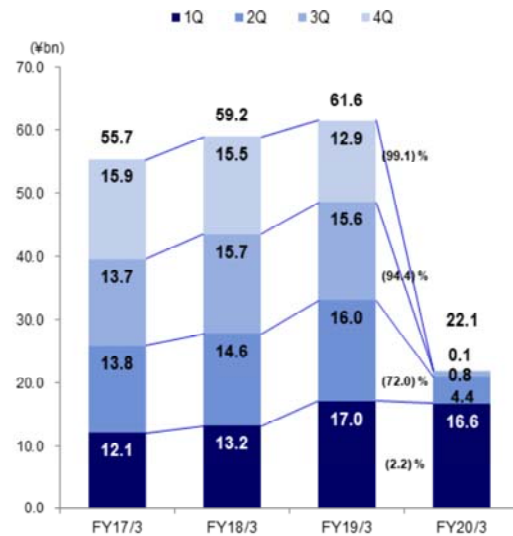
1. "Decrease in operating expenses, etc." shows the difference of figures between the year ended March 31, 2019, and the year ended March 31, 2020. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses".

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.

Note 2: The figures for the year ended March 31, 2020 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020.

Note 3: New policies are recorded based on the conclusion of contracts and commencement. Due to the adoption of the system of designating the date of the commencement, etc., new policies include those applied for in the previous quarter.

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

Interest, Dividends and Other Income		
	(¥bn)	
	Year ended Mar-19	Year ended Mar-20
Investment income	1,204.4	1,137.7
Interest, dividends and other income	1,085.9	1,049.8
Interest on deposits	0.0	0.0
Interest and dividends on securities	941.3	924.0
Interest on corporate and government bonds	793.6	762.0
Domestic stock dividends	5.8	7.6
Interest and dividends on foreign securities	131.4	129.7
others	10.3	24.6
Interest on loans	14.1	14.6
Interest on loans to the Management Organization	124.0	105.8
Rent revenue from real estate	-	-
Interest and dividends on others	6.3	5.1

Breakdown of Capital gains(losses)		
	(¥bn)	
	Year ended Mar-19	Year ended Mar-20
Capital gains	117.8	87.2
Gains on money held in trust	78.9	51.5
Gains on sales of securities	38.9	35.6
Gains on derivative financial instruments	-	-
Gains on foreign exchanges	-	-
Other capital gains	-	-
Capital losses	(201.6)	(189.6)
Losses on money held in trust	-	-
Losses on sales of securities	(62.2)	(32.0)
Losses on valuation of securities	-	(2.6)
Losses on derivative financial instruments	(73.3)	(74.7)
Losses on foreign exchanges	(1.1)	(2.0)
Other capital losses ¹	(64.8)	(78.0)
Net Capital gains(losses)	(83.7)	(102.4)

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

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

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

(¥bn)

	FY16/3		FY17/3		FY18/3		FY19/3		FY20/3	
	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life
Ordinary income ¹	4,431.7	8,039.6	4,464.2	6,889.2	3,938.8	5,489.2	3,814.7	4,374.4	3,582.6	3,658.6
Insurance premiums and others	4,091.5	1,322.3	4,039.0	1,002.8	3,481.2	755.2	3,369.5	590.3	2,786.3	459.1
Investment income ¹	337.6	1,017.3	422.8	945.0	454.6	830.3	440.1	764.3	441.2	696.5
Other ordinary income ¹	2.5	6,700.0	2.3	4,941.3	3.0	3,903.7	4.9	3,019.8	354.9	2,503.0
Ordinary expenses ¹	4,276.8	7,781.6	4,370.1	6,704.0	3,767.1	5,352.2	3,663.5	4,260.4	3,388.2	3,566.1
Insurance claims and others	1,031.6	7,518.7	1,136.5	6,413.7	1,765.6	5,124.3	2,837.9	4,030.9	2,842.0	3,349.3
Provision for policy reserves and others ¹	2,865.7	-	2,694.0	-	1,474.7	-	272.5	-	29.9	-
Investment expenses ¹	3.8	5.8	103.8	56.5	78.5	27.9	99.1	46.8	85.7	38.2
Operating expenses	318.0	219.0	366.5	193.6	372.8	159.9	376.2	142.1	336.3	135.8
Other ordinary expenses	57.4	37.9	69.0	40.0	75.2	39.8	77.7	40.4	94.2	42.7
Ordinary profit	154.9	258.0	94.0	185.2	171.7	137.0	151.1	113.9	194.3	92.4
Extraordinary gains and losses ²	(62.4)	(8.9)	5.7	(12.6)	(27.2)	(17.0)	13.8	3.6	9.3	29.8
Provision for reserve for policyholder dividends	7.5	170.4	15.6	137.0	21.6	96.1	19.6	92.1	15.4	93.7
Income before income taxes	84.9	78.6	84.2	35.5	122.9	23.8	145.3	25.5	188.2	28.5
Total income taxes	31.4	45.7	21.7	9.5	35.4	6.9	41.1	8.7	54.9	10.7
Net income	53.4	32.8	62.4	26.0	87.4	16.8	104.1	16.7	133.3	17.8

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

1. Adjusted if the resulting number for the new category is negative when the Postal Life Insurance category is subtracted from Japan Post Insurance as a whole.
(E.g.: FY20/3, ¥29.5 billion was added to "Reversal of reserve for outstanding claims," under "Other ordinary income," and to "Provision for policy reserves and others," under "Ordinary expenses")

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

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

		FY16/3	FY17/3	FY18/3	FY19/3	FY20/3
Total assets	¥mn	81,543,623	80,336,414	76,832,508	73,904,576	71,667,398
Postal Life Insurance category		55,832,787	51,447,550	46,684,937	41,354,076	39,225,493
New category		25,710,836	28,888,864	30,147,570	32,550,500	32,441,904
Number of policies in force	(000)	32,323	31,562	30,405	29,143	27,070
Postal Life Insurance category (insurance)		16,972	14,411	12,484	11,048	9,907
New category (individual insurance)		15,350	17,150	17,921	18,095	17,163
Insurance premiums and others	¥mn	5,413,862	5,041,868	4,236,461	3,959,928	3,245,541
Postal Life Insurance category		1,322,308	1,002,816	755,221	590,340	459,151
New category		4,091,554	4,039,051	3,481,240	3,369,588	2,786,389
Ordinary profit	¥mn	413,023	279,347	308,845	265,143	286,829
Postal Life Insurance category		258,059	185,250	137,074	113,981	92,490
New category		154,963	94,097	171,771	151,162	194,338
Net income	¥mn	86,338	88,520	104,309	120,958	151,132
Postal Life Insurance category		32,850	26,044	16,878	16,763	17,806
New category		53,487	62,475	87,430	104,195	133,325
Contingency reserve (reversal) provision	¥mn	(123,864)	(120,819)	(139,678)	(151,592)	(165,388)
Postal Life Insurance category		(171,199)	(172,881)	(173,722)	(173,590)	(170,814)
New category		47,335	52,061	34,043	21,997	5,425
Price fluctuations reserve (reversal) provision	¥mn	70,100	6,444	128,031	(19,251)	(39,152)
Postal Life Insurance category		8,957	12,625	17,090	(3,686)	(29,845)
New category		61,143	(6,181)	110,940	(15,564)	(9,306)
Additional policy reserve (reversal) provision	¥mn	(55,533)	(50,454)	(30,648)	(50,292)	(49,750)
Postal Life Insurance category		(55,533)	(50,454)	(47,674)	(46,698)	(46,396)
New category		-	-	17,025	(3,594)	(3,354)

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

Key Financial Indicators

(¥bn)

	FY16/3	FY17/3	FY18/3	FY19/3	FY20/3
Insurance premiums and others	5,413.8	5,041.8	4,236.4	3,959.9	3,245.5
Ordinary profit	411.5	279.7	309.2	264.8	286.6
Provision for reserve for policyholder dividends	178.0	152.6	117.7	111.8	109.2
Net income	84.8	88.5	104.4	120.4	150.6
Net assets	1,882.9	1,853.2	2,003.1	2,135.1	1,928.3
Total assets	81,545.1	80,336.7	76,831.2	73,905.0	71,664.7
Return on equity	4.4 %	4.7 %	5.4 %	5.8 %	7.4 %
Return on shareholders' equity	5.9 %	5.9 %	6.7 %	7.4 %	9.0 %
Dividends to shareholders	33.6	36.0	40.8	43.2	42.7
Total Return Ratio ¹	39.6 %	40.6 %	39.0 %	118.9 %	28.4 %
Core profit (Non-consolidated)	464.2	390.0	386.1	377.1	400.6
Core profit attributable to life insurance activities	366.8	311.4	320.3	318.7	320.1
Spread (positive/negative spread)	97.4	78.5	65.8	58.4	80.4

1. The figure for FY19/3 represents the total return ratio including share repurchase (approximately ¥100.0billion) in April 2019.

<Points of Attention Regarding EV>

With regard to EV as of the end of March 2020, we plan to disclose it on May 25, 2020, after obtaining third party opinions. At that time, we also plan to disclose EV as of June 30, September 30 and December 31, 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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