

Outline of Financial Results for the Six Months Ended September 30, 2021

November 12, 2021



Summary of Financial Results

	6 months ended Sep-21	Year on Year
Ordinary Profit	¥ 183.8bn	¥ 21.1bn + 13.0 %
Net income	¥ 80.5bn	¥ (13.1)bn (14.0) %
Annualized premiums from New policies	(Individual Insurance) ¥ 22.9bn	¥ 7.8bn + 52.2 %
	(Medical Care) ¥ 1.0bn	¥ 0.3bn + 46.0 %
Annualized premiums from Policies in Force	(Individual Insurance) ¥ 3,713.7bn	¥ (184.4)bn (4.7) %
	(Medical Care) ¥ 647.4bn	¥ (21.6)bn (3.2) %
EV	¥ 3,791.4bn	¥ (234.7)bn (5.8) %

【Financial Highlights】 (Ref.P3)

- Ordinary profit increased 13.0% year on year due to an improvement in capital losses, despite a decrease in core profit as a result of a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc.
- Capital gains are offset by the price fluctuation reserves. Thus, net income for the current period decreased 14.0 % year on year.

【Policy Sales】 (Ref.P4)

- Annualized premiums from new policies for individual insurance in FY22/3 2Q increased 52.2% year on year, but it was an 87.6% decrease from FY19/3 2Q, a period before the solicitation quality issues surfaced.

【Embedded Value】 (Ref.P10)

- EV decreased by 5.8% from the end of the previous fiscal year, mainly due to the decreases in net assets resulting from the acquisition of treasury stock worth ¥ 358.8billion in May 2021.

Financial Results for the Six Months Ended September 30, 2021 (Year on Year)

Statement of Income

	6months ended Sep-20	6months ended Sep-21	Change	(¥bn) (Reference) Year ended Mar-21
Ordinary income	3,385.3	3,226.1	(159.2)	6,786.2
Insurance premiums and others	1,417.8	1,274.8	(142.9)	2,697.9
Investment income	520.3	561.3	41.0	1,121.6
Reversal of policy reserves	1,389.6	1,376.8	(12.8)	2,895.4
Ordinary expenses	3,222.6	3,042.2	(180.3)	6,440.4
Insurance claims and others	2,930.2	2,779.7	(150.5)	5,866.0
Investment expenses	45.6	19.0	(26.6)	70.8
Operating expenses etc ¹	246.7	243.4	(3.2)	503.5
Ordinary profit	162.7	183.8	21.1	345.7
Extraordinary gains and losses	27.4	(35.8)	(63.2)	(46.7)
Reversal of reserve for price fluctuations	27.4	(35.5)	(63.0)	(46.4)
Provision for reserve for policyholder dividends	47.2	36.0	(11.2)	65.4
Total income taxes	49.1	31.5	(17.6)	67.4
Net income attributable to Japan Post Insurance	93.6	80.5	(13.1)	166.1

Note: Only major line items are shown.

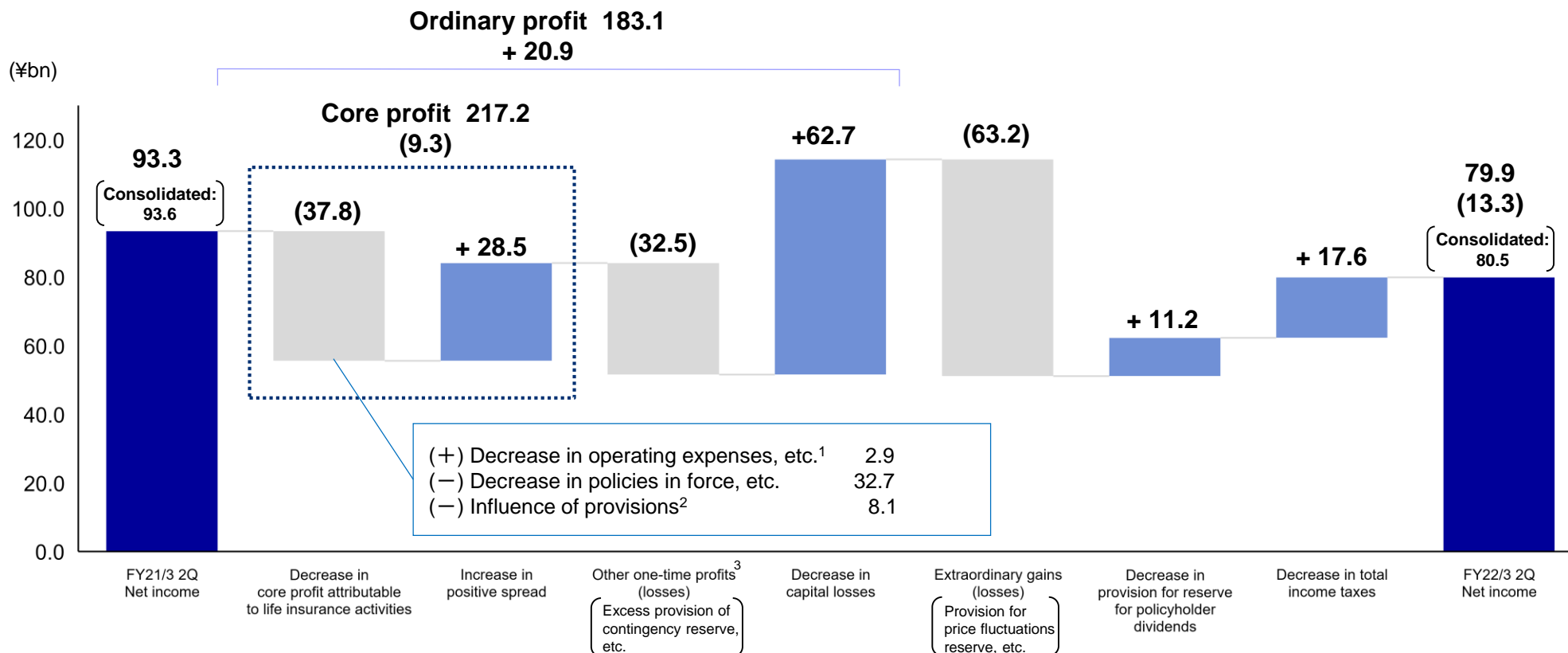
1. Sum of Operating expenses and Other ordinary expenses

Details of Ordinary Profit (Non-Consolidated)

	6months ended Sep-20	6months ended Sep-21	Change	(¥bn) (Reference) Year ended Mar-21
Core profit	226.5	217.2	(9.3)	421.9
Core profit attributable to life insurance activities	196.4	158.5	(37.8)	345.6
Positive spread	30.1	58.6	28.5	76.3
Net capital gains (losses)	(59.0)	3.6	62.7	(17.1)
Other one-time profits (losses)	(5.2)	(37.8)	(32.5)	(59.8)
Ordinary profit	162.2	183.1	20.9	345.0

Factors for Year on Year Changes (Non-Consolidated)

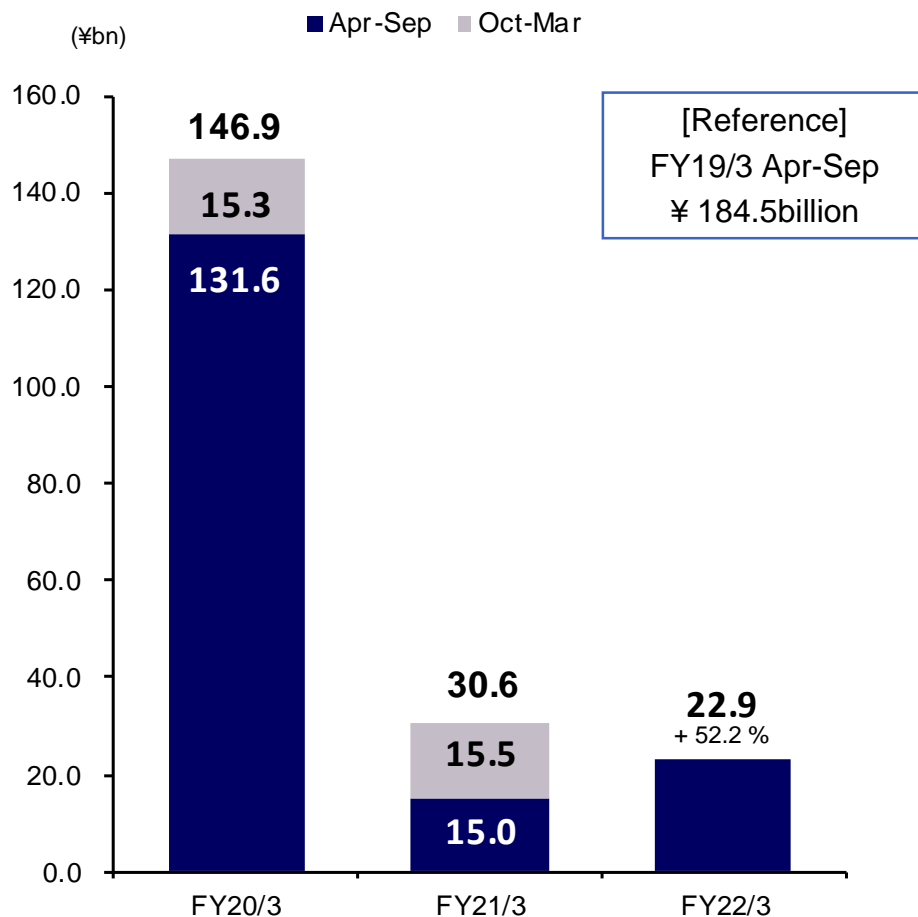
- Although positive spread increased, core profit fell below year on year to ¥ 217.2billion due to a decrease in core profit attributable to life insurance activities reflecting a decline in policies in force, etc.
- Regarding capital gains or losses, we continued to adopt accounting treatments to provide or to reverse the price fluctuation reserves corresponding to the gain or loss amount. Net income decreased year on year to ¥79.9billion due to a decrease in core profit and an increase in other one-time losses caused by excess provision for contingency reserves.



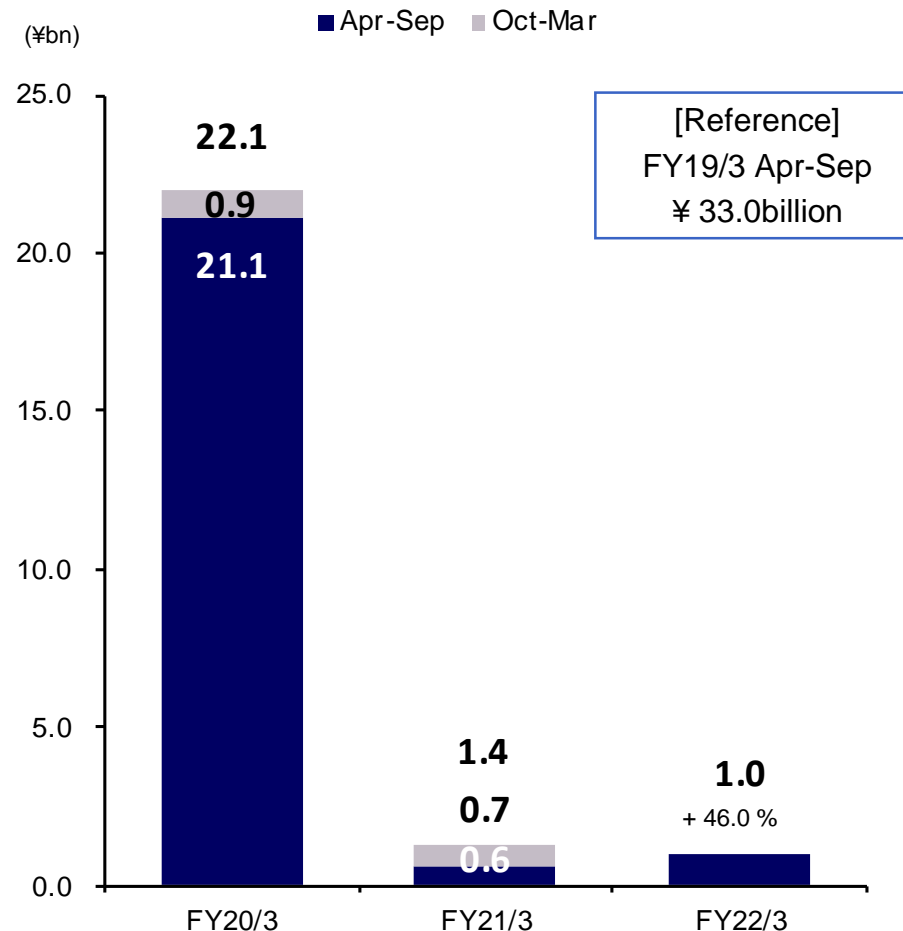
1. "Decrease in operating expenses, etc." shows the difference of figures between FY21/3 2Q and FY22/3 2Q. This figure is calculated by adding up "Operating expenses" and "Other ordinary expenses". However, the impact of reserve for insurance claims and others, etc. have been adjusted through the item "Influence of provisions".
2. Influence of reversal of reserve or provision for reserve for insurance claims and others, etc. on core profit attributable to life insurance activities based on the results of the policy investigations, etc. and actual policy reinstatement. This includes the impact of reserve for insurance claims and others, etc. in FY21/3. (FY22/3 2Q: ¥ (2.0)billion, FY21/3 2Q: ¥ 6.0billion)
3. For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March 2021 onward.

Policy Sales [Annualized Premiums from New Policies]

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)

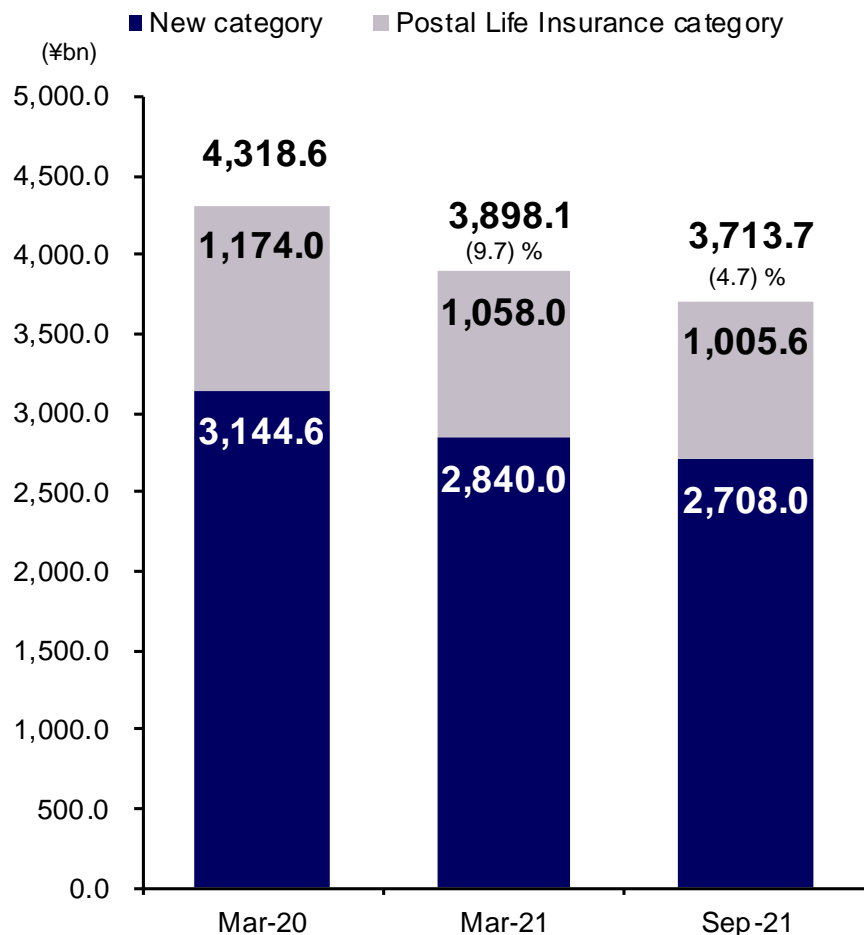


Note1 : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium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

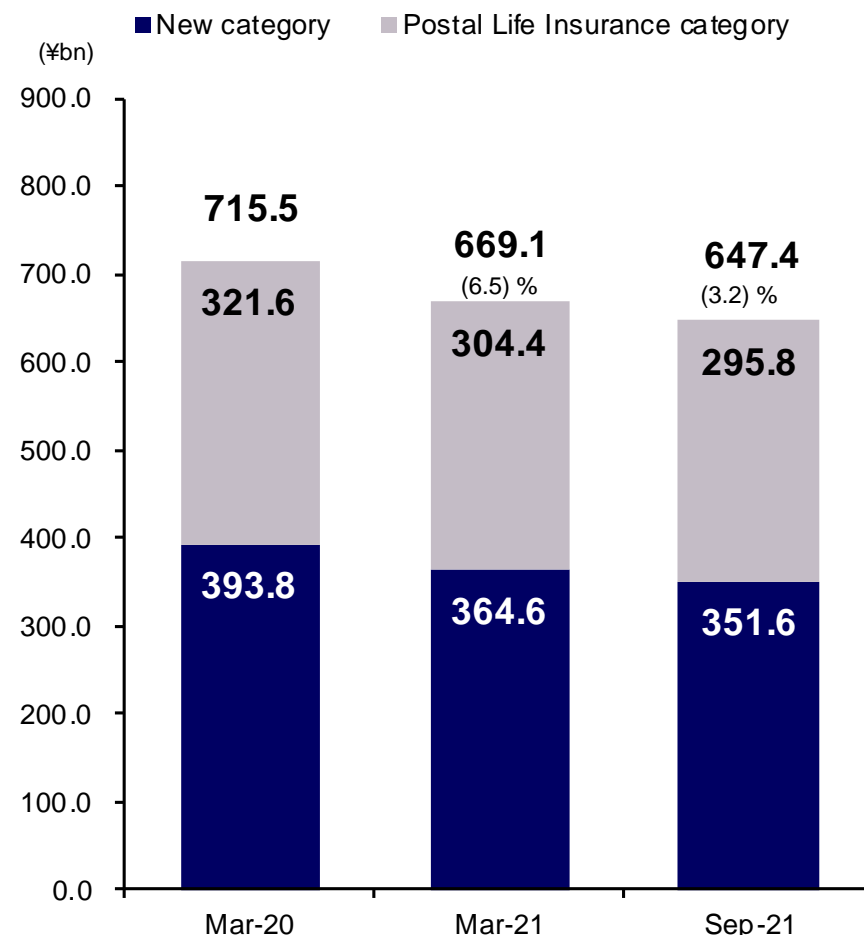
Note2 : The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Policy Sales [Annualized Premiums from Policies in Force]

Annualized Premiums from Policies in Force (Individual Insurance)



Annualized Premiums from Policies in Force (Medical Care)



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 Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Investments [Asset Portfolio]

Asset Portfolio

(¥bn)

	Mar-21		Sep-21		Change
	Amount	Share	Amount	Share	
Bonds	48,088.2	68.5 %	47,487.8	69.5 %	(600.3)
Japanese government bonds	37,345.6	53.2 %	37,411.1	54.7 %	65.4
Japanese local government bonds	5,583.9	8.0 %	5,064.7	7.4 %	(519.2)
Japanese corporate bonds	5,158.5	7.4 %	5,011.9	7.3 %	(146.5)
Return seeking assets ¹	11,181.2	15.9 %	11,386.8	16.7 %	205.6
Domestic stocks ²	2,514.2	3.6 %	2,634.9	3.9 %	120.6
Foreign stocks ²	489.5	0.7 %	526.7	0.8 %	37.2
Foreign bonds ²	6,606.7	9.4 %	6,590.1	9.6 %	(16.5)
Other ³	1,570.6	2.2 %	1,634.9	2.4 %	64.3
Loans	4,964.0	7.1 %	4,596.2	6.7 %	(367.7)
Others	5,939.4	8.5 %	4,872.4	7.1 %	(1,066.9)
Cash and deposits, call loans	1,465.0	2.1 %	1,303.7	1.9 %	(161.2)
Receivables under resale agreements	-	-	1,844.4	2.7 %	1,844.4
Receivables under securities borrowing transactions	2,585.0	3.7 %	-	-	(2,585.0)
Total assets	70,172.9	100.0 %	68,343.4	100.0 %	(1,829.4)

- 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” , “real estate fund” , “private equity” and “infrastructure equity” etc.

Spread and Investment Yield

(¥bn)

	6months ended Sep-20	6months ended Sep-21	(Reference) Year ended Mar-21
Positive spread	30.1	58.6	76.3
Average assumed rates of return ¹	1.69 %	1.69 %	1.69 %
Investment return on core profit ²	1.79 %	1.89 %	1.82 %
Net capital gains (losses)	(59.0)	3.6	(17.1)

- Average assumed rates of return are the assumed return on general account policy reserves.
- Investment return on core profit is the return with respect to earned policy reserves.

Investments [Fair Value Information of Securities]

Fair Value Information of Securities

(¥bn)

	Mar-21			Sep-21			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	58,285.3	65,666.2	7,380.9	57,402.7	64,884.6	7,481.9	(882.5)	(781.6)	100.9
Held-to-maturity bonds	35,327.9	40,512.9	5,184.9	34,885.2	40,000.1	5,114.8	(442.6)	(512.7)	(70.0)
Policy-reserve-matching bonds	9,382.4	10,158.5	776.1	9,268.6	10,020.7	752.0	(113.7)	(137.8)	(24.0)
Available-for-sale securities	13,574.8	14,994.7	1,419.8	13,248.7	14,863.7	1,614.9	(326.1)	(131.0)	195.1
Securities etc.	10,798.1	11,297.8	499.7	10,485.8	11,040.3	554.4	(312.3)	(257.5)	54.7
Bonds	3,519.1	3,554.0	34.8	3,467.6	3,510.5	42.8	(51.5)	(43.5)	8.0
Domestic stocks	322.8	398.8	76.0	330.0	417.9	87.8	7.2	19.1	11.8
Foreign securities	4,290.1	4,632.3	342.2	4,264.3	4,598.1	333.7	(25.7)	(34.2)	(8.4)
Other securities	1,910.8	1,955.8	44.9	1,869.3	1,957.8	88.4	(41.4)	2.0	43.4
Deposits etc.	755.1	756.7	1.5	554.3	555.8	1.4	(200.8)	(200.9)	(0.1)
Money held in trust	2,776.7	3,696.9	920.1	2,762.9	3,823.4	1,060.5	(13.8)	126.5	140.3
Domestic stocks ¹	1,431.5	2,115.4	683.9	1,455.7	2,216.9	761.2	24.2	101.5	77.2
Foreign stocks ¹	303.3	489.5	186.1	306.5	526.7	220.1	3.2	37.2	34.0
Foreign bonds ¹	742.7	779.9	37.2	696.3	759.8	63.5	(46.3)	(20.1)	26.2
Other ²	299.1	311.9	12.8	304.1	319.8	15.6	5.0	7.8	2.7

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"

Expenses

Expenses

(¥bn)

	6months ended Sep-20	6months ended Sep-21	Change	(Reference) Year ended Mar-21
Operating expenses	196.2	192.2	(3.9)	403.0
Commissions ¹	95.3	92.9	(2.3)	198.1
Sales Commissions	24.5	19.6	(4.8)	42.2
Maintenance Commissions	70.7	73.3	2.5	155.8
Contributions ²	28.0	27.0	(1.0)	56.0
Others	72.8	72.2	(0.5)	148.8
Other ordinary expenses	50.5	51.1	0.6	100.4
Depreciation and amortization	30.4	30.0	(0.4)	59.3
Operating expenses etc	246.7	243.4	(3.2)	503.5

1. Commissions paid to Japan Post Co.

2. Contributions paid to Organization for Postal Savings, Postal Life Insurance and Post Office Network based on the related law

Financial Soundness

Internal Reserves

	Mar-21	Sep-21	(¥bn)
Contingency reserve	1,611.3	1,649.1	37.8
Postal Life Insurance category ¹	1,129.6	1,164.4	34.7
New category	481.6	484.7	3.0
Price fluctuations reserve	904.8	940.3	35.5
Postal Life Insurance category	655.1	667.0	11.9
New category	249.7	273.3	23.6
Additional policy reserve	5,858.0	5,740.5	(117.4)
Postal Life Insurance category ¹	5,850.8	5,734.6	(116.2)
New category	7.1	5.9	(1.2)

Solvency Margin Ratio

	Mar-21	Sep-21	(¥bn)
Solvency Margin Ratio	1,121.2 %	1,090.3 %	
Total amount of solvency margin	6,216.2	6,136.0	
Total amount of risk	1,108.7	1,125.5	

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.

- For the Postal Life Insurance category, the Company accumulated additional policy reserves which were funded by contingency reserves at the end of March, 2021. With this operation, the Company also provided excess provision for contingency reserves in order to restore the level of them from the end of March, 2021 onward.

Embedded Value

Breakdown of EV

	Mar-21	Sep-21 ¹	Change
EV	4,026.2	3,791.4	(234.7) ((5.8) %)
Adjusted net worth	2,376.8	2,079.2	(297.6) ((12.5) %)
Value of in- force covered business	1,649.3	1,712.2	+ 62.8 (+ 3.8 %)

(¥bn)

Value of New Business

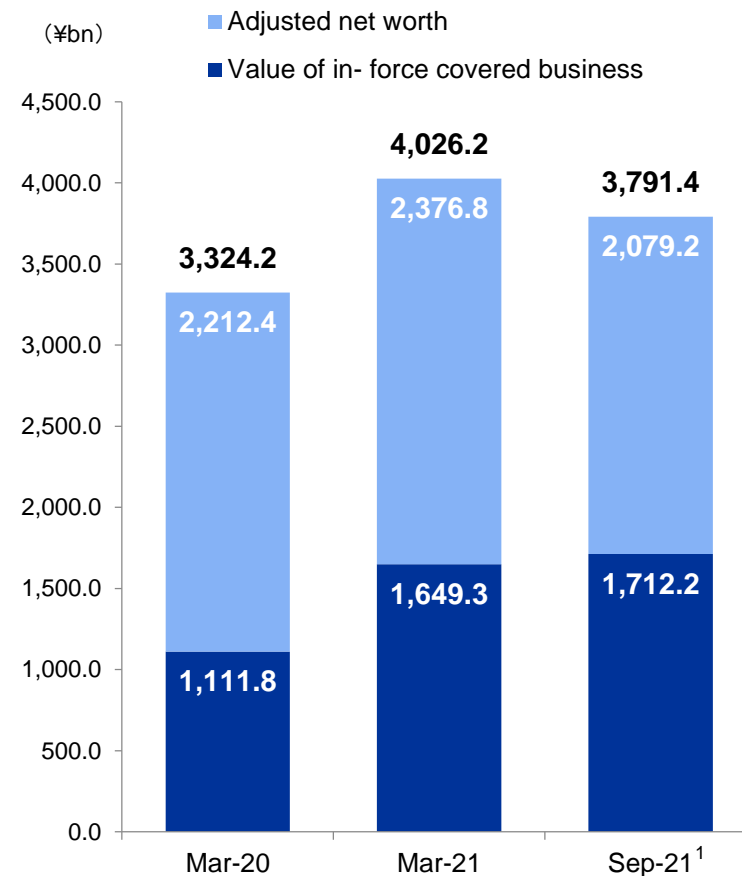
Value of new business as of 6 months ended Sep-21^{1,2} ¥ (5.2)bn

New business margin as of 6 months ended Sep-21^{1,2,3} (3.0) %

- 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.

1. Provisional calculations that have not been verified by a third party.
2. Using the economic assumptions as of June 30, 2021, based on the new policies written in the period from April 2021 to September 2021. The value of new business includes the increase or decrease due to conditional cancellation and conversion.
3. The value of new business divided by the present value of future premium income

EV



The Forecasts for Full-year Financial Results for the Year Ending March 31, 2022

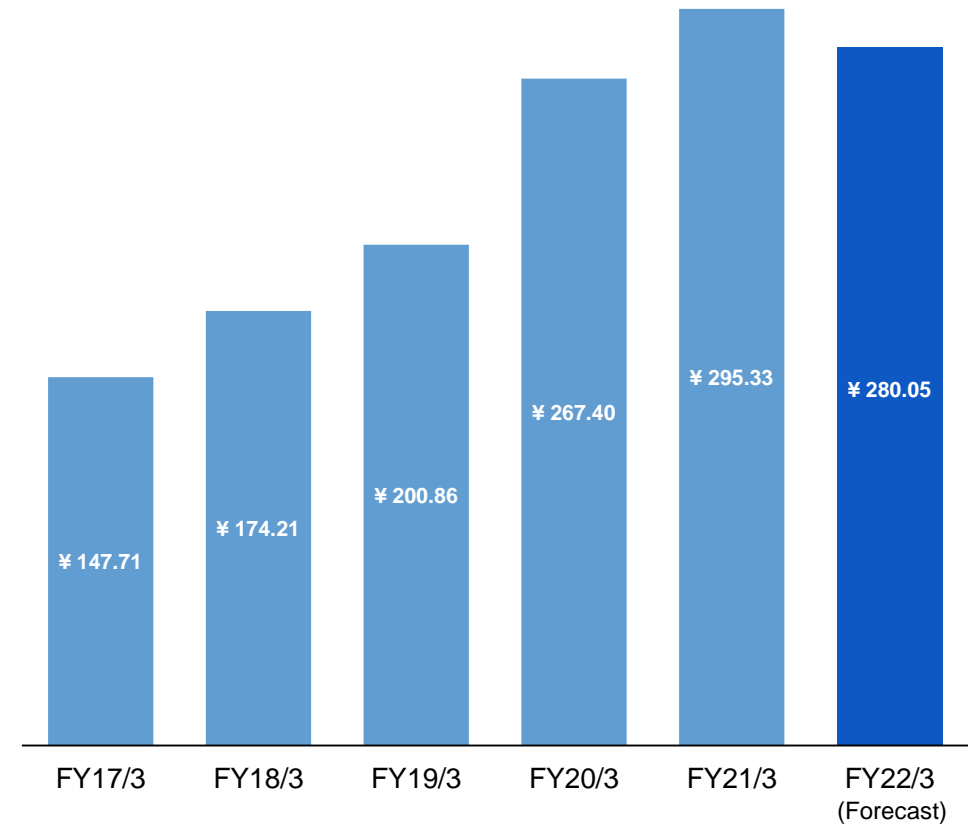
Full-year Financial Results Forecast

(¥bn)

	Year ending Mar-22 (forecasts)	6months ended Sep-21	Achievement
Ordinary income	6,380.0	3,226.1	50.6 %
Ordinary profit	290.0	183.8	63.4 %
Net income ¹	118.0	80.5	68.3 %

Net income per share	¥ 280.05	¥ 181.84
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Earnings Per Share



Previous
Med-Term Management Plan

Current
Med-Term
Management Plan

1. Net income attributable to Japan Post Insurance

Shareholder Return

Dividend Policy during the period of the current Medium-term Management Plan

- The Company in principle aims not to decrease but to increase dividend per share for the period of the Medium-term Management Plan up to FY2025, while considering earning prospects and financial soundness

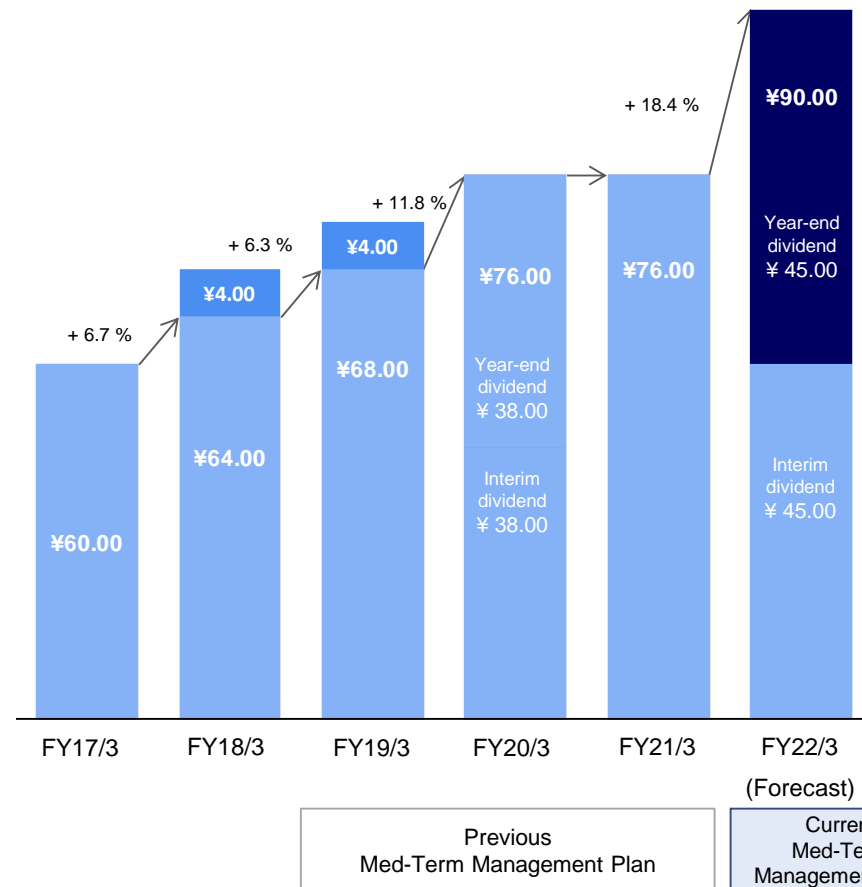
Shareholder Return for the Year Ended March 31, 2022

- An annual dividend for the fiscal year ending March 31, 2022 is scheduled to be ¥ 90 per share
- The Company plans to provide cash dividends twice a year as the interim dividends and the year-end dividends

Shareholder Return

(Payout Ratio)

40.6 % 39.0 % 35.8 % 28.4 % 25.7 % (Forecast) 32.1 %



APPENDIX

Overview of Balance Sheets

Overview of Balance Sheets

(¥bn)

	Mar-21	Sep-21	Change
Total Assets	70,172.9	68,343.4	(1,829.4)
Cash and deposits	1,335.0	1,213.7	(121.2)
Money held in trust	4,189.2	4,403.9	214.6
Securities	55,273.6	54,664.7	(608.8)
Loans	4,964.0	4,596.2	(367.7)
Tangible fixed assets	105.3	103.1	(2.2)
Intangible fixed assets	113.4	99.6	(13.7)
Deferred tax assets	904.1	868.7	(35.3)

	Mar-21	Sep-21	Change
Total Liabilities	67,331.5	65,679.1	(1,652.3)
Policy reserves	59,397.7	58,020.8	(1,376.8)
Contingency reserve	1,611.3	1,649.1	37.8
Additional policy reserve	5,858.0	5,740.5	(117.4)
Bonds payable	300.0	300.0	-
Reserve for price fluctuations	904.8	940.3	35.5
Net assets	2,841.4	2,664.3	(177.1)
Total shareholders' equity	1,806.0	1,484.9	(321.0)
Capital stock	500.0	500.0	-
Capital surplus	405.0	405.0	-
Retained earnings	901.3	580.2	(321.1)
Treasury stock ¹	(0.3)	(0.3)	0.0
Total accumulated other comprehensive income	1,035.4	1,179.3	143.9

Note: Only major line items are shown.

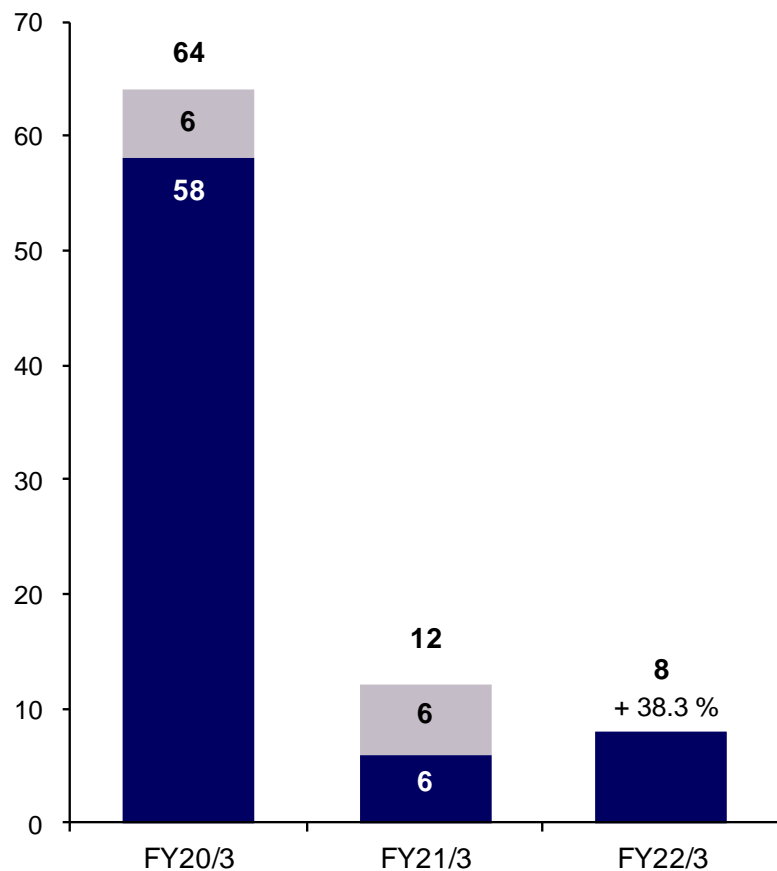
1. The Company's has cancelled its treasury stock on August 20, 2021

Policy Sales

Number of New Policies (Individual Insurance)

(10 thousands)

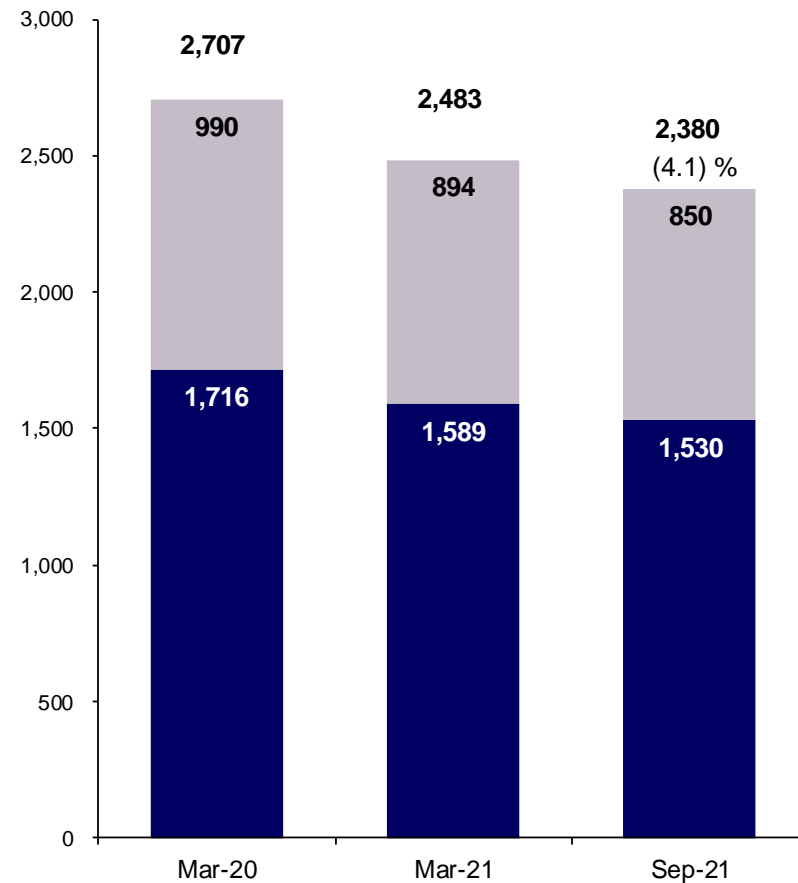
■ Apr-Sep ■ Oct-Mar



Number of Policies in Force (Individual Insurance)

(10 thousands)

■ New category ■ Postal Life Insurance category



Note1 : 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.

Note2 : "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 Organization for Postal Savings, Postal Life Insurance and Post Office Network.

Breakdown of Policies

Breakdown of New Policies

(10 thousands)

	6months ended Sep-20		6months ended Sep-21	
	Number of policies	Share	Number of policies	Share
Individual insurance	6	100.0 %	8	100.0 %
Endowment insurance	4	73.9 %	6	77.7 %
Ordinary endowment insurance	3	54.9 %	4	58.0 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	0	1.3 %	0	1.4 %
Special endowment insurance ¹	1	17.7 %	1	18.3 %
Whole life insurance	0	9.4 %	0	9.9 %
Ordinary whole life insurance (Fixed amount type)	0	2.1 %	0	2.2 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	0	0.5 %	0	0.6 %
Ordinary whole life insurance (Increased amount type)	0	5.4 %	0	5.3 %
Special whole life insurance	0	1.5 %	0	1.8 %
Educational endowment insurance	0	16.5 %	0	11.6 %
Other insurance	0	0.1 %	0	0.8 %

Note1 : Only major products are shown.

Note2 : The figures for FY21/3 include the influence by refraining from proactive sales proposal.

1. Increased amount type endowment insurance

Breakdown of Policies in Force

(10 thousands)

	Mar-21		Sep-21	
	Number of policies	Share	Number of policies	Share
Individual insurance	2,483	100.0 %	2,380	100.0 %
Endowment insurance	906	36.5 %	843	35.4 %
Ordinary endowment insurance	582	23.5 %	544	22.9 %
Ordinary endowment insurance (with a relaxed underwriting criteria)	3	0.1 %	3	0.1 %
Special endowment insurance ¹	318	12.8 %	294	12.4 %
Whole life insurance	1,206	48.6 %	1,181	49.6 %
Ordinary whole life insurance (Fixed amount type)	372	15.0 %	363	15.3 %
Ordinary whole life insurance (with a relaxed underwriting criteria)	5	0.2 %	5	0.2 %
Ordinary whole life insurance (Increased amount type)	262	10.6 %	257	10.8 %
Special whole life insurance	565	22.8 %	555	23.3 %
Educational endowment insurance	357	14.4 %	342	14.4 %
Other insurance	12	0.5 %	12	0.5 %

Quarterly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)

(¥bn)

	FY19/3	FY20/3	FY21/3	FY22/3	
1Q	94.6	93.5	6.0	11.6	+ 93.0 %
2Q	89.8	38.0	9.0	11.2	+ 24.7 %
3Q	89.1	12.2	7.2	—	
4Q	77.6	3.0	8.3	—	
Total	351.3	146.9	30.6	22.9	+ 52.2 %

Annualized Premiums from New Policies (Medical Care)

(¥bn)

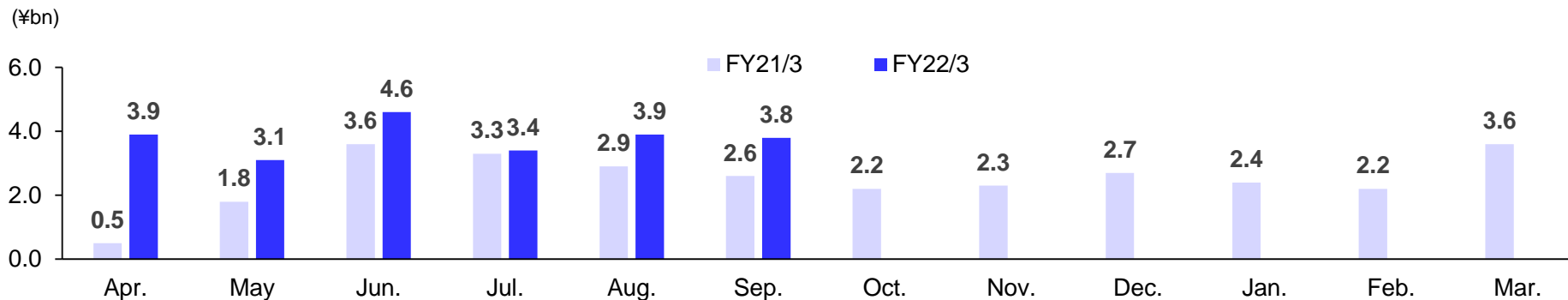
	FY19/3	FY20/3	FY21/3	FY22/3	
1Q	17.0	16.6	0.2	0.4	+ 72.8 %
2Q	16.0	4.4	0.4	0.5	+ 27.3 %
3Q	15.6	0.8	0.3	—	
4Q	12.9	0.1	0.4	—	
Total	61.6	22.1	1.4	1.0	+ 46.0 %

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.

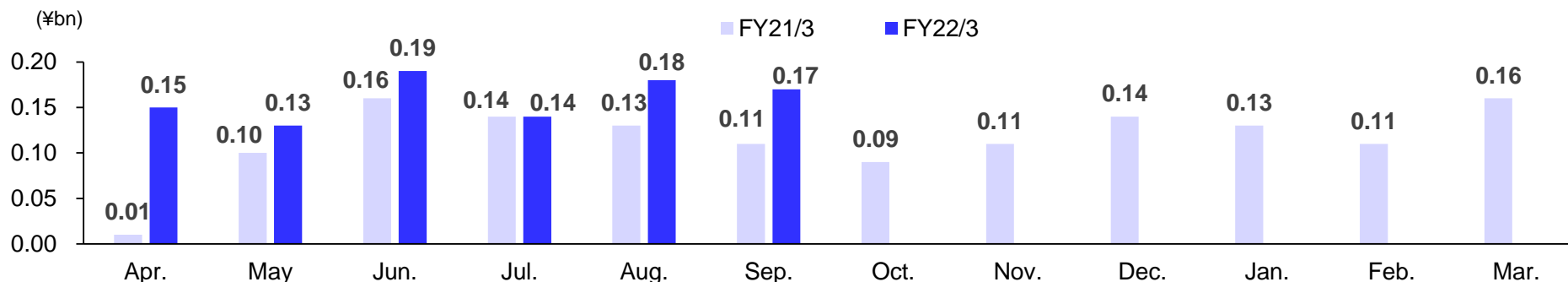
Note2: The figures for FY20/3 and FY21/3 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January 2020 to March 2020.

Monthly Change of Annualized Premiums from New Policies

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from New Policies (Medical Care)



Medical Care¹ Ratio to Annualized Premiums from New Policies (Individual Insurance)

	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
FY21/3	2.3 %	5.7 %	4.5 %	4.4 %	4.7 %	4.5 %	4.3 %	5.1 %	5.3 %	5.6 %	4.9 %	4.7 %
FY22/3	3.9 %	4.4 %	4.3 %	4.3 %	4.8 %	4.6 %	—	—	—	—	—	—

Note: The figures for FY21/3 include the influence by refraining from proactive sales proposal

1. Only for the premiums for medical care related to individual insurance

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

Interest, Dividends and Other Income

	6months ended Sep-20	6months ended Sep-21	(Reference) Year ended Mar-21
			(¥bn)
Investment income	520.3	561.3	1,121.6
Interest, dividends and other income	506.6	497.8	1,004.6
Interest on deposits	0.0	0.0	0.0
Interest and dividends on securities	451.5	450.6	898.4
Interest on corporate and government bonds	367.7	359.9	733.2
Domestic stock dividends	3.6	4.8	8.2
Interest and dividends on foreign securities	57.7	64.6	115.8
Others	22.3	21.1	41.0
Interest on loans	6.7	6.9	13.3
Interest on loans to the Management Organization	45.3	38.1	86.9
Rent revenue from real estate	-	-	-
Interest and dividends on others	2.9	2.1	5.9

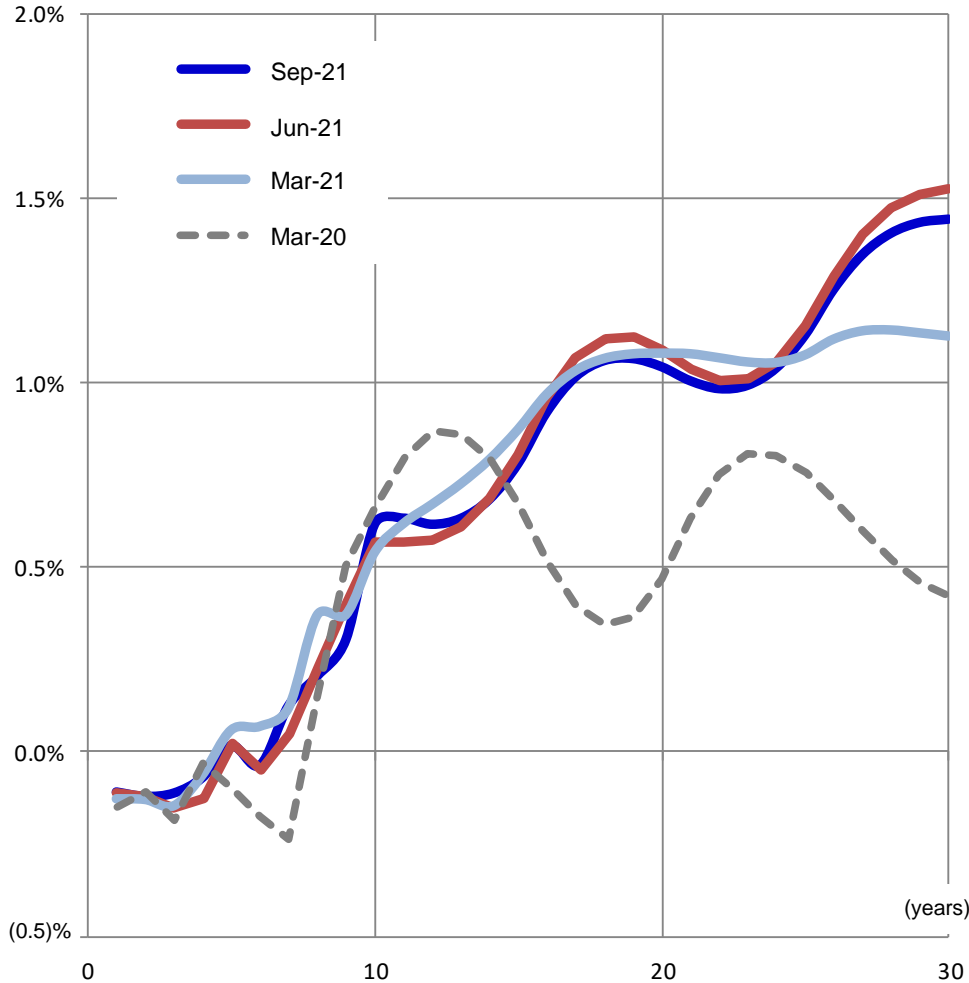
Capital gains(losses)

	6months ended Sep-20	6months ended Sep-21	(Reference) Year ended Mar-21
			(¥bn)
Capital gains	13.0	63.0	115.7
Gains on money held in trust	-	57.4	87.5
Gains on sales of securities	10.4	4.3	20.4
Gains on derivative financial instruments	-	-	-
Gains on foreign exchanges	2.6	1.2	7.7
Other capital gains	-	-	-
Capital losses	(72.1)	(59.3)	(132.8)
Losses on money held in trust	(6.3)	-	-
Losses on sales of securities	(16.9)	(8.5)	(32.7)
Losses on valuation of securities	-	-	-
Losses on derivative financial instruments	(13.9)	(3.9)	(21.6)
Losses on foreign exchanges	-	-	-
Other capital losses ¹	(34.9)	(46.7)	(78.4)
Net Capital gains(losses)	(59.0)	3.6	(17.1)

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-20 to Sep-21)



Forward Rate

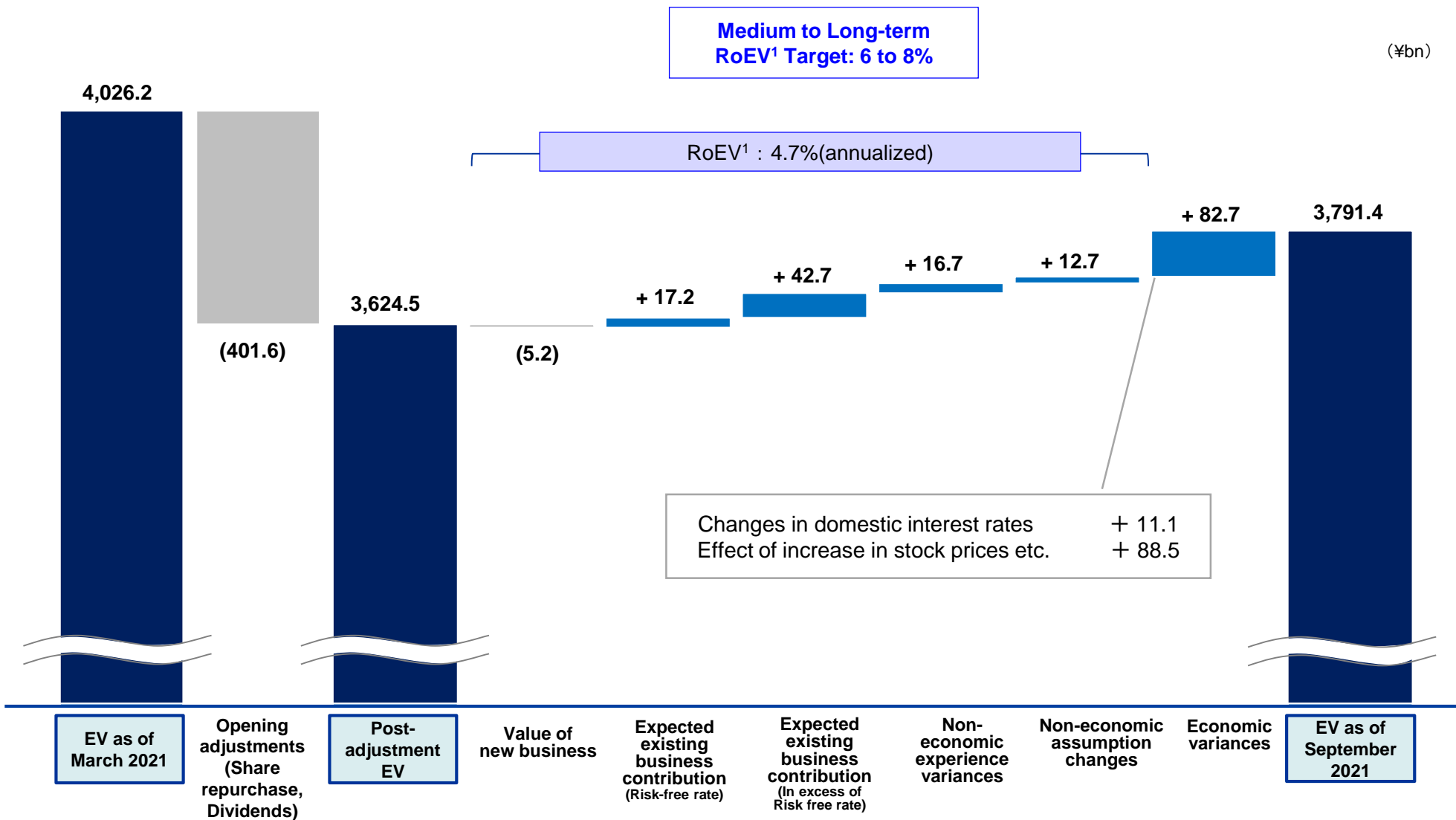
	Mar-20	Mar-21 ^①	Jun-21 ^②	Sep-21 ^③
10 years	0.657 %	0.539 %	0.569 %	0.616 %
20 years	0.466 %	1.080 %	1.089 %	1.043 %
30 years	0.422 %	1.126 %	1.528 %	1.443 %

Note: The economic assumptions used for the calculation of EV and the value of new business are as follows:

- EV as of March 31, 2021 : ①
- Value of new business for FY22/3 2Q : ②
- EV as of September 30, 2021 : 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



1. Calculated by excluding economic variance factors

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

Sensitivity Analysis of EV

Sensitivity to Economic Assumptions

(¥bn)

Assumptions	EV	Change (%)
50bp increase in risk-free rate	3,830.3	+ 38.8 (+ 1.0 %)
50bp decrease in risk-free rate	3,679.3	(112.0) ((3.0) %)
50bp decrease in risk-free rate (parallel shift without zero floor)	3,663.4	(127.9) ((3.4) %)
30% decrease in equity and real estate value	3,376.9	(414.4) ((10.9) %)

Sensitivity to Non-economic Assumptions

(¥bn)

Assumptions	EV	Change (%)
Future volume of policies in force is 105% of the level assumed in the calculation of EV as of September 30, 2021	3,852.7	+ 61.2 (+ 1.6 %)
10% decrease in maintenance expenses	3,971.1	+ 179.6 (+ 4.7 %)

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

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

(¥bn)

	FY18/3		FY19/3		FY20/3		FY21/3		FY21/3 2Q		FY22/3 2Q	
	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life	New	Postal Life
Ordinary income ¹	3,938.8	5,489.2	3,814.7	4,374.4	3,582.6	3,658.6	3,591.8	3,194.6	1,803.8	1,581.8	1,738.7	1,487.6
Insurance premiums and others	3,481.2	755.2	3,369.5	590.3	2,786.3	459.1	2,333.7	364.1	1,226.8	191.0	1,123.9	150.8
Investment income ¹	454.6	830.3	440.1	764.3	441.2	696.5	448.4	673.6	216.2	304.3	232.8	328.7
Other ordinary income ¹	3.0	3,903.7	4.9	3,019.8	354.9	2,503.0	809.7	2,156.8	360.7	1,086.4	381.9	1,007.9
Ordinary expenses ¹	3,767.1	5,352.2	3,663.5	4,260.4	3,388.2	3,566.1	3,329.3	3,112.2	1,672.6	1,550.7	1,600.6	1,442.6
Insurance claims and others	1,765.6	5,124.3	2,837.9	4,030.9	2,842.0	3,349.3	2,925.4	2,940.6	1,468.3	1,461.9	1,414.6	1,365.0
Provision for policy reserves and others ¹	1,474.7	-	272.5	-	29.9	-	0.0	-	0.0	-	0.0	-
Investment expenses ¹	78.5	27.9	99.1	46.8	85.7	38.2	59.5	11.7	34.2	11.7	17.3	2.0
Operating expenses	372.8	159.9	376.2	142.1	336.3	135.8	275.4	126.6	135.4	60.4	133.2	58.9
Other ordinary expenses	75.2	39.8	77.7	40.4	94.2	42.7	68.9	33.2	34.6	16.6	35.3	16.6
Ordinary profit	171.7	137.0	151.1	113.9	194.3	92.4	262.5	82.4	131.1	31.0	138.1	44.9
Extraordinary gains and losses ²	(27.2)	(17.0)	13.8	3.6	9.3	29.8	(23.6)	(23.1)	0.3	27.0	(23.8)	(11.9)
Provision for reserve for policyholder dividends	21.6	96.1	19.6	92.1	15.4	93.7	18.7	46.7	9.2	37.9	8.9	27.0
Income before income taxes	122.9	23.8	145.3	25.5	188.2	28.5	220.2	12.6	122.2	20.1	105.2	5.9
Total income taxes	35.4	6.9	41.1	8.7	54.9	10.7	61.1	6.0	35.5	13.3	29.5	1.7
Net income	87.4	16.8	104.1	16.7	133.3	17.8	159.0	6.5	86.6	6.7	75.7	4.2

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.: FY22/3 2Q, ¥ 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)

		FY18/3	FY19/3	FY20/3	FY21/3	FY21/3 2Q	FY22/3 2Q
Total assets	¥mn	76,832,508	73,904,576	71,667,398	70,173,857	70,398,249	68,344,716
Postal Life Insurance category		46,684,937	41,354,076	39,225,493	37,815,270	38,206,921	36,763,223
New category		30,147,570	32,550,500	32,441,904	32,358,586	32,191,328	31,581,492
Number of policies in force	(000)	30,405	29,143	27,070	24,837	25,938	23,807
Postal Life Insurance category (insurance)		12,484	11,048	9,907	8,944	9,437	8,502
New category (individual insurance)		17,921	18,095	17,163	15,893	16,500	15,305
Insurance premiums and others	¥mn	4,236,461	3,959,928	3,245,541	2,697,936	1,417,826	1,274,866
Postal Life Insurance category		755,221	590,340	459,151	364,196	191,003	150,882
New category		3,481,240	3,369,588	2,786,389	2,333,740	1,226,822	1,123,983
Ordinary profit	¥mn	308,845	265,143	286,829	345,022	162,203	183,105
Postal Life Insurance category		137,074	113,981	92,490	82,454	31,067	44,981
New category		171,771	151,162	194,338	262,568	131,135	138,124
Net income	¥mn	104,309	120,958	151,132	165,586	93,362	79,996
Postal Life Insurance category		16,878	16,763	17,806	6,566	6,735	4,273
New category		87,430	104,195	133,325	159,020	86,627	75,723
Contingency reserve (reversal) provision	¥mn	(139,678)	(151,592)	(165,388)	(186,023)	5,295	37,834
Postal Life Insurance category		(173,722)	(173,590)	(170,814)	(191,014)	2,871	34,749
New category		34,043	21,997	5,425	4,991	2,423	3,084
Price fluctuations reserve (reversal) provision	¥mn	128,031	(19,251)	(39,152)	46,477	(27,439)	35,572
Postal Life Insurance category		17,090	(3,686)	(29,845)	23,121	(27,046)	11,942
New category		110,940	(15,564)	(9,306)	23,355	(392)	23,629
Additional policy reserve (reversal) provision	¥mn	(30,648)	(50,292)	(49,750)	27,652	(105,579)	(117,461)
Postal Life Insurance category		(47,674)	(46,698)	(46,396)	30,553	(104,063)	(116,206)
New category		17,025	(3,594)	(3,354)	(2,901)	(1,515)	(1,254)

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)

	FY18/3	FY19/3	FY20/3	FY21/3	FY21/3 2Q	FY22/3 2Q
Insurance premiums and others	4,236.4	3,959.9	3,245.5	2,697.9	1,417.8	1,274.8
Operating expenses etc ¹	647.6	636.8	609.4	503.5	246.7	243.4
Ordinary profit	309.2	264.8	286.6	345.7	162.7	183.8
Provision for reserve for policyholder dividends	117.7	111.8	109.2	65.4	47.2	36.0
Net income	104.4	120.4	150.6	166.1	93.6	80.5
Net assets	2,003.1	2,135.1	1,928.3	2,841.4	2,487.7	2,664.3
Total assets	76,831.2	73,905.0	71,664.7	70,172.9	70,397.2	68,343.4
Return on equity	5.4 %	5.8 %	7.4 %	7.0 %	-	-
RoEV ²	9.9 %	8.6 %	(2.8) %	5.0 %	4.5 %	4.7 %
Dividends to shareholders	40.8	43.2	42.7	42.7	-	17.9
Payout Ratio	39.0 %	35.8 %	28.4 %	25.7 %	-	-
EV	3,743.3	3,925.7	3,324.2	4,026.2	3,734.1	3,791.4
Value of New Business	226.7	223.8	60.6	(12.7)	(1.5)	(5.2)
Core profit (Non-consolidated)	386.1	377.1	400.6	421.9	226.5	217.2
Core profit attributable to life insurance activities	320.3	318.7	320.1	345.6	196.4	158.5
Spread (positive/negative spread)	65.8	58.4	80.4	76.3	30.1	58.6

1. Sum of Operating expenses and Other ordinary expenses
2. Calculated by excluding economic variance factors.

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