

Financial Results & Corporate Strategy Meeting for the Six Months Ended September 30, 2024

November 28, 2024




- I am Tanigaki Kunio, President of Japan Post Insurance. Thank you very much for attending our Financial Results & Corporate Strategy Meeting today.
- Please look at page 1.

Agenda

	Theme	Presenter
I	Recognition of Current Status P.3	Director and President, CEO, Representative Executive Officer TANIGAKI Kunio
II	Vision for the Future P.7	Director and President, CEO, Representative Executive Officer TANIGAKI Kunio
	1. Growth strategies that leverage our strengths ① Strengthen sales force and ensure continuity ② Asset management utilizing our massive asset scale ③ Diversification of revenue sources	Senior Managing Executive Officer TACHIBANA Atsushi
	2. Management efficiency P.23	Director and Deputy President, Representative Executive Officer ONISHI Toru
	3. Shareholder returns P.26	
	Appendix P.27	

- Today, I will provide an explanation in two parts: “Recognition of Current Status” and “Vision for the Future”.
- First, I will explain “Recognition of Current Status” and “Strengthen sales force and ensure continuity” within the “Growth strategies that leverage our strengths” of “Vision for the Future,” followed by Mr. Tachibana, Senior Managing Executive Officer, on “Asset management utilizing our massive asset scale,” and finally the remaining themes from Mr. Onishi, Director and Deputy President, Representative Executive Officer.
- Afterward, I would like to answer any questions you may have.
- Please look at page 4.

	Theme	Presenter
I	Recognition of Current Status P.3	 <p>Director and President, CEO, Representative Executive Officer TANIGAKI Kunitaka</p>
II	Vision for the Future P.7 1. Growth strategies that leverage our strengths ① Strengthen sales system and ensure continuity ② Asset management utilizing our massive asset scale ③ Diversification of revenue sources	
	2. Management efficiency P.23 3. Shareholder returns P.26	

I

Recognition of Current Status

Efforts to recover business performance to date

- Efforts to recover business performance to date have generally progressed as planned
- In the first half of FY2024, the number of new policies increased significantly and ES also improved significantly due to the revitalization of sales activities since January 2024. In addition, investment income also increased.
- We have revised the financial results forecast upward on November 14, 2024, and have decided to acquire up to ¥ 35.0bn of treasury stock, because net income and adjusted profit are expected to be significantly higher than the previous forecast.

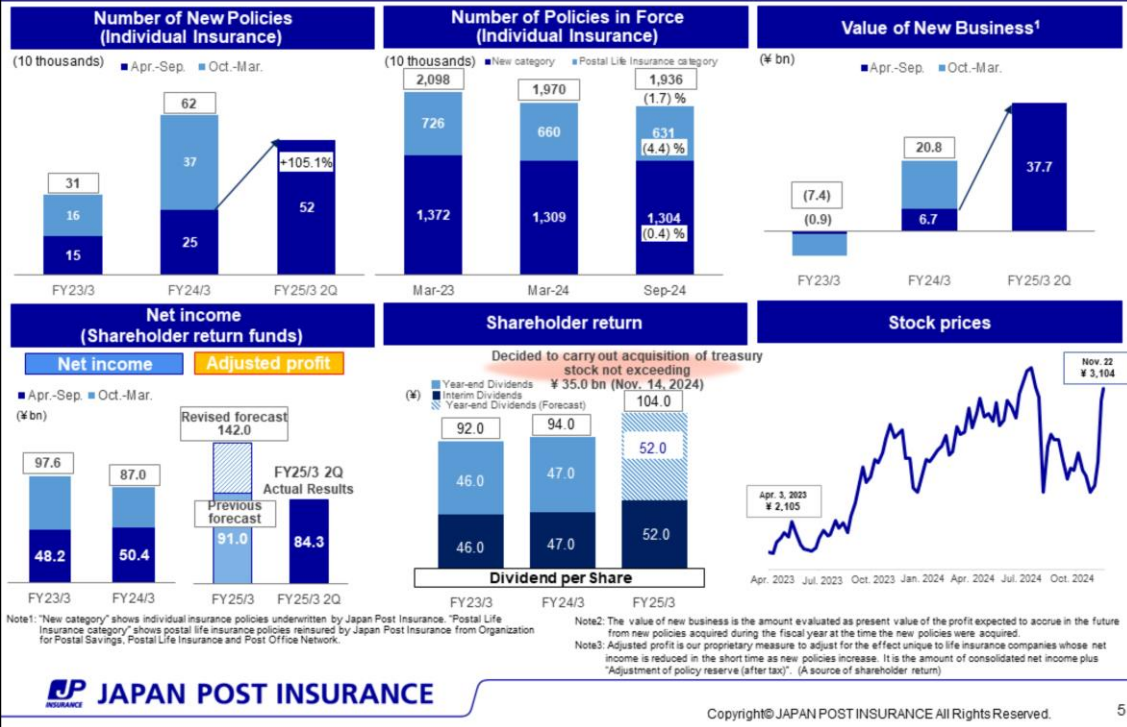
Major Initiatives

1 Retain and expand customer base	1. Customer oriented business operations <ul style="list-style-type: none"> Released from the obligation to make reports based on the business improvement order (Dec. 2023) Resumption of solicitations to customers aged 70 and older (Jan. 2024) 	2 Corporate culture reform <ul style="list-style-type: none"> Frontline meetings (Held every fiscal year for all sites) Improved ES (Engagement Score) (Jul. 2024) (From Aug. 2023, +4.5points, Ratings: C⇒CCC)
	2. Strengthen sales force <ul style="list-style-type: none"> Shifted to the new Japan Post Insurance sales system, introduced customer assignment system (Apr. 2022) Introduced a new development and incentive system (Kampo GD System)(Jul. 2023) Collaboration with Japan Post Co., Ltd. (Bi weekly meetings between presidents) 	3 Asset management <ul style="list-style-type: none"> Continue to invest in Return seeking assets, including accumulation of alternative assets (Sep. 2024 : ¥ 10.8tn, 17.9% of total assets) Secured a stable positive spread (FY25/3 2Q ¥ 68bn) Starting / promoting impact investments and academic industrial collaborations
	3. Human resource strategy <ul style="list-style-type: none"> Securing and training sales employees (FY2023~) (Consultants with GD6 or higher 12% ⇒62% (Sep. 2024) Consideration of fundamentally review the compensation system (FY2024~) 	4 Capital policy <ul style="list-style-type: none"> 1. Diversify sources of revenue <ul style="list-style-type: none"> Strategic alliance with KKR and GA (Jun. 2023) Capital and business alliance with Daiwa Securities Group (May 2024) 2. ERM - Capital policy <ul style="list-style-type: none"> Ceded reinsurance (Mar. 2024 Approx. ¥ 690bn) Issued subordinated bonds (Apr. 2024 Approx. ¥ 100bn) Maintained appropriate ESR (Sep. 2024 216%)
	4. Establishing "Kampo brand" <ul style="list-style-type: none"> Appointment of new image character "Kampo san" (Jul. 2024) 	5 Achieving stronger business foundation and more streamlined business <ul style="list-style-type: none"> Streamline operations through digitalization (Apr. 2024 Workload reduced equivalent to 1,000 people) Introduced adjusted profit (May 2024) Stable Shareholder Returns (Dividend per share increased from ¥ 94 to ¥ 104 (May 2024)) Revised the Financial Results Forecast and decided to carry out acquisition of treasury stock (¥ 35.0bn (maximum)) (Nov. 2024)
	5. CX/DX <ul style="list-style-type: none"> Introduced online attendance during the new policy application procedure (Nov. 2023) 	
6. Providing new products that meet customer needs <ul style="list-style-type: none"> Launch of lump sum payment whole life insurance (Jan. 2024) Started adding a medical rider to a Lump-Sum Payment Whole Life Insurance after the underwriting of basic policy (Oct. 2024) Consideration of introducing nursing care insurance and improving the attractiveness of level-payment products 		

Note: Items underlined in blue are initiatives undertaken in the first half of FY2024.

- First, I would like to explain efforts to recover business performance to date.
- We have taken various measures to address the five issues of “Retain and expand customer base,” “Corporate culture reform,” “Asset management,” “Capital policy,” and “Achieving stronger business foundation and more streamlined business,” and have generally progressed as planned.
- Please look at page 5.

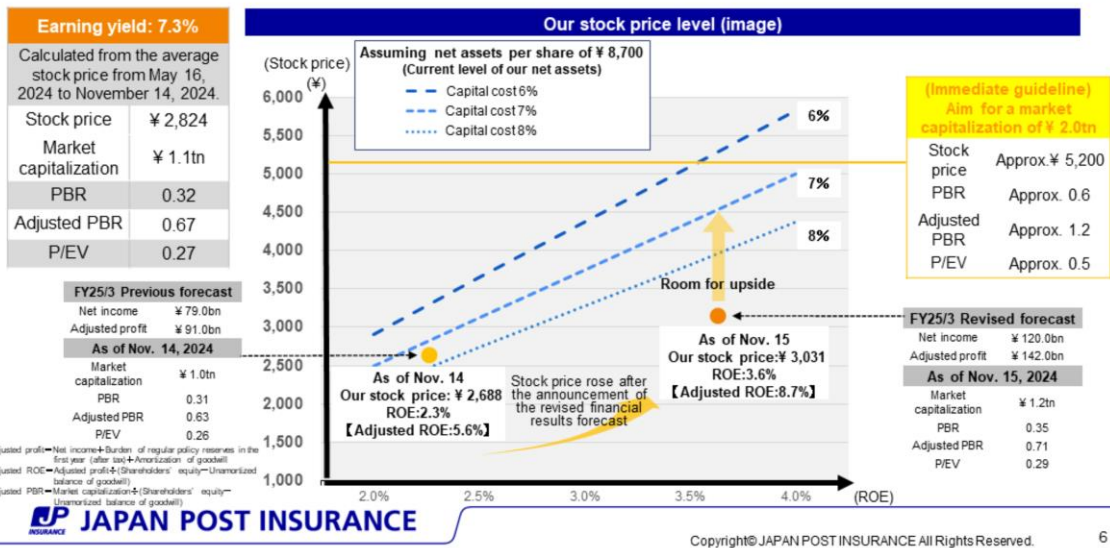
Overview of Financial Results



- This is an overview of the interim financial results for the fiscal year ending March 31, 2025.
- The number of new policies increased significantly due to the revitalization of sales activities since January 2024.
- And net income and adjusted profit are expected to be significantly higher than the previous forecast mainly due to an increase in investment income.
- In view of these strong earnings progress, we have revised the financial results forecast upward on November 14, 2024, and have decided to acquire up to ¥ 35.0bn of treasury stock.
- Please look at page 6.

Market Valuation

- PBR and P/EV are both at low levels of around 0.3 times, with the stock price stagnating at an extreme discount. The earning yield has been around 7 to 8%, which deviates from the capital cost based on the CAPM (6%).
- Although the stock price rose after the announcement of the upward revision of the financial results forecast and additional shareholder returns on November 14, the Company's stock price remains underpriced due to concerns over the sustainability of the revised profits from next fiscal year onward.
- We aim to push down the capital cost demanded by the market and improve the stock price by continually achieving levels of adjusted profit and adjusted ROE that the market values and enhancing shareholder returns.



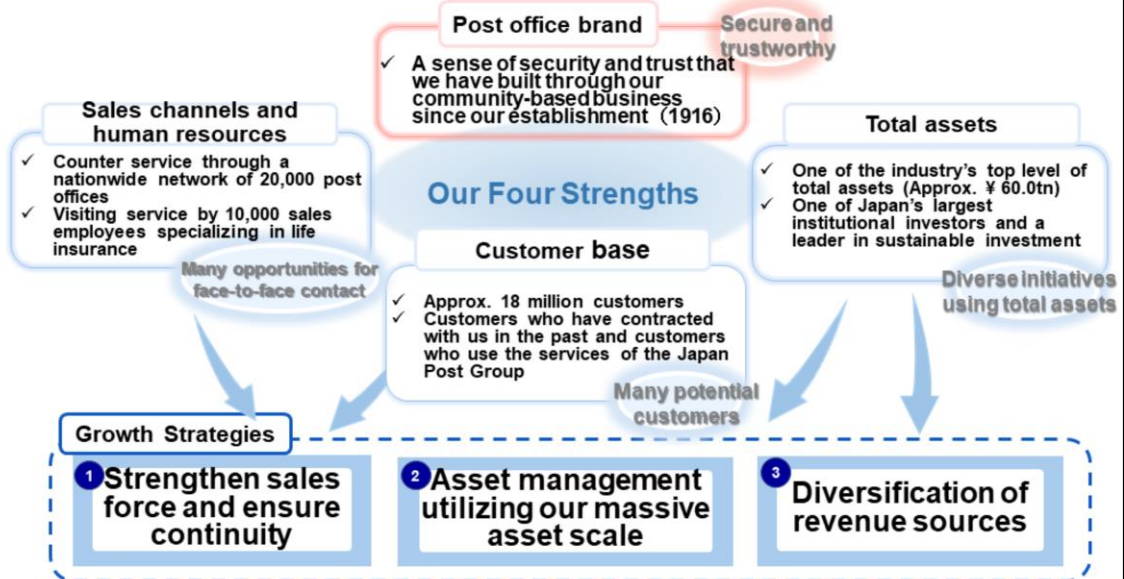
- This page shows our current recognition of market valuation.
- While the Company's financial results are recovering steadily, the stock price still languishes at an undervalued level, with PBR and P/EV both around 0.3 times and an adjusted PBR of only 0.6 times.
- Additionally, with the earnings yield around the 7 to 8% level, we believe that the cost of capital demanded by the market deviates from the capital cost based on the CAPM, which is 6%.
- The graph shown here indicates our intention to raise the share price along the capital cost line by improving the Company's adjusted profit and adjusted ROE.
- Although the share price rose after the announcement of the upward revision of the financial results forecast and additional shareholder returns on November 14, the Company's stock price remains underpriced due to concerns over the sustainability of the revised profits from next fiscal year onward.
- We aim to push down the capital cost demanded by the market and also improve the stock price to "a market capitalization of ¥ 2tn" as an immediate target by continually achieving levels of adjusted profit and adjusted ROE that the market values through "growth strategies that leverage our strengths" and "management efficiency," which will be explained later, and enhancing shareholder returns.
- Please look at page 8.

II

Vision for the Future

Our Strengths and Growth Strategies

- The Company has four strengths: 1) the post office brand, 2) its sales channels and human resources, 3) its customer base, and 4) total assets.
- By implementing growth strategies that leverage these strengths, we aim for further growth and market value enhancement.



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8

- Before explaining our growth strategies, we would like to reiterate our strengths.
- We recognize that we have four major strengths.
- The first strength is the “Post Office brand.” The nationwide network of post offices is firmly rooted in local communities, enjoying customer trust built up over many years.
- As a result, many customers wish to purchase insurance at their trusted post office, and we believe that this has led to our huge customer base today.
- The second strength is the “sales channel and human resources.” To sell life insurance, it is necessary to unearth and arouse potential needs. We believe that face-to-face sales activities will continue to be a vital part of this into the future.
- In this context, we have approximately 20,000 post offices nationwide and around 10,000 sales employees, creating numerous opportunities for face-to-face contact with customers.
- We also provide visiting services in addition to counter services, enabling us to serve our customers in the way most convenient for them. We feel that these various opportunities make it easier for us to arouse the potential needs of our customers.
- The third strength is our “customer base.” In addition to approximately 18mn current customers, we believe that we have a huge number of potential customers, including those who have previously purchased insurance from us, as well as their families and the customers who use the services of Japan Post Insurance and also other companies in the Japan Post Group.
- Therefore, we believe that we can not only maintain our current number of customers, but also expand further.
- The fourth and final strength is “one of the industry’s top level of total assets.” We expect to be able to leverage the influence of our total assets, worth over ¥ 60tn, to further expand our asset management earnings, as well as diversifying our revenue sources through business alliances with other companies, primarily in the asset management field.
- Please look at page 9.

Vision for the Future

- By working on growth strategies (1) Strengthen sales force and ensure continuity, 2) Asset management utilizing our massive asset scale, 3) Diversification of revenue sources) that leverage our strengths, and improving management efficiency, we aim to further improve revenue and capital efficiency, thus achieve the level of adjusted ROE which exceeds the capital cost.
- We will also enhance shareholder returns and aim to improve the stock price. (Immediate guideline: Aim for a market capitalization of ¥ 2.0tn)

1 Growth strategies that leverage our strengths

1 Strengthen sales force and ensure continuity

2 Asset management utilizing our massive asset scale

3 Diversification of revenue sources

2 Management efficiency

3 Shareholder returns

< Retain and expand customer base >

- ① Respond to customer needs through product improvement utilizing the current rise in interest rates
- ② Improve our product portfolio through measures such as expanding the product lineup
- ③ Utilize digital technologies to improve our services and strengthen connections with customers
- ④ Further develop and secure sales employees
- ⑤ Strengthening Cooperation with Japan Post Group Companies

< Achieving Greater Depth and Evolution of Asset Management >

- ① Utilizing the rise of interest rates to shift to yen-denominated interest-paying assets
- ② Further promote the diversification of asset management, including alternative investments
- ③ Further strengthen our asset management capabilities through alliances with Daiwa Securities Group and MITSUI & CO., LTD.

< Secure revenue through alliances and investments >

- Secure stable revenues through the alliance and investment with KKR/GA and Daiwa Securities Group
- Generate new growth opportunities in domains that have a high affinity with the life insurance business

< Streamline operations by transforming Service Center operations >

< Upgrading Liability Management, etc. in Postal Life Insurance Category >

< Management behavior corresponding to the ESR standards >

< Enhance shareholder returns >

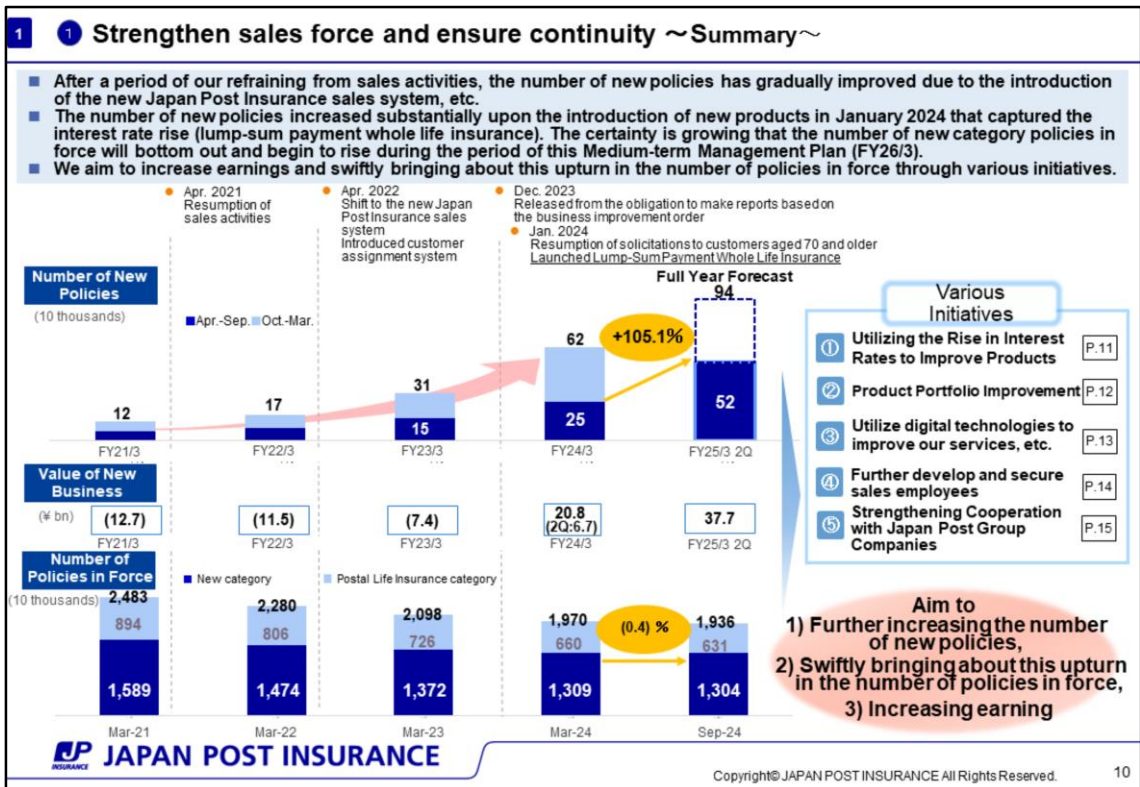
- Upwards revision of adjusted profit for FY25/3 and additional shareholder returns (treasury stock acquisition)
- Add back the amortization of goodwill from our investment in Daiwa Asset Management to adjusted profit

Improve profit
(Adjusted profit, EV)

Improvement of capital efficiency

Enhance shareholder returns

- Leveraging the Company's four strengths I just mentioned, we aim to further improve revenue by working on growth strategies, "Strengthen sales force and ensure continuity", "Asset management utilizing our massive asset scale", and "Diversification of revenue sources".
- In addition, through the improvement of management efficiency, we aim to enhance capital efficiency and achieve further expansion of shareholder returns.
- Please look at page 10.



- Now, I'm going to explain our growth strategies. First, I will provide a summary of the first pillar of our growth strategies, which is "Strengthen sales force and ensure continuity."
- After a period of our refraining from sales activities in response to the solicitation quality issues, the number of new policies has gradually improved due to the introduction of the new Japan Post Insurance sales system, etc.
- Furthermore, the number of new policies increased substantially, which have doubled compared to the same period last year, upon the introduction of new products in January 2024 that captured the interest rate rise. The certainty is growing that the number of new category policies in force will bottom out and begin to rise during the period of this Medium-term Management Plan.
- We aim to increase earnings and swiftly bringing about this upturn in the number of policies in force through various initiatives that we will explain later.
- Please look at page 11.

1 - ① Strengthen sales force and ensure continuity

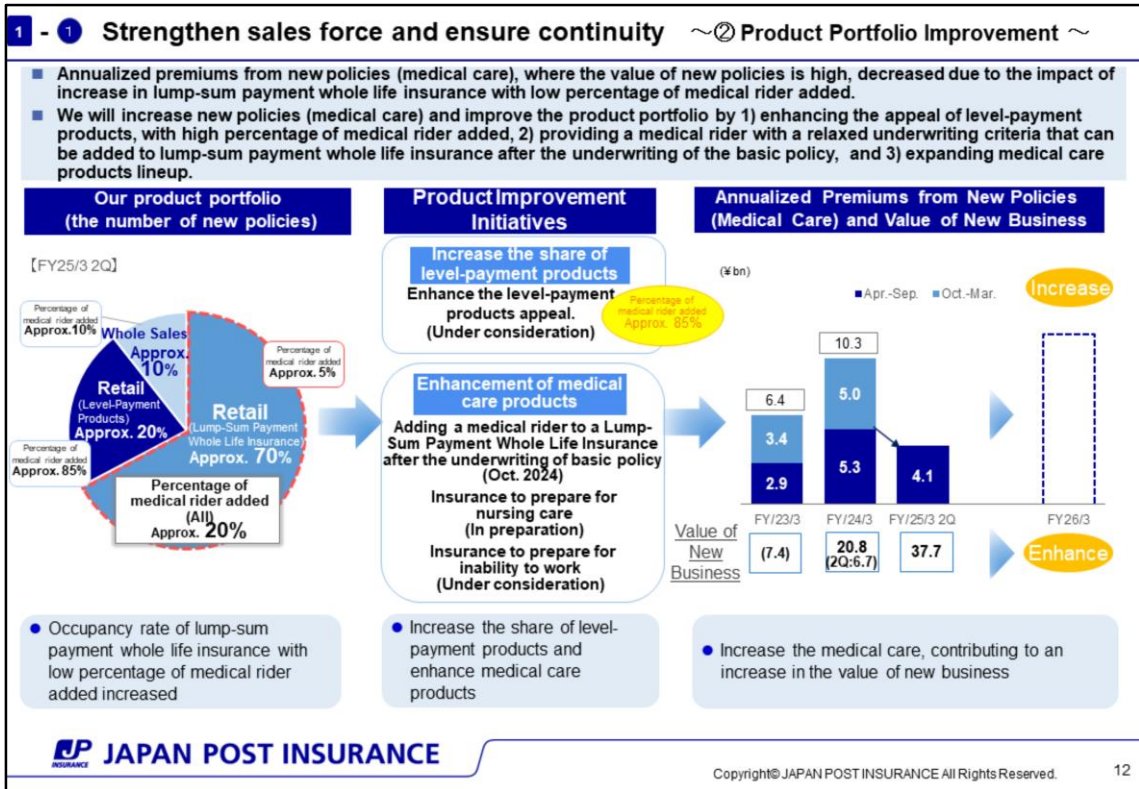
~ ① Utilizing the Rise in Interest Rates to Improve Products ~

- With the transition to positive interest rates, we have entered an environment that enables us to boost product appeal. New policies have increased due to the revision of educational endowment insurance in April 2023 and the launch of lump-sum payment whole life insurance in January 2024.
- We will continue to realize more attractive level-premium products to meet the needs of our customers.

Product Improvement Initiatives					Trends in JGB Interest Rates and Company's assumed rate	
	Needs	Share ¹	Rate of Return	Effects of the Revision		
<ul style="list-style-type: none"> ● Educational Endowment Insurance [Revised (Apr. 2023)] 	Preparing educational funds	Approx. 14%	Enrollment age: Policyholder 30 years old, Insured person 0 years old Before revision: Approx. 97% After revision: Approx. 101% ²	Increased by 45,000 cases ³	<p>Aim to enhance the level-payment products appeal</p>	
<ul style="list-style-type: none"> ● Lump-Sum Payment Whole Life Insurance [Launched (Jan. 2024)] 	Asset succession	Approx. 3%	Enrollment age: 70 years old Approx. 110%	Cumulative total of 515,000 cases As of Sep. 2024		
<ul style="list-style-type: none"> ● Level-payment whole life insurance [To be addressed in the future] 	Continuous coverage for life	Approx. 54%	Less than 100%	Unrevised		
<ul style="list-style-type: none"> ● Endowment insurance (level-payment) [To be addressed in the future] 	Maturity combined with protection	Approx. 28%	Less than 100%	Unrevised		

1. Percentage of policies in force.
2. For most age groups, the return rates exceeded 100% when enrolled with payment complete at age 10.
3. Difference between the number of new policies in FY2022 (before revision) and in FY2023 (after revision).

- I will explain “Utilizing the Rise in Interest Rates to Improve Products.”
- With the transition to positive interest rates, we have entered an environment that enables us to boost product appeal. New policies have increased due to the revision of educational endowment insurance in April 2023 and the launch of lump-sum payment whole life insurance in January 2024.
- We will continue to realize more attractive level-premium products to meet the needs of our customers.
- Please look at page 12.



- I will now explain the effort for “Product Portfolio Improvement”.
- Although the number of new policies has increased significantly, annualized premiums from new policies of medical care, where the value of new policies is high, decreased due to the impact of increase in lump-sum payment whole life insurance with low percentage of medical rider added.
- By enhancing the appeal of level-payment products as mentioned earlier, we aim to increase the percentage of medical rider added. And we will increase new policies of medical care and improve the product portfolio by providing a medical rider with a relaxed underwriting criteria that can be added to lump-sum payment whole life insurance after the underwriting of the basic policy and expanding medical care products lineup.
- Please look at page 13.

1 - ① Strengthen sales force and ensure continuity
 ~③ Utilize digital technologies to improve our services ~

- While maintaining our base of face-to-face customer service using the public trust of post offices, we will also leverage digital technology to substantially improve the services we provide in each situation, from solicitation to insurance claim payments. We will continue to increase customer satisfaction.
- At the same time, we will enhance our after-sales follow-ups, continuing to connect with approximately 18 million customers to improve the post-maturity policy renewal rate, control the rate of policy surrender and lapse, ensure the payment of insurance claims, and expand protection.

Utilize digital technologies to strengthen connections with customers

Effects

Approx. 18 million customers
 (As of the end of FY2023)

1 Strengthening Contacts
 Secure and expand lines of communication with customers through real x digital

2 Building relationships with customers and their families
 Periodic confirmation of the policy coverage and provision of useful information via e-mail, etc.

3 Become the most trusted advisor
 Become a person that customers need at the time they feel they need insurance

Conducted face-to-face approx. 8.18 million customers¹

Approx. 3.9 million² e-mails sent

1. Figures for policy confirmation activities conducted at post office counters and Retail Service Division between September 2021 and September 2024.
 2. Results for the first half of FY2024.

Improving customer convenience through digital technologies

Utilize digital technology for hospitalization claims, etc.

✓ Processing time **1/2**
 ✓ Payment done on **the next day**³ at the shortest

Utilization rate **Approx. 90%**⁴

Various procedures, such as loans, can be requested via the website

✓ **Procedures available at any place and at any time**

Utilization rate **Approx. 60%**⁵

	FY2022	FY2023
Customer Satisfaction ⁶	79%	83%
Post-maturity policy renewal rate ⁷	12%	27%
Cancellation and lapse rate ⁸	3.0%	2.8%

By further improving our services, aim to improve customer satisfaction and post-maturity policy renewal rate, etc.

3. Examples of hospitalization claims.
 4. The monthly utilization rate for September 2024 is shown for consultants' customers only.
 5. Examples of Loan Requests.
 6. The total percentage of customers who responded "satisfied" or "somewhat satisfied" in a 5-level rating of customer satisfaction.
 7. The post-maturity policy renewal rate is the Company's unique metric, corresponding to the proportion of policies acquired during a period around the policy maturity month (from 4 months before to 2 months after the maturity month).
 8. Proportion of policies in force at the start of the fiscal year that were surrendered or lapsed during the period.

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- I will now explain “Utilize digital technologies to improve our services.”
- While maintaining our base of face-to-face customer service using the public trust of post offices, we will also leverage digital technology to substantially improve the services we provide in each situation, from solicitation to insurance claim payments. Through these initiatives, we aim to increase customer satisfaction.
- At the same time, we will enhance our after-sales follow-ups, continuing to connect with approximately 18mn customers to improve the post-maturity policy renewal rate, control the rate of policy surrender and lapse, ensure the payment of insurance claims, and expand protection.
- Please look at page 14.

1 - ① Strengthen sales force and ensure continuity

~④ Further develop and secure sales employees ~

- Human resources of sales are our strength, and the training and securing of sales employees are essential to our growth.
- Our unique and generous training system has improved the skills of our sales employees. We are also supporting the training of post office counters' employees.
- We have also strengthened our recruitment activities, and as of the end of September 2024, we have secured the same number of employees as in the previous year.

Training system

< Consultants >

- Implemented evaluation standards for sales employees through the Kampo GD system and linked incentives to evaluations.
- Developing sales employees through a generous training system and visualizing their performance through the Kampo GD system.
 - Long-term training for new sales employees by a professional training organization → Scheduled to be enhanced in FY2025
 - On-the-job training in teams of 3-4 members under the supervision of a team leader (role-playing and accompanying guidance)
 - Select excellent sales employees and assign them as training and education specialists nationwide.

< Whole Sales Employees >

- Introduced Kampo GD system from November 2023.
- Introduced a system that encourages sales employees to engage in self-improvement and skill development, not only in terms of sales performance. (Kampo 3-star system, System to certify independence)

< Post Office Counters >

- Established Sales Agency Support Division (July 2023) and enhanced the support system for post offices.

Strengthening Recruitment

Year-round hiring of experienced sales employees

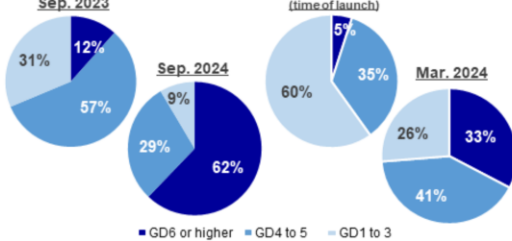
Introduction of referral hiring system by our employees

Introduction of comeback hiring system

Skill status of sales employees (Percentage of each GD)

[Consultants]

[Whole Sales Employees]



Recruitment of consultants



1. From April 2024, extend the GD for consultants from 10 levels to 15 levels.
2. Hiring was suspended in FY2022 due to the transition to the new Japan Post Insurance sales system.



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- Then I will explain “Further develop and secure sales employees.”
- Human resources of sales are our strength, and we believe that the training and securing of sales employees are essential to our growth.
- GD which represents the skills of our sales employees has been steadily improving by our unique and generous training system. We have also strengthened our support system for training of post office counters' employees.
- And we have also strengthened our recruitment activities, and as of the end of September 2024, we have secured the same number of employees as in the previous year.
- We will continue to work on improving our training system and strengthening our recruitment efforts to further enhance the strengths of our human resources of sales.
- Please look at page 15.

1 - ① Strengthen sales force and ensure continuity
 ~⑤ Strengthening Cooperation with Japan Post Group Companies~

- Post offices through a nationwide network are deeply rooted in their communities and have their own unique brand and a large number of customers.
- Based on the business model unique to the Japan Post Group, which is to provide postal, savings, and insurance services to post office customers according to their situations, we will increase the number of customers by strengthening cooperation with group companies and pursuing synergies.

Business model unique to the Japan Post Group

Initiatives to ensure the appropriate handling of private financial information within the Japan Post Group (Oct. 11, 2024)

- A case has come to light where customers were invited to visit a post office without obtaining their prior consent to cross-selling

↓


《Reoccurrence prevention measures (extract)》

- Revise the methods used to attract customers to post offices
Japan Post Insurance will be responsible for attracting customers until an appropriate framework is in place at post offices
- Establish a system environment to promote obtaining customer consent to cross-selling and utilize private financial information, etc. from those whose consent has been obtained

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- Lastly, I will explain “Strengthening Cooperation with Japan Post Group Companies.”
- Post offices through a nationwide network are deeply rooted in their communities and have their own unique brand and a large number of customers.
- We deeply regret the improper use of private financial information at post offices, which we recently announced, and we will strive to make urgent improvements Group-wide.
- Through these improvements, we will increase our customers by pursuing stronger coordination and synergies with each company in the Japan Post Group, based on the Group’s unique business model of providing postal, savings, and insurance services to post office customers, based on their situation.
- This concludes my explanation.
- Please look at page 16.

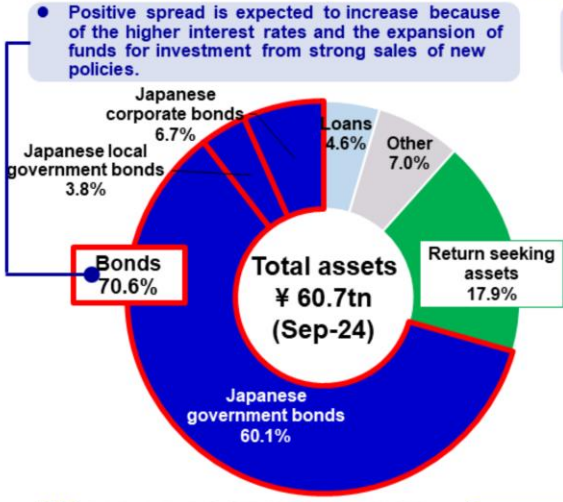
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- I am Tachibana, Senior Managing Executive Officer.
- From here, I will explain the second pillar of our growth strategies, which is “Asset management.”
- Please look at page 17.

1 - ② Asset management utilizing our massive asset scale ~Summary~

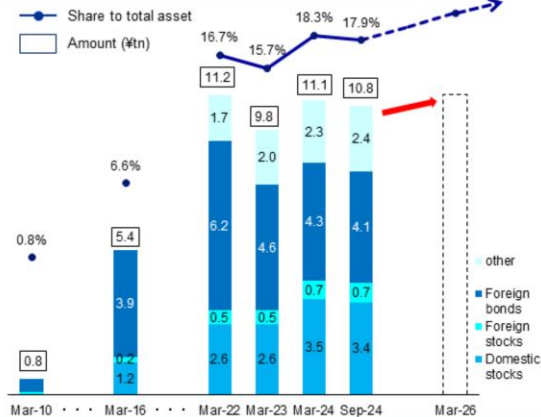
- The Company has total assets of ¥ 60tn, one of the industry's top level of total assets, and is based on ALM management under the ERM framework.
- For the Company, which has a high proportion of bonds, a world with positive interest rates is favorable, and we expect an increase in positive spread.
- We have accumulated return seeking assets within the limits of our risk tolerance since privatization, and their proportion within our portfolio is expected to continue to grow. We will continue to build on the balance of these assets, while ensuring risk diversification, to enhance returns.

Asset Portfolio



Return seeking assets

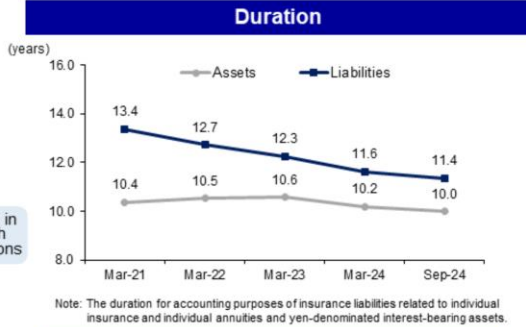
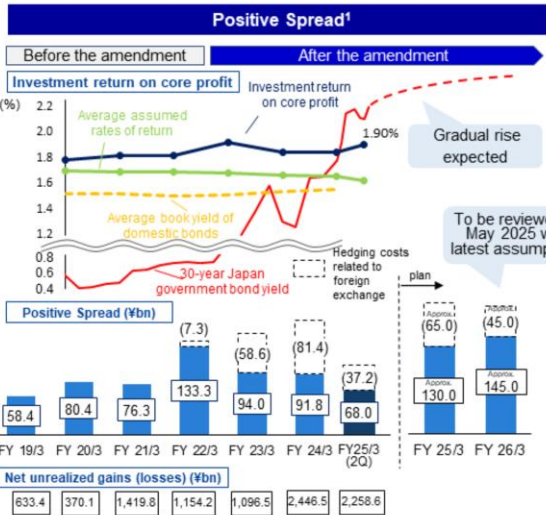
- The share of return-seeking assets to total assets is expected to be 18-20% during the period of the medium-term management plan period, and will continue to expand thereafter.



- We have total assets of ¥ 60tn, one of the industry's top level of total assets, and is based on ALM management under the ERM framework.
- For us, which have a high proportion of bonds, a world with positive interest rates is favorable, and we expect an increase in positive spread.
- We have accumulated return seeking assets within the limits of our risk tolerance since privatization, and their proportion within our portfolio is expected to continue to grow. We will continue to build on the balance of these assets, while ensuring risk diversification, to enhance returns.
- Please look at page 18.

1 - 2 Asset management utilizing our massive asset scale
 ~① Utilize the rise of positive interest rates to shift to yen-denominated interest-paying assets ~

- With the normalization of monetary policy and the return of a world with positive interest rates, yen-denominated bond investments have become available that exceed the cost of liabilities.
- By promoting ALM, we are generally able to match the duration of assets and liabilities for existing policies in force. We promote the replacement trading of the yen-denominated bonds we hold to improve yields and the utilization of interest rate swaps to control interest rate risk in the Postal Life Insurance Category.



- ### Main initiatives for ALM management
- Reinvestment and replacement trading
 - : Expected to increase positive spread by improving the quality of the asset portfolio.
 - Implementation of interest rate swaps
 - : Continue efforts to ensure appropriate ESR with good stability, mainly by hedging interest rate risk in Postal Life Insurance Category.

1. Method for calculating core profit was partially amended in FY23/3 (hedging costs related to foreign exchange are included in the calculation of core profit, while gains from disposition of investment trust are excluded from the calculation of core profit). This amendment started to apply in FY23/3. Positive spread, investment return on core profit, and capital gains (losses) stated in this material are calculated reflecting the aforementioned amendment from FY23/3 forward.

- I will now explain about yen-denominated bond investments.
- Currently, we recognize that with the normalization of monetary policy and the return of a world with positive interest rates, yen-denominated bond investments have become available that exceed the cost of liabilities.
- By promoting ALM, we are generally able to match the duration of assets and liabilities for existing policies in force. We promote the replacement trading of the yen-denominated bonds we hold to improve yields and the utilization of interest rate swaps to control interest rate risk in the Postal Life Insurance Category.
- Please look at page 19.

1-2 Asset management utilizing our massive asset scale
 ~② Further promote the diversification of asset management ~

- Alternative assets, in which investment has been expanded in stages, have entered a period of full-scale revenue collection since last fiscal year, and are expected to contribute further to earnings.
- In addition to infrastructure and real estate, stocks in particular are expected to be inflation-proof, and we intend to take risks while closely monitoring the market environment.
- There are no cross-shareholdings and the shares are held for net investment purposes.

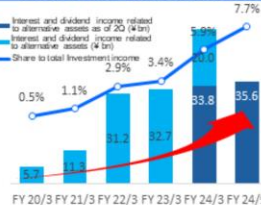
Alternative Investments



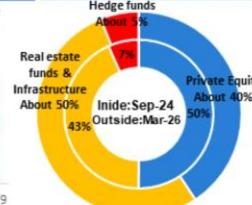
Investment Policy for Alternatives and Stocks

	Operational position	[Reference] Expected Return
Alternative	<ul style="list-style-type: none"> Despite their poor liquidity, they have a low correlation with bonds and stocks and can function as an inflation hedge in a similar way to stocks. We will therefore add to the balance while aiming for risk diversification. 	6-10%
Stocks	<ul style="list-style-type: none"> We do not have any cross-shareholdings. All stocks are held for purely investment purposes except for those of subsidiaries, etc. Although subject to substantial short-term price fluctuations, they can function as a medium- to long-term inflation hedge through nominal corporate revenue. We will therefore continue to hold them in an environment where we can expect a positive wage-price cycle. 	5%

Interest and dividend income



Alternative Portfolio



- Here, I will now explain “Further promote the diversification of asset management.”
- Alternative assets, in which investment has been expanded in stages, have entered a period of full-scale revenue collection since last fiscal year, and are expected to contribute further to earnings.
- In addition to infrastructure and real estate, stocks in particular are expected to be inflation-proof, and we intend to take risks while closely monitoring the market environment.
- And there are no cross-shareholdings and the shares are held for net investment purposes.
- Please look at page 20.


1 - 2 Asset management utilizing our massive asset scale
 ～③ Strengthen our asset management capabilities through alliances～

- Aiming to strengthen our asset management capabilities, we have established alliances and investments with Japan Post Investment Corporation (February 2018), MITSUI & CO., LTD. (June 2022), and Daiwa Asset Management Co., Ltd. (May 2024).
- Through these alliances, we intend to increase our asset management capabilities in each field and further expand revenue in the medium to long term.

	Expected benefits / Initiatives	Current results / Revenue contribution
Japan Post Investment Corporation — Private equity (PE) —	<ul style="list-style-type: none"> ● Expected benefits: PE investment opportunities through the launch of new funds ● Initiatives: Joint investments with Japan Post Bank through PE funds launched by JPIC (No. 1, No 2, Local Impact Fund) 	<ul style="list-style-type: none"> ● Results: Invested in companies across a wide range of stages, from buy-outs to new ventures, capturing LP revenue ● Amount of investment entrusted: Approx. ¥ 50.0bn ● Revenue contribution: Expected overall IRR of approx. 10% (Approx. ¥ 5.0bn in total revenue from the three funds shown on the left*) <small>*As of June 30, 2024</small>
MITSUI & CO., LTD. — Real estate —	<ul style="list-style-type: none"> ● Expected benefits: Expansion of investments in real estate (private placement funds, REITs) with a high return efficiency relative to risk in anticipation of the new capital regulations ● Initiatives: Launch of our own private placement fund and the construction of a high-quality real estate portfolio through this fund 	<ul style="list-style-type: none"> ● Results: Established an optimal portfolio (totaling 15 properties) with a high return efficiency relative to risk through the private fund based on our comprehensive investment policy ● Amount of investment entrusted: Over ¥100.0bn (AUM basis) ● Revenue contribution: Cumulative income of ¥ 1.53bn* <small>*As of October 31, 2024</small>
Daiwa Asset Management Co., Ltd. — Foreign corporate bonds and domestic stocks —	<ul style="list-style-type: none"> ● Expected benefits: Stronger asset management capabilities through a more sophisticated investment structure ● Initiatives: <ul style="list-style-type: none"> - More sophisticated foreign corporate bond investments utilizing Daiwa Asset Management's overseas base (NY) - Improve the performance of our active investments in domestic stocks by utilizing Daiwa Asset Management's analysts 	<ul style="list-style-type: none"> ● Results: <ul style="list-style-type: none"> - Entrusted management of our domestic stock investments - Enhanced the investment structure to utilize the NY base for foreign corporate bonds - Engaged in mutual human resources exchange at all levels from management to the front line ● Amount of investment entrusted: Over ¥ 1tn (Planned) ● Revenue contribution: Stronger earnings capacity is expected through progress on the initiatives above

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- Lastly, I will explain about “Strengthen our asset management capabilities through alliances.”
- Aiming to strengthen our asset management capabilities, we have established alliances and made investments with Japan Post Investment Corporation for private equities in February 2018, MITSUI & CO., LTD. for real estate in June 2022, and Daiwa Asset Management Co., Ltd. for foreign corporate bonds and domestic stocks in May 2024.
- Regarding the alliances and investments with Japan Post Investment Corporation and MITSUI & CO., LTD. which have already been in place for several years, we are currently seeing the positive impact of these alliances in terms of contributing to our revenue.
- Through these alliances, we intend to increase our asset management capabilities in each field and further expand revenue in the medium to long term.
- This concludes my explanation.
- Please look at page 21.

	Theme	Presenter
I	Recognition of Current Status P.3	 <p>Director and Deputy President, Representative Executive Officer ONISHI Toru</p>
II	Vision for the Future P.7 <ol style="list-style-type: none"> 1. Growth strategies that leverage our strengths <ol style="list-style-type: none"> ① Strengthen sales force and ensure continuity ② Asset management utilizing our massive asset scale ③ Diversification of revenue sources 2. Management efficiency P.23 3. Shareholder returns P.26 	

- I am Onishi, Deputy President.
- I will now explain the third pillar of our growth strategies, which is “Diversification of revenue sources.”
- Please look at page 22.

1 - 3 Diversification of revenue sources

- We will mainly pursue revenue from new domains including the overseas insurance market and the asset management business.
- We will continue to pursue the diversification of revenue sources, aiming to gain revenue by exploring a wide range of domains that have an affinity with the insurance business and can be expected to generate synergies and contribute to earnings, while maintaining the life insurance and asset management businesses as our focus.

Gain revenue from the overseas insurance market

- [Current status of the reinsurance market]
- Our partner, GA, targets the reinsurance market, which has a scale of over 6 trillion dollars
 - The need to free-up capital and transfer risks is rising among life insurance companies seeking reinsurance (sellers), and the market is expected to continue to expand
- [Benefits of the alliance]
- Gain revenue, mainly from the U.S. individual insurance market, through an investment in a reinsurance sidecar sponsored by GA
 - Aim to capture revenue opportunities from insurance markets outside the U.S.
 - Achieve an IRR of 10% or higher

Gain revenue from the asset management business

- [Current status of the retail and investment advisory business]
- Further growth is expected in the retail domain with new NISA accounts
 - Competition is intense in the investment advisory business, and entry into the alternative investment field is vital
- [Benefits of the alliance]
- Capture Daiwa Asset Management's growth in the retail field with new NISA accounts
 - Aim to grow Daiwa Asset Management's business and gain investment returns through full-scale entry into the investment advisory business domain, including alternative investments

Direction of medium- to long-term alliance and investment strategy

Current alliances and investments



Create new growth opportunities

- Growth exceeding the cost of capital
- Insurance (domestic, overseas, reinsurance) and asset management business are core
- Expand horizons to include peripheral domains expected to generate synergies with the insurance business and contribute to profit

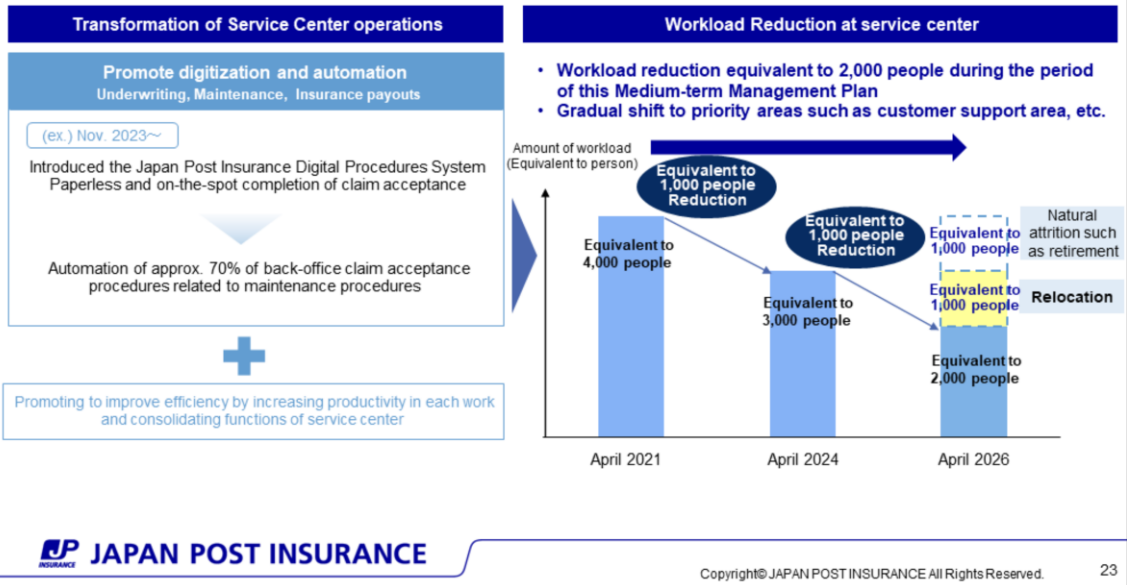
Illustration of earnings contribution through external growth



- We will mainly pursue revenue from new domains including the overseas insurance market and the asset management business.
- Specifically, through our alliance and investment with KKR and Global Atlantic, we aim to acquire revenue opportunities from the overseas insurance market and achieve an IRR of 10% or higher. Additionally, through our alliance and investment with Daiwa Securities Group, we will incorporate Daiwa Asset Management's growth in the retail field with new NISA accounts.
- In the medium to long term, we aim to gain revenue by exploring a wide range of domains that have an affinity with the insurance business and can be expected to generate synergies and contribute to earnings, while maintaining the life insurance and asset management businesses as our focus.
- Please look at page 23.

2 Management efficiency ~① Streamline operations by transforming Service Center operations~

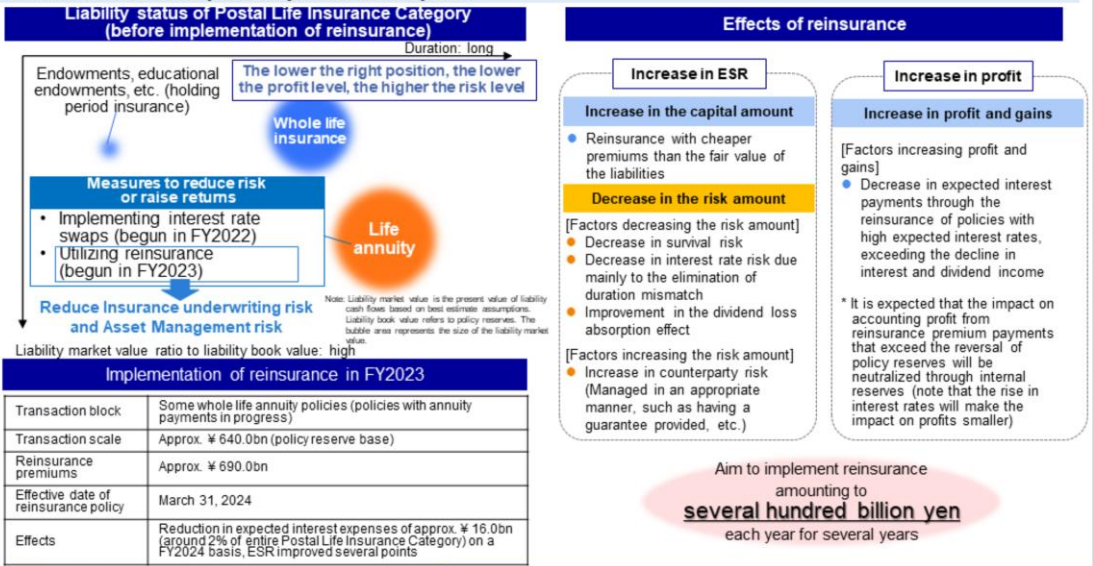
- The service center, which is responsible for back-office operations, has been reforming its operations through digitization, reducing workload and shifting the workforce created in stages to priority areas to be strengthened, such as customer support.



- Now I will explain about “Management efficiency.” Here, we are presenting our initiatives for "Streamline operations by transforming Service Center operations."
- The service center, which is responsible for back-office operations, has been reforming its operations through digitization. As a result of these efforts, we have already reduced the workload equivalent to 1,000 people by April of this year.
- Furthermore, we will continue to reduce an additional workload equivalent to 1,000 people during the period of this Medium-term Management Plan. We will also gradually shift the labor force generated through these measures to priority areas such as customer support area, etc.
- Please look at page 24.

2 Management efficiency ~② Upgrading Liability Management, etc. in Postal Life Insurance Category (Enhance Capital Efficiency)~

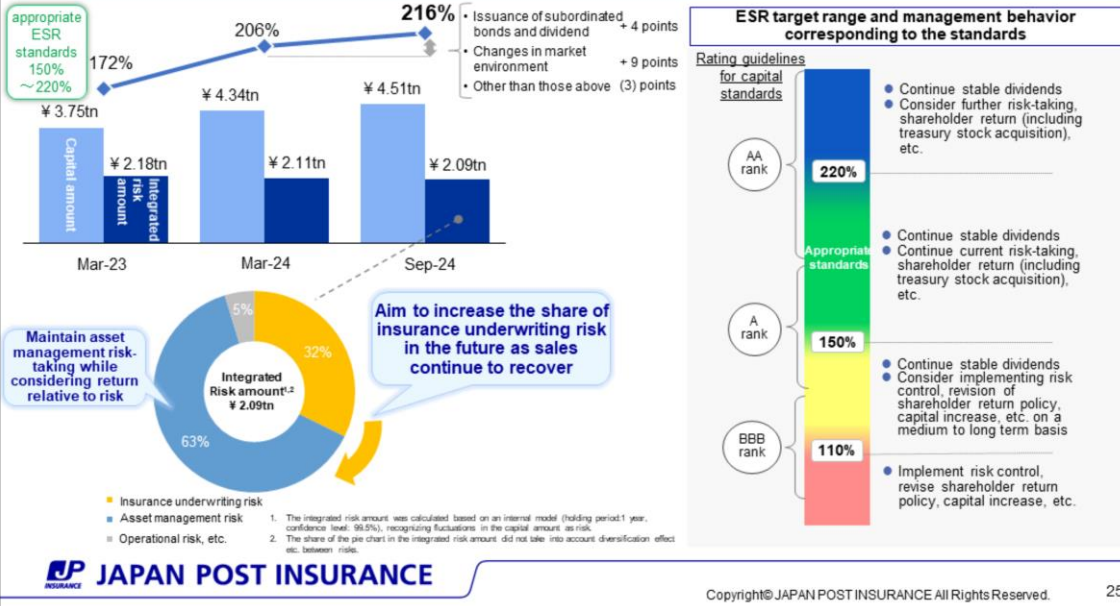
- The Postal Life Insurance Category has a high cost of liabilities and a high rate of policyholder dividends, giving it a low profitability and making it difficult to improve ESR.
- For the life annuity in Postal Life Insurance Category, we have implemented interest rate swaps since FY2022 and ceded it using reinsurance in FY2023.
- We will continue to aim to reduce liabilities and further improve return on capital by implementing reinsurance amounting to several hundred billion yen each year for several years.



- I will explain about “Upgrading Liability Management, etc. in Postal Life Insurance Category.”
- The Postal Life Insurance Category has a high cost of liabilities and a high rate of policyholder dividends, giving it a low profitability and making it difficult to improve ESR.
- Therefore, for the life annuity in Postal Life Insurance Category, we have implemented interest rate swaps since FY2022 and ceded it using reinsurance in FY2023.
- We will continue to aim to reduce liabilities and further improve return on capital by implementing reinsurance amounting to several hundred billion yen each year for several years.
- Please look at page 25.

2 Management efficiency ~ ③ Management behavior corresponding to the ESR standards ~

- The ESR as of September 30, 2024 increased from March 31, 2024 to 216% since, while the integrated risk amount slightly decreased, the capital amount increased due to an increase in the value of new business due to higher interest rates and other factors and the issuance of subordinated bonds, etc.
- Continue efforts to ensure appropriate ESR with good stability, and consider further risk-taking and shareholder return if we exceeds an appropriate ESR.

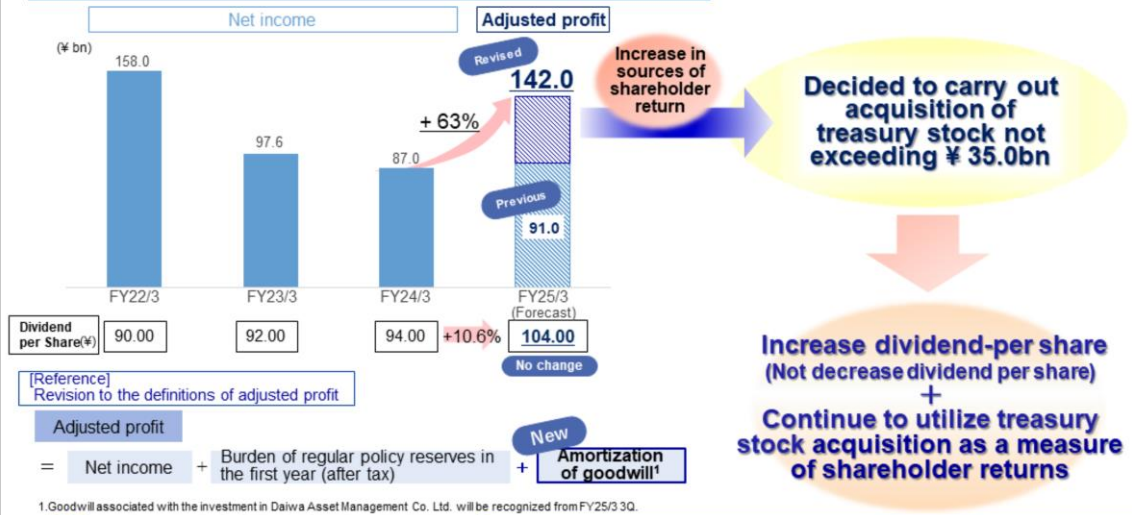


- This graph shows the transition of ESR.
- The ESR as of September 30, 2024 increased from March 31, 2024 to 216% since, while the integrated risk amount slightly decreased, the capital amount increased due to an increase in the value of new business due to higher interest rates and other factors and the issuance of subordinated bonds, etc.
- We continue to work on ensuring appropriate ESR with good stability, and consider further risk-taking and additional shareholder return such as treasury stock acquisition if we exceeds an appropriate ESR.
- Regarding the risk amount, we aim to increase the share of insurance underwriting risk in the future by sustaining the current recovery trend in sales and also maintain asset management risk-taking while considering return relative to risk to enhance returns, thus aim for an efficient risk distribution.
- Please look at page 26.

3 Shareholder returns ~Enhance shareholder returns~

- Made an upward revision to the financial results forecasts, mainly due to an increase in asset management earnings resulting from an upturn in the investment environment.
- In view of these strong results and the present undervaluation of the level of Company's stock price, we decided to carry out acquisition of treasury stock as an additional measure to boost shareholder returns for the current fiscal year.
- We aim not to decrease but to increase dividends per share in principle, in accordance with our shareholder return policies, and continue to utilize treasury stock acquisition as a measure of shareholder returns.

Changes in Sources of Shareholder Returns, etc.



- Lastly, I will explain about “Enhance shareholder returns.”
- We made an upward revision to the financial results forecasts, mainly due to an increase in asset management earnings resulting from an upturn in the investment environment.
- In view of these strong results and the present undervaluation of the level of Company's stock price, we decided to carry out acquisition of treasury stock not exceeding ¥ 35.0bn as an additional measure to boost shareholder returns for the current fiscal year.
- We aim not to decrease but to increase dividends per share in principle, in accordance with our shareholder return policies, and continue to utilize treasury stock acquisition as a measure of shareholder returns.
- This concludes my explanation.
- Thank you.

Appendix

Progress of Medium-Term Management Plan

- Aiming for an early bottoming-out of the number of policies in force through continued efforts in customer-oriented business operations by strengthening sales force, while continuing the situation of sales frontlines that have been revitalized since the launch of lump-sum payment whole life insurance in January 2024.
- Improve adjusted profit and adjusted ROE introduced in FY25/3 by implementing various growth strategies.

	FY26/3 Target	First half of FY25/3 Result / Evaluation	FY25/3 Forecasts / Initiatives
Numbers of policies in force (Individual Insurance)	18.5 million or more policies	19,362K policies (Change from Mar-24 : (1.7) %)	While the number of new-category policies in force remained largely unchanged because of the increase in the number of new policies, the number of the policies in force continued to decline.
Adjusted profit [Reference: consolidated net income]	¥ 97.0 bn [¥ 80.0 bn]	¥ 84.3 bn [¥ 62.8 bn]	Adjusted profit increased due to recovery of sales performance and an improvement in the market environment. Revised forecast for adjusted profit upward to approx. ¥142.0bn
Adjusted ROE	Approx. 6%	Approx. 8% (FY 25/3 forecast)	Aim to continuously achieve adjusted ROE that is approved by the market. Revised the definition of adjusted ROE from the FY 25/3 3Q.
Dividend-per-share (DPS)	In principle aim not to decrease but to increase dividend per share for the period of the Medium-term Management Plan	Interim dividends : ¥ 52 (Change from FY24/3 Interim dividends : + ¥ 5)	No change is being contemplated to ¥ 104 per share as scheduled. (Change from FY24/3: + ¥ 10)
EV growth (RoEV)¹	Aim for 6% to 8% growth	8.9%(annualized) [Reference] FY24/3 7.6% <small>[2Q result is based on provisional calculations that have not been verified by a third party]</small>	Although exceeded Medium-Term Targets (6 to 8%) in the most recent results, continue to aim to maintain and improve the figures.
Customer Satisfaction² NPS®³	Customer satisfaction Aim for 90% or more NPS® Aim for One of the highest in the industry	Overall satisfaction in Japan Post Insurance in FY24/3: 83% [Reference] NPS® : (54.0)points (10th/13 companies)	Continue to promote initiatives to improve CX.

1. Calculated by excluding economic variance factors.

2. The total percentage of customers who responded as "satisfied" and "somewhat satisfied" with a 5-level rating of customer satisfaction.

3. NPS® is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. Values and order shown for reference are sourced from "NPS® Benchmark Study: Life Insurance Division (2024)" by NTTCom Online Marketing Solutions.



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28

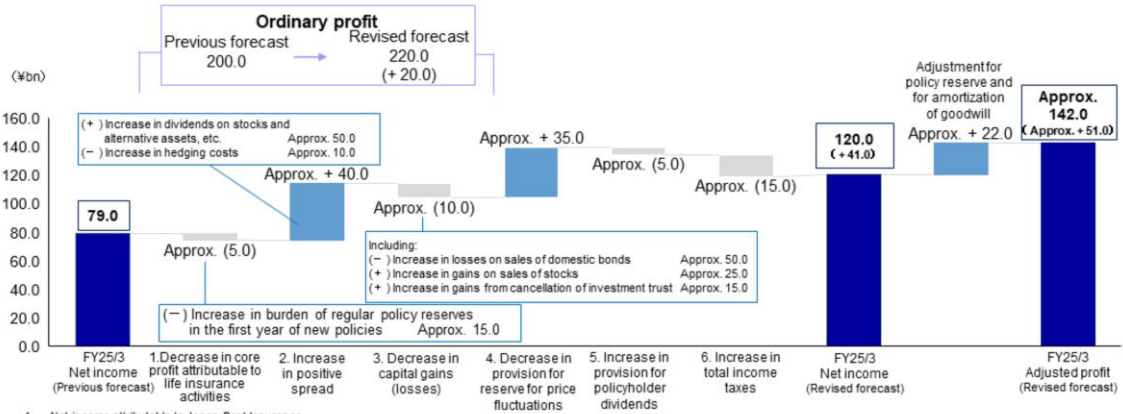
[Reference (As disclosed on November 14, 2024)]

Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2025 (Factors for changes from previous forecasts)

- Revised forecast for ordinary profit upward from ¥200.0bn to ¥220.0bn due to factors 1) to 3).
- Revised forecast for net income¹ upward from ¥79.0bn to ¥120.0bn due to factors 4) to 6) in addition to the factors above.
- Revised forecast for adjusted profit upward from approx. ¥91.0bn to approx. ¥142.0bn after applying adjustment for policy reserve and for amortization of goodwill to net income.

[Reasons for the revision]

- 1) Decrease in core profit attributable to life insurance activities resulting from the impact from an increase in new policies, mainly due to the sale of lump-sum payment whole life insurance policies
- 2) Increase in positive spread
- 3) Decrease in capital gains (losses)
- 4) Decrease in provision for reserve for price fluctuations
- 5) Increase in provision for policyholder dividends
- 6) Increase in total income taxes



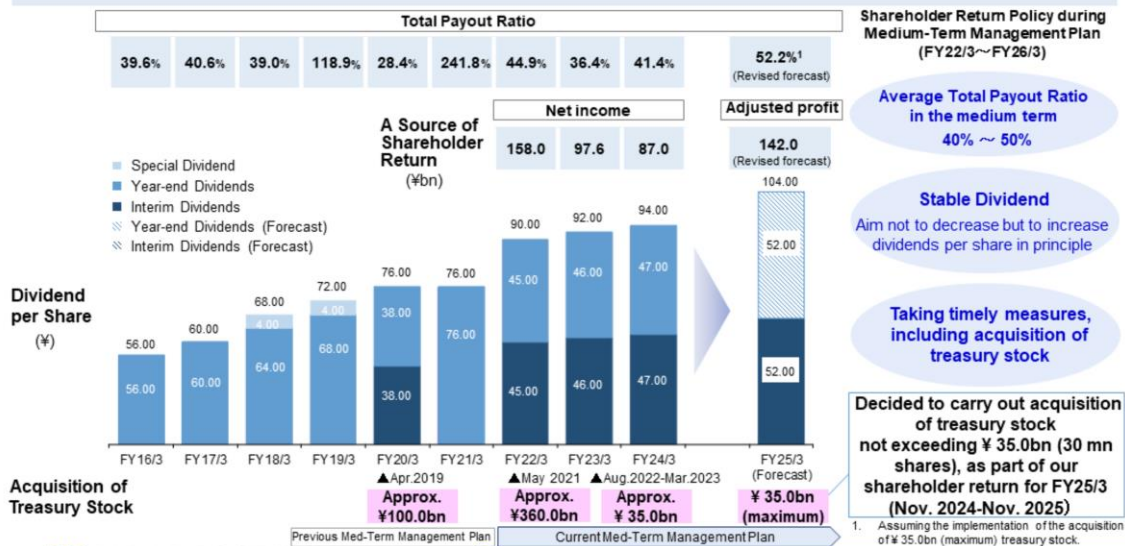
1. Net income attributable to Japan Post Insurance.



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Shareholder Return

- In accordance with the shareholder return policies during the period of the Medium-term Management Plan, we provide returns to shareholders. We implement “adjusted profit” from FY25/3 and provide stable returns to shareholders by treating adjusted profit as a source of shareholder return.
- As for dividends to shareholders for FY25/3, no change is being contemplated to ¥ 104 per share as scheduled.
- We have decided to carry out acquisition of treasury stock not exceeding ¥ 35.0 billion of treasury stock as an additional measure to boost shareholder returns for FY25/3.



[Reference (As disclosed on November 14, 2024)]

Revision to the Definitions of Adjusted Profit and Adjusted ROE

- Payment for the investment in Daiwa Asset Management Co. Ltd. (capital increase through third-party allotment), announced on May 15, 2024, was completed in October 2024. As a result, we will recognize goodwill from FY25/3 3Q.
- We will adjust for the effect of amortization of goodwill to reflect the Company's intrinsic earning capacity. Specifically, we will add back the amount of amortization of goodwill deducted from net income. We will also deduct the unamortized balance of goodwill from the denominator of adjusted ROE.
- We will implement stable shareholder returns funded by adjusted profit, aiming to enhance corporate value.

Revision to the definitions of adjusted profit and adjusted ROE

$$\begin{aligned} \text{Adjusted profit} &= \text{Net income} + \text{Burden of regular policy reserves in the first year (after tax)} + \text{Amortization of goodwill}^1 \\ \text{Adjusted ROE} &= \text{Adjusted profit} \div \left(\text{Shareholders' equity}^2 - \text{Unamortized balance of goodwill}^{1,2} \right) \end{aligned}$$

1. Goodwill associated with the investment in Daiwa Asset Management Co. Ltd. will be recognized from FY25/3 3Q 2. Average

<Reference: Revision to the definition of the source for shareholder returns>

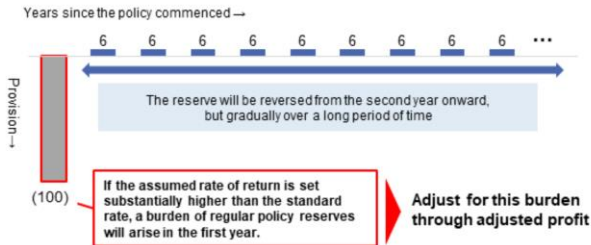
- From FY25/3, we have introduced adjusted profit, which has been adjusted by adding back the burden of regular policy reserves in the first year of new policies (after tax), as the source for shareholder returns, to partially adjust for the characteristics of a life insurance company, where an increase in new policies may cause downward pressure on profits in the short term.

Adjustment Concerning the Burden of Regular Policy Reserves

- As part of our initiatives under the Medium-term Management Plan, we aim to increase the appeal of savings-type products (revise the assumed rates of return) in tune with rising interest rates and other external factors, to retain and expand the number of customers.
- If the assumed rate of return is set substantially higher than the standard rate, the burden of regular policy reserves in the first year may cause downward pressure on consolidated net income in the short term. We will adjust for this impact to ensure stable shareholder returns.

Burden of regular policy reserves for lump-sum payment whole life insurance (Illustration)

The figure below shows an illustration of the annual amounts of provision and reversal of regular policy reserves for lump-sum payment whole life insurance policies that commenced during the period from January to September 2024, taking the burden of regular policy reserves in the first year as 100.



Burden of regular policy reserves in FY25/3 2Q (before tax)¹

	FY 25/3 new policies	FY 24/3 new policies
Level premiums	¥ (0.1) bn	¥ (0.7) bn
Lump-sum payment	¥ (29.6) bn	+ ¥ 0.2 bn
Total	¥ (29.7) bn	¥ (0.4) bn

Burden of first-year regular policy reserves in FY25/3 2Q (amount after tax is adjusted for adjusted profit)

Impact is mitigated through reversals from the second year of the policy onward

Note: The figure above has been prepared based on a standard rate (0.75%) and the Company's assumed rate (0.95%) for lump-sum payment whole life insurance for January to September, 2024.

1. This represents the burden of regular policy reserves (before tax) in FY25/3 2Q for new policies that commenced in each year. Positive numbers indicate the reversal and negative numbers indicate the provision of policy reserves.

[Reference (As disclosed on November 14, 2024)]

Calculation Method and Level of the Standard Rate of Return

- The method used to calculate the standard rate of return is presented in the table below.

Standard rate¹ and the Company's assumed rate

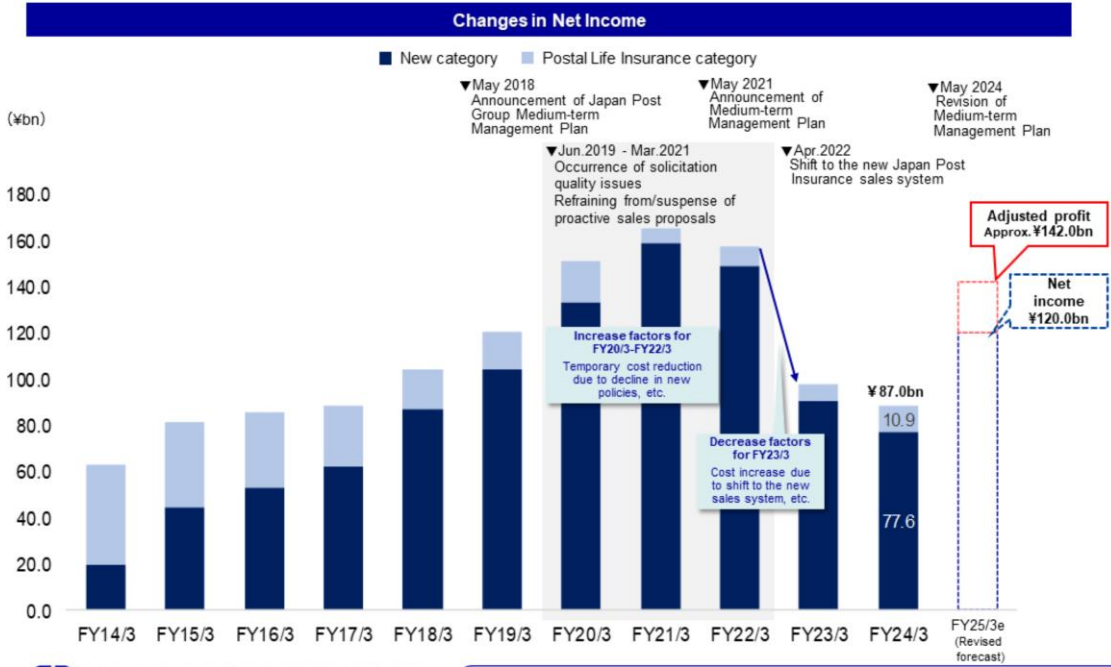
	Basic rate ^{2,3}	Record dates and dates of application	Level of rate		Current level of the Company's assumed rate
			Until September 2024	October 2024 onward	
Lump-sum payment whole life insurance, etc.	Lower of: <ul style="list-style-type: none"> The mean of the "average distribution yield on 10-year government bonds during the past three months" and the "average distribution yield on 20-year government bonds during the past three months" The mean of the "average distribution yield on 10-year government bonds during the past year" and the "average distribution yield on 20-year government bonds during the past year" 	Record dates: January 1, April 1, July 1, and October 1 Dates of application: Three months after each record date	0.75%	1.00%	0.95%
Level premium insurance, etc.	Lower of: <ul style="list-style-type: none"> The "average yield to subscribers on 10-year government bonds during the past three years" The "average yield to subscribers on 10-year government bonds during the past ten years" 	Record date: October 1 Date of application: April 1 in the year following the record date	0.25%		0.50% (For zero-dividend policies: 0.55%)

1. Accumulation rate for policy reserves based on Public Notice No. 48 issued by the Ministry of Finance in 1996.

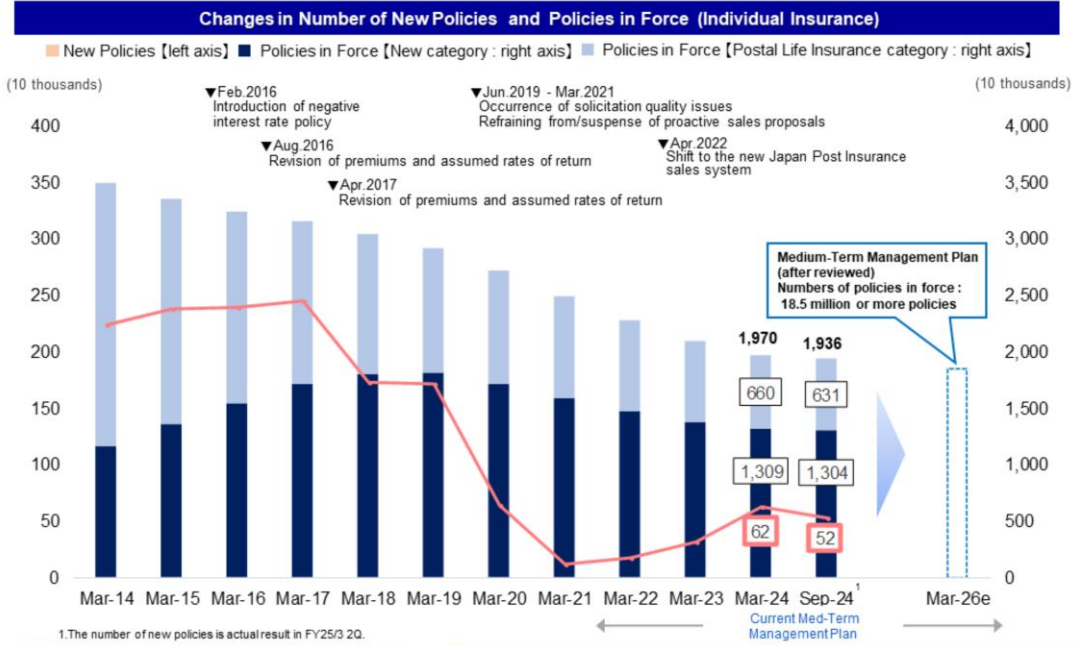
2. The basic rate is calculated using the stability coefficient designated in the Public Notice, based on the rate in the table above.

3. If the basic rate and the standard rate applied on the record date differ by 0.25% or more in the case of lump-sum payment products, or 0.50% or more in the case of level premium products, the standard rate for the date of application onward is revised to the multiple of 0.25% that is closest in value to the basic rate.

Changes in Net Income (Figures by New and Postal Life Insurance Categories)

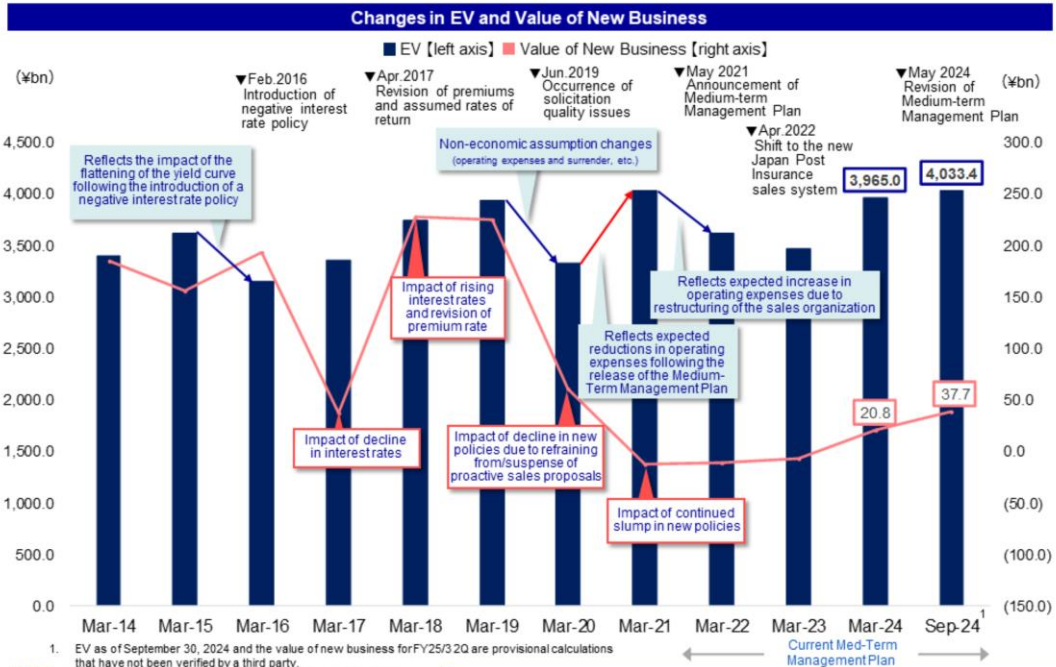


Changes in Number of Policies



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Changes in EV



1. EV as of September 30, 2024 and the value of new business for FY25/3/2Q are provisional calculations that have not been verified by a third party.



[Reference (As disclosed on November 14, 2024)]

Sensitivity Analysis of EV

Sensitivity to Economic Assumptions (EV)

Assumptions	EV	Change (%)	(#bn)	
			Adjusted net worth	Value of in-force covered business
50bp increase in risk-free rate of domestic interest rates ^{1,2}	3,964.1	(69.3) ((1.7) %)	2,013.1	1,950.9
50bp decrease in risk-free rate of domestic interest rates (parallel shift without zero floor) ^{1,2}	4,087.8	+ 54.4 (+ 1.3 %)	2,046.4	2,041.3
50bp increase in risk-free rate of foreign interest rates ^{1,2}	3,970.2	(63.1) ((1.6) %)	2,021.8	1,948.4
50bp decrease in risk-free rate of foreign interest rates (parallel shift without zero floor) ^{1,2}	4,098.3	+ 64.9 (+ 1.6 %)	2,036.2	2,062.1
10% decrease in equity and real estate value ^{1,2}	3,852.1	(181.2) ((4.5) %)	2,019.8	1,832.3
10% appreciation of the yen ^{1,2}	3,950.9	(82.4) ((2.0) %)	2,027.5	1,923.3

Sensitivity to Non-economic Assumptions (EV)

Assumptions	EV	Change (%)	(#bn)	
			Adjusted net worth	Value of in-force covered business
Future volume of policies in force is 105% of the level assumed in the calculation of EV as of March 31, 2024 ^{1,2}	4,086.5	+ 53.1 (+ 1.3 %)	2,029.0	2,057.5
10% decrease in maintenance expenses ^{1,2}	4,206.8	+ 173.3 (+ 4.3 %)	2,029.0	2,177.7

Sensitivity to Economic Assumptions (Value of New Business)

Assumptions	Value of New Business	Change (%)	(#bn)	
			Adjusted net worth	Value of in-force covered business
50bp increase in risk-free rate ^{1,2}	70.4	+ 32.6 (+ 86.4 %)		
50bp decrease in risk-free rate (parallel shift without zero floor) ^{1,2}	(2.7)	(40.5) ((107.3) %)		

1. Provisional calculations that have not been verified by a third party.

2. For each sensitivity scenario, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of a change of more than one assumption at a time is likely to be different from the sum of the relevant individual sensitivity results shown.



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37

Introduction of the new economic value basis solvency regulation

- In preparation for the introduction of the new economic value basis solvency regulation in FY2025, a part of our ESR measurement model is gradually changed to the specifications of the model based on the new capital regulations (the new economic value basis solvency regulation)
- No significant difference is expected in ESR levels between our ESR measurement model as of September 30, 2024, and the new economic value basis solvency regulation.
- Continue efforts to ensure appropriate ESR with good stability.

The major difference in ESR levels between the ESR measurement model as of September 30, 2024 and the new economic value basis solvency regulation¹

Initiatives for securing appropriate ESR with good stability

Capital amount

- The discount rate for insurance liabilities is the risk-free rate and is not added (adjusted spread) [+].
- Differences in risk margin (MOCE) in terms of risks covered and measurement methods [-].

Life insurance risk²

- Internal model (coefficients based on in-house actual results) used [-]³.

Massive catastrophe risk

- Takes into account the risk of large earthquakes that are not included in the new economic value basis solvency regulation [+].

Asset Management risk

- Volatility and correlation coefficients are estimated in-house from market data [+].

No significant difference is expected in ESR levels

Increase in capital amount

- **Increase in new policies**
Promoting initiatives to retain and expand customer base
- **Debt financing**
Domestic subordinated bonds issuance

2023.9 ¥100.0bn
2024.4 ¥100.0bn

Decrease in risk amount

- **Implementation of interest rate swaps**
Begun in Jan-23
- **Utilization of reinsurance**
Ceded a portion of the life annuity in the Postal Life Insurance Category in March 2024.

ESR Sensitivity (As of September 30, 2024)

50bp increase in risk-free rate of domestic interest rates ⁴	(3) points
50bp decrease in risk-free rate of domestic interest rates (parallel shift without zero floor) ⁴	+ 0 point
50bp increase in risk-free rate of foreign interest rates ⁴	(5) points
50bp decrease in risk-free rate of foreign interest rates (parallel shift without zero floor) ⁴	+ 5 points
10% decrease in equity and real estate value ⁴	(5) points
10% appreciation of the yen ⁴	(2) points
Future volume of policies in force is 105% of the level ^{4,5}	+ 5 points

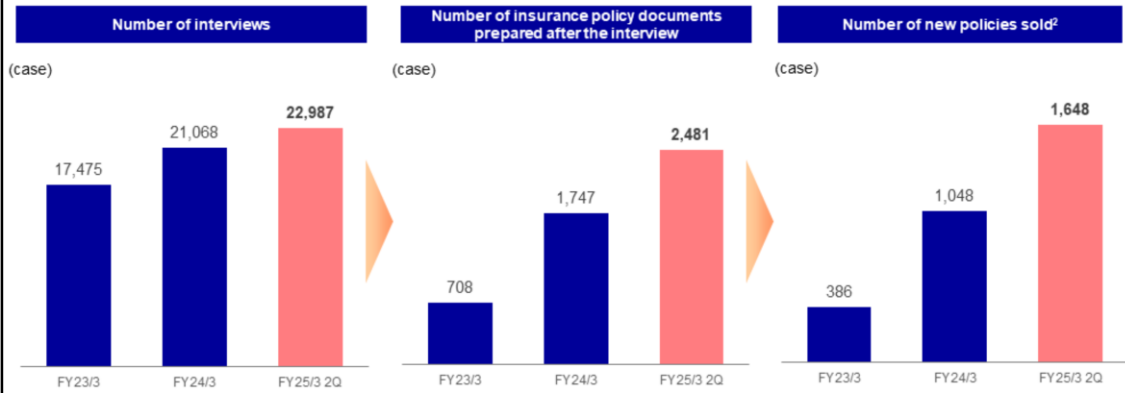
⁵. Assumed in the calculation of EV as of March 31, 2024.

1. The sign in [] indicates the impact on our ESR (in the direction of increase or decrease) if the new economic value basis solvency regulation are applied.
2. Excluding business expense risk and large volume cancellation risk.
3. When standard coefficients are applied. When company-specific coefficients can be applied, no significant difference is expected between the internal model and the coefficients.
4. For each sensitivity scenario, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of a change of more than one assumption at a time is likely to be different from the sum of the relevant individual sensitivity results shown.

Improvement of Sales Activities (Retail Service Division)

- After a period of our refraining from sales activities, our sales activity has gradually improved due to the introduction of the new Japan Post Insurance sales system, etc.
- Since January 2024, our sales activities were further stimulated by the launch of lump-sum payment whole life insurance and the resumption of solicitations to customers aged 70 and older, which made it possible to respond to a wider range of customer needs than ever before.

Status of activities of the retail division (Retail Service Division)¹

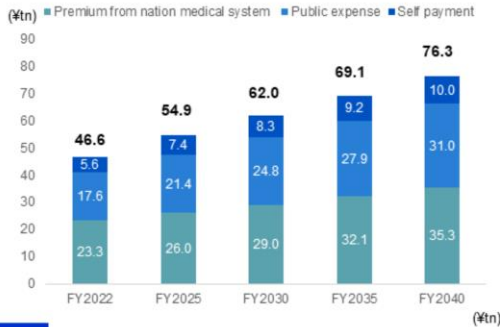


1. Average number of cases per business day in each month during the period.
2. The number of new policies sold includes policies after conversion and renewed policies.

Business Environment in the Japanese Life Insurance Industry

- As social security cost such as medical expenditures are expected to increase going forward, the necessity of self-help effort for the risk of living expenses, injuries, diseases and nursing care has been increasing.
- Detecting a disease at an early stage before it gets serious and taking measures to prevent or delay the onset of serious illness have been becoming more important in Japan.

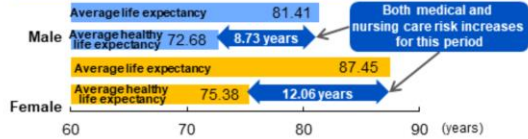
Increase in National Medical Expenditure(NME)



	FY2022	FY2025	FY2030	FY2035	FY2040
GDP	566.4	645.6	694.8	741.2	790.6
NME	8.2%	8.5%	8.9%	9.3%	9.7%

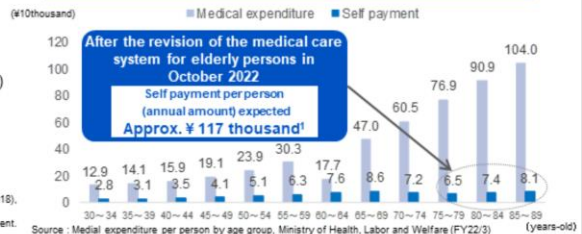
Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018), Ministry of Health, Labor and Welfare (October 11, 2024).
 Note: Figures at FY23/3 are actual results. Figures at FY26/3 onwards are estimated amount at official announcement.

Difference between Average Life Expectancy at Birth (years) and Average Healthy Life Expectancy at Birth (years)



Source: Ministry of Health, Labor and Welfare, 18th meeting of Health Japan 21 (the 2nd term), material No. 3-1

Medial expenditure per person by age group and self payment (annual amount) (estimated based on actual result in FY22/3)

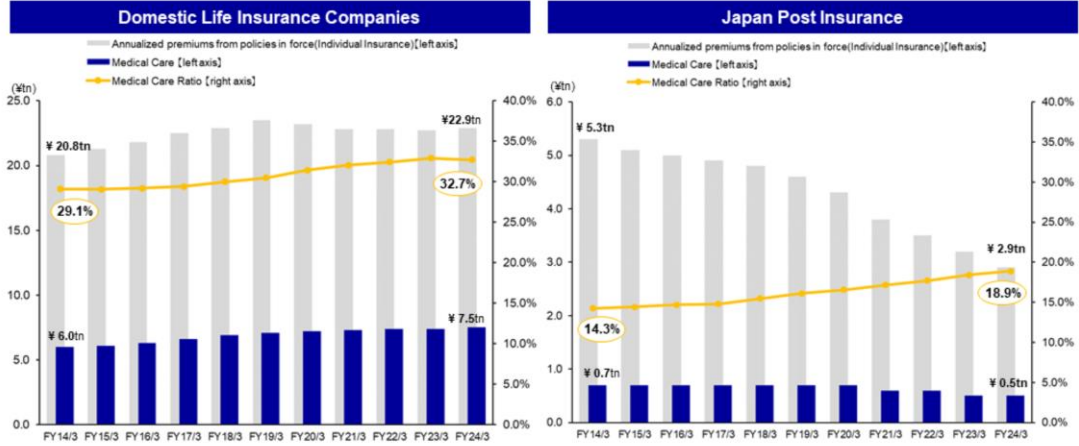


Source: Medical expenditure per person by age group, Ministry of Health, Labor and Welfare (FY22/3).
 1. Website of Ministry of Health, Labor and Welfare, "Outline of the medical care system for elderly person"
 (6)Reference material: "PS. Under transitional measures taken for 3 years after the revision to restrain its impact, the figure is expected to be approx. ¥109 thousand.

Medical Care Market

- As the domestic market for medical care is expanding, medical care ratio to annualized premiums in force is also increasing.
- Our medical care ratio to annualized premiums in force is still low compared with the domestic market, and we believe there is room to further increase that ratio by meeting customers' protection needs.

Annualized Premium from policies in force (medical care)



Source: The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan
 Note: "Domestic Life Insurance Companies" includes postal life insurance policies.

Relaxation of Additional Restrictions under the Postal Service Privatization Act

- In June 2021, Japan Post Holdings' voting rights in the Company fell below 50.0%. This meant relaxed additional regulatory restrictions related to new businesses, making it even easier for the Company to provide insurance services that meet customer needs.

Structure of Japan Post Group	Item	Additional Restrictions under the Postal Service Privatization Act
<p>As of September 30, 2024</p> <pre> graph TD JG[The Japanese Government] -- "Shareholding obligation (more than 1/3)" --> JPH[Japan Post Holdings] JPH -- "100%" --> JPC[Japan Post Co. (Post office + Postal and logistics business)] JPH -- "61.50%¹" --> JPB[Japan Post Bank] JPH -- "49.84%¹" --> JPI[Japan Post Insurance] JPB -- "Consignment of operations" --> JPC JPI -- "Consignment of operations" --> JPC </pre> <p>Aiming to improve management flexibility through early disposal of shares in two financial subsidiaries</p>	New business	<ul style="list-style-type: none"> 【Until Japan Post Holdings disposes of 50% or more of all the shares of the Company】 <ul style="list-style-type: none"> Approval by competent ministers² (a hearing at the Postal Service Privatization Committee is required) 【After Japan Post Holdings disposes of a 50% or more of all the shares of the Company until the designated date³】 <ul style="list-style-type: none"> Notification to competent ministers² (obligation to consider competitors, notification to Postal Service Privatization Committee is required) 【After designated date³】 <ul style="list-style-type: none"> No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue)
	Limit on coverage amount	<ul style="list-style-type: none"> 【Until the designated date³】 <ul style="list-style-type: none"> Prescribed in a cabinet order (a hearing at the Postal Service Privatization Committee is required to revise) <ul style="list-style-type: none"> Limit on coverage amount: in principle, ¥ 10mn (total of ¥ 20mn after 4 years have elapsed since start of coverage (age 20-55)) 【After designated date³】 <ul style="list-style-type: none"> No regulations based on Postal Service Privatization Act
	Subsidiary	<ul style="list-style-type: none"> 【Until the designated date³】 <ul style="list-style-type: none"> Prohibited from acquiring or holding as a subsidiary or merging with any insurance company <ul style="list-style-type: none"> no specific statutory rules applicable to our minority investments, which is acquiring voting rights below 50% 【After designated date³】 <ul style="list-style-type: none"> No regulations based on Postal Service Privatization Act

1. Ratio of the number of shares held to the total number of issued shares excluding treasury shares. Figures are rounded to two decimal places.

2. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister of Internal Affairs and Communications.

3. Designated date: The earlier of (i) the disposal of Japan Post Holdings' entire equity interest in the Company and (ii) the disposal of 50% or more of Japan Post Holdings' equity interest in the Company and the determination by the Prime Minister and the Minister for Internal Affairs and Communications that the additional restriction does not apply to the Company.

Overview of Funds and Contributions

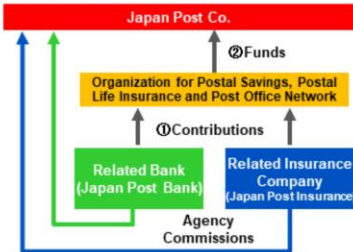
- Amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance have taken effect since December 1, 2018.
- From April 2019, we and Japan Post Bank are required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network which will pay the fundamental necessary expenses for Japan Post Co. to maintain its post office network.

System of Funds and Contributions

【Until March 2019】



【From April 2019】



- Along with the establishment of the system of funds and contributions, we revised the structure of agency commissions

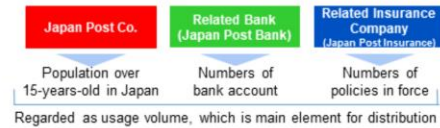
JAPAN POST INSURANCE

Calculation for contributions

* pursuant to an ordinance of the MIC

- The amount of contribution is calculated as follows,
 - Calculate and sum necessary expenses for post office network and administrative expenses of the Organization
 - Allot expenses above in proportion to the degree of use of the post office network by mail counter work, bank counter work and insurance counter work

[Example of distribution : usage volume]



Commissions and contributions

(#bn)

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3 (Forecast)
Commissions	198.1	178.6	134.8	123.7	111.0
Contributions	56.0	54.0	50.1	56.4	56.3
Total	254.1	232.6	185.0	180.2	167.3

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43

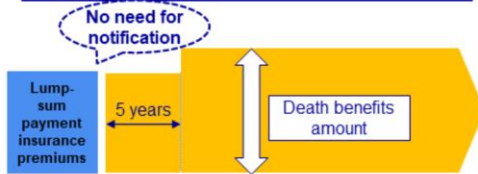
Outline of Lump-Sum Payment Whole Life Insurance

■ We launched sales of lump-sum payment whole life insurance policies in January 2024, for which premiums are paid all at once.

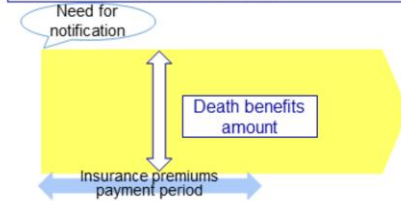
Outline

- By making a lump-sum payment of insurance premiums, customers can receive a death benefit greater than the amount of the lump-sum premiums.
- Notification is not required, enabling customers to apply regardless of their state of health.
- The limit of age to apply: 55-85 years old (the upper limit could be changed in accordance with revision of insurance premium rate).

Lump-Sum Payment Whole Life Insurance



Reference: Current ordinary whole life insurance (fixed amount type)¹



Insurance premiums payment

Premiums are paid in a lump sum at the time of enrollment.

Premiums are paid monthly until the predetermined age.³

Coverage

Only available are lifetime death benefits. (no claims for severe disability or double payments)

In addition to lifetime death benefits, claims for severe disability or double payments are available.

Medical coverage

The medical rider "Motto Sonohi-kara Plus" can be added.²

The medical rider "Motto Sonohi-kara Plus" can be added.

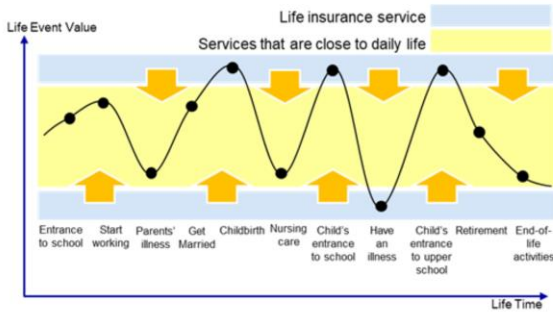
1. The current ordinary whole life insurance (fixed amount type) will continue to be sold, even after the launch of ordinary whole life insurance that offers availability of lump-sum payment.
 2. When adding a rider, customers may be required to provide notification of their health condition.
 3. It will also be possible to pay for multiple months in advance.

Services That Are Close to the Daily Lives of Customers

- By providing services to customers in all aspects of their lives and continuing to connect with them, we will be able to understand their needs in a more timely and accurate manner and to make optimal proposals that meet the needs of each individual.
- By providing services that are close to the daily lives of customers, we will continuously work to resolve social challenges our customers are facing.

Connections between customers' lifetimes and Japan Post Insurance (from points to lines)

- Help customers resolve their problems as they come by providing support as a trusted partner easy to consult with through daily after-sales follow-ups, etc.
- Build lasting connection with customers in all aspects of their lives (lines), as opposed to our conventional connection with customers in limited aspects of their lives (points)



Examples of new services

- Solve problems for customers through cooperation with businesses that provide services that contribute toward solving social issues

End-of-life activities / inheritance

Family Trust Service (From Oct 2022)

- Launched the Family Trust Service as our complementary service, enabling flexible decision-making related to various methods for managing and disposing of customers' property according to family circumstances

Nursing care

Support for daily life and nursing care (From May 2023)

- Launched a complementary service, in which professionals such as care managers attend to the concerns and problems of the elderly customers themselves and their family members and provide appropriate information

Initiative for service expansion

CVC

Began investment in venture companies (Aug. 2023)




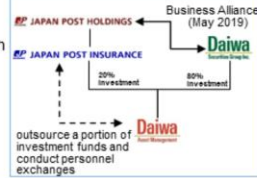
- Invested in promising venture companies through CVC (Kampo NEXT Partners) to promote business alliances aimed at enhancing services that are close to the daily lives of customers.

[Investment results]

approx. ¥2.4bn in 14 companies as of September 2024

Diversify Sources of Revenue / Create New Opportunities for Growth

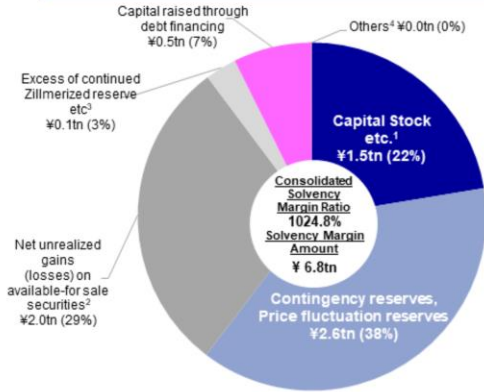
- We have invested in JP Investment Corporation, implemented capital and business alliances with MITSUI & CO., LTD. and a strategic partnership with KKR and Global Atlantic (GA) with the aim of diversifying our sources of revenue and creating new opportunities for growth. Furthermore, in May 2024, we entered into a capital and business alliance with Daiwa Securities Group.
- Based on these alliances, we will expand collaborations aimed at further growth, and continue discussion for the creation of new opportunities for growth.

Partner	Japan Post Investment Corporation (From February 2018)	MITSUI & CO.,LTD. (From June 2022)
Summary	<ul style="list-style-type: none"> Established a new company to manage private equity funds in cooperation with Japan Post Bank Co., Ltd. in order to further advance and diversify asset management Aiming to accumulate expertise in the private equity field and earn business revenue from fund management through obtaining third-party funds 	<ul style="list-style-type: none"> As an intermediary holding company, MKAM Co., Ltd. was established for the purpose of collaboration between JAPAN POST INSURANCE and MITSUI & CO., LTD. Mitsui & Co., Realty Management Ltd. launched a flagship fund, in which Japan Post Insurance Co., Ltd. is investing as a limited partner. And the balance under management is firmly accumulating 
Partner	KKR and GA (From June 2023)	Daiwa Securities Group (From May 2024)
Summary	<ul style="list-style-type: none"> The first international partnership for Japan Post Insurance Co., Ltd. Adding to the strategic partnership, we make an investment in a reinsurance sidecar sponsored by Global Atlantic Started discussion to expand business collaborations 	<ul style="list-style-type: none"> Invest 20% in Daiwa Asset Management Co., Ltd. and also outsource a portion of our investment funds and conduct a mutual exchange of asset management personnel Through this alliance, we aim to acquire new sources of revenue and further strengthen our asset management capabilities 

High-quality Capital Structure

- Secure the solvency margin ratio in adequate level, maintaining a high level of soundness. The high proportion of capital stock and internal reserve results in high capital quality.
- In April 2024, we issued ¥100 billion of subordinated unsecured bonds and thus further strengthen the financial soundness of the Company.

Breakdown of Consolidated Solvency (as of September 30, 2024)



- Subtracted deduction item values from capital stock.
- Net unrealized gains and losses on available-for-sale securities and land.
- Subtracted values not included in the margin, among an excess of continued Zillmerized reserve and capital raised through debt financing, from an excess of continued Zillmerized reserve.
- Combined and unrecognized prior service cost the total amount, among others, of general reserve for possible loan losses, sum of unrecognized actuarial differences.



JAPAN POST INSURANCE

Bond Information

Subordinated unsecured bonds with interest deferral option and early redemption option

As of Sep. 30 2024

Issue date	Principal amount
January 29, 2019	¥100 billion
January 28, 2021	¥200 billion
September 7, 2023	¥100 billion
April 17, 2024	¥100 billion

Credit Ratings¹

As of Sep. 30, 2024

	S&P	R&I	JCR
Japan Post Insurance	A+ (Stable)	AA- (Stable)	AA (Stable)
(Reference) Japanese government	A+ (Stable)	AA+ (Stable)	AAA (Stable)

- JPI's ratings fall under insurance financing (rating on insurance benefit solvency).

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47

Providing Social Value and Enhancing Corporate Value (Promoting Sustainability Management)

- By engaging in business activities that fulfill the Company's social mission (purpose) of "We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product," we provide diverse social value that contributes to resolving social issues.
- We will promote sustainability management that mutually links the provision of this social value (non-financial) with the sustainable enhancement of corporate value (financial).

The social value (non-financial) we provide

Illustration of main financial impacts



¹ Well-being: Multi-faceted, sustained, individual happiness (composed of a range of factors such as physical health, mental stability, rich social connections, personal growth, sense of achievement, etc.)

External Evaluation

- By promoting sustainability initiatives and information disclosure, the Company has been included in the leading ESG indexes “FTSE4Good Index Series” and “FTSE Blossom Japan Index,” and earned a high reputation in the global insurance industry.

Main External Evaluation



FTSE4Good

FTSE4Good Index Series (2022~)

One of the [leading ESG indexes](#), around 260 Japanese companies are selected as its constituents.



FTSE Blossom Japan Index

FTSE Blossom Japan Index (2022~)

ESG index adopted by GPIF (Government Pension Investment Fund).



ISS ESG Prime Status (first-time selected in 2023)

We were recognized with the Prime Status designation by ISS ESG and achieved evaluations placing us in the [top 10% in the global insurance industry](#) (as of June 2024).

Japan Post Insurance Co., Ltd.
Insurance

Sustainability Yearbook Member
S&P Global Corporate Sustainability Assessment (CSA) Score 2023

S&P Global CSA Score 2023: 45/100
The S&P Global CSA Score is determined by S&P Global based on the S&P Global Sustainability Assessment System (SAS) and is subject to change. The score is based on the company's performance in various areas, including environmental, social, and governance (ESG) factors. The score is used to assess the company's overall sustainability performance and is a key indicator of the company's risk profile.

S&P Global Sustainability


S&P Global Sustainability Yearbook Member (first time selected in 2023)

We were recognized in the [top 15% of the global insurance industry](#) and selected as a Sustainability Yearbook Member.


■ Contains information on our materiality (important issues) and details of our initiatives.

Disclosure

▶ Annual Report
[⇒ Publication \(click here\)](#)

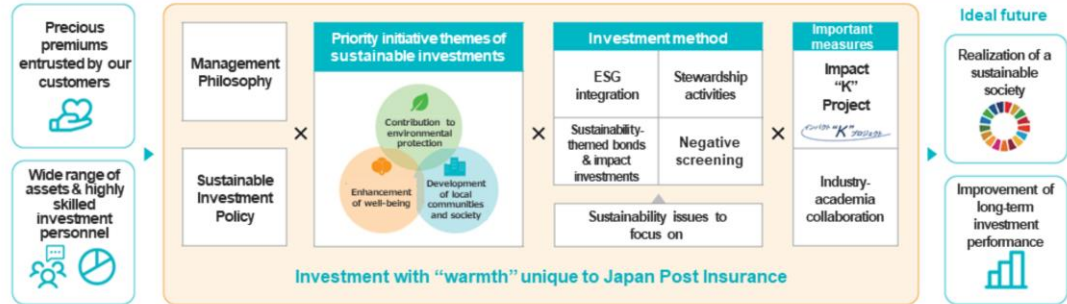


▶ "Sustainability" on our website
[⇒ Related webpage \(click here\)](#)



Embark on a New Stage of Sustainable Investment

- Based on our sustainable investment policy, we consider various elements of sustainability in our entire asset portfolio and implement investments activities that can widely contribute to achieving the goals of the SDGs and solving social issues.
- As a universal owner, we will take the lead in the financial industry and work to expand impact-oriented investment and engage in investment activities that generate innovation centered on industry-academia collaboration, thereby taking on the challenge of entering a new stage in sustainable investment.



Response to the TCFD Proposal, etc.

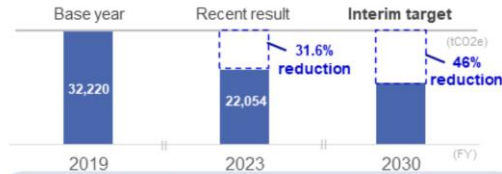
- Under the philosophy that our sustainable growth can only be achieved with a sustainable global environment, we are implementing initiatives to address environmental challenges related to climate change, biodiversity and natural capital.

Climate Change Initiatives

- In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we identified risks and opportunities related to climate change and conducted scenario analysis.
- With the goal of achieving **carbon neutral by 2050**, we have set the following interim GHG emission reduction targets for our twin roles as an operating company and as an institutional investor, and are working on various initiatives.

As an operating company

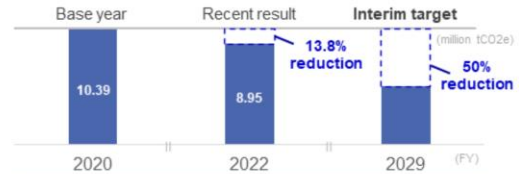
- Scope 1 and Scope 2



- As of the end of FY2023, we have achieved a 31.6% reduction through efforts such as switching the electricity used in large-scale facilities occupied by the Company to renewable energy.
- In addition to our existing initiatives, we aim to achieve our targets by working with other Group companies to switch the electricity used in post offices occupied by the Company to renewable energy.

As an institutional investor

- Scope 3 category 15 (GHG emissions from the investment portfolio)



- We will continue to incorporate climate change factors into investment decisions and implement stewardship activities that focus on climate change measures, with the aim of realizing a carbon-neutral society and improving medium-to long-term investment performance.

Biodiversity Conservation Initiatives

- Promoting initiatives based on the Task Force on Nature-related Financial Disclosures (TNFD) recommendations

May 2023: Analyzed the investment and loan portfolio's dependency and impact on the natural environment and disclosed them on our website

Jun. 2023: Participated in the TNFD Forum that supports TNFD activities

Dec. 2023: Registered our intention on the TNFD website to disclose information based on the TNFD recommendations as an Early Adopter

Jan. 2024: Signed initiative Spring as an Endorser, aimed at generating a positive impact on nature through stewardship activities



Contribution to Local Communities and Society

- We believe that supporting the healthy and fulfilling lives of people contributes to the sustainable growth of the Company as a life insurance company and thus implement health-promoting initiatives including "Radio-Taiso."
- "Radio-Taiso" was established in 1928 by Japan Post Insurance predecessor, Postal Life Insurance Bureau of the Ministry of Communications.
- We promote "Radio-Taiso" at various events, with the FY2025 target performance rate* of 25%.

* Refers to the percentage of respondents who answered "I practice 'Radio-Taiso' once or more in a year" among those who answered "I know what 'Radio-Taiso' is" in the periodical online survey (on 2,400 men and women aged between 20 and 89) conducted by the Company.

Festival of 10 Million People's "Radio-Taiso" and "Minna no Taiso"

- It has been held every year since 1962 with the aim of encouraging as many as 10 million people to participate in "Radio-Taiso" and "Minna no Taiso" at the same time through radio and TV.
- In FY2024, it was held in August in Asahikawa City, Hokkaido, and broadcast live on NHK General TV and Radio 1.



All-Japan Elementary School "Radio-Taiso" Competition

- It has been held since FY2014 with the aim of promoting children's physical fitness.
- Videos of schoolchildren performing "Radio-Taiso" energetically and correctly are submitted. In FY2023 which marked the 10th anniversary of the competition, we saw about 400 entries from elementary schools nationwide.



Gold Medal in "Technicality" in FY2023
MASUDA Smile ☆ Breath team,
Masuda Elementary School,
Nakatane Town,
Kagoshima Prefecture



Distribution of "Radio-Taiso" Attendance Cards

- We have created and distributed "Radio-Taiso" Attendance Cards nationwide since 1952, to encourage children to wake up early and lead a well-disciplined life.



"Radio-Taiso" One-point Lessons for Companies

- In response to the growing interest in health management, the one-point lessons, which explain the correct movements of "Radio-Taiso," are offered throughout Japan to companies that are actively promoting the health of their employees.



5 Human Capital Management / Corporate Culture Reform

- We will promote the growth of “people,” the source of corporate value, through active investment in human capital.
- We will aim to be a company where all officers and employees are able to grow with the Company and work with confidence and pride.

Establish a corporate culture in which employees act independently

■ Communication reform

- Establishment of a culture of mutual respect and positive efforts to improve corporate value
- Promotion of mutual understanding throughout the Company, and continuation of the “Japan Post Insurance feedback box” for making proposals directly to management and dialogue between management and employees (frontline meetings)

Increased ES (Engagement Score)
 · FY2023: CC → First half of FY2024: CCC

■ Human resource development (human resource reform)

- Employee awareness reform, active promotion of motivated employees
- Active use of external human resources for transformation and reform of evaluation system
- Enhancement of nodal functions of managers through coaching and dialogue

Frontline meetings
 · Held every fiscal year for all sites

■ Reform of the way we operate

- Thorough implementation of customer-oriented business operations with CX as a top priority

Use of feedback box (as of March 2024)
 · No. of posts: approx. 7,000
 · No. of cases that led to improvement: approx. 2,000

Recruitment and development of human resources strategically

■ Active recruitment and development of sales employees

- Systematic human resource development based on skills at each level from new employee to manager
- Fundamental review of treatment system and recruitment system

Reskill/shift from back-office operations to customer-handling operations

■ Human resource redeployment

- Reskilling (acquiring necessary skills) to shift personnel to priority areas such as production

Establishment of Alumni Network (September 2022)

■ Active recruitment of professionals with specialist knowledge

- Recruitment of actuaries and other professionals skilled in specialized fields

Establishment of recruitment courses specialized in digital technologies (FY2022)

Promote the active participation of diverse human resources and flexible work styles

■ Promotion of diversity

- Promoting expanding roles for female employees, support for balancing work and childcare/nursing care, and employment of persons with disabilities



Selected as a “Next Nadeshiko: Companies Supporting Dual-career and Co-parenting” (March 2024)

Rate of taking childcare leave (FY2023): 100% for both male and female employees

■ Work style reforms

- Creation of a flexible work environment in terms of time and place

Support for diverse career development
 · Career challenge system
 · Provide role models

Aim to be a company where all officers and employees are able to grow with the Company and work with confidence and pride

Promotion of Diversity and Work Style Reform

- Promote diversity management, mainly in the areas of “promoting expanding roles for female employees,” “providing support for balancing work and childcare/nursing care,” “promoting employment of persons with disabilities,” and “work-life balance.”

----- Nationwide average

Promotion of diversity

Ratio of female managers

Target: Above 30% by FY2030 (Headquarters)

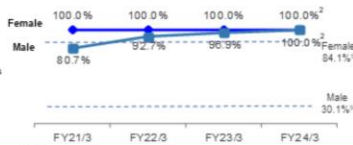
- Support expansion of roles for female employees through trainings for those who are expected to play active parts as managers in the future, etc.



Rate of Taking Childcare Leave

Target: 100% for both male and female by FY2025

- Establish an environment where employees can continue to work with peace of mind regardless of gender, and encourage employees to take childcare leave.



Ratio of Employees with Disabilities

(Japan Post Group overall)

Target: 3.0% by FY2025

- Actively promoting the employment of people with disabilities recognizing that fairly evaluating and providing work opportunities for a diverse population, and supporting the retention of employees with disabilities in the workplace.



- Increase in the number of employees under the new Japan Post Insurance sales system (Approx. +13,000 staff)
- Partial amendments have been made to the calculation procedures from FY24/3 (excluding the employees assigned from other companies, but including the employees assigned from the Company to others).
- Partial amendments have been made to the calculation procedures from FY25/3 (expansion of the scope to be counted as the headquarters' employees due to reorganization, etc.).
- Ratio of female managers for companies with 5,000 employees or more (2023 Basic Survey of Gender Equality in Employment Management, MHLW).
- Rate of Taking Childcare Leave (2023 Basic Survey of Gender Equality in Employment Management, MHLW).
- Combined figures for the six companies in the Japan Post Group as of June 1 of each fiscal year.
- Private company Ave. (2023 Status of Employment of Persons with Disabilities MHLW)

Work-Life Balance

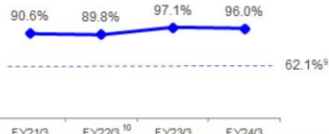
Monthly average amount of overtime

- Promote initiatives in work style reform and decrease the average overtime per month/per employee



Rate of taking paid leave

- Encourage employees, including managers, to take paid leaves as they planned and consecutive leaves



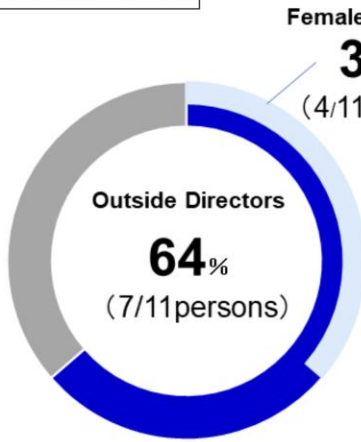
- Overtime work hours (excluding part-time work) (Monthly Labor Survey, 2023, MHLW)
- Nationwide Ave. (2023 General Survey on Working Conditions, MHLW)
- Partial change in calculation method from FY22/3 (excluding from the denominator, employees who took zero days of paid leave during the period due to childcare leave, leave of absence, etc.)

Board of Directors and Committee Meetings

- Strengthened corporate governance and enabled faster decision-making by adopting the corporate structure of a company with a Nominating Committee and other committees, and clearly separate the business execution and supervisory functions.
- Majority of directors in our Board of Directors are outside directors, and that includes four female directors. We achieve diversification and high independence in our Board.

Composition of the Board of Directors

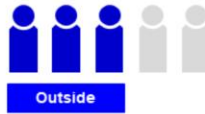
Board of Directors



Female Directors

36%
(4/11 persons)

Nomination Committee



Audit Committee



Compensation Committee



Meetings held in FY2023

[Number of Meetings held]

Board of Directors	14
Nomination Committee	7
Audit Committee	16
Compensation Committee	6

[Principal Matters resolved by the Board of Directors in FY2023]

- Review of the Medium-Term Management Plan
- Strategic partnership and capital and business alliances with other companies¹
- Measures to implement management that is conscious of the cost of capital and stock price

Note: Composition of the Board of Directors as of July 1, 2024

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1. Strategic collaboration with KKR and its subsidiary life insurance company, Global Atlantic Financial Group, and capital and business alliance with Daiwa Securities Group in the asset management field

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55

Compensation System for Executive Officers (FY2023)

- By introducing Trust-Based Performance-Linked Stock Compensation System, the risk of depreciation as well as the advantage of appreciation in the company's stock price with shareholders gives executive officers an even greater awareness of the importance of contributing to sustainable growth of the company and the long-term improvement in corporate value.

Summary of Compensation System for Executive Officers

- Basic Compensation (Fixed) : A basic compensation (fixed monetary compensation) commensurate with their duties
- Stock compensation (Performance-linked) : Points calculated by the following formula are awarded annually, and shares corresponding to the accumulated points are distributed.
[Point calculation formula] $(① + ②) \times ③$
①Basic points based on job responsibilities ②individual evaluation points ③company performance-linked coefficient
- Ratio of actual value of basic compensation (fixed) and performance-linked stock compensation for all executive officers
Basic Compensation¹ (Fixed) : performance-linked stock compensation² = 73 : 27
1. Basic compensation (fixed) is calculated based on the actual payment in FY 2023.
2. Performance-linked stock compensation is calculated by multiplying the points granted based on the performance in FY 2023 by the stock price on the date of point grant for those in office and by the stock price on the date of retirement for those retiring.

Targets and Results of Indicators Related to the Relevant Performance-linked Compensation in FY2023

Indicator	Target	Result
Income target for the fiscal year : Consolidated net income	¥ 72.0bn	¥ 87.0bn
Degree of achievement in matters related to sales/solicitation quality: Net increase in life insurance policies	¥ 5.22bn	¥ 3.99 bn
Degree of achievement in establishment of administrative and IT system framework, etc.	Addressing urgent issues (continued initiatives to support our customers in an emergency), strengthening an appropriate solicitation quality control scheme, improving customer experience value, transformation of business model, asset management, ERM, measures for preventing crime and money laundering, etc.	Progress of measures generally in line with the plan
Progress in promotion of ESG management	Contribution to the development of communities and society; and environmental conservation, extension of healthy life expectancy and increase in well-being, and establishment of an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself, etc.	Progress of measures generally in line with the plan

Review of Executive Compensation

- The Compensation Committee resolved to revise the compensation system for executive officers at its meeting in June 2024 (applied since FY2024).
- The system consists of fixed compensation consisting of (1) basic compensation (fixed monetary compensation), (2) variable compensation consisting of performance-linked monetary compensation (bonus), (3) performance-linked stock compensation, and (4) non-performance-linked stock compensation.
- Of these, financial and non-financial indicators are set for (2) performance-linked monetary compensation (bonus) and (3) performance-linked stock compensation.
- We aim to steadily achieve the Company's performance targets and enhance the Company's corporate value over the medium to long term by further enhancing the awareness of executive officers toward these goals through the compensation system.

Executive Officer compensation overview		
Type	(Conventional)	(Future)
(1) Basic compensation (fixed monetary compensation)	Fixed	Fixed
(2) Performance-linked monetary compensation (bonus) [NEW]	—	Variable
(3) Performance-linked stock compensation	Variable	Variable
(4) Non-performance-linked stock compensation [NEW]	—	Variable

* For cases where serious misconduct or violation is committed by an eligible executive officer, we have established a system that allows for the return of all or part of the bonus amount paid to the executive officer in question and a system that allows for the reduction or forfeiture of points that form the basis of calculating the number of shares granted to the executive officer in question (clawback and malus).














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Indicators for performance-linked compensations (FY2024)		
Type	Company performance-linked indicators	
(2) Performance-linked monetary compensation (bonus)	Adjusted profit	
	Number of policies in force (individual insurance)	
	EV growth rate (RoEV)	
	Progress of the Medium-Term Management Plan	
	Status of occurrence of misconduct and incidents, and the operation status of the compliance system	
(3) Performance-linked stock compensation	Adjusted ROE	
	ESG indicators	Implementation status of GHG reduction measures
		Ratio of female managers at the head office
	Improvement status of external ESG ratings	

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57

Skill Matrix for Directors

Position	Name	Major concurrent post	Corporate management	Financial affairs /Accounting	Legal/Risk management /Compliance	Human resources/Human resources development	Sales/Marketing	ICT/DX	Community /Society	Finance /Insurance	Asset management
Outside Directors	SUZUKI Masako 	Outside Director of NIPPON SIGNAL CO., LTD.	●		●	●	●	●	●		
	HARADA Kazuyuki 	Representative Director, Chairman of the Board of Keikyu	●		●	●	●		●		
	TONOSU Kaori 	Outside Director of Internet Initiative Japan Inc.	●		●	●		●	●	●	
	TOMII Satoshi 	Chairman of DBJ Investment Advisory Co., Ltd.	●	●	●				●	●	●
	SHINGU Yuki 	Director of Future Corporation	●		●	●	●	●	●		
	OMACHI Reiko 	Attorney-at-law			●				●	●	●
	YAMANA Shohei 	Outside Director of TDK Corporation	●		●	●	●	●	●		
Internal Directors	TANIGAKI Kunio 	Director and President, CEO, Representative Executive Officer of the Company	●	●	●	●	●		●	●	
	ONISHI Toru 	Director and Deputy President Representative Executive Officer of the Company	●	●	●	●	●	●	●	●	
	NARA Tomoaki 	Director of the Company	●	●	●	●		●	●	●	●
	MASUDA Hiroya 	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.	●		●	●			●	●	

Note: The table above lists the skills representing the areas in which the Company expects Directors to demonstrate their competencies and shows the skills and experience that Outside Directors possess and available skills and experience, as well as expected skills, of Inside Directors, based on differences in the Nomination Criteria for Candidates for Directors. The areas in which the Company expects Directors to demonstrate their competencies in realizing the Sustainable Development Goals (SDGs) are included in the skills of "Corporate management," "Human resources/Human resources development," "Community/Society," and "Asset management."

<Guidance>

Various materials and financial/non-financial data are available on the Company's IR website and Sustainability website (please refer to "Investor Relations" and "Sustainability").

Financial data (in Excel format)

Balance Sheets and Income Statements, among others*

▶ <https://www.jp-life.japanpost.jp/IR/en/finance/data.html>

* The main financial results and other financial data (adjusted profit, core profit, policy results, EV, etc.) are available in Excel format from FY25/3 2Q and onward.

Disclosure materials

Annual Report

▶ https://www.jp-life.japanpost.jp/english/aboutus/financial/en_abt_fnc_ar.html

ESG information

Sustainability Report

▶ https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg_library/sustainability_report.html

ESG Data

▶ https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg_library/databook.html

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