Financial Results & Corporate Strategy Meeting for the Year Ended March 31, 2023

May 26, 2023

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- I am SENDA Tetsuya, President of Japan Post Insurance. Thank you very much for attending our Financial Results & Corporate Strategy Meeting today.

Agenda

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- Today's briefing is composed of three parts.
- First, I will review the FY2022 and future management strategies, followed by Mr. Tachibana, Senior Managing Executive Officer, on asset management, and finally, Mr. Onishi, Managing Executive Officer, on financial results and shareholder returns.
- Afterward, I would like to answer any questions you may have.
- Please look at page 2.

Highlights of Today's Briefing

Recovery of Sales

- Although the recovery of new policies remained slow in FY2022, the effects of initiatives to date became apparent and new policies increased by 93.3% YoY on a monthly premiums basis in April 2023.
- Continue to work toward further recovery of sales by quickly implementing the PDCA cycle, which involves identifying issues for each operation base and consultant and working on improvement measures.

Future Management Strategy

- In FY2023, in addition to recovery of sales, we aim to achieve further growth by strengthening sales capability through (1)training and evaluation by visualizing the abilities and growth of each consultant, and (2)allocation of human resources according to the market.
- Continue to reduce operating expenses, transform the service center, which used to focus on administrative work, to the organization to improve CX. We actively invest in human capital to support these strategies.

Asset Management and Shareholder returns

- In regards to asset management, respond flexibly to suit the actual circumstances, while maintaining a basic cautious approach of taking into account the latest market environment.
- Established appropriate ESR standards (ESR target range). With the aim of securing appropriate standards with good stability, continue to provide returns to shareholders according to the shareholder return policies during the period of the Medium-term Management Plan.

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- There are three points that I would like to convey in today's briefing.
- The first is Recovery of Sales.
- The recovery of new policies remained slow in FY2022. However, entering FY2023, new policies increased by 93.3% year on year based on monthly premiums, proving that our efforts to date are definitely showing.
- We continue to work toward further recovery of sales by quickly implementing the PDCA cycle, which involves identifying issues for each operation base and consultant and working on improvement measures.
- The second is future management strategy.
- In FY2023, in addition to recovery of sales, we aim to achieve further growth by strengthening sales capability through (1)training and evaluation by visualizing the abilities and growth of each consultant, and (2)allocation of human resources according to the market.
- At the same time, we will continue to reduce operating expenses, as well as transform the service center, which used to focus on administrative work, to the organization to improve CX. We actively invest in human capital to support these strategies.
- The third is asset management and shareholder returns.
- In regards to asset management, we will respond flexibly to suit the actual circumstances, while maintaining a basic cautious approach of taking into account the latest market environment.
- Also, we established appropriate ESR standards (ESR target range).
- Going forward, with the aim of securing appropriate standards with good stability, we will continue to provide returns to shareholders according to the shareholder return policies during the period of the Medium-term Management Plan.
- Please look at page 4.

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Review of the FY2022 and Future Management Strategy

Overview of Financial Results

(¥bn)

		FY 22/3	FY 23/3	FY 24/3 Forecasts
Earnings (Financial Accounting)	Net Income	158.0	97.6	72.0
	Net Income per share (EPS)	¥ 375.14	¥ 249.48	¥ 188.13
Embedded Value (Economic Value)	EV	3,618.9	3,463.8	
	Value of new business	(11.5)	(7.4)	
Shareholder Return	Dividend per share (DPS)	¥ 90 (Interim dividend ¥ 45 Year-end dividend ¥ 45)	¥ 92 (Interim dividend ¥ 46 Year-end dividend ¥ 46)	¥ 94 (Interim dividend ¥ 47 Year-end dividend ¥ 47)

【Financial Results】

➢Insurance claims payments for COVID-19 increased, and capital gains (losses) deteriorated due to an increase in losses on sales of securities.

➢While the losses above were neutralized by the contingency reserves and reserve for price fluctuations, net income for current period decreased by ¥ 60.4bn ((38.2) %) year on year because of decline in policies in force, etc.

【Embedded Value】

➢EV decreased by ¥ 155.0bn ((4.3) %) from the end of the previous fiscal year, mainly due to a decrease in unrealized gains of foreign bonds resulting from an increase in foreign interest rates.

【Shareholder Return】

➢The dividend per share for the fiscal year ended March 31, 2023, is ¥ 92 as we planned.

➢An annual dividend for the fiscal year ending March 31, 2024 is scheduled to be ¥ 94 per share.

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- I would like to explain the summary of financial results.
- Although insurance claims payments for COVID-19 increased, and capital gains (losses) deteriorated due to an increase in losses on sales of securities in FY23/3, the losses above were neutralized by the contingency reserves and reserve for price fluctuations. As a result, net income was ¥ 97.6 billion.
- EV decreased by 4.3% from the end of the previous fiscal year to ¥ 3,463.8 billion mainly due to a decrease in unrealized gains of foreign bonds resulting from an increase in foreign interest rates, etc.
- The dividend per share is ¥92, as we planned.
- We will explain later our financial results forecast for FY24/3.
- Please look at page 5.

Progress of Medium-Term Management Plan

- The recovery of new policies has been less than expected, and it has affected the progress of Medium-Term Targets, such as the number of policies in force.
- It is important to continue efforts to recover sales while aiming to improve customer satisfaction, etc.

	FY26/3 Target	FY23/3 Results	Evaluation
Numbers of policies in force (Individual Insurance)	20 million or more policies	20.98 million policies (Change from Mar-22 : (8.0) %)	The recovery of new policies was less than expected, and the number of policies in force continued to decline.
Net income	¥91.0bn (FY24/3 ¥ 78.0bn)	¥97.6bn (Change from FY22/3 : (38.2)%)	Although net income decreased from the previous fiscal year, it exceeded the initial forecast (¥ 71.0bn).
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	¥ 92 (Change from FY22/3 : +¥ 2)	An increase of ¥2 from the previous fiscal year.
EV growth (RoEV)[1]	Aim for 6% to 8% growth	3.1% [Reference] FY22/3 : 4.0%	The recovery of new policies was less than expected, the value of new business was ¥ (7.4) bn, and the EV growth was 3.1%.
Customer satisfaction[2] 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 : 79% [Reference] NPS® : (55.1)points (10th/13 companies)	Overall satisfaction in Japan Post Insurance increased 1% from the previous fiscal year. [Reference] NPS® increased 7.2 points from the previous fiscal year, improving from 13th to 10th place.

1. Calculated by excluding economic variance factors. 2. The total percentage of customers who responded as "satisfied" and "somely 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 (2021/2022)" by NTTCom Online Marketing Solutions.

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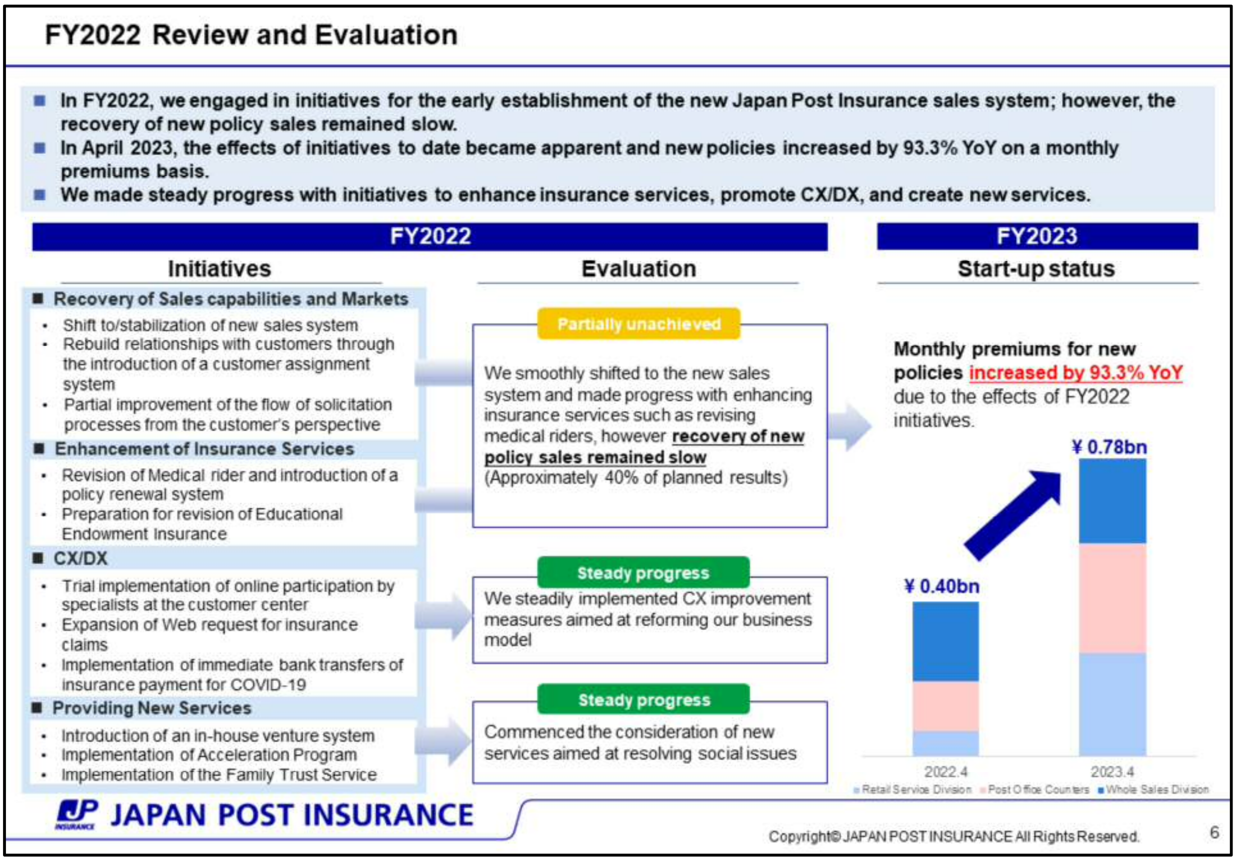
- I would like to explain the progress of major targets in our medium-term management plan from FY2021 to FY2025, which was announced in May 2021.
- Although the progress of consolidated net income and dividend per share has been solid, the recovery of new policies was less than expected. As a result, the number of policies in force and the EV growth are in tough situation.
- We recognize it is important to continue improving and working toward sales recovery, although overall satisfaction in Japan Post Insurance and NPS rating have improved compared to the previous year.
- Please look at page 6.



- I would like to explain FY2022 review and evaluation.
- In FY2022, we smoothly shifted to the new Japan Post Insurance sales system and engaged in efforts for the early establishment of the system in order to recover sales.
- In addition, we have steadily enhanced our insurance services by revising our medical rider in April 2022, introducing a policy renewal system in October, and then revising our educational endowment insurance in April 2023.
- The recovery of new policies remained slow in FY2022. However new policies in April 2023 resulted in a year-on-year increase of 93.3% based on monthly premiums. This proves that the effects of initiatives to date became apparent, and we feel that the vibe of our frontline operations is notably different to FY2022. We will explain later status of sales activities.
- And other initiatives, such as CX improvement measures aimed at reforming our business model and consideration of new services aimed at resolving social issue, have been progressing steadily.
- Please look at page 7.

Management Strategy for FY2023

Recovery of Sales	➢ Identification of issues for each operation base and consultant and prompt measures to address them (PDCA cycle)	P8
Sales capability strengthening	➢ Introduce a Grade System (tentative name) ➢ Restructuring of sales organization at the headquarters ➢ Strategy for Connecting Generations through educational endowment insurance and consideration of new insurance products ➢ The Active Use of On-site Sales at Companies	P9 P9 P10 P10
Business model reforms	➢ CX／DX ➢ Transformation of Service Center operations ➢ Providing New Services	P11 P12 P13
Human capital management	➢ Promote the growth of “people,” through active investment in human capital	P14

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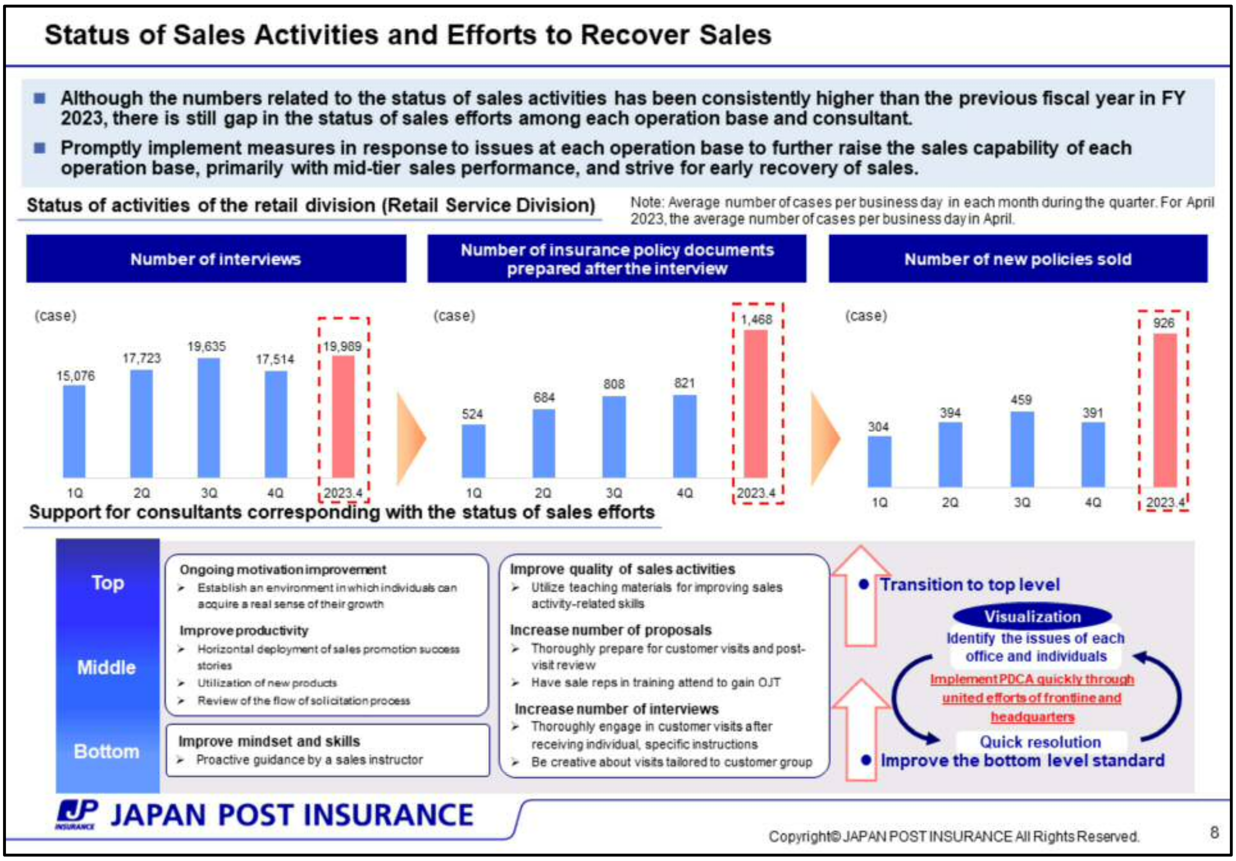
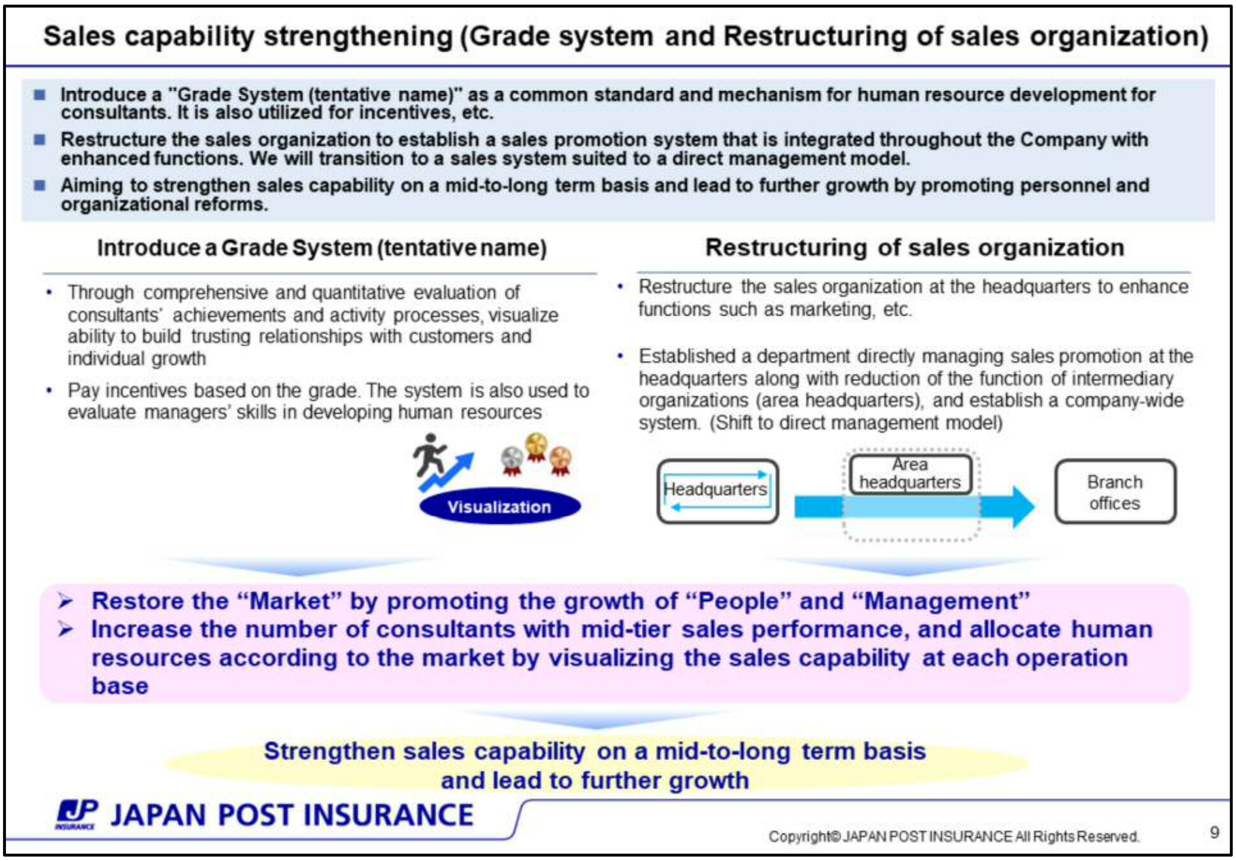
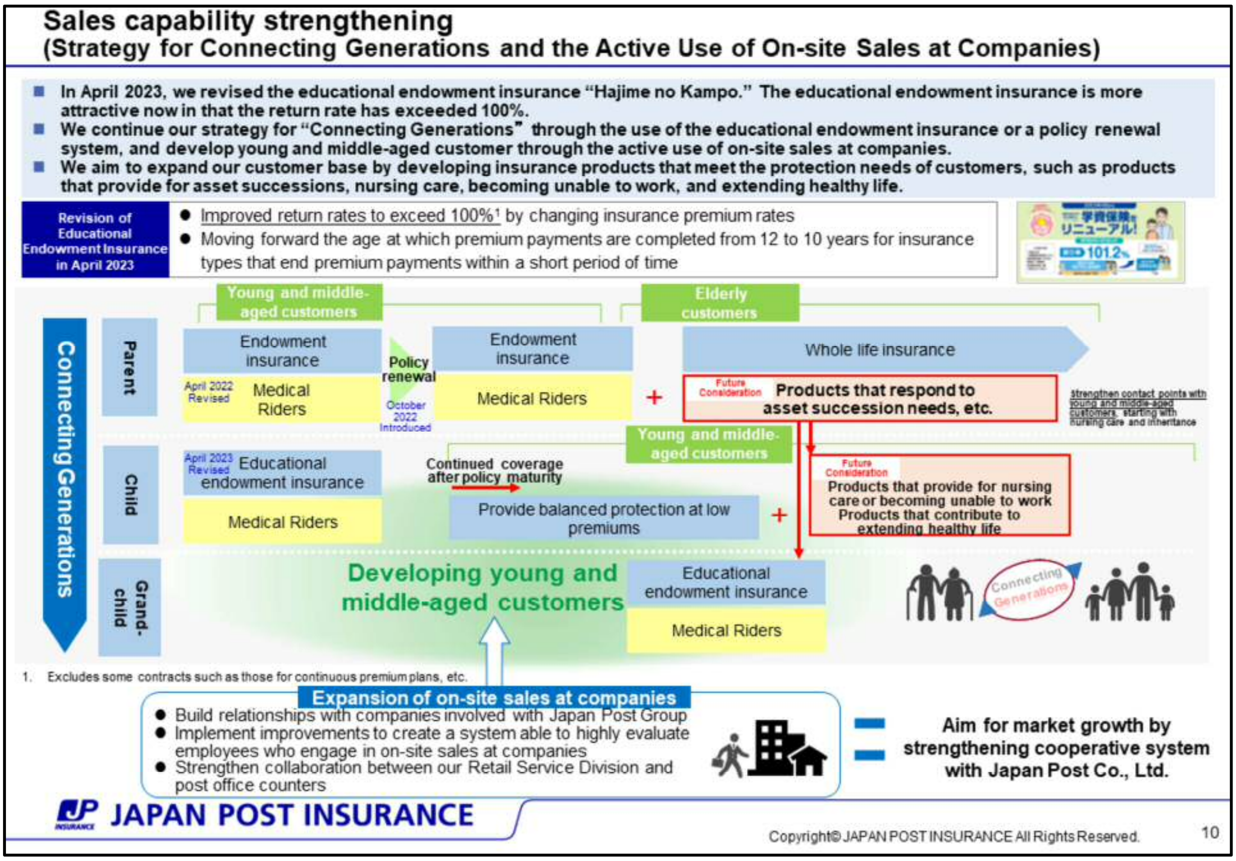
- From here, I would like to explain our management strategy for FY2023.
- In FY2023, we set “Recovery of Sales”, “Sales capability strengthening” and “Business model reforms” as our management strategies. Then we will establish a foundation to enhance our corporate value by actively investing in human capital to support these strategies.
- I would like to explain the specifics of our strategies on the following pages and beyond.
- Please look at page 8.



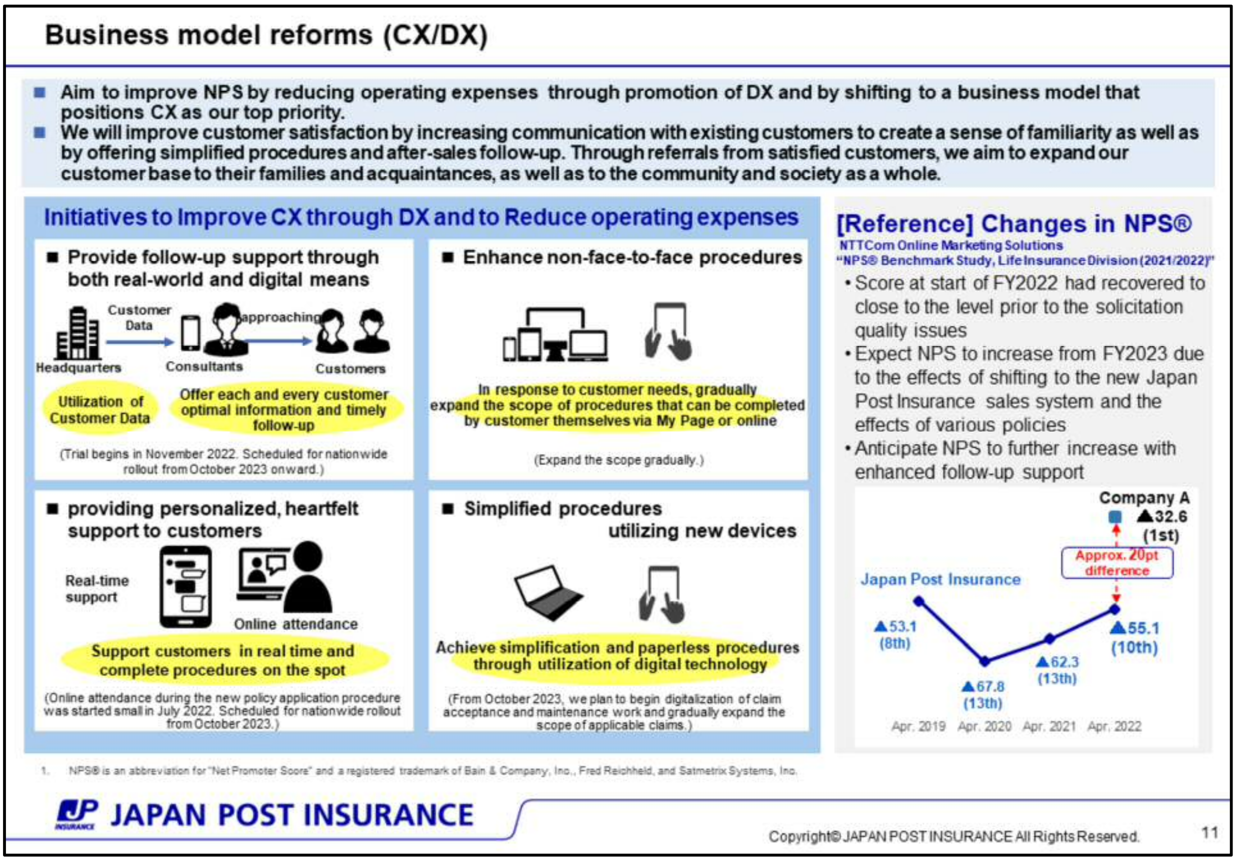
- First, I would like to explain the initiatives to recover sales.
- Entering FY2023, the numbers related to the status of sales activities has been consistently higher than the previous fiscal year.
- We are starting to see positive signs for the future. Still, while operation bases capable of proactively making proposals to customers are increasing, there are also operation bases where employee mindset is below the desired standard, and that gap is significant.
- We will strive for early recovery of sales through effective communication between our frontline and headquarters, implement the PDCA cycle quickly for improvement by identifying issues for each operation base and consultant, and further raising the sales capability of each operations base, primarily with mid-tier sales performance.
- Please look at page 9.



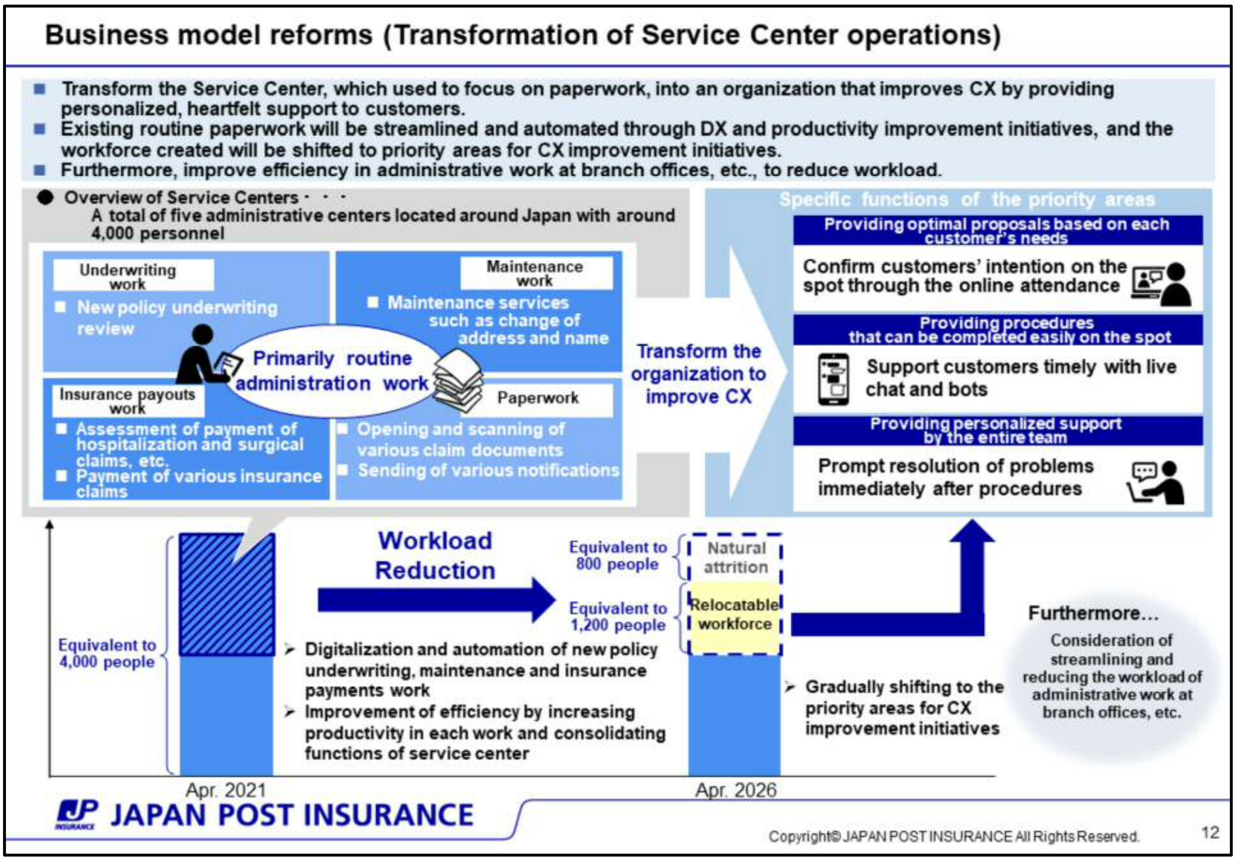
- I would like to explain the initiative for sales capability strengthening.
- In FY2023, we will introduce a grade system as a common standard in human resource development for consultants, and restructure of sales organization.
- We will utilize "Grade System" for human resource development and incentives, etc. by visualizing ability of consultants to build trusting relationships with customers and individual growth.
- Furthermore, parallel to rearranging our organization to strengthen the function of headquarters' sales divisions, we will shift to a sales system suited to a direct management model enabling more effective communication between the frontline and headquarters.
- Through these initiatives, we increase the number of consultants with mid-tier sales performance and allocate human resources according to the market by visualizing the sales capability at each operation base.
- Please look at page 10.



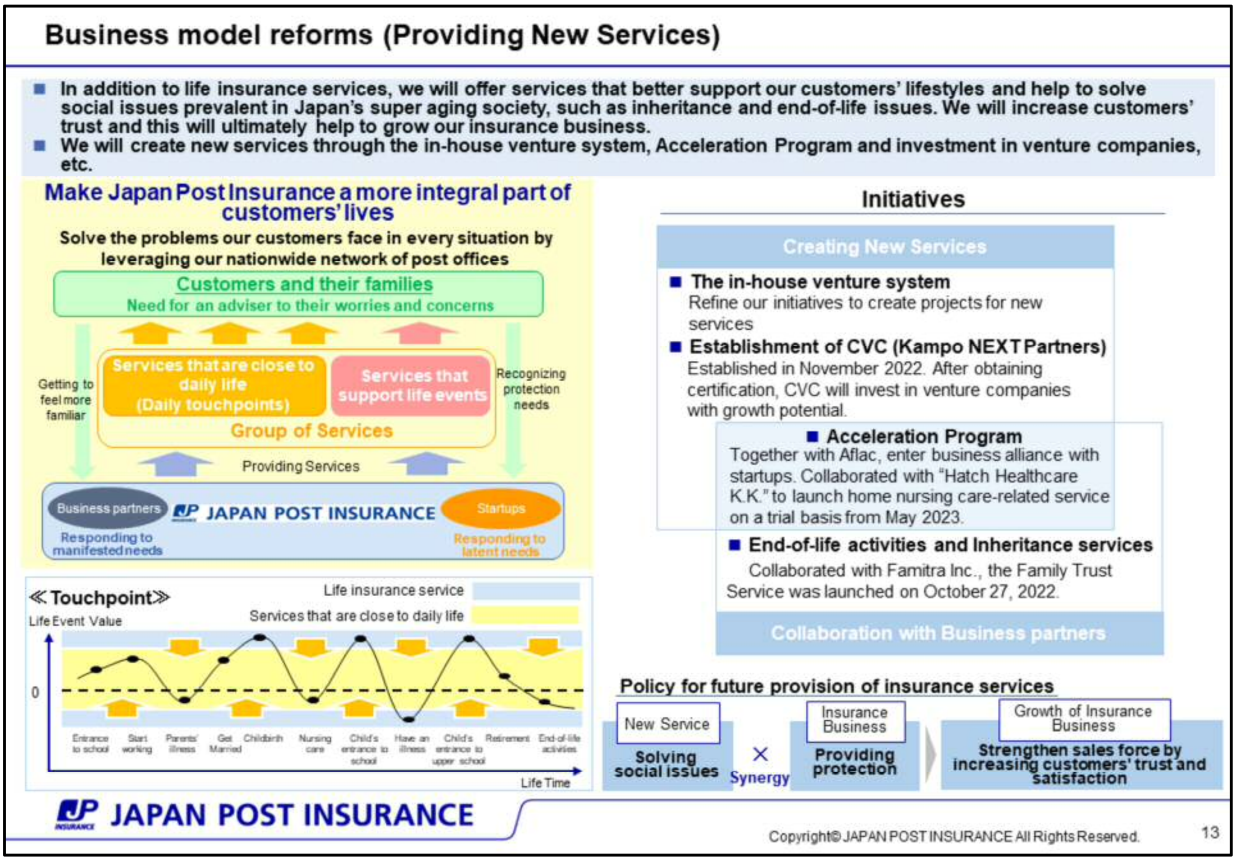
- Next, I would like to explain the strategy for connecting generations and the active use of on-site sales at companies.
- In April of this year, we began sales of educational insurance with a revised return rate of over 100%.
- In FY2023, we will expand into the young and middle-aged customer market through continuous activities that firmly recognize the importance of connecting generations, utilizing educational insurance and the renewal system, as well as through active use of on-site sales at companies by, for example, building relationships with companies involved with the Japan Post Group.
- We also aim to expand our customer base by developing insurance products that meet the protection needs of customers of all generations, such as products that provide for asset successions, nursing care, becoming unable to work, and products that contribute to extend healthy life.
- Please look at page 11.



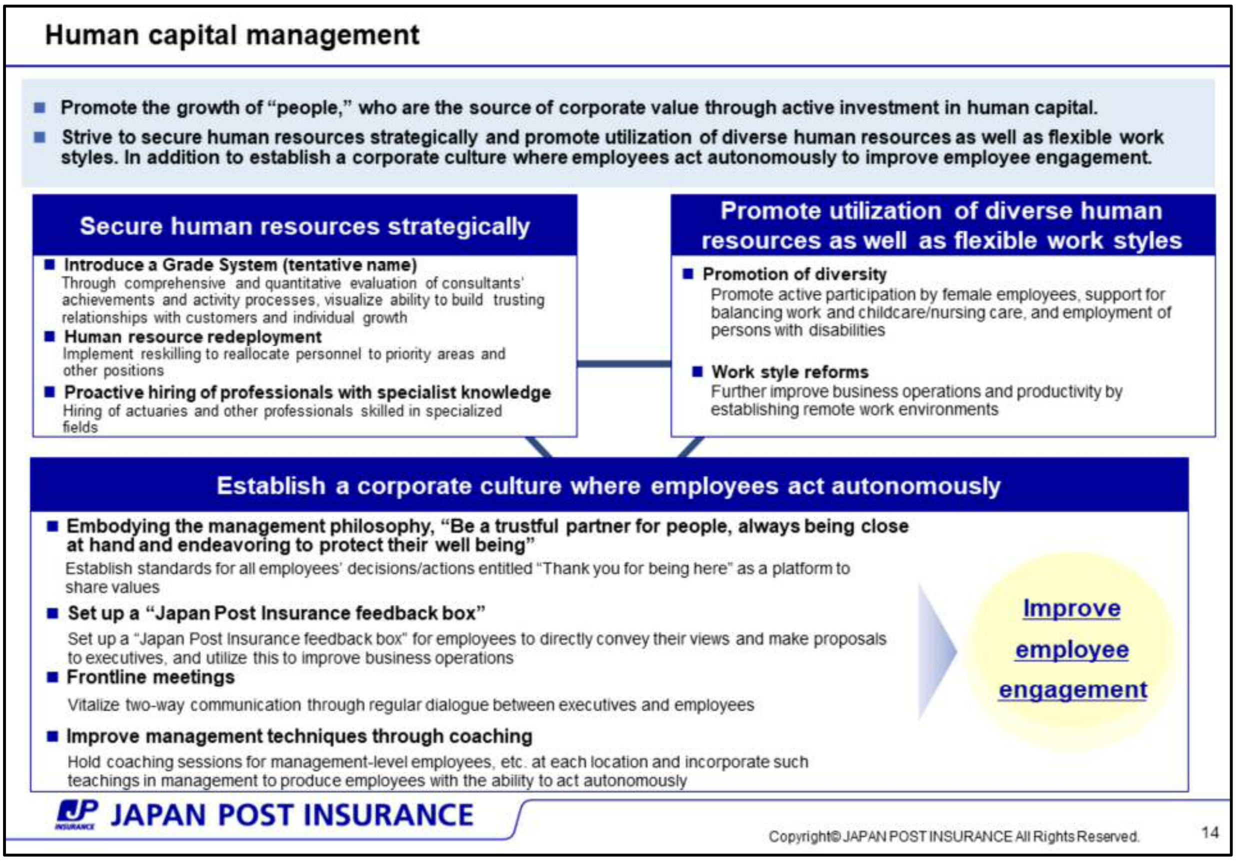
- From here, I would like to explain business model reforms.
- We are progressively shifting to a business model that prioritizes CX while promoting service and business transformation and cost reduction through DX.
- NPS score, measure of customer loyalty, had recovered to close to the level prior to the solicitation quality issues at start of FY2022.
- Going forward, we aim not only to achieve an increase in NPS scores but also to expand our customer base and improve profitability through further promotion of various initiatives aimed at improving CX.
- Please look at page 12.



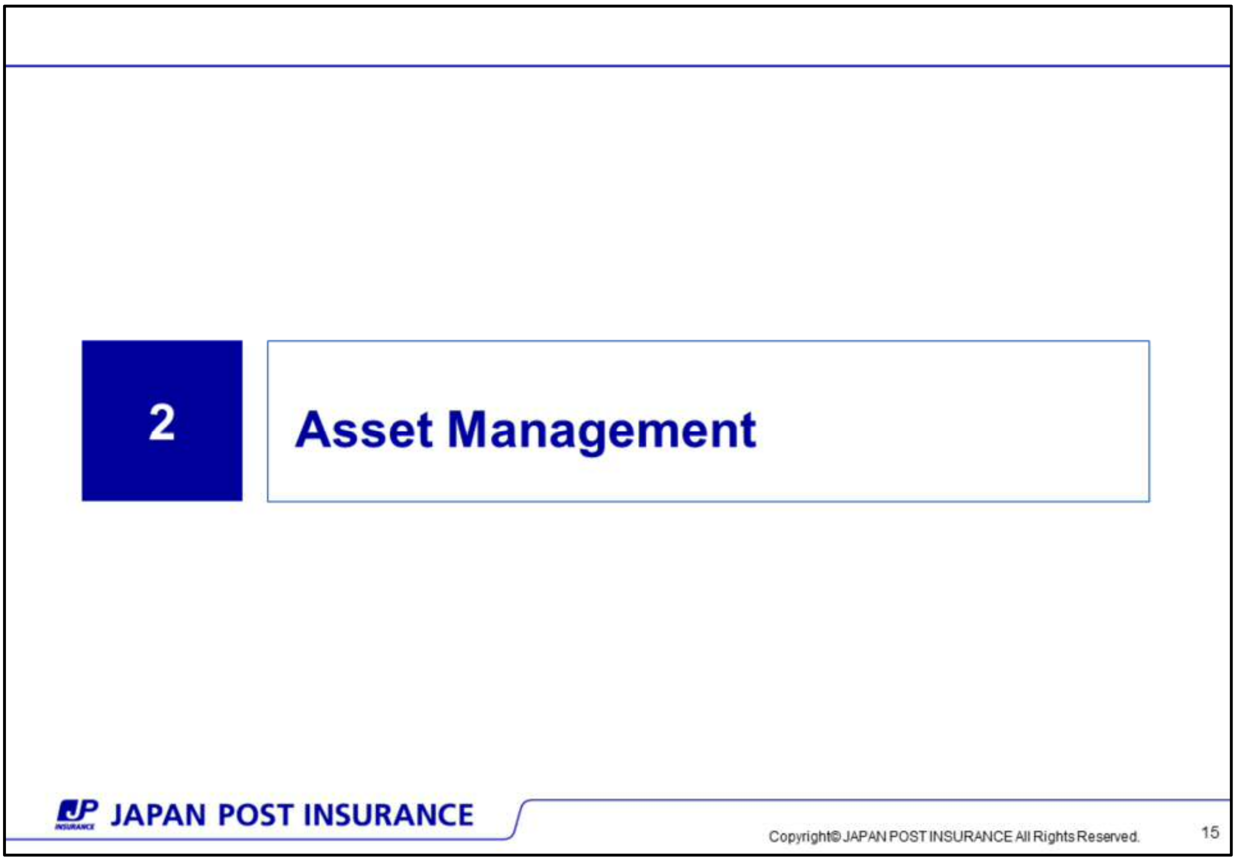
- Next, I would like to explain transformation of service center operations.
- Conventionally, Service Centers were primarily responsible for standard administrative processes such as new policy underwriting and assessment of insurance payment. However, moving forward, through promotion of DX, we will transform Service Centers into organizations capable of improving CX by reducing their workload by half and reassigning the Service Center workforce of around 1,200 employees to customer support tasks.
- This will allow those employees who previously had no interaction with customers to engage with them, which is expected to contribute to expanding opportunities to provide added value, thus improving CX and ultimately broadening our customer base.
- Furthermore, we improve efficiency in administrative work at branch offices, etc., to reduce workload.
- Please look at page 13.



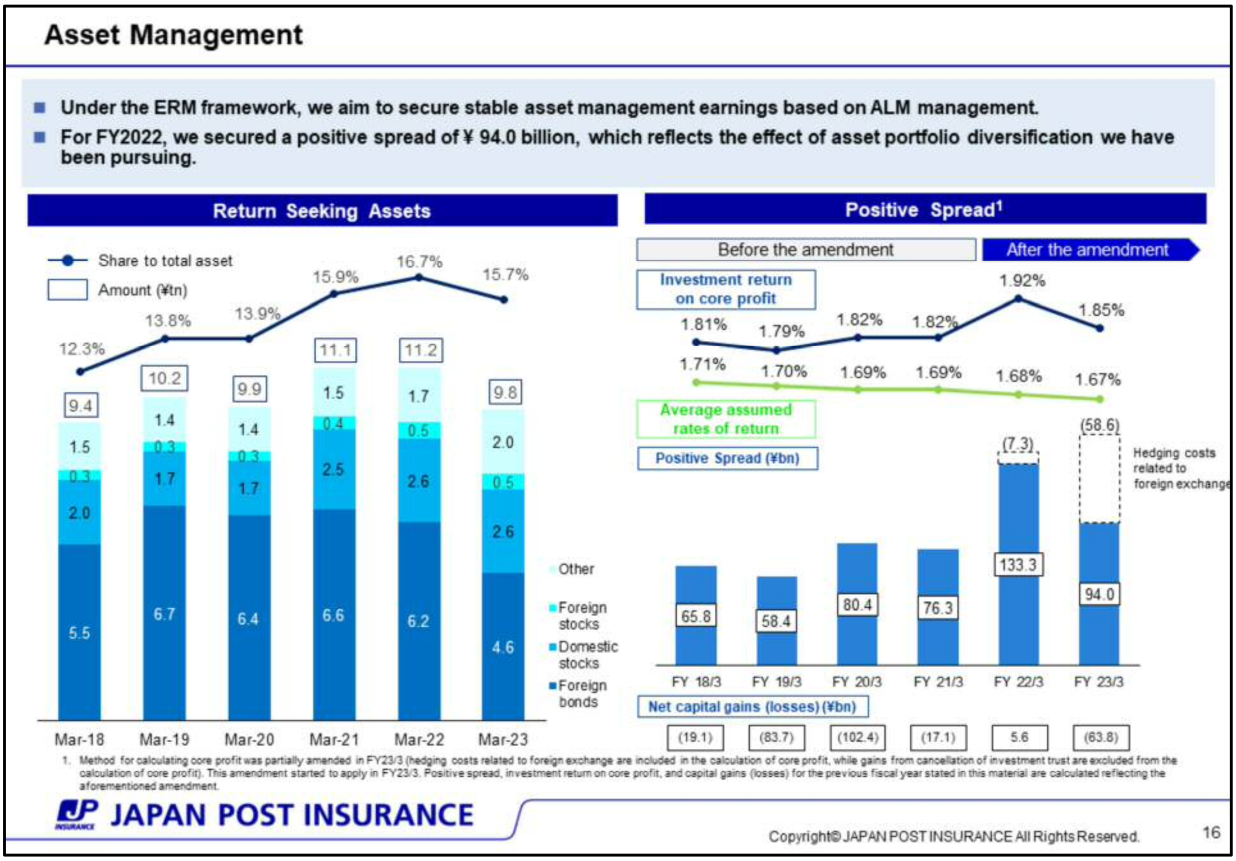
- In this section, I would like to explain providing new services.
- In addition to life insurance services, we will offer services that better support our customers' lifestyles and help to solve social issues prevalent in Japan's super aging society, such as inheritance and end-of-life issues.
- By providing new services, we will expand customers' trust and bring about business growth.
- Please look at page 14.



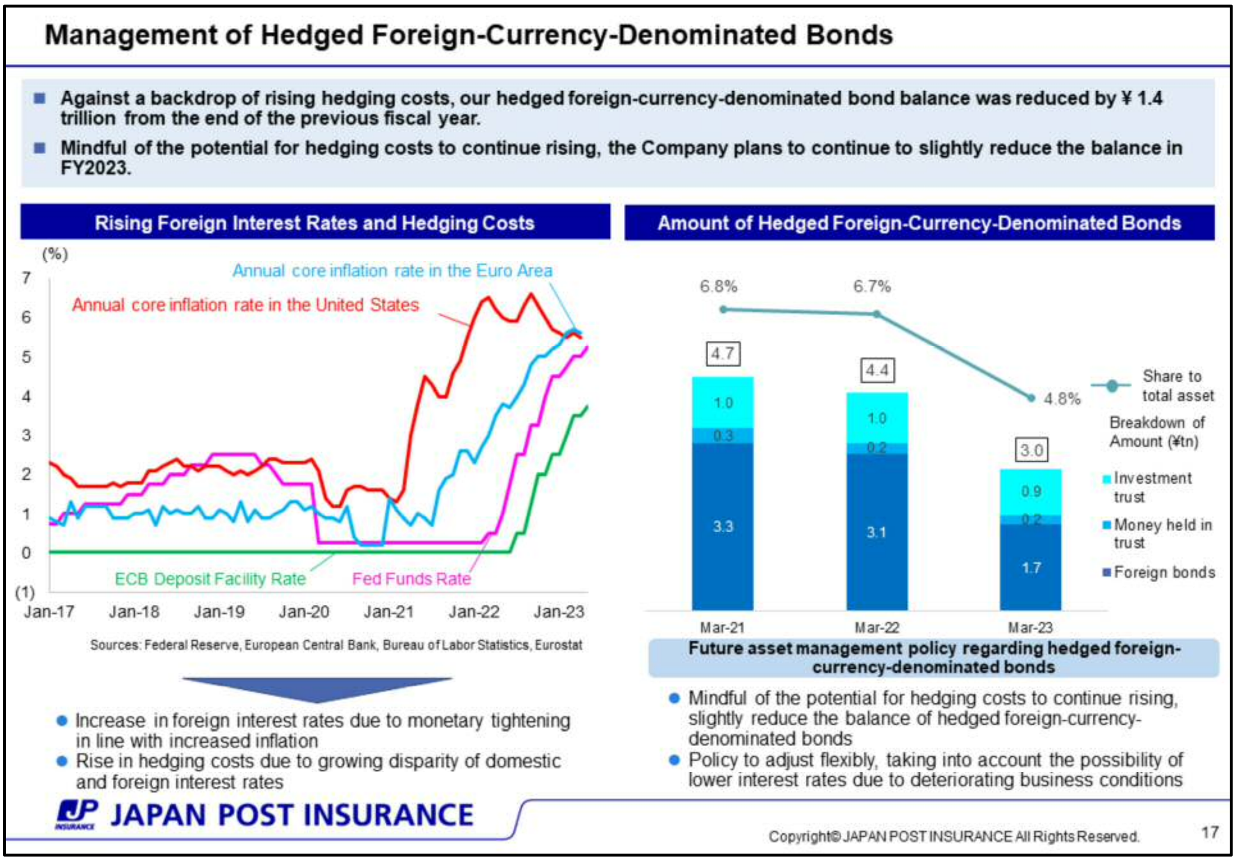
- I would like to explain human capital management.
- We promote the growth of "people," who are the source of corporate value through active investment in human capital.
- Through these initiatives, we will establish a foundation to improve corporate value by improving employee engagement.
- Before moving to the next part of explanation on asset management, I would like to say a few words.
- As announced, I will retire after the Ordinary General Meeting of Shareholders planned for June and Mr. Tanigaki will take my place as President.
- The management policy and measures I have just covered will remain the same under Mr. Tanigaki's leadership. Please continue to look forward to our revitalization and growth.
- This concludes my explanation, and I will be followed by Mr. Tachibana, Senior Managing Executive Officer.



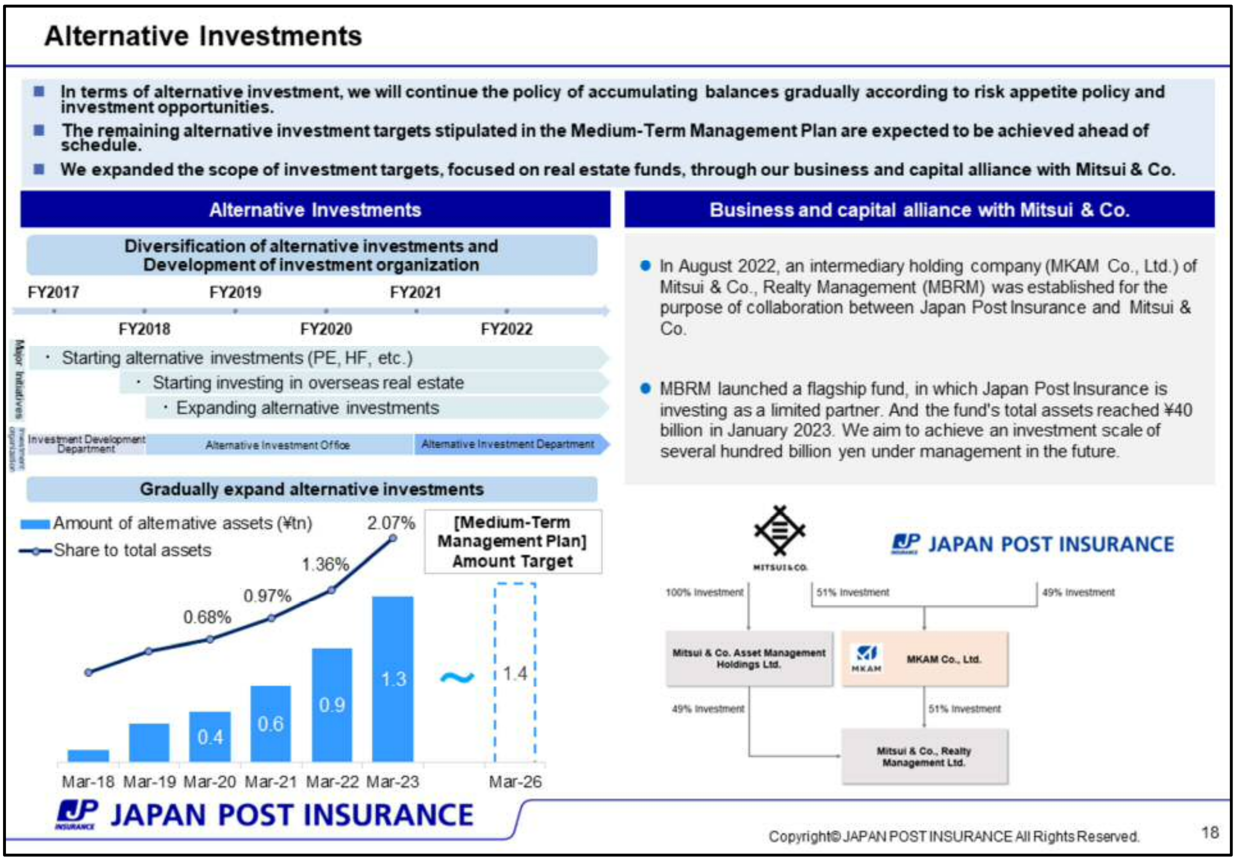
- I am Tachibana, Senior Managing Executive Officer.
- From here, I will explain about asset management.
- Please look at page 16.



- The left chart shows the amounts of return seeking assets and the ratio of them to total assets.
- We are expanding investments in return seeking assets within the scope of risk buffer under a risk appetite policy principally based on ALM.
- At the end of March 2023, the amount of return seeking assets such as stocks and foreign bonds was ¥ 9.8 trillion, which accounts for 15.7% of total assets.
- As a result, we achieved 1.85% investment return on core profit and secured a ¥ 94.0 billion positive spread.
- Although ¥ 58.6 billion in hedging costs related to foreign exchange and ¥ 63.8 billion in capital losses were incurred, the impact on net income has been neutralized by the reversal of price fluctuation reserves.
- Please look at page 17.



- The left chart shows Fed Funds Rate and Annual core inflation rate in the United States and Europe.
- Monetary tightening in line with increased inflation in the U.S. and Europe has led to a sharp rise in foreign interest rates and hedging costs.
- In light of rising foreign interest rates and hedging costs, we have reduced the hedged foreign-currency-denominated bond balance by ¥1.4 trillion from the end of the previous fiscal year.
- Please look at page 18.



- In terms of alternative investment, we will continue the policy of accumulating balances gradually according to risk appetite policy and investment opportunities as we diversify our investment portfolio and develop our investment organization.
- The remaining alternative investment targets stipulated in the Medium-Term Management Plan are expected to be achieved ahead of schedule.
- We also formed a business and capital alliance with Mitsui & Co. in June 2022. In October, we invested in a new company established with the aim of cooperation between the two companies.
- We will use this business and capital alliance as an opportunity to cooperate actively with Mitsui & Co. on other partnership strategies as well, endeavoring to create new investment opportunities.
- Please look at page 19.

Future asset management policy

- In FY2023, continue to shift a certain amount of funds from hedged foreign bonds to yen-denominated interest-bearing assets in light of the possibility that hedging costs will remain high.
- We will take a cautious stance on risky assets such as stocks in anticipation of deteriorating business conditions, with the assumption that purchases will be made during the price adjustment phase.

		Asset management results for FY23/3	Asset management policy for FY24/3	
Return seeking assets	Ratio to total assets	Approx. 16%	Approx. 16%	
	Hedged Foreign Bonds	Decrease	Decrease	• Considering the potential for hedging costs to remain high, pursue a basic policy of reducing balance to some extent • Respond flexibly when interest rates are expected to fall due to economic recession, interest rate cuts, etc.
	Open Foreign Bonds	Decrease	Decrease	• Amid ongoing accumulation of alternative investment balance, reduce balance of open foreign-currency denominated bonds and control foreign exchange exposure
	Other	Expand alternative investments	Expand alternative investments	• Gradually build up balance depending on investment opportunities
	Domestic and Foreign stocks	Decrease	Flat	• While maintaining a cautious stance for the time being, consider increasing the balance during a correction phase, focusing on relatively-attractive Japanese stock
	Yen-denominated interest-bearing assets	Decrease	Decrease	• Partial shift of hedged foreign-currency-denominated bonds to yen-denominated interest-bearing assets (declining balance due to redemptions) • Flexibly increase allocations with regards to increasing domestic interest

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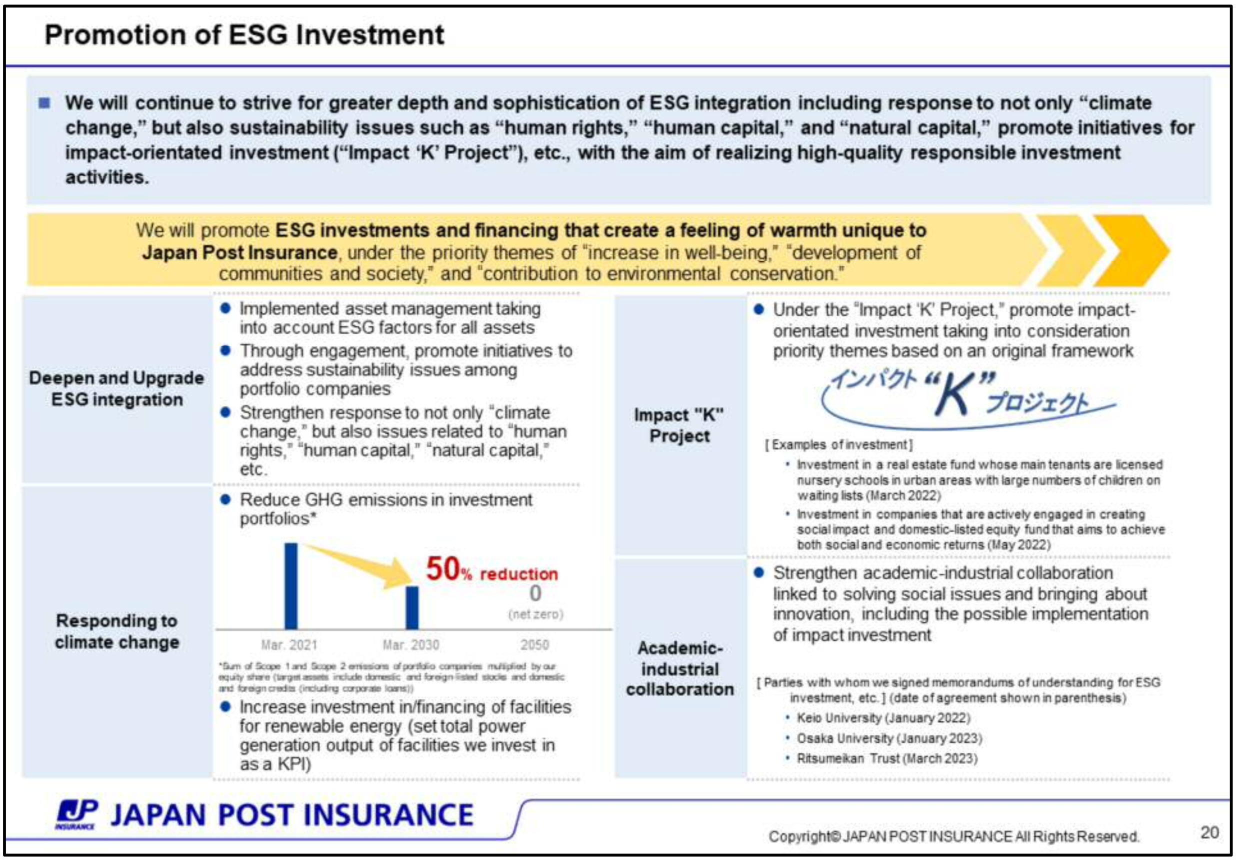
- The following information is provided regarding the present status of asset management and the management policy for FY24/3.
- As I mentioned earlier, we are considering investing in yen-denominated interest-bearing assets in situations where they are relatively-attractive while reducing the balance of our hedged foreign bonds.
- We will also reduce the balance of open foreign bonds and make phased investments in alternative assets as we control our overall foreign exchange exposure.
- While maintaining a cautious stance on stocks for the time being, our policy is to respond flexibly by adding to our balance when stock prices decline, focusing on domestic stocks that are relatively attractive for investment.
- Please look at page 20.



- We will promote ESG investments and financing under the priority themes of "increase in well-being," "development of communities and society," and "contribution to environmental conservation."
- We will continue to strive for greater depth and sophistication of ESG integration including response to not only "climate change," but also sustainability issues such as "human rights," "human capital," and "natural capital," promote initiatives for impact-orientated investment, etc., with the aim of realizing high-quality responsible investment activities.
- This concludes my explanation.
- Please look at page 21.

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Financial results and shareholder returns

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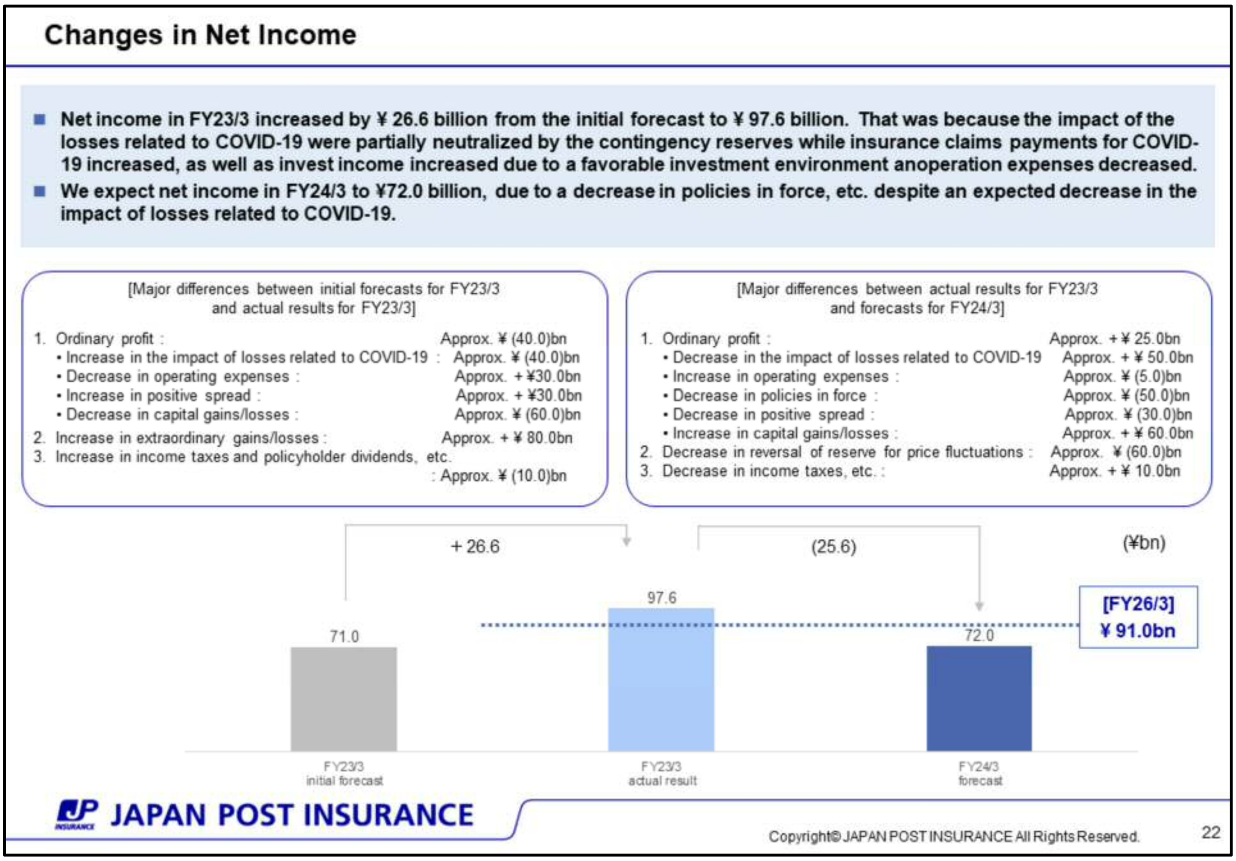
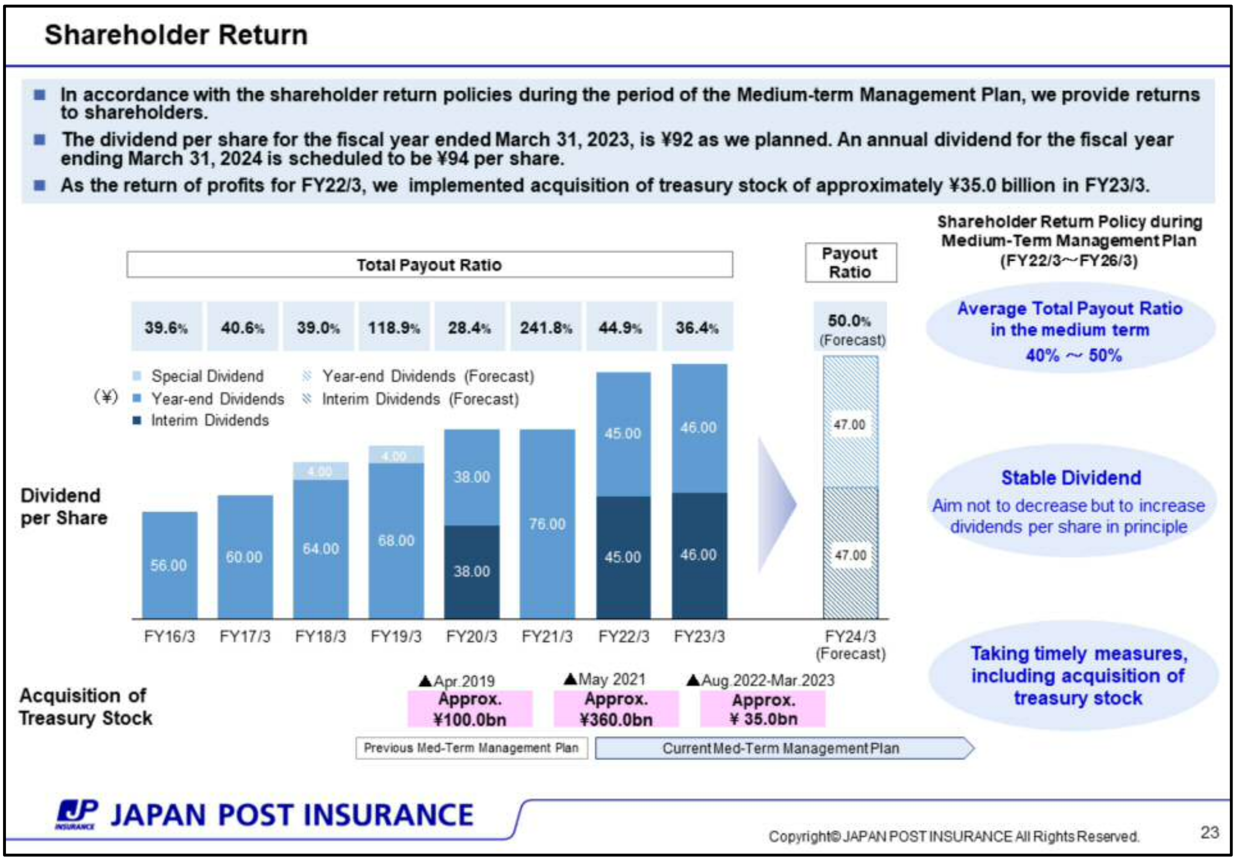
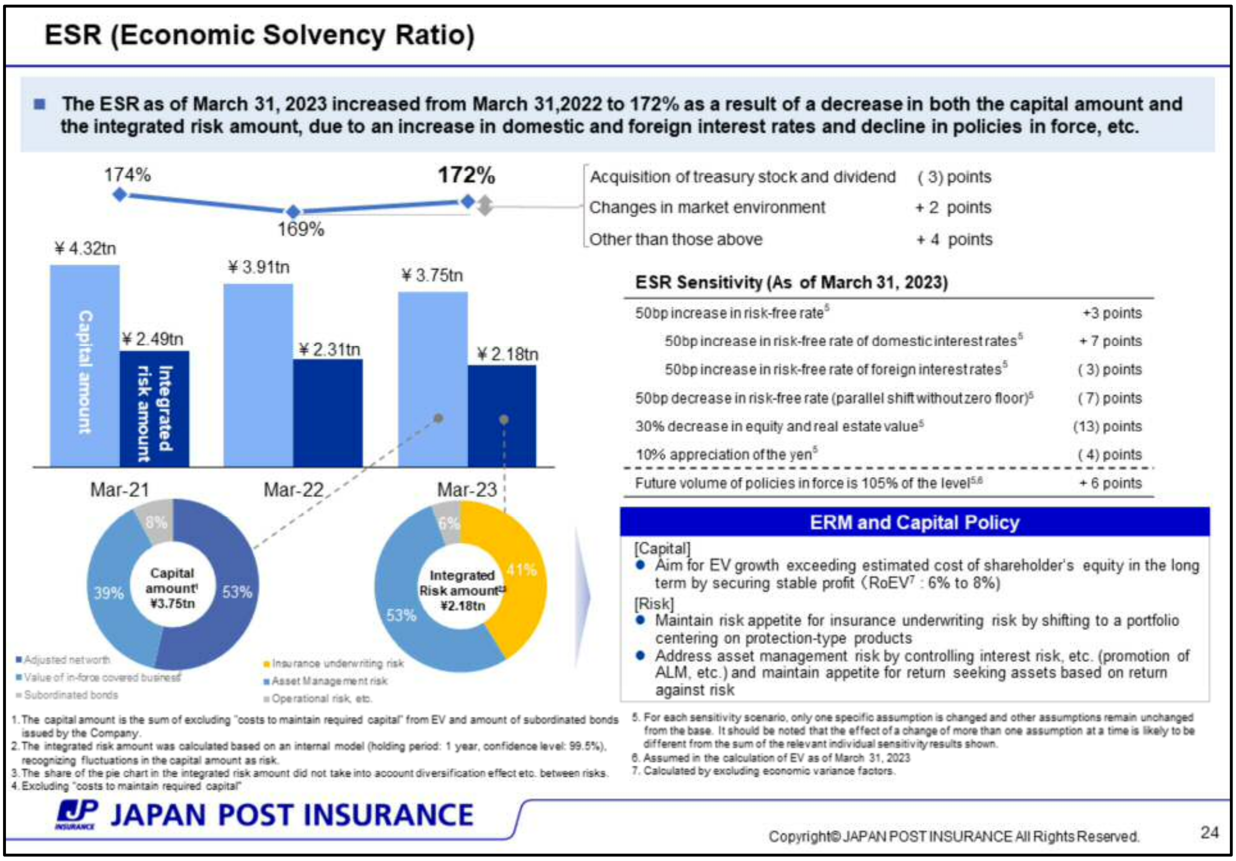
- I am Onishi, Managing Executive Officer.
- I will now explain our financial results and shareholder returns.
- Please look at page 22.



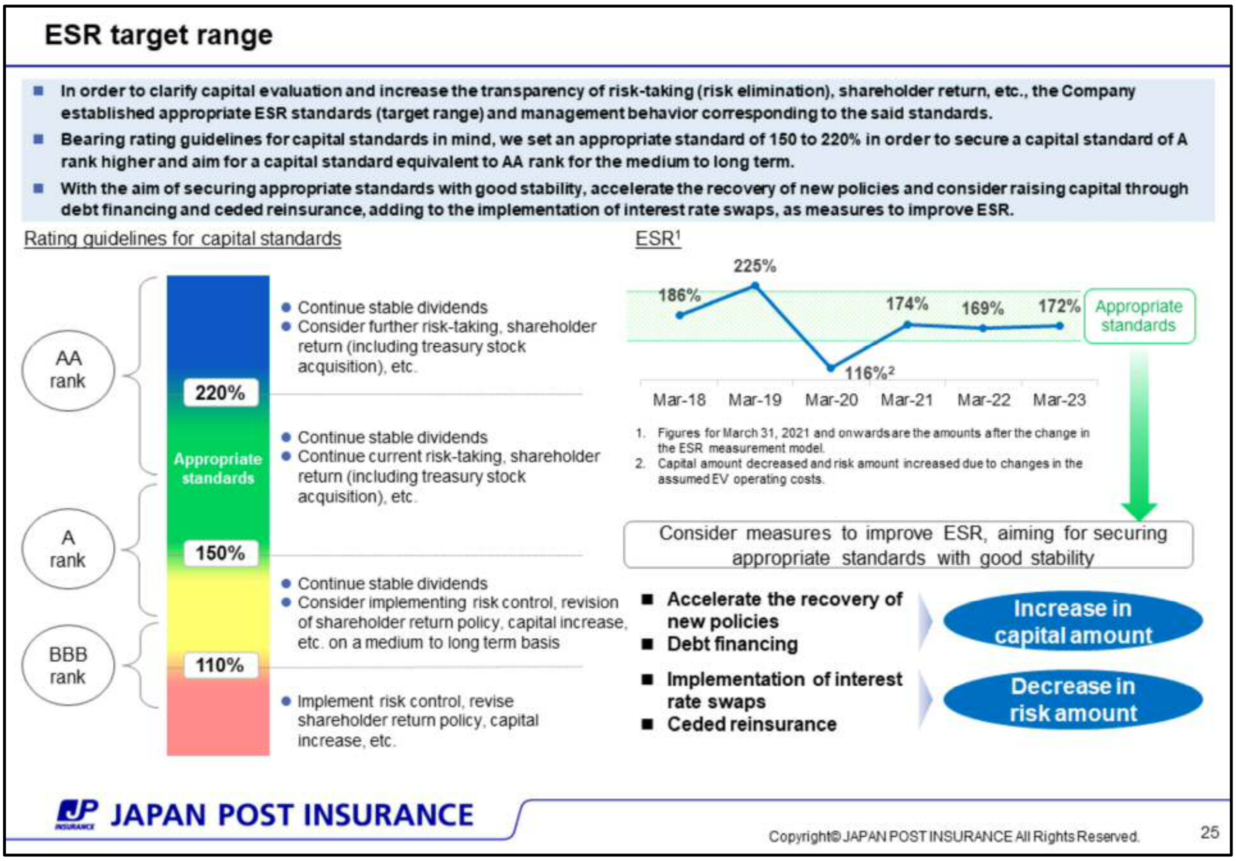
- I would like to explain the actual result and forecast of net income.
- In FY23/3, the impact of the losses related to COVID-19 were partially neutralized by the reduction in excess provision for contingency reserves while insurance claims payments for COVID-19 increased.
- Furthermore, the invest income increased due to a favorable investment environment, and operation expenses decreased due to a slower recovery of new policies than expected. As a result, net income in FY23/3 increased by ¥ 26.6 billion from the initial forecast to ¥ 97.6 billion.
- Although we expect less impact from COVID-19-related losses in FY24/3, we predict a decrease in policies in force, etc. As such, we are forecasting a net income of ¥72.0 billion, down ¥25.6 billion from FY23/3.
- Please look at page 23.



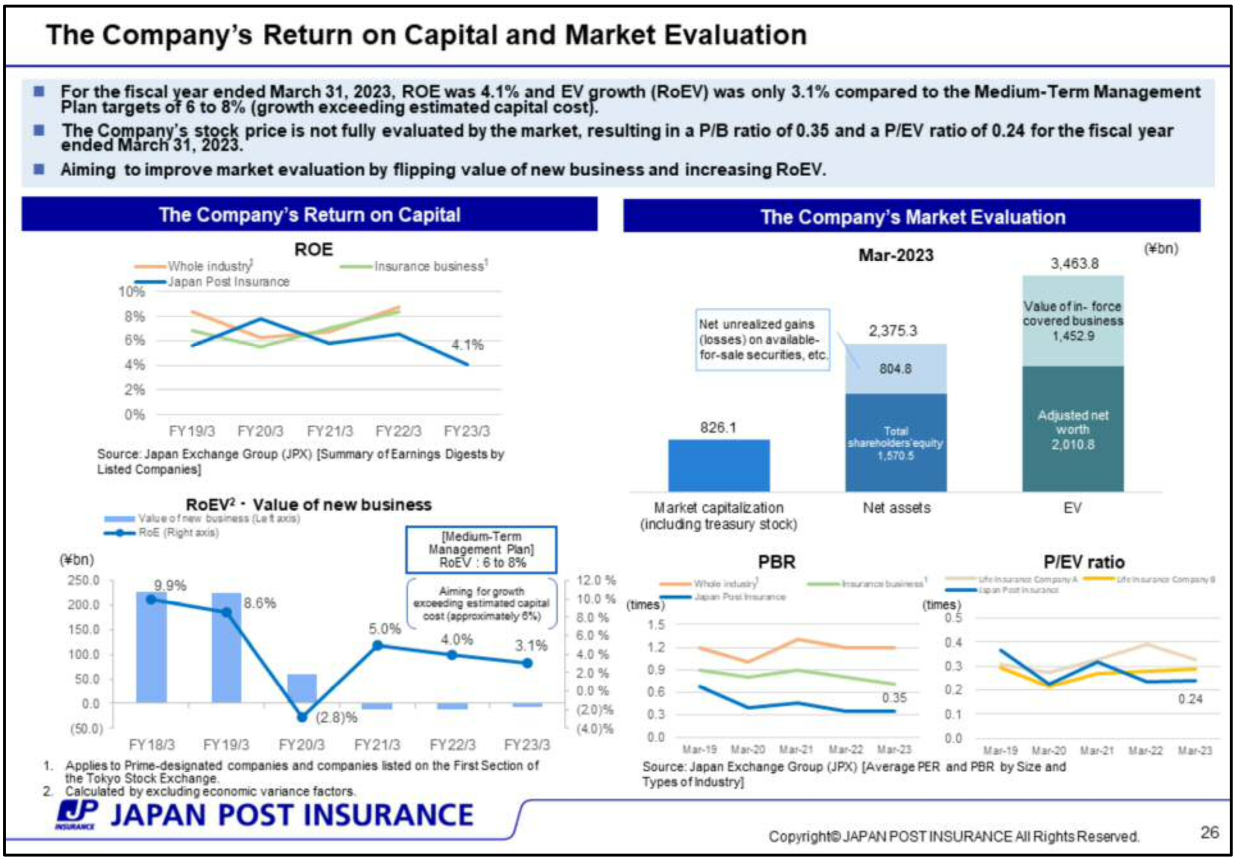
- Then I would like to explain shareholder return.
- No change has been made to our previously-announced shareholder return policy during the period of the Medium-term Management Plan.
- For FY23/3, the dividend per share is ¥ 92 as we planned.
- And an annual dividend for FY24/3 is scheduled to be ¥94 per share.
- As the return of profits for FY22/3, we implemented acquisition of treasury stock of approximately ¥35.0 billion in FY23/3.
- Please look at page 24.



- This graph shows the transition of ESR.
- The ESR as of March 31, 2023 increased from March 31, 2022 to 172% as a result of a decrease in both the capital amount and the integrated risk amount, due to an increase in domestic and foreign interest rates and decline in policies in force.
- Please look at page 25.



- We established appropriate ESR standards and management behavior corresponding to the said standards.
- Bearing rating guidelines for capital standards in mind, we set an appropriate standard of 150 to 220% in order to secure a capital standard of A rank higher and aim for a capital standard equivalent to AA rank for the medium to long term.
- As I indicated earlier, the ESR as of March 31, 2023 is 172%, which is within this appropriate standards.
- With the aim of securing appropriate standards with good stability, we will accelerate the recovery of new policies and consider raising capital through debt financing and ceded reinsurance, adding to the implementation of interest rate swaps, as measures to improve ESR.
- Please look at page 26.



- Lastly, I would like to explain the company's return on capital and market evaluation.
- For the fiscal year ended March 31, 2023, ROE was 4.1% and EV growth (RoEV) was only 3.1% compared to the Medium-Term Management Plan targets of 6 to 8% (growth exceeding estimated capital cost).
- We also recognize that the company's stock price is not fully evaluated by the market, resulting in a P/B ratio of 0.35 and a P/EV ratio of 0.24 for the fiscal year ended March 31, 2023.
- Moving forward, we aim to improve our market valuation by flipping value of new business and increasing RoEV.
- This concludes my explanation.

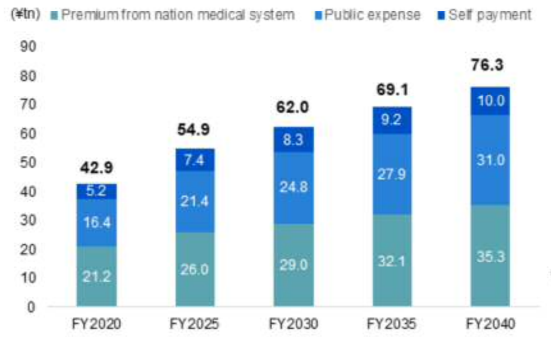
- Thank you.

Appendix

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)



(¥tn)

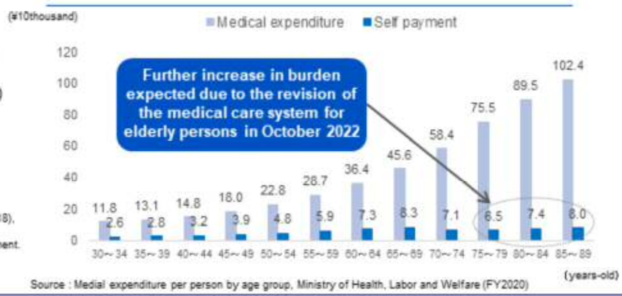
	FY2020	FY2025	FY2030	FY2035	FY2040
GDP	535.5	645.6	694.8	741.2	790.6
NME	8.0%	8.5%	8.9%	9.3%	9.7%

Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21,2018), Ministry of Health, Labor and Welfare (November 30, 2022).
Note: Figures at FY2020 are actual results. Figures at FY2025 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, 16th meeting of Health Japan 21 (the 2nd term), material No. 3-1

Medical expenditure per person by age group and self payment (annual amount) (estimated based on actual result in FY2020)



Source : Medial expenditure per person by age group, Ministry of Health, Labor and Welfare (FY2020)

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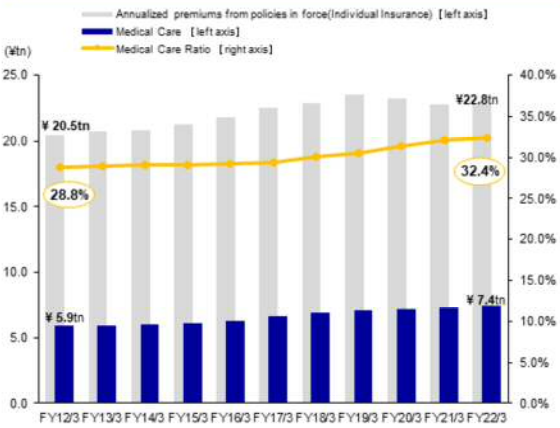
Medical Care Market

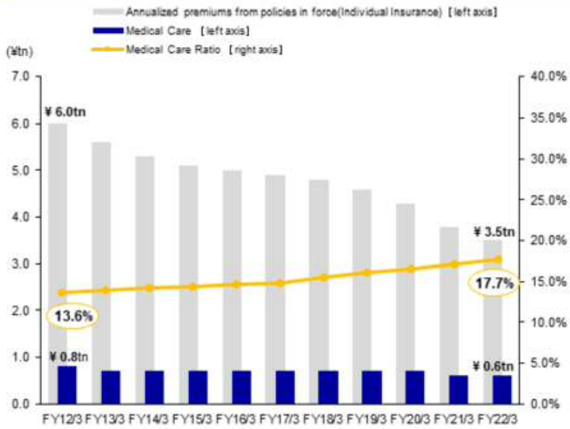
- As the domestic market for medical care is expanding, medical care ratio to annualized premiums in force is also increasing.
- While our medical care ratio to annualized premiums in force is increasing as well, it is still low compared with the domestic market, and we believe there is room to further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

Annualized Premium from policies in force (medical care)

Domestic Life Insurance Companies



Japan Post Insurance

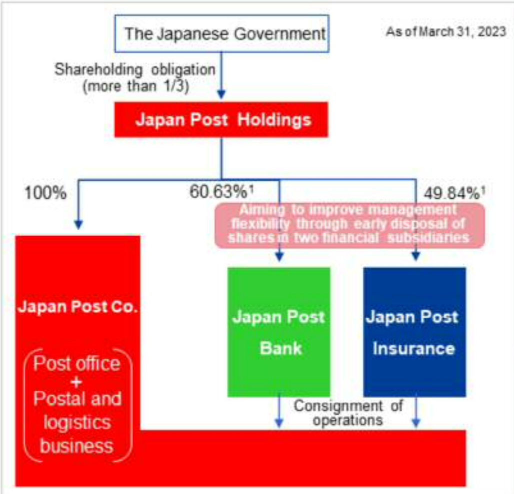


Source: The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan
Note: "Domestic Life Insurance Companies" includes postal life insurance policies.

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.**
- **With the acquisition of treasury stock completed on March 13, 2023, the latest Japan Post Holdings' shareholding ratio is 49.84%[1].**

Structure of Japan Post Group



Item	Additional Restrictions under the Postal Service Privatization Act
New business	【Until Japan Post Holdings disposes of 50% or more of all the shares of the Company】 ■ Approval by competent ministers[2] (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 date[3]】 ■ Notification to competent ministers[2] (obligation to consider competitors, notification to Postal Service Privatization Committee is required) 【After designated date[3]】 ■ No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue)
Limit on coverage amount	【Until the designated date[3]】 ■ Prescribed in a cabinet order (a hearing at the Postal Service Privatization Committee is required to revise) - Limit on coverage amount: in principle, ¥10mn (total of ¥20mn after 4 years have elapsed since start of coverage (age 20-55)) 【After designated date[3]】 ■ No regulations based on Postal Service Privatization Act
Subsidiary	【Until the designated date[3]】 ■ Prohibited from acquiring or holding as a subsidiary or merging with any insurance company - no specific statutory rules applicable to our minority investments, which is acquiring voting rights below 50% 【After designated date[3]】 ■ No regulations based on Postal Service Privatization Act

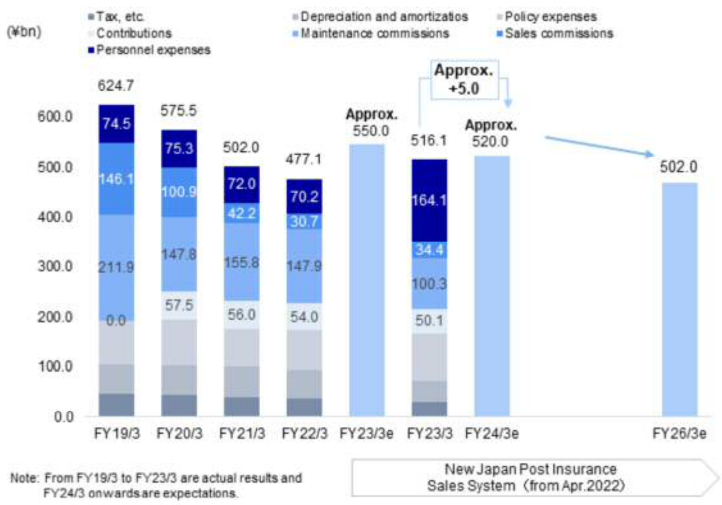
1. Ratio of the number of shares held to the total number of issued shares excluding treasury shares. Figures are rounded to two decimal places.
2. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister of Internal Affairs and Communications.
3. Designated date: 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.

JAPAN POST INSURANCE

Changes in Cost Structure

- Necessary expenses for FY24/3 will increase slightly because of increase in policy expenses and sales allowances due to the recovery in sales, while commission from previous years will decrease due to the recent sluggish acquisition of new policies.
- We will pursue initiatives to streamline operations, reduce expenses, and invest in priority areas as outlined in the Medium-Term Management Plan, and aim for more efficient business operations.

Necessary Expenses (Non-Consolidated)



Note: From FY19/3 to FY23/3 are actual results and FY24/3 onwards are expectations.

Boosting efficiency of operations

- Efficiency improvements through DX promotion
- Shift to customer support area, etc.

+

Reduction in expenses and Investment in priority areas

- Productivity improvements in system development and maintenance
- Reduce policy expenses
- Develop system infrastructure for DX promotion
  - Strategic IT investment during the Medium-term Management Plan : Approximately ¥100.0 billion over 5 years

[FY26/3] Necessary Expenses ¥502.0 billion

Commissions

Sales Commissions

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

Comparison of FY22/3 and FY23/3

Commission for new policies acquired in the fiscal year (Y on Y +¥ 0.2bn)

- Increased for FY23/3 due to the growth of new policies during the fiscal year under review.

Commission for new policies acquired in the period between 84 months earlier and 13 months earlier (Y on Y ¥ (7.7)bn)

- While the commissions are paid in installments over seven years in principle, commissions are on a decreasing trend due to a decrease in the number of new policies from FY18/3, as well as a significant decrease in the number of new policies from FY20/3 attributable to the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January to March 2020.

Incentive commissions (Y on Y +¥ 11.2bn) [1]

- Incentive commissions increased for FY23/3 due to a smaller reduction in sales commission in conjunction with improper solicitation compared to FY22/3.

Maintenance Commissions

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

Comparison of FY22/3 and FY23/3

Basic commission (Y on Y ¥ (40.4) bn)

- Decreased in FY23/3 due to a decrease in the number of policies in force and a decrease in the volume of operations at Japan Post Co. resulting from establishment of the new Japan Post Insurance sales system

Incentive commissions (Y on Y ¥ (7.1)bn)

- Decreased in FY23/3 due to a revision of incentive commissions

Note: For FY24/3, the amount of commissions is expected to be ¥126.1bn (a decrease of ¥8.7bn year on year), of which sales commissions are expected to be ¥28.8bn (a decrease of ¥5.6bn year on year), and maintenance commissions are expected to be ¥97.2bn (a decrease of ¥3.0bn year on year).

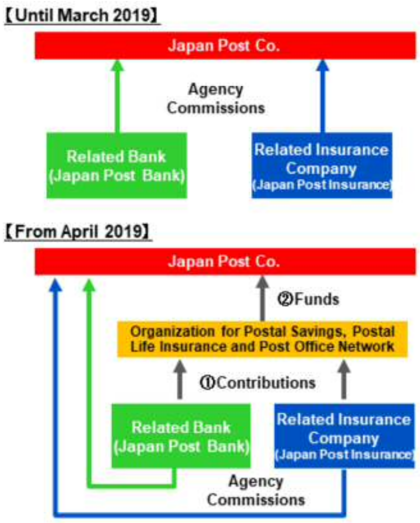
1. If the decrease in sales commission in conjunction with improper solicitation is not taken into consideration, then ¥(1.3) bn compared to FY22/3.

JAPAN POST INSURANCE

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



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]

Regarded as usage volume, which is main element for distribution

Commissions and contributions

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

(¥bn)

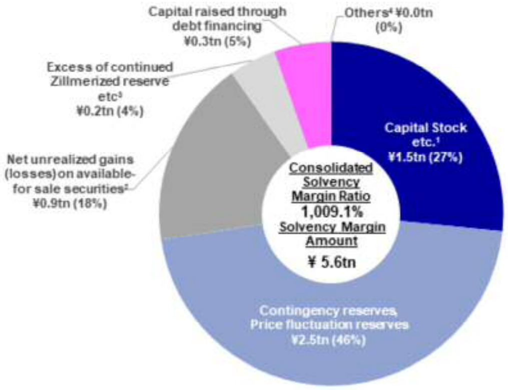
	FY20/3	FY21/3	FY22/3	FY23/3	FY24/3 (Forecast)
Commissions	248.7	198.1	178.6	134.8	126.1
Contributions	57.5	56.0	54.0	50.1	56.4
Total	306.3	254.1	232.6	185.0	182.6

JAPAN POST INSURANCE

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 August 2022, the Company's S&P Insurer Financial Strength Rating was raised from "A" to "A+".

Breakdown of Consolidated Solvency (as of March 31,2023)



1. Subtracted deduction item values from capital stock.
2. Net unrealized gains and losses on available-for-sale securities and land.
3. 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.
4. Combined the total amount, among others, of general reserve for possible loan losses, sum of unrecognized actuarial differences and unrecognized prior service cost.

Bond Information

As of March 31, 2023

	Issue date	Principal amount
First series of subordinated unsecured bonds with interest deferral option and early redemption option	January 29, 2019	¥100 billion
Second series of subordinated unsecured bonds with interest deferral option and early redemption option	January 28, 2021	¥200 billion

Credit Ratings[1]

As of March 31, 2023

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

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

JP JAPAN POST INSURANCE

Promoting ESG Management

- The Sustainability Committee, which serves as an advisory committee for the Executive Committee, steadily promoted companywide sustainability activities through the formulation and progress management of the "Sustainability Implementation Plan," which is linked with the Company's Management Plan and prioritized challenges (materiality).
- From FY2022, in addition to newly establishing the item of "Sustainability" in the business execution plan of each base, the Company held small meetings (opinion-exchanging sessions for employees) on an ongoing basis with the aim of strengthening initiatives at each individual base and instilling the idea of sustainability in employees.
- Japan Post Insurance was selected for inclusion in "the FTSE4Good Index Series[1]" and "the FTSE Blossom Japan Index Series[2]" in June 2022.
- Continue to aim at our sustainable growth and achieving SDGs by working on prioritized challenges (materiality).

Social Challenges (Materiality) to Address with Priority and Goals

1. Provide insurance products and services through the network of post offices, etc.
2. Contribute to the development of communities and society; and environmental conservation
3. Extend healthy life expectancy through health promotion, etc. - Increase well-being
4. Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself
5. Corporate governance supporting the meaning of our business and social mission

1. Created by the global index provider FTSE Russell and designed to measure the performance of companies that are outstanding in environmental, social, and governance (ESG) fields.
2. Includes Japanese companies selected as outstanding in environmental, social, and governance (ESG) fields. This index has been adopted as an ESG index by the Japanese Government Pension Investment Fund (GPIF).

Major Initiatives in FY23/3

① Disclose climate change initiatives in accordance with the TCFD proposal

② For activities in the social field, promote "Radio-Taiso" exercise, conduct trials of financial education for elementary school students, and provide support for para-sports such as "wheelchair tennis" and "boccia"

③ Continue special handling associated with the impact of COVID-19, such as implementation of immediate bank transfer at post offices, etc. and omission of part of necessary documents

④ Launch of the "Impact 'K' Project" that is the investment framework unique to Japan Post Insurance to expand impact-oriented investments

Assessment from external party

Selected for inclusion in two leading stock price indices for ESG investment (June 2022)

FTSE4Good

FTSE Blossom Japan Index

JAPAN POST INSURANCE

Response to the TCFD Proposal, etc. - Environmental

- **We expressed our support for the TCFD proposal in April 2019, and disclose information on our response to climate change, scenario analysis, and reduction target for greenhouse gas emissions.**
- **In order to achieve carbon neutrality, we will engage in initiatives relating to a shift to a low-carbon society both as Initiatives as an operating company and an institutional investor, and increase the robustness of our businesses.**
- **Moving forward, in addition to addressing climate change, we will strengthen our efforts to conserve biodiversity.**

Initiatives as an operating company

With the aim of reducing GHG (greenhouse gas) emissions in our business operations, we will promote initiatives for environmental conservation.

- Engage in initiatives in our offices to reduce energy consumption through improving the use of lighting/AC equipment, introducing energy-saving equipment, etc.
- Use electricity generated by renewable energy at Otemachi Place and other buildings where we have our offices in order to help reduce CO_2 emissions.
- Regarding work vehicles also, we will strive to reduce CO_2 emissions by gradually introducing eco-vehicles such as hybrid vehicles.

Target: Scopes 1 & 2 of decarbonization
FY2030: 46% reduction compared to FY2019
By 2050: Aim for carbon neutrality

Initiatives as an institutional investor

Promote investment/financing activities considering risk and opportunity relating to climate change

- ESG integration[1] of the climate change factor
- Implementation of stewardship activities that focus on climate change measures
- Measurement and management of GHG emissions from the investment portfolio
- Promoting investments that contribute to the decarbonization of society

Target: Decarbonization of portfolio companies (Scope 3, category 15)[2]
FY2029: 50% reduction compared to FY2020
By 2050: Aim for carbon neutrality

Target: Total power output of renewable energy facilities we invest in
Aim to increase from 0.6 million kw as of the end of FY2020 to 1.5 million kw by the end of FY2025

1. Take into account ESG factors as well as financial information when making investment decisions. Implemented for all assets under management.
2. Target assets are domestic and foreign listed stocks and domestic and foreign credits (including loans to business companies, etc.).

JAPAN POST INSURANCE

Popularization and Promotion of “Radio-Taiso” – Social

- **Assist promoting health and forming a diverse society as a contribution to local communities and society by popularization and promotion of “Radio-Taiso” exercise.**

- With the aim to “Extend healthy life expectancy through health promotion, etc. - Increase well-being” one of our social challenges (materiality), we are engaged in popularizing “Radio-Taiso” through initiatives such as the Festival of 10 Million People’s “Radio-Taiso”, touring “Radio-Taiso” events, and a “Radio-Taiso” contest.
- We broadcast “Radio-Taiso” videos on the “Radio-Taiso” channel of Japan Post Insurance on YouTube, aiming to resolve the social issue posed by fewer opportunities to exercise during the COVID-19 pandemic.
- Moreover, we will engage in activities to help vitalize the community through “Radio-Taiso,” such as the production of 9 million “Radio-Taiso” attendance cards distributed every year before the summer break and development of connections with children and the community.
- In October 2021, we launched joint research to verify the health effects of “Radio-Taiso.” This research is progressing as planned.

▲Festival of 10 Million People’s “Radio-Taiso” and *Minna no Taiso* (“Exercise for Everyone”)
(An annual event where participants from across Japan do “Radio-Taiso” together, one of the biggest such events in Japan. Held yearly since 1962)

▼Touring “Radio-Taiso” events

Welcoming the free participation of a wide range of people across all age groups and genders

▲「*Sakutto* (“Quick”) “Radio-Taiso”, a four-video series

Explaination of the correct way to do “Radio-Taiso”

▼ Implementation structure of joint research to verify the health effects of “Radio-Taiso”

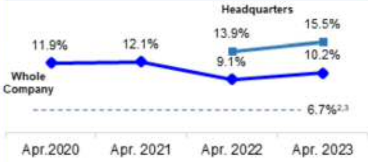
Promotion of Diversity and Work Style Reform - Social

■ 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."

Promotion of diversity

■ Ratio of female managers

- Support expansion of roles for female employees by fostering an empowered mindset through training by job level according to employees' positions.



1. Increase in the number of employees under the new Japan Post Insurance sales system (Approx. + 13,000 staff)
2. Nationwide Ave.
3. Ratio of female managers for companies with 5,000 employees or more (2021 Basic Survey of Gender Equality in Employment Management, MHLW)

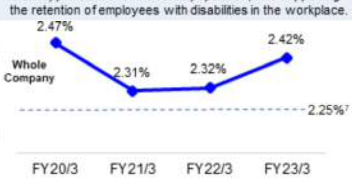
■ Rate of Taking Childcare Leave

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

4. Nationwide Female Ave.
5. Nationwide Male Ave.
6. Rate of Taking Childcare Leave (2021 Basic Survey of Gender Equality in Employment Management, MHLW)

■ Ratio of Employees with Disabilities

- 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.

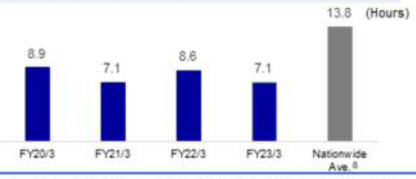


7. Private company Ave. (2022 Status of Employment of Persons with disabilities MHLW)

Work-Life Balance

■ Monthly average amount of overtime

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



8. Overtime work hours (excluding part-time work) (Monthly Labor Survey, 2022, MHLW)

■ Rate of taking paid leave

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

9. Nationwide Ave. (2022 General Survey on Working Conditions, MHLW)
10. 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.)

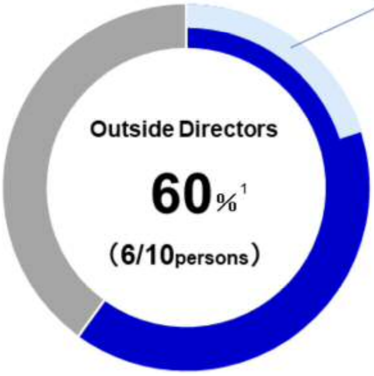
JP INSURANCE かんぽ生命

Board of Directors and Committee Meetings - Governance

- 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 two female directors. We achieve diversification and high independence in our Board.

Board of Directors and Committee Meetings in FY2022

Board of Directors



Female Directors

20%[1]

(2/10persons)

【Meetings held in FY2022】 14 meetings

【Principal Matters resolved by the Board of Directors in FY2022】

- Business and capital alliance with Mitsui & Co. in the domestic real estate asset management business
- Revisions of FY2022 Consolidated Financial Results Forecast
- Management Plan for the fiscal year ending March 31, 2024

Nomination Committee

outside

【Meetings held in FY2022】 4 meetings

Audit Committee

outside

【Meetings held in FY2022】 17 meetings

Compensation Committee

outside

【Meetings held in FY2022】 6 meetings

1. The ratio of outside directors is 64% and the ratio of female directors is 36%, based on the Board of Directors after Ordinary General Meeting of Shareholders to be held on June 19, 2023.

JP かんぽ生命

Compensation System for Executive Officers - Governance

- **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) ×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 Compensation[1] (Fixed) : performance-linked stock compensation[2] = 81 : 19

1. Basic compensation (fixed) is calculated based on the actual payment in FY 2022.
2. Performance-linked stock compensation is calculated by multiplying the points granted based on the performance in FY 2022 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 FY2022

Indicator	Target	Result
Income target for the fiscal year : Consolidated net income	¥71.3bn	¥97.6bn
Degree of achievement in matters related to sales/solicitation quality: Net increase in life insurance policies	¥1.79bn	¥(3.57) 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

Skill Matrix for Directors - Governance

Position	Name	Major concurrent post	Corporate management[1]	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 Unite and Grow Inc.	●		●	●	●	●	●		
	HARADA Kazuyuki 	Representative Director, Chairman of the Board of Keikyu	●		●	●	●		●		
	YAMAZAKI Hisashi 	Attorney-at-law	●		●	●			●		
	TONOSU Kaori 	Outside Director of Internet Initiative Japan Inc.	●		●	●		●	●	●	
	TOMII Satoshi 	Chairman of DBJ Investment Advisory Co., Ltd.	●	●	●				●	●	●
	SHINGU Yuki 	President and Chief Executive Officer of Future Architect, Inc.	●		●	●	●	●	●		
	OMACHI Reiko 	Attorney-at-law			●				●	●	●
Internal Directors	TANIGAKI Kunio 	Executive Vice President Japan Post Bank Co., Ltd.	●	●	●	●	●		●	●	
	ONISHI Toru 	Managing 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.	●		●	●			●	●	

Note1: Schedled to be appointed at the Ordinary General Meeting of Shareholders to be held on June 19, 2023.
Note2: 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."
1. The skill of corporate management includes areas such as organizational management necessary for management oversight.

JAPAN POST INSURANCE

〈Disclaimer〉

These materials were prepared for the sole purpose of providing corporate information, etc., on the Company and its consolidated subsidiaries, and do not constitute a solicitation for investments in the stocks and other securities issued by the companies of the Japan Post Group, regardless of whether in Japan or overseas.

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of this document's disclosure. Please note that actual results may differ materially from such forward-looking statements due to various factors including changes in the operating environment, interest rates or general economic conditions or other future events and circumstances.

UNOFFICIAL TRANSLATION

Although Japan Post Insurance pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.