

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

May 26, 2023



JAPAN POST INSURANCE

Agenda

| | Theme | Presenter |
|----------|--|--|
| 1 | Review of the FY2022 and Future Management Strategy P.3 | Director and President, CEO, Representative Executive Officer Tetsuya Senda |
| 2 | Asset Management P.15 | Senior Managing Executive Officer Atsushi Tachibana |
| 3 | Financial results and shareholder returns P.21 | Managing Executive Officer Toru Onishi |
| | Appendix P.27 | |

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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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 <small>(Interim dividend ¥ 45 Year-end dividend ¥ 45)</small> | ¥ 92 <small>(Interim dividend ¥ 46 Year-end dividend ¥ 46)</small> | ¥ 94 <small>(Interim dividend ¥ 47 Year-end dividend ¥ 47)</small> |

【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.

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. |

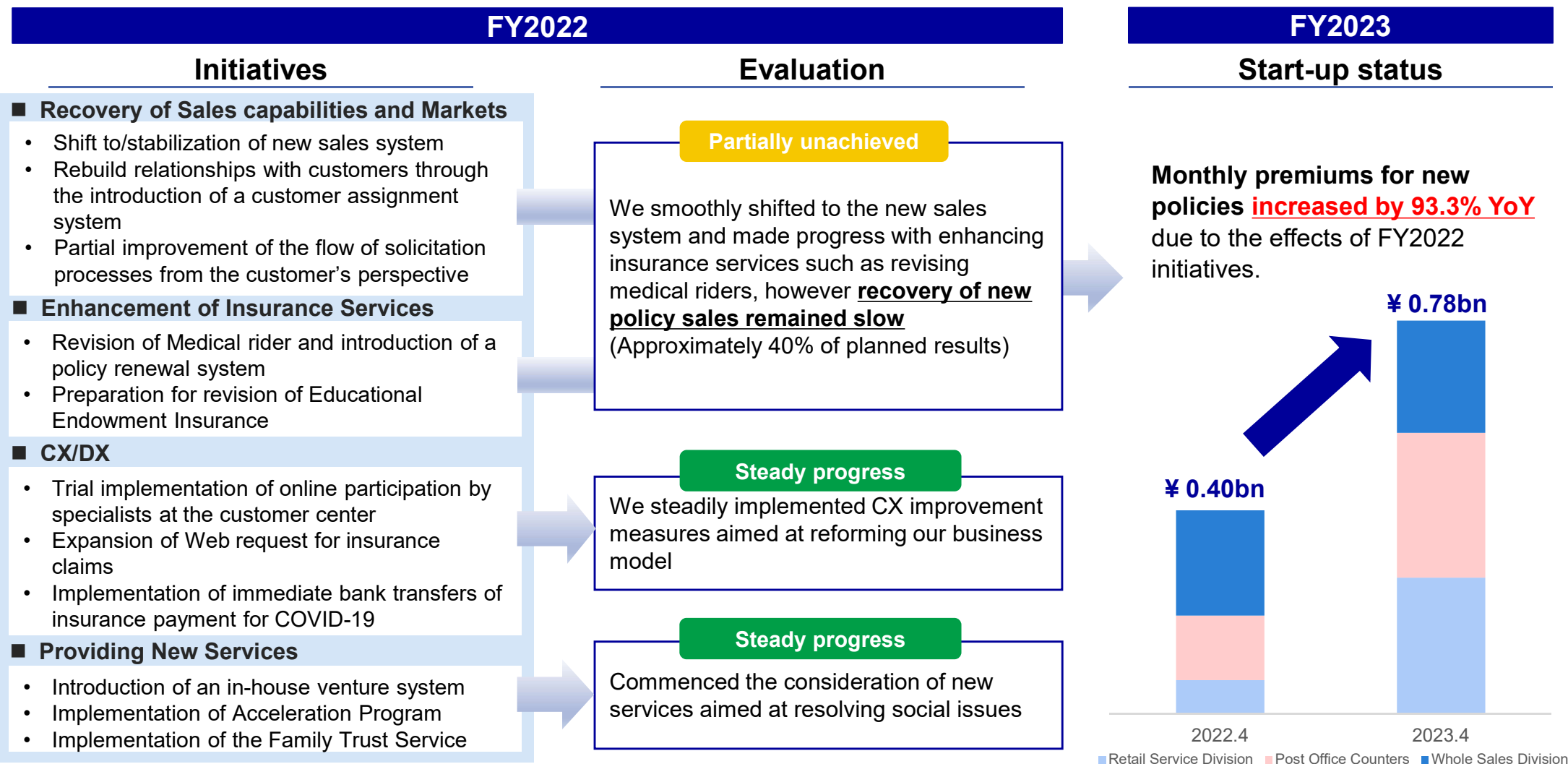
1. Calculated by excluding economic variance factors.

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.

FY2022 Review and Evaluation

- In FY2022, we engaged in initiatives for the early establishment of the new Japan Post Insurance sales system; however, the recovery of new policy sales remained slow.
- In April 2023, the effects of initiatives to date became apparent and new policies increased by 93.3% YoY on a monthly premiums basis.
- We made steady progress with initiatives to enhance insurance services, promote CX/DX, and create new services.



Management Strategy for FY2023

| | | |
|---------------------------------------|--|------------------------|
| Recovery of Sales | <ul style="list-style-type: none">➤ Identification of issues for each operation base and consultant and prompt measures to address them (PDCA cycle) | P8 |
| Sales capability strengthening | <ul style="list-style-type: none">➤ 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 | <ul style="list-style-type: none">➤ CX/DX➤ Transformation of Service Center operations➤ Providing New Services | P11 P12 P13 |
| Human capital management | <ul style="list-style-type: none">➤ Promote the growth of “people,” through active investment in human capital | P14 |

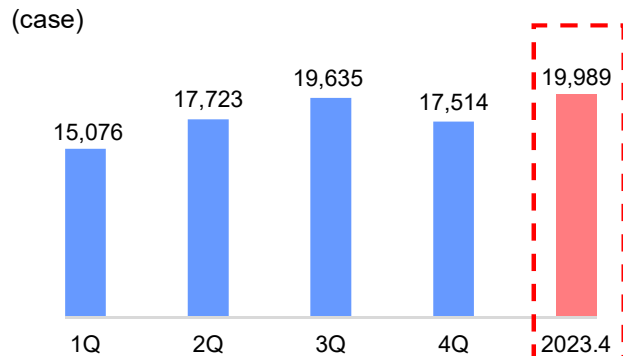
Status of Sales Activities and Efforts to Recover Sales

- Although the numbers related to the status of sales activities has been consistently higher than the previous fiscal year in FY 2023, there is still gap in the status of sales efforts among each operation base and consultant.
- Promptly implement measures in response to issues at each operation base to further raise the sales capability of each operation base, primarily with mid-tier sales performance, and strive for early recovery of sales.

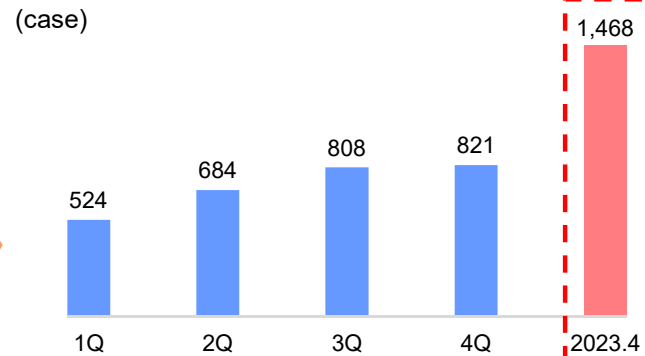
Status of activities of the retail division (Retail Service Division)

Note: Average number of cases per business day in each month during the quarter. For April 2023, the average number of cases per business day in April.

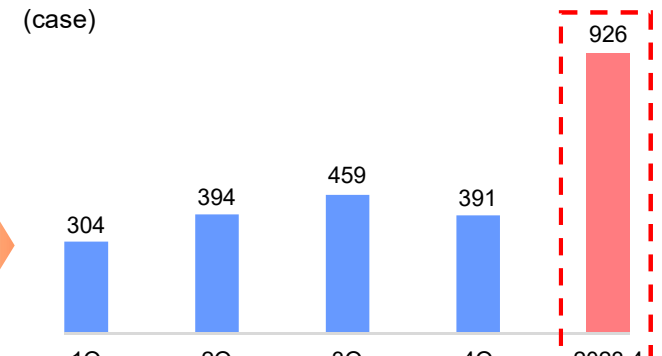
Number of interviews



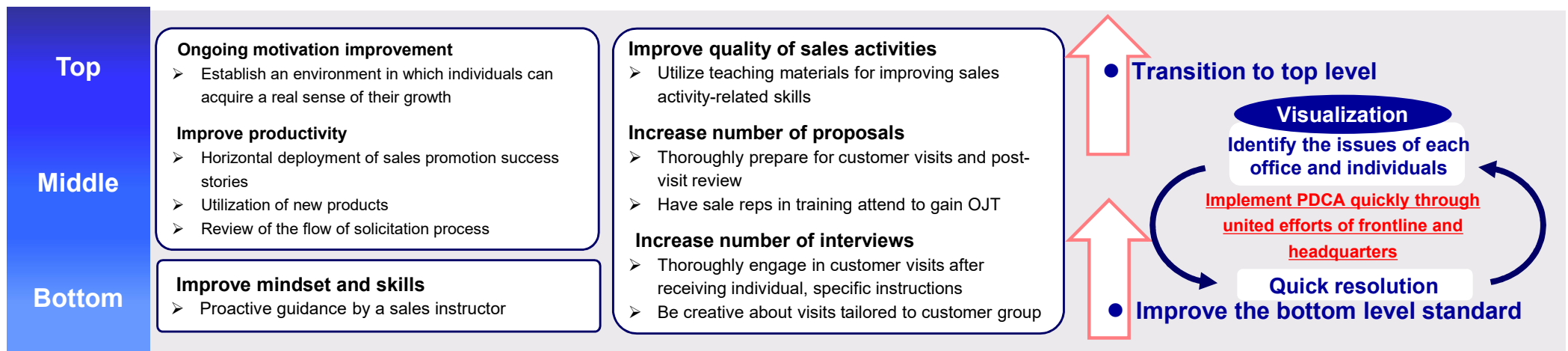
Number of insurance policy documents prepared after the interview



Number of new policies sold



Support for consultants corresponding with the status of sales efforts



Sales capability strengthening (Grade system and Restructuring of sales organization)

- Introduce a "Grade System (tentative name)" as a common standard and mechanism for human resource development for consultants. It is also utilized for incentives, etc.
- Restructure the sales organization to establish a sales promotion system that is integrated throughout the Company with enhanced functions. We will transition to a sales system suited to a direct management model.
- Aiming to strengthen sales capability on a mid-to-long term basis and lead to further growth by promoting personnel and organizational reforms.

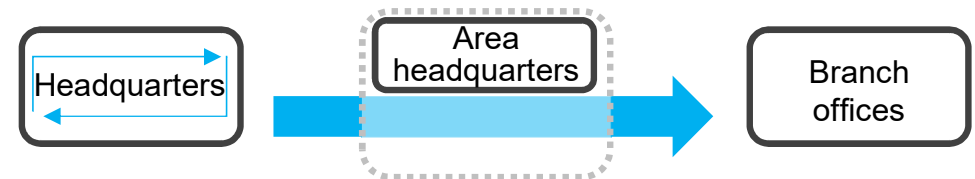
Introduce a Grade System (tentative name)

- Through comprehensive and quantitative evaluation of consultants' achievements and activity processes, visualize ability to build trusting relationships with customers and individual growth
- Pay incentives based on the grade. The system is also used to evaluate managers' skills in developing human resources



Restructuring of sales organization

- Restructure the sales organization at the headquarters to enhance functions such as marketing, etc.
- Established a department directly managing sales promotion at the headquarters along with reduction of the function of intermediary organizations (area headquarters), and establish a company-wide system. (Shift to direct management model)



- Restore the "Market" by promoting the growth of "People" and "Management"
- 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

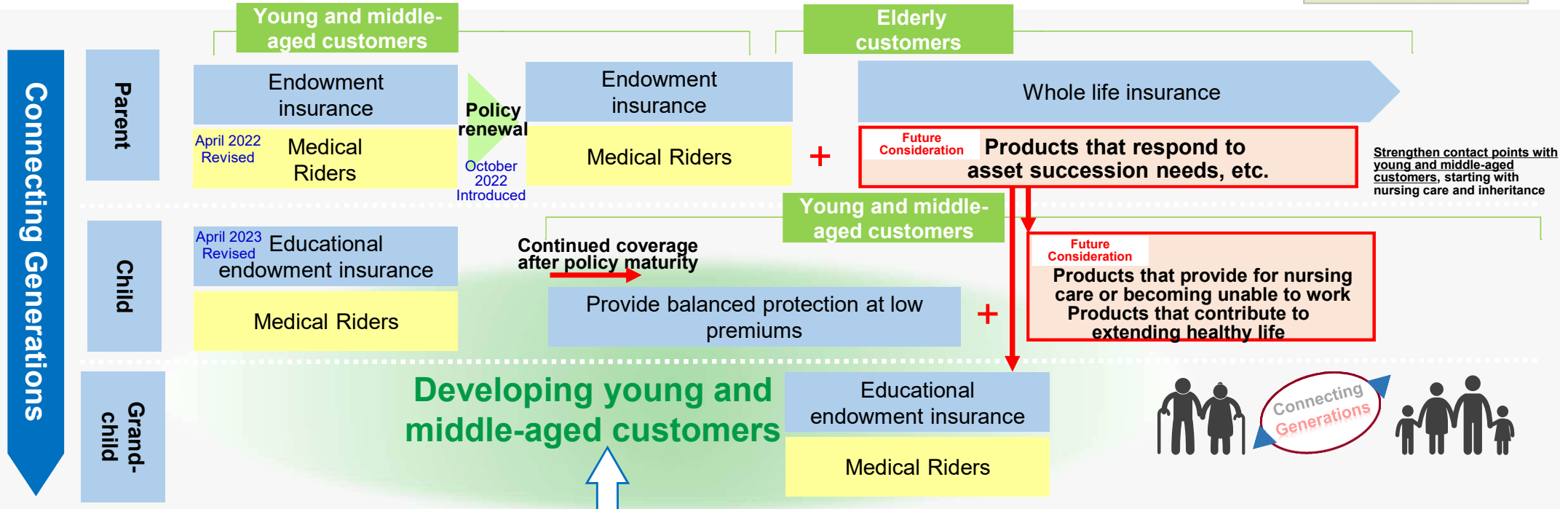
**Strengthen sales capability on a mid-to-long term basis
and lead to further growth**

Sales capability strengthening (Strategy for Connecting Generations and the Active Use of On-site Sales at Companies)

- In April 2023, we revised the educational endowment insurance “Hajime no Kampo.” The educational endowment insurance is more attractive now in that the return rate has exceeded 100%.
- We continue our strategy for “Connecting Generations” through the use of the educational endowment insurance or a policy renewal system, and develop young and middle-aged customer through the active use of on-site sales at companies.
- We aim to expand our customer base by developing insurance products that meet the protection needs of customers, such as products that provide for asset successions, nursing care, becoming unable to work, and extending healthy life.

Revision of Educational Endowment Insurance in April 2023

- Improved return rates to exceed 100%¹ by changing insurance premium rates
- Moving forward the age at which premium payments are completed from 12 to 10 years for insurance types that end premium payments within a short period of time



1. Excludes some contracts such as those for continuous premium plans, etc.

Expansion of on-site sales at companies

- Build relationships with companies involved with Japan Post Group
- Implement improvements to create a system able to highly evaluate employees who engage in on-site sales at companies
- Strengthen collaboration between our Retail Service Division and post office counters



Aim for market growth by strengthening cooperative system with Japan Post Co., Ltd.

Business model reforms (CX/DX)

- Aim to improve NPS by reducing operating expenses through promotion of DX and by shifting to a business model that positions CX as our top priority.
- We will improve customer satisfaction by increasing communication with existing customers to create a sense of familiarity as well as by offering simplified procedures and after-sales follow-up. Through referrals from satisfied customers, we aim to expand our customer base to their families and acquaintances, as well as to the community and society as a whole.

Initiatives to Improve CX through DX and to Reduce operating expenses

■ Provide follow-up support through both real-world and digital means



Utilization of Customer Data

Offer each and every customer optimal information and timely follow-up

(Trial begins in November 2022. Scheduled for nationwide rollout from October 2023 onward.)

■ Enhance non-face-to-face procedures



In response to customer needs, gradually expand the scope of procedures that can be completed by customer themselves via My Page or online

(Expand the scope gradually.)

■ providing personalized, heartfelt support to customers

Real-time support

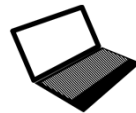


Online attendance

Support customers in real time and complete procedures on the spot

(Online attendance during the new policy application procedure was started small in July 2022. Scheduled for nationwide rollout from October 2023.)

■ Simplified procedures utilizing new devices



Achieve simplification and paperless procedures through utilization of digital technology

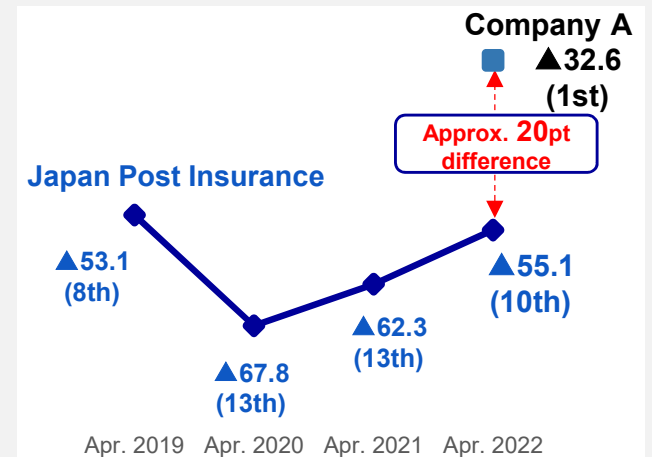
(From October 2023, we plan to begin digitalization of claim acceptance and maintenance work and gradually expand the scope of applicable claims.)

[Reference] Changes in NPS®

NTTCom Online Marketing Solutions

“NPS® Benchmark Study, Life Insurance Division (2021/2022)”

- Score at start of FY2022 had recovered to close to the level prior to the solicitation quality issues
- Expect NPS to increase from FY2023 due to the effects of shifting to the new Japan Post Insurance sales system and the effects of various policies
- Anticipate NPS to further increase with enhanced follow-up support

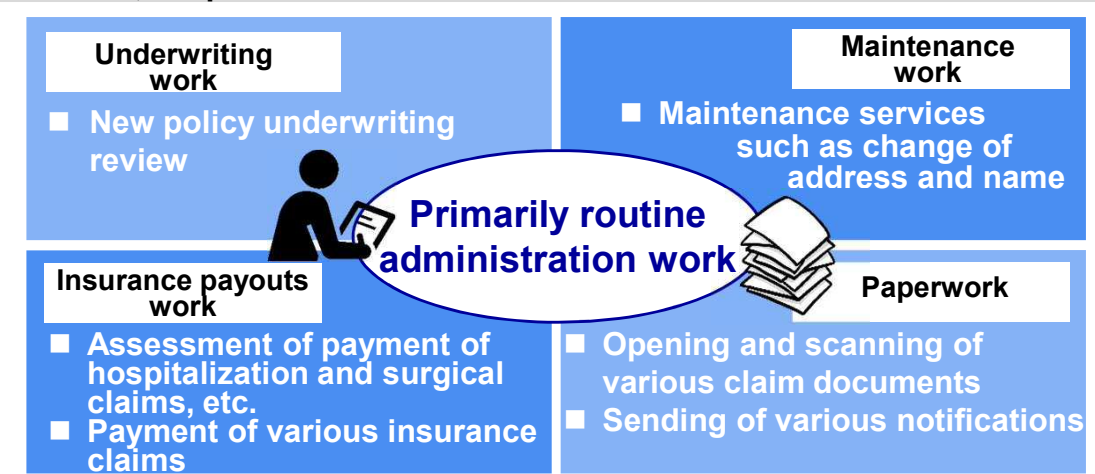


1. NPS® is an abbreviation for “Net Promoter Score” and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Business model reforms (Transformation of Service Center operations)

- Transform the Service Center, which used to focus on paperwork, into an organization that improves CX by providing personalized, heartfelt support to customers.
- Existing routine paperwork will be streamlined and automated through DX and productivity improvement initiatives, and the workforce created will be shifted to priority areas for CX improvement initiatives.
- Furthermore, improve efficiency in administrative work at branch offices, etc., to reduce workload.

● Overview of Service Centers . . .
A total of five administrative centers located around Japan with around 4,000 personnel



Transform the organization to improve CX

Specific functions of the priority areas

Providing optimal proposals based on each customer's needs

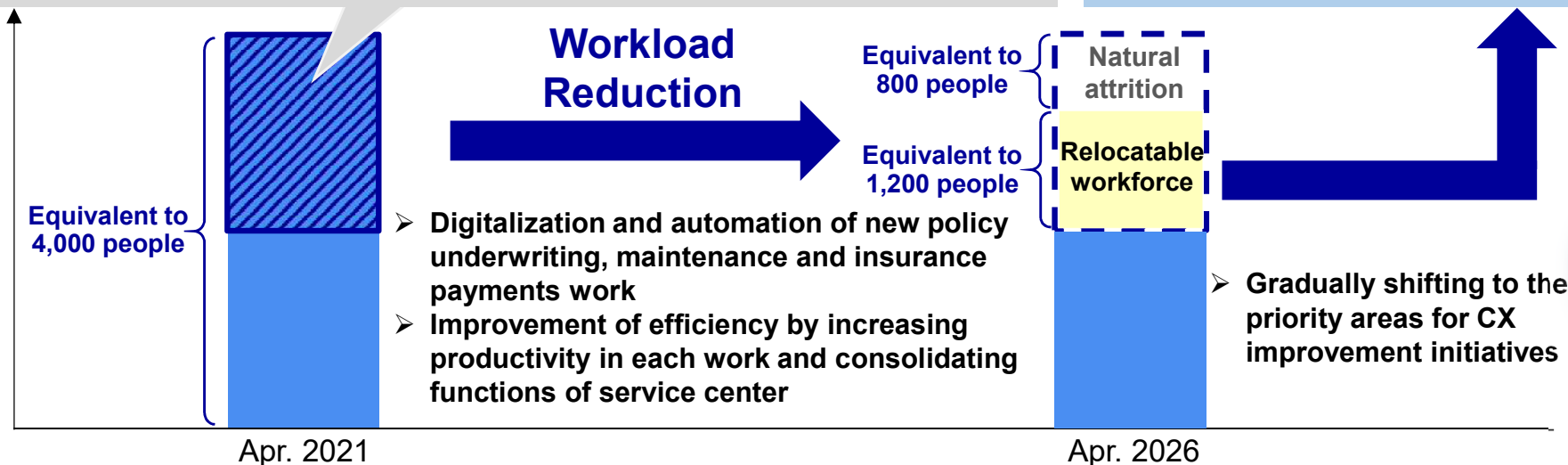
Confirm customers' intention on the spot through the online attendance

Providing procedures that can be completed easily on the spot

Support customers timely with live chat and bots

Providing personalized support by the entire team

Prompt resolution of problems immediately after procedures



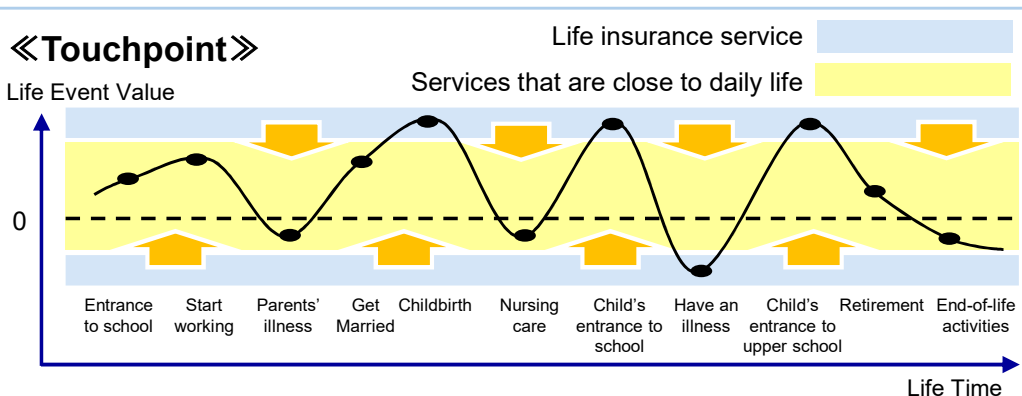
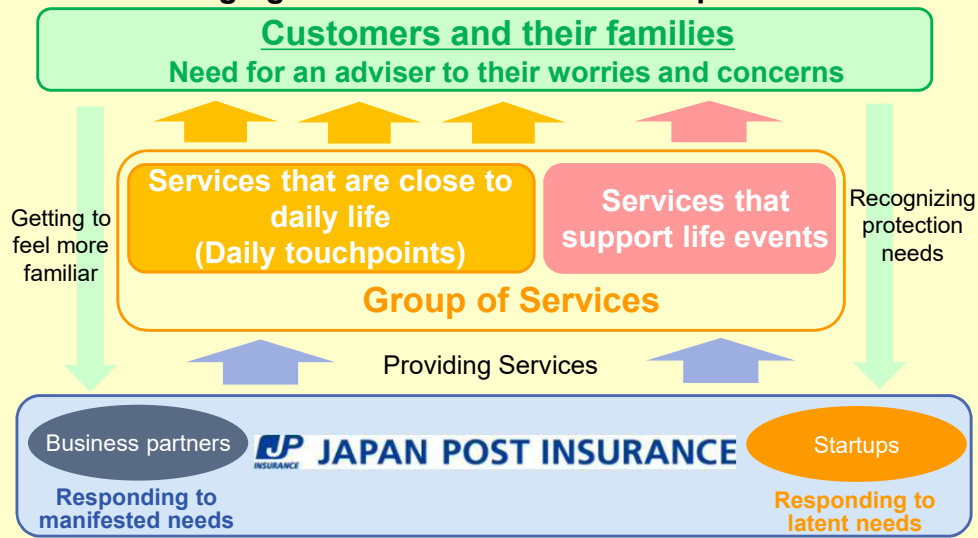
Furthermore...
Consideration of streamlining and reducing the workload of administrative work at branch offices, etc.

Business model reforms (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. We will increase customers' trust and this will ultimately help to grow our insurance business.
- We will create new services through the in-house venture system, Acceleration Program and investment in venture companies, etc.

Make Japan Post Insurance a more integral part of customers' lives

Solve the problems our customers face in every situation by leveraging our nationwide network of post offices



Initiatives

Creating New Services

- **The in-house venture system**
Refine our initiatives to create projects for new services
- **Establishment of CVC (Kampo NEXT Partners)**
Established in November 2022. After obtaining certification, CVC will invest in venture companies with growth potential.
- **Acceleration Program**
Together with Aflac, enter business alliance with startups. Collaborated with "Hatch Healthcare K.K." to launch home nursing care-related service on a trial basis from May 2023.
- **End-of-life activities and Inheritance services**
Collaborated with Famitra Inc., the Family Trust Service was launched on October 27, 2022.

Collaboration with Business partners

Policy for future provision of insurance services



Human capital management

- Promote the growth of “people,” who are the source of corporate value through active investment in human capital.
- Strive to secure human resources strategically and promote utilization of diverse human resources as well as flexible work styles. In addition to establish a corporate culture where employees act autonomously to improve employee engagement.

Secure human resources strategically


- **Introduce a Grade System (tentative name)**
Through comprehensive and quantitative evaluation of consultants' achievements and activity processes, visualize ability to build trusting relationships with customers and individual growth
- **Human resource redeployment**
Implement reskilling to reallocate personnel to priority areas and other positions
- **Proactive hiring of professionals with specialist knowledge**
Hiring of actuaries and other professionals skilled in specialized fields

Promote utilization of diverse human resources as well as flexible work styles

- **Promotion of diversity**
Promote active participation by female employees, support for balancing work and childcare/nursing care, and employment of persons with disabilities
- **Work style reforms**
Further improve business operations and productivity by establishing remote work environments

Establish a corporate culture where employees act autonomously

- **Embodying the management philosophy, “Be a trustful partner for people, always being close at hand and endeavoring to protect their well being”**
Establish standards for all employees' decisions/actions entitled “Thank you for being here” as a platform to share values
- **Set up a “Japan Post Insurance feedback box”**
Set up a “Japan Post Insurance feedback box” for employees to directly convey their views and make proposals to executives, and utilize this to improve business operations
- **Frontline meetings**
Vitalize two-way communication through regular dialogue between executives and employees
- **Improve management techniques through coaching**
Hold coaching sessions for management-level employees, etc. at each location and incorporate such teachings in management to produce employees with the ability to act autonomously



**Improve
employee
engagement**

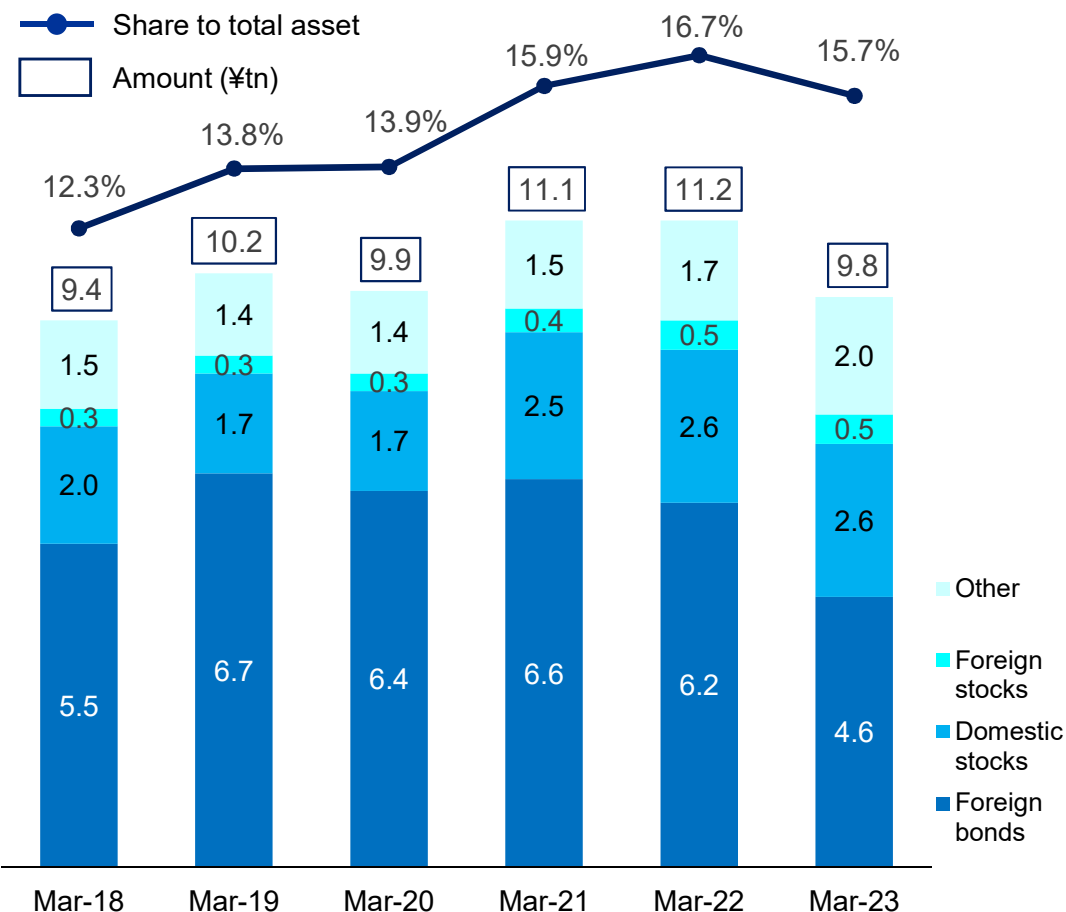
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Asset Management

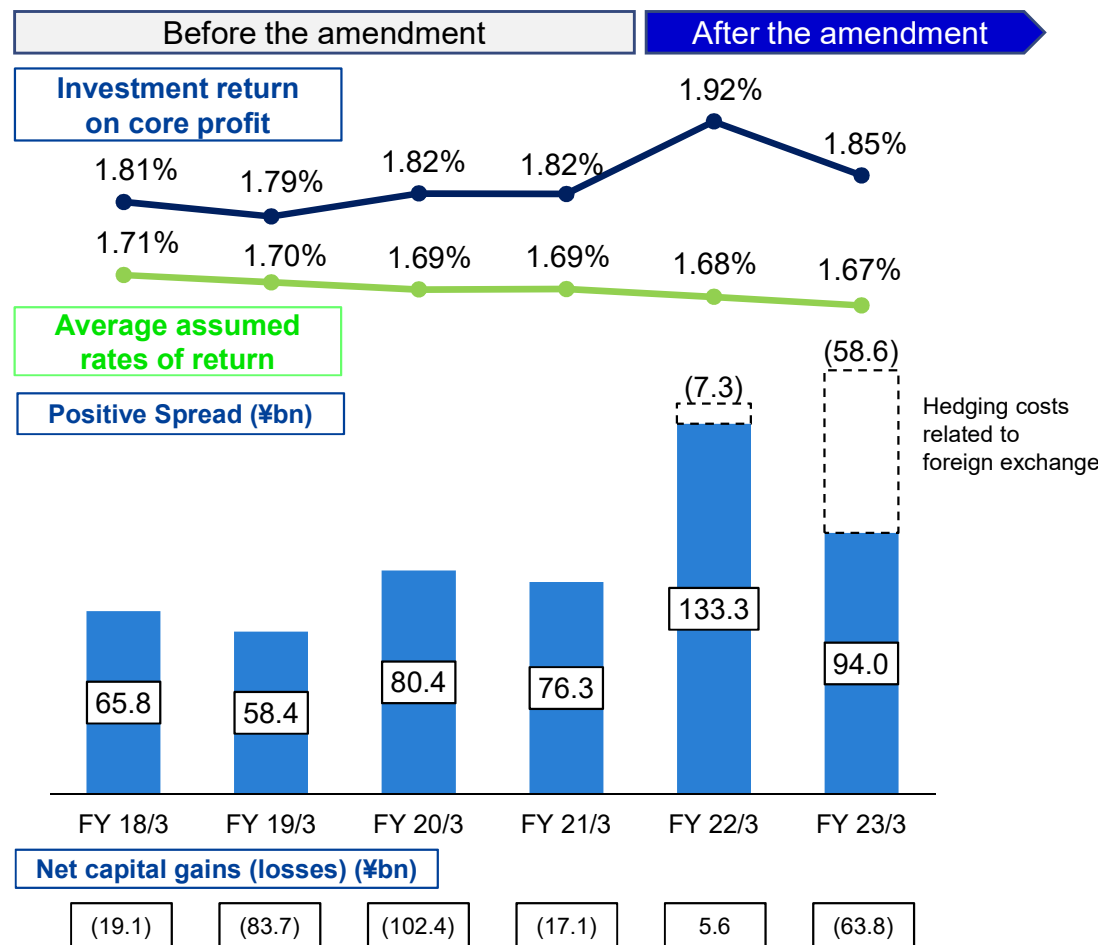
Asset Management

- Under the ERM framework, we aim to secure stable asset management earnings based on ALM management.
- For FY2022, we secured a positive spread of ¥ 94.0 billion, which reflects the effect of asset portfolio diversification we have been pursuing.

Return Seeking Assets



Positive Spread¹



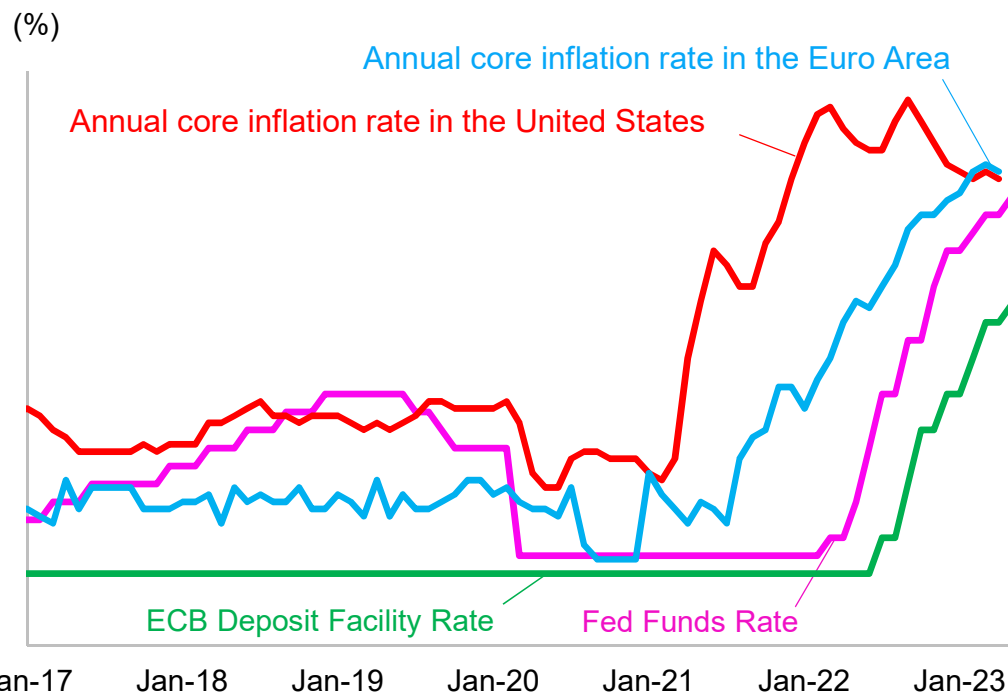
1. Method for calculating core profit was partially amended in FY23/3 (hedging costs related to foreign exchange are included in the calculation of core profit, while gains from cancellation of investment trust are excluded from the calculation of core profit). This amendment started to apply in FY23/3.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

Management of Hedged Foreign-Currency-Denominated Bonds

- Against a backdrop of rising hedging costs, our hedged foreign-currency-denominated bond balance was reduced by ¥ 1.4 trillion from the end of the previous fiscal year.
- Mindful of the potential for hedging costs to continue rising, the Company plans to continue to slightly reduce the balance in FY2023.

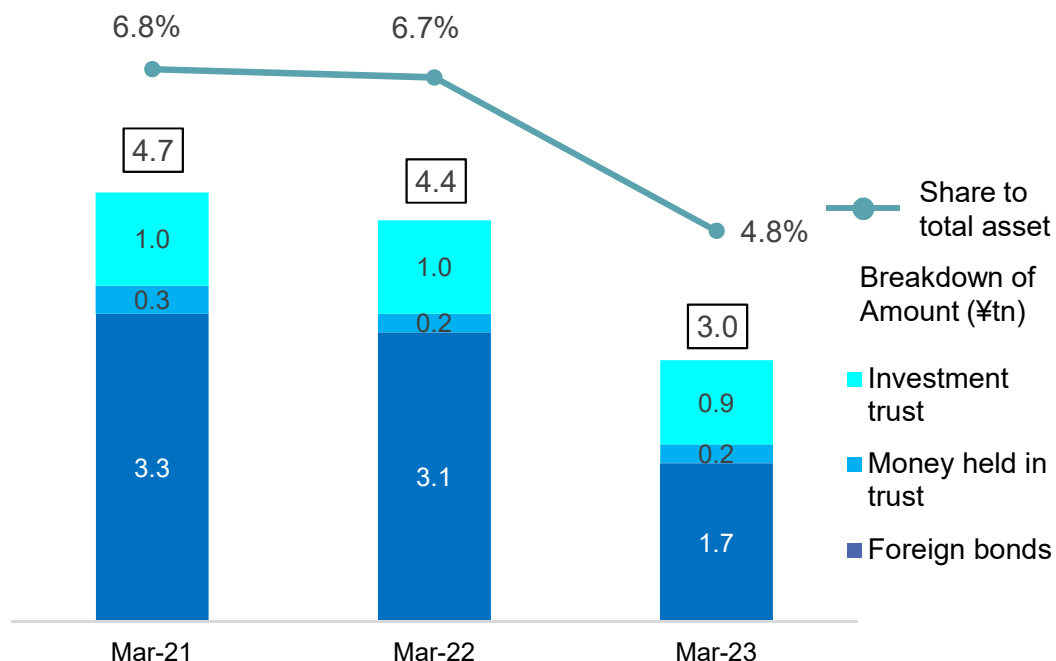
Rising Foreign Interest Rates and Hedging Costs

Amount of Hedged Foreign-Currency-Denominated Bonds



Sources: Federal Reserve, European Central Bank, Bureau of Labor Statistics, Eurostat

- Increase in foreign interest rates due to monetary tightening in line with increased inflation
- Rise in hedging costs due to growing disparity of domestic and foreign interest rates



Future asset management policy regarding hedged foreign-currency-denominated bonds

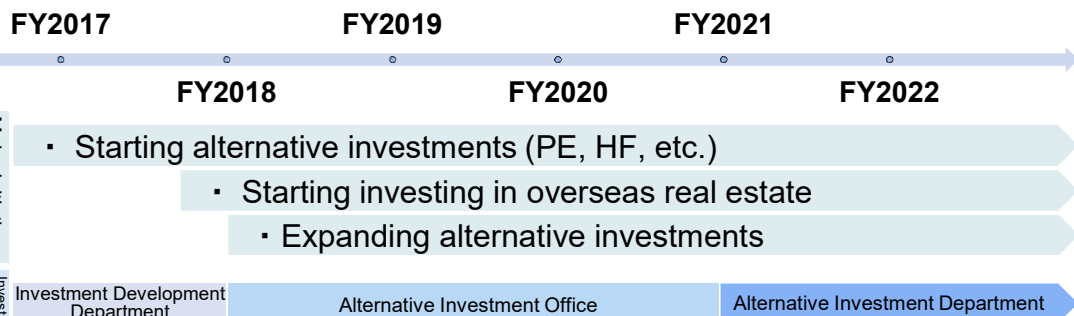
- Mindful of the potential for hedging costs to continue rising, slightly reduce the balance of hedged foreign-currency-denominated bonds
- Policy to adjust flexibly, taking into account the possibility of lower interest rates due to deteriorating business conditions

Alternative Investments

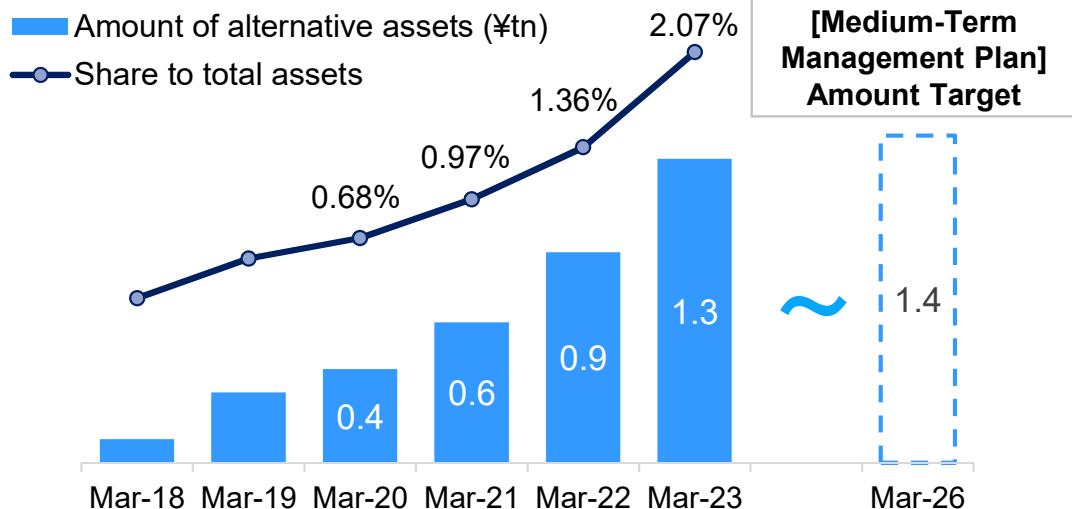
- In terms of alternative investment, we will continue the policy of accumulating balances gradually according to risk appetite policy and investment opportunities.
- The remaining alternative investment targets stipulated in the Medium-Term Management Plan are expected to be achieved ahead of schedule.
- We expanded the scope of investment targets, focused on real estate funds, through our business and capital alliance with Mitsui & Co.

Alternative Investments

Diversification of alternative investments and Development of investment organization

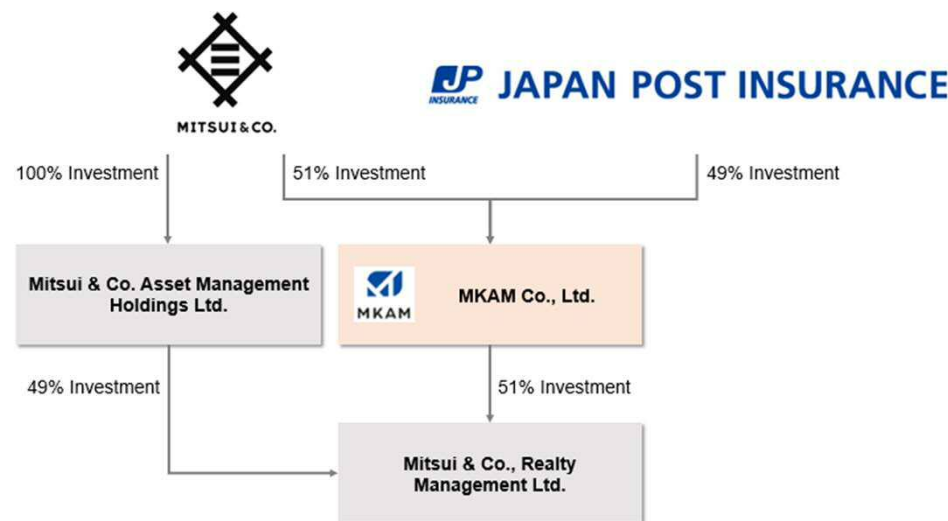


Gradually expand alternative investments



Business and capital alliance with Mitsui & Co.

- In August 2022, an intermediary holding company (MKAM Co., Ltd.) of Mitsui & Co., Realty Management (MBRM) was established for the purpose of collaboration between Japan Post Insurance and Mitsui & Co.
- MBRM launched a flagship fund, in which Japan Post Insurance is investing as a limited partner. And the fund's total assets reached ¥40 billion in January 2023. We aim to achieve an investment scale of several hundred billion yen under management in the future.



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 | <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● Gradually build up balance depending on investment opportunities |
| | Domestic and Foreign stocks | Decrease | Flat | <ul style="list-style-type: none"> ● 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 | <ul style="list-style-type: none"> ● 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 |

Promotion of ESG Investment

- 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 (“Impact ‘K’ Project”), etc., with the aim of realizing high-quality responsible investment activities.

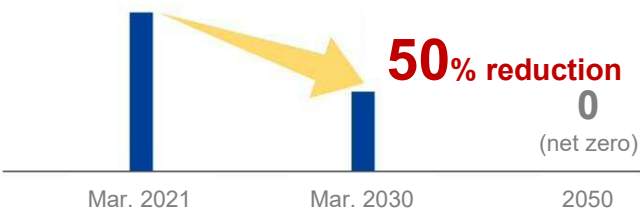
We will promote **ESG investments and financing that create a feeling of warmth unique to Japan Post Insurance**, under the priority themes of “increase in well-being,” “development of communities and society,” and “contribution to environmental conservation.”

Deepen and Upgrade ESG integration

- Implemented asset management taking into account ESG factors for all assets
- Through engagement, promote initiatives to address sustainability issues among portfolio companies
- Strengthen response to not only “climate change,” but also issues related to “human rights,” “human capital,” “natural capital,” etc.

Responding to climate change

- Reduce GHG emissions in investment portfolios*



*Sum of Scope 1 and Scope 2 emissions of portfolio companies multiplied by our equity share (target assets include domestic and foreign-listed stocks and domestic and foreign credits (including corporate loans))

- Increase investment in/financing of facilities for renewable energy (set total power generation output of facilities we invest in as a KPI)

Impact "K" Project

インパクト“K”プロジェクト

- Under the “Impact ‘K’ Project,” promote impact-orientated investment taking into consideration priority themes based on an original framework

[Examples of investment]

- Investment in a real estate fund whose main tenants are licensed nursery schools in urban areas with large numbers of children on waiting lists (March 2022)
- Investment in companies that are actively engaged in creating social impact and domestic-listed equity fund that aims to achieve both social and economic returns (May 2022)

Academic-industrial collaboration

- Strengthen academic-industrial collaboration linked to solving social issues and bringing about innovation, including the possible implementation of impact investment

[Parties with whom we signed memorandums of understanding for ESG investment, etc.] (date of agreement shown in parenthesis)

- Keio University (January 2022)
- Osaka University (January 2023)
- Ritsumeikan Trust (March 2023)

3

Financial results and shareholder returns

Changes in Net Income

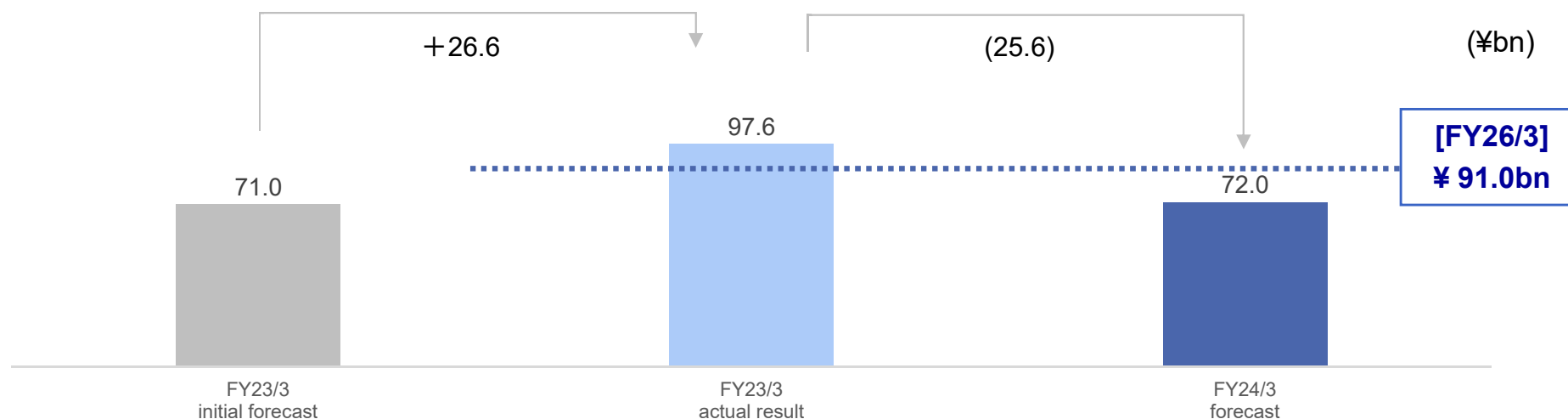
- Net income in FY23/3 increased by ¥ 26.6 billion from the initial forecast to ¥ 97.6 billion. That was because the impact of the losses related to COVID-19 were partially neutralized by the contingency reserves while insurance claims payments for COVID-19 increased, as well as invest income increased due to a favorable investment environment and operation expenses decreased.
- We expect net income in FY24/3 to ¥72.0 billion, due to a decrease in policies in force, etc. despite an expected decrease in the impact of losses related to COVID-19.

[Major differences between initial forecasts for FY23/3 and actual results for FY23/3]

- | | |
|--|--------------------|
| 1. Ordinary profit : | Approx. ¥ (40.0)bn |
| • Increase in the impact of losses related to COVID-19 : | Approx. ¥ (40.0)bn |
| • Decrease in operating expenses : | Approx. + ¥30.0bn |
| • Increase in positive spread : | Approx. + ¥30.0bn |
| • Decrease in capital gains/losses : | Approx. ¥ (60.0)bn |
| 2. Increase in extraordinary gains/losses : | Approx. + ¥ 80.0bn |
| 3. Increase in income taxes and policyholder dividends, etc. : | Approx. ¥ (10.0)bn |

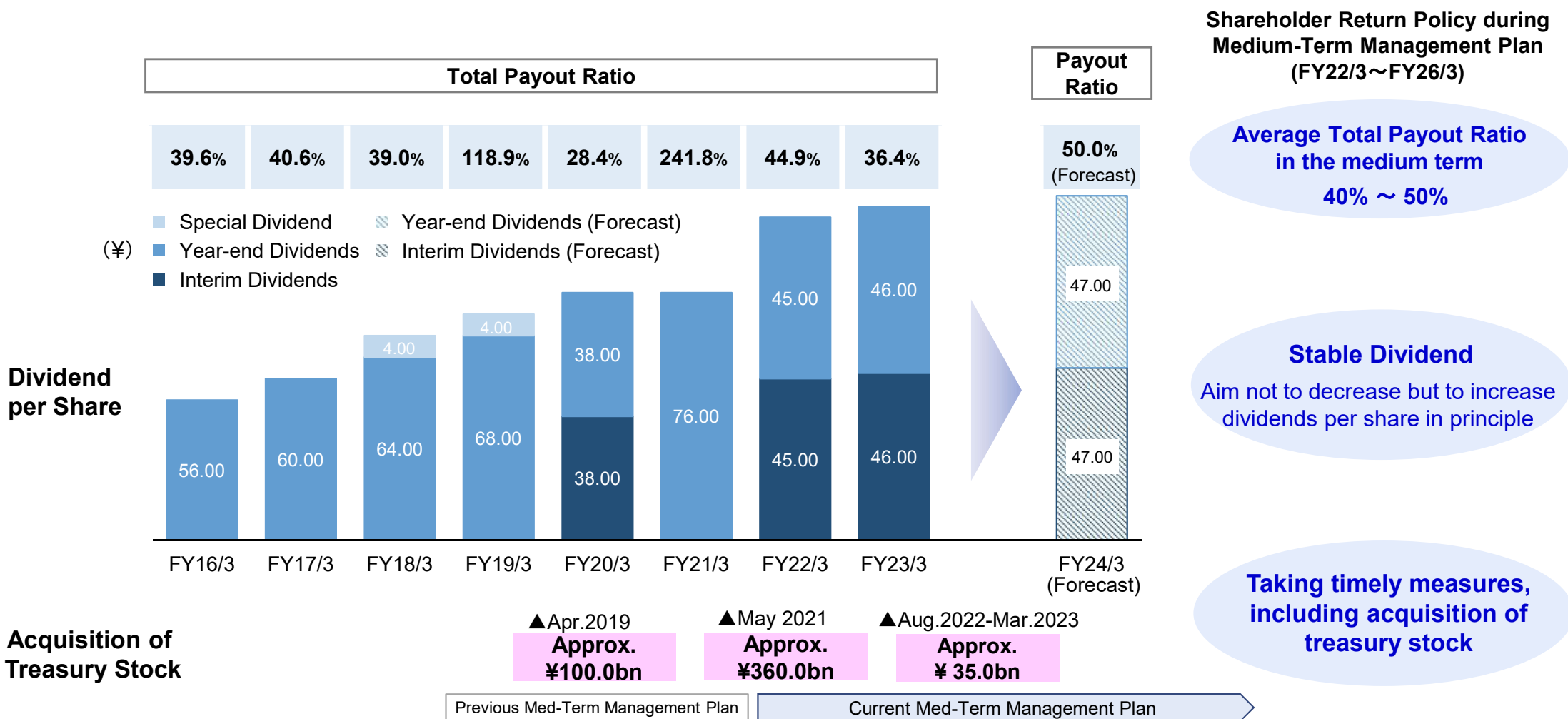
[Major differences between actual results for FY23/3 and forecasts for FY24/3]

- | | |
|---|--------------------|
| 1. Ordinary profit : | Approx. + ¥ 25.0bn |
| • Decrease in the impact of losses related to COVID-19 : | Approx. + ¥ 50.0bn |
| • Increase in operating expenses : | Approx. ¥ (5.0)bn |
| • Decrease in policies in force : | Approx. ¥ (50.0)bn |
| • Decrease in positive spread : | Approx. ¥ (30.0)bn |
| • Increase in capital gains/losses : | Approx. + ¥ 60.0bn |
| 2. Decrease in reversal of reserve for price fluctuations : | Approx. ¥ (60.0)bn |
| 3. Decrease in income taxes, etc. : | Approx. + ¥ 10.0bn |



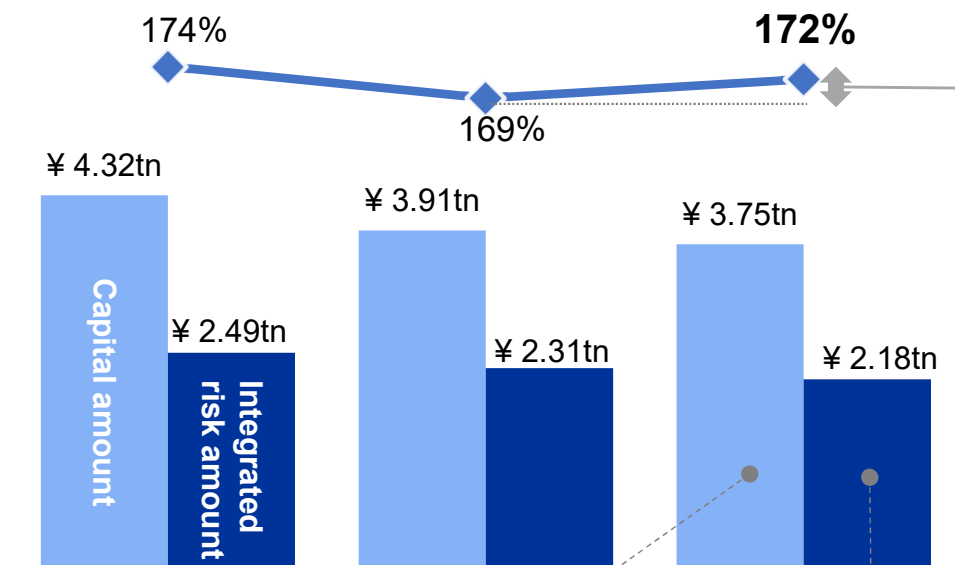
Shareholder Return

- In accordance with the shareholder return policies during the period of the Medium-term Management Plan, we provide returns to shareholders.
- 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.
- As the return of profits for FY22/3, we implemented acquisition of treasury stock of approximately ¥35.0 billion in FY23/3.



ESR (Economic Solvency Ratio)

- 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, etc.



- Acquisition of treasury stock and dividend (3) points
- Changes in market environment + 2 points
- Other than those above + 4 points

ESR Sensitivity (As of March 31, 2023)

| | |
|--|-------------|
| 50bp increase in risk-free rate ⁵ | +3 points |
| 50bp increase in risk-free rate of domestic interest rates ⁵ | + 7 points |
| 50bp increase in risk-free rate of foreign interest rates ⁵ | (3) points |
| 50bp decrease in risk-free rate (parallel shift without zero floor) ⁵ | (7) points |
| 30% decrease in equity and real estate value ⁵ | (13) points |
| 10% appreciation of the yen ⁵ | (4) points |
| Future volume of policies in force is 105% of the level ^{5,6} | + 6 points |

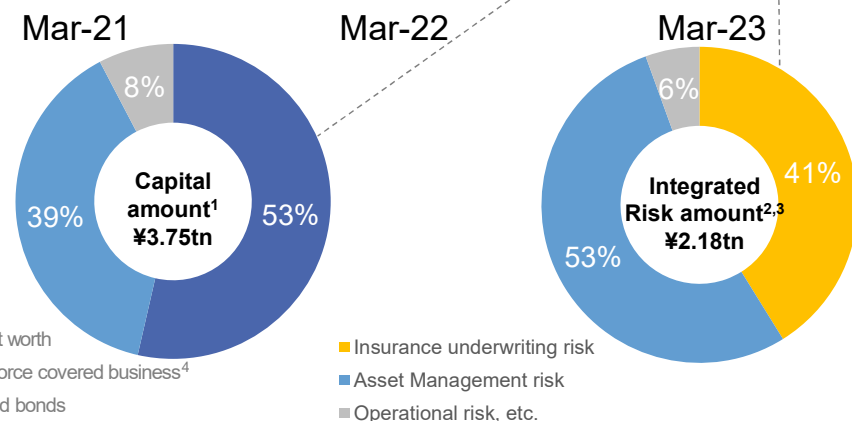
ERM and Capital Policy

[Capital]

- Aim for EV growth exceeding estimated cost of shareholder's equity in the long term by securing stable profit (RoEV⁷ : 6% to 8%)

[Risk]

- Maintain risk appetite for insurance underwriting risk by shifting to a portfolio centering on protection-type products
- Address asset management risk by controlling interest risk, etc. (promotion of ALM, etc.) and maintain appetite for return seeking assets based on return against risk



- The capital amount is the sum of excluding "costs to maintain required capital" from EV and amount of subordinated bonds issued by the Company.
- The integrated risk amount was calculated based on an internal model (holding period: 1 year, confidence level: 99.5%), recognizing fluctuations in the capital amount as risk.
- The share of the pie chart in the integrated risk amount did not take into account diversification effect etc. between risks.
- Excluding "costs to maintain required capital"

5. 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.

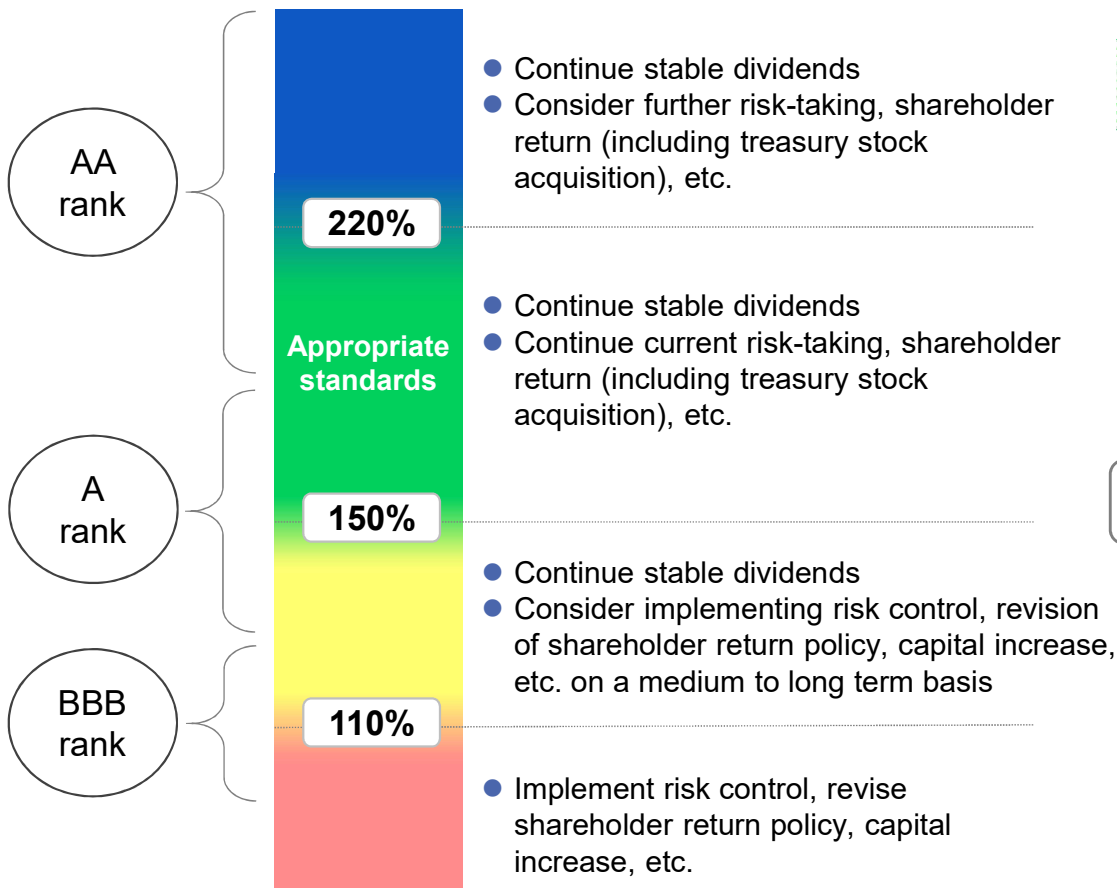
6. Assumed in the calculation of EV as of March 31, 2023

7. Calculated by excluding economic variance factors.

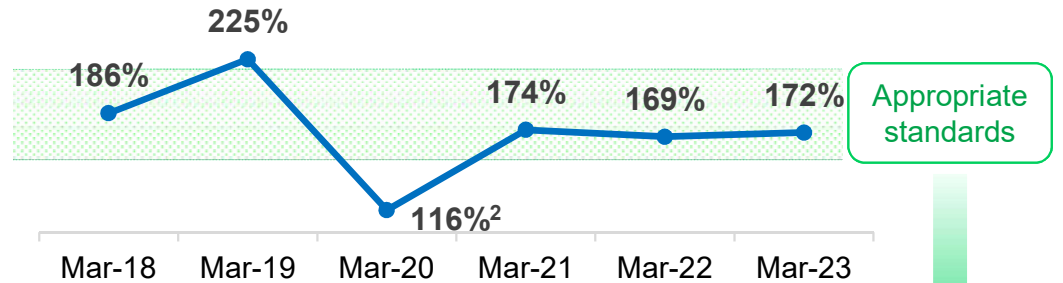
ESR target range

- In order to clarify capital evaluation and increase the transparency of risk-taking (risk elimination), shareholder return, etc., the Company established appropriate ESR standards (target range) 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.
- With the aim of securing appropriate standards with good stability, 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.

Rating guidelines for capital standards



ESR¹



1. Figures for March 31, 2021 and onwards are the amounts after the change in the ESR measurement model.
2. Capital amount decreased and risk amount increased due to changes in the assumed EV operating costs.

Consider measures to improve ESR, aiming for securing appropriate standards with good stability

- Accelerate the recovery of new policies
- Debt financing
- Implementation of interest rate swaps
- Ceded reinsurance

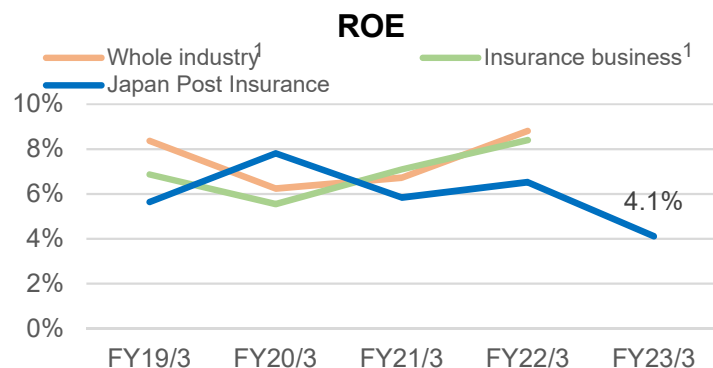
Increase in capital amount

Decrease in risk amount

The Company's Return on Capital and Market Evaluation

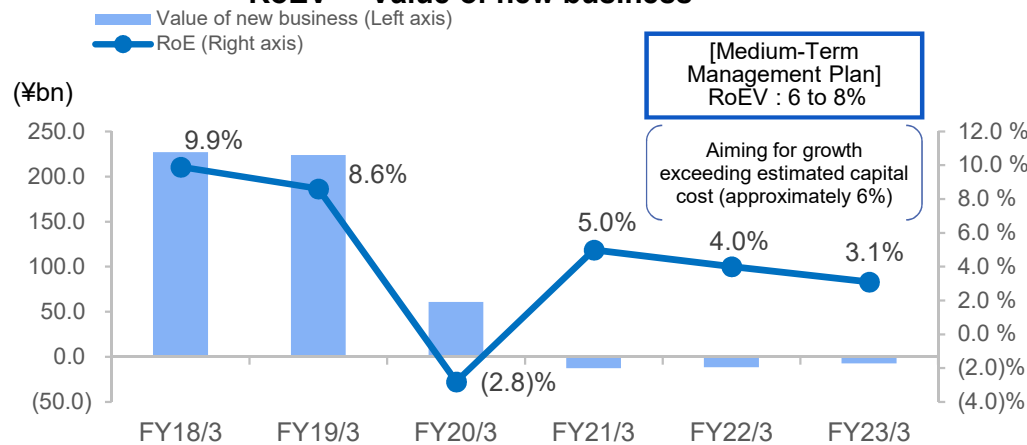
- For the fiscal year ended March 31, 2023, ROE was 4.1% and EV growth (RoEV) was only 3.1% compared to the Medium-Term Management Plan targets of 6 to 8% (growth exceeding estimated capital cost).
- The Company's stock price is not fully evaluated by the market, resulting in a P/B ratio of 0.35 and a P/EV ratio of 0.24 for the fiscal year ended March 31, 2023.
- Aiming to improve market evaluation by flipping value of new business and increasing RoEV.

The Company's Return on Capital



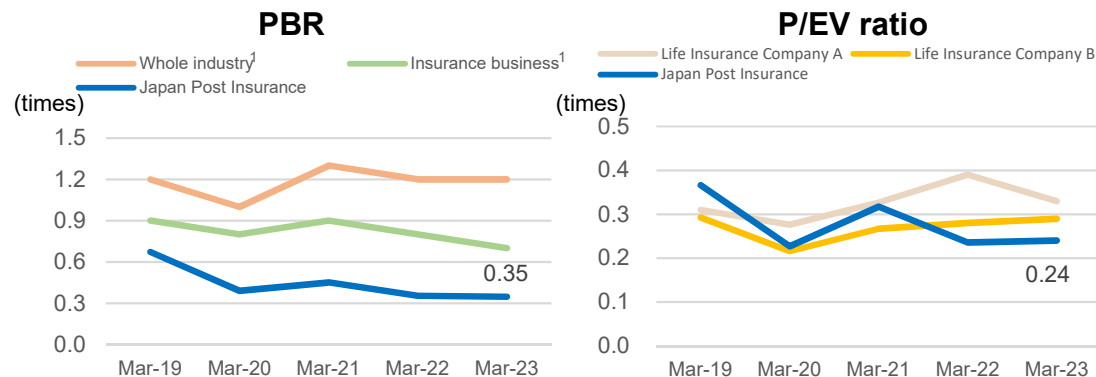
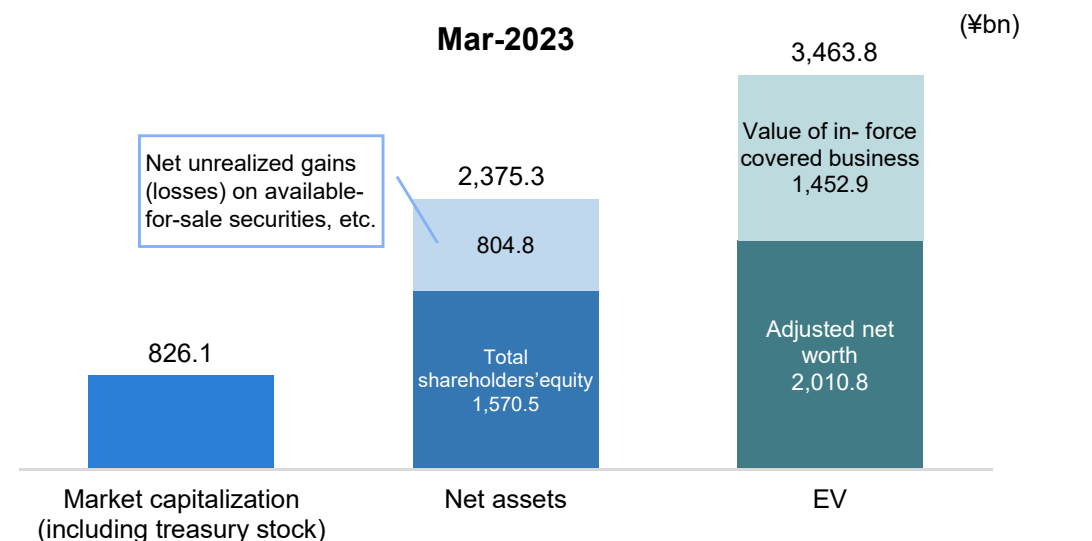
Source: Japan Exchange Group (JPX) [Summary of Earnings Digests by Listed Companies]

RoEV² - Value of new business



1. Applies to Prime-designated companies and companies listed on the First Section of the Tokyo Stock Exchange.
2. Calculated by excluding economic variance factors.

The Company's Market Evaluation



Source: Japan Exchange Group (JPX) [Average PER and PBR by Size and Types of Industry]

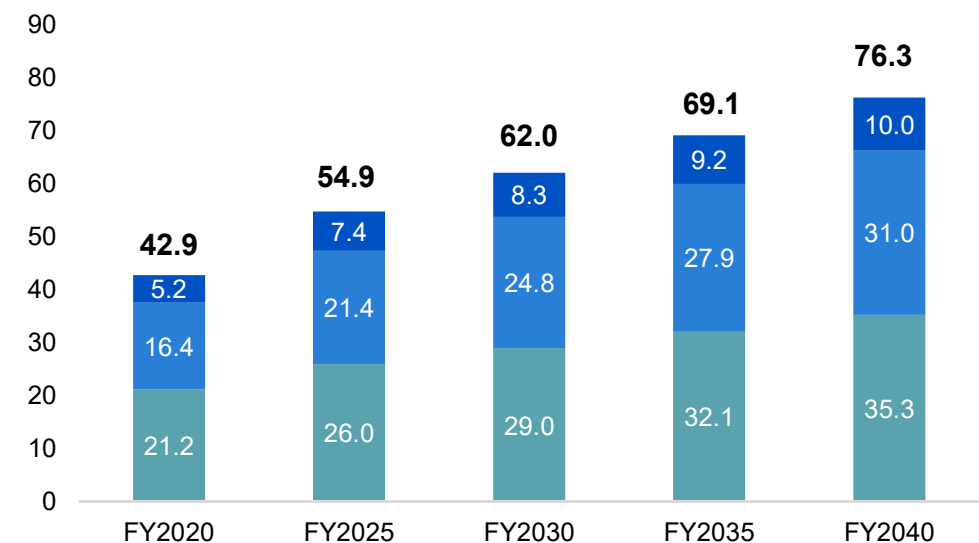
Appendix

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)

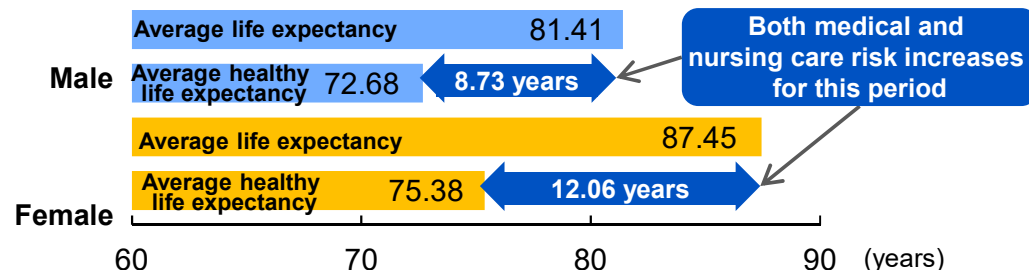
(¥tn) ■ Premium from nation medical system ■ Public expense ■ Self payment



| | FY2020 | FY2025 | FY2030 | FY2035 | FY2040 |
|-----------|--------|--------|--------|--------|--------|
| GDP (¥tn) | 535.5 | 645.6 | 694.8 | 741.2 | 790.6 |
| NME (%) | 8.0% | 8.5% | 8.9% | 9.3% | 9.7% |

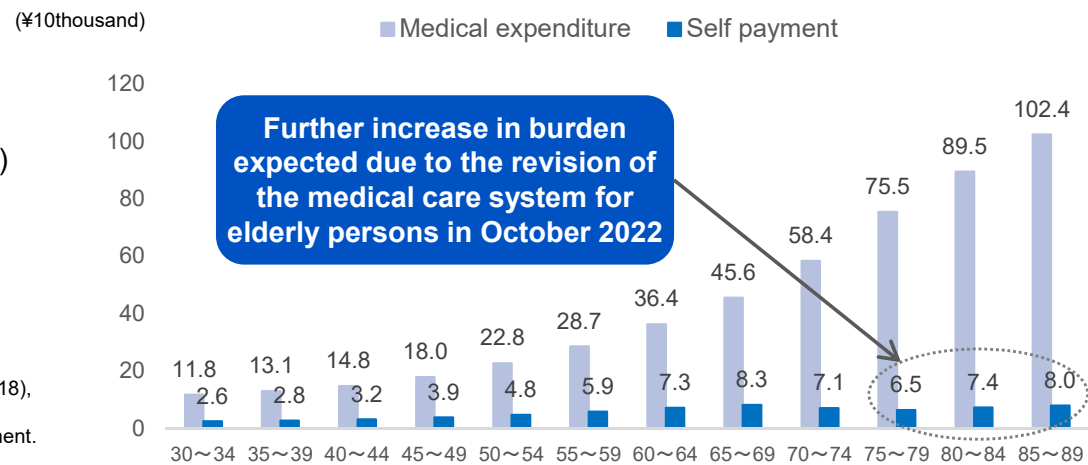
Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018), Ministry of Health, Labor and Welfare (November 30, 2022).
 Note: Figures at FY2020 are actual results. Figures at FY2025 onwards are estimated amount at official announcement.

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)



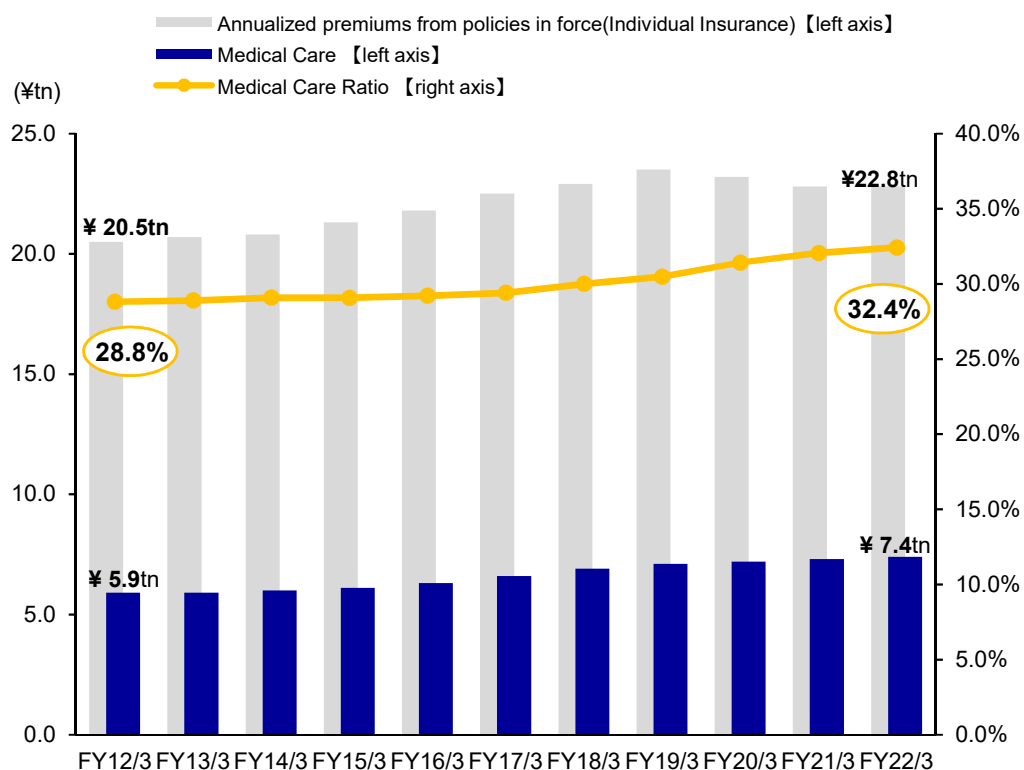
Source: Medical expenditure per person by age group, Ministry of Health, Labor and Welfare (FY2020)

Medical Care Market

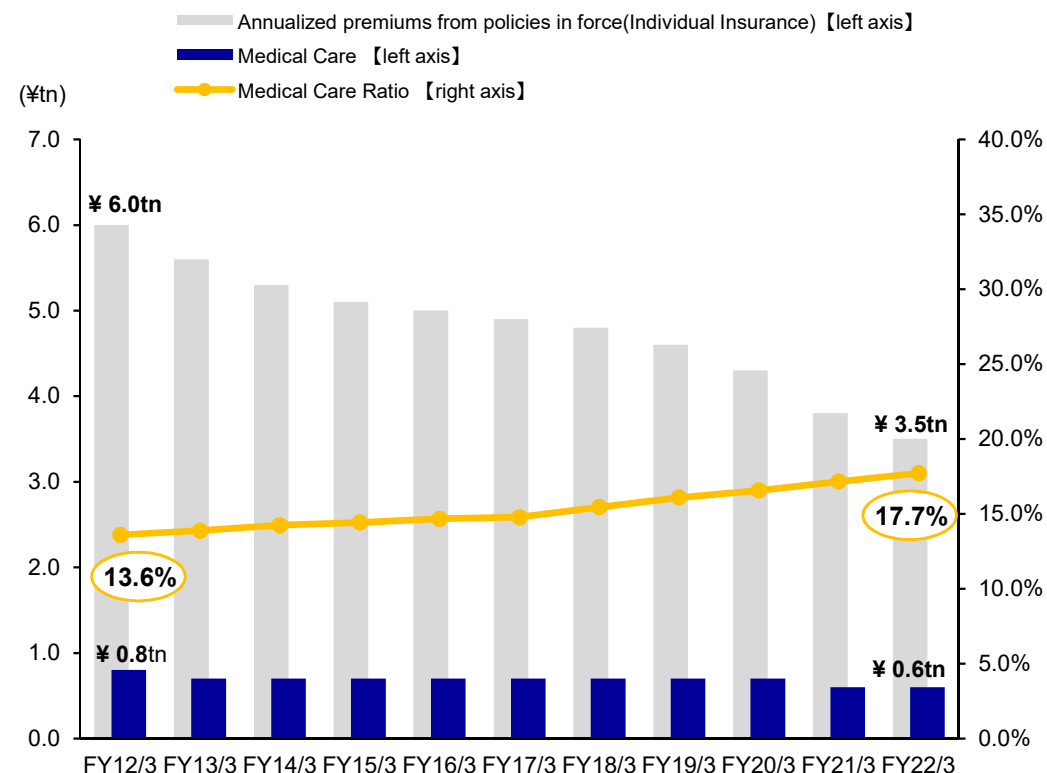
- As the domestic market for medical care is expanding, medical care ratio to annualized premiums in force is also increasing.
- While our medical care ratio to annualized premiums in force is increasing as well, it is still low compared with the domestic market, and we believe there is room to further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

Annualized Premium from policies in force (medical care)

Domestic Life Insurance Companies



Japan Post Insurance

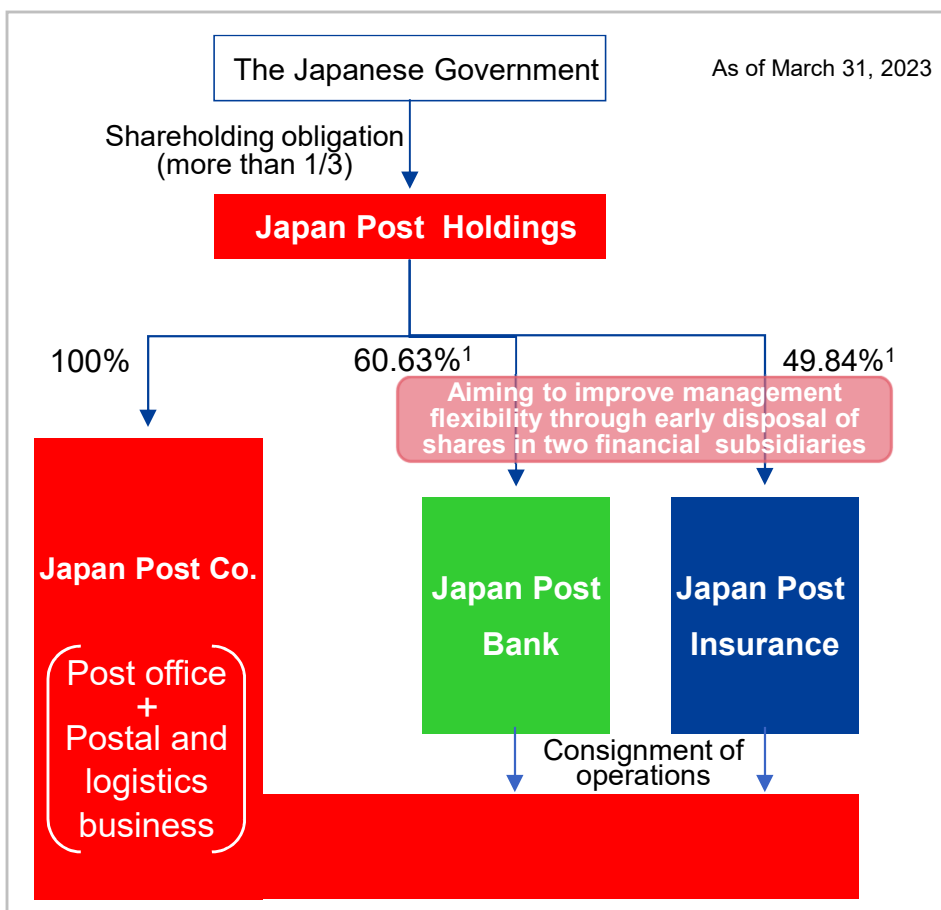


Source: The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan
 Note: "Domestic Life Insurance Companies" includes postal life insurance policies.

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 | <p>【Until Japan Post Holdings disposes of 50% or more of all the shares of the Company】</p> <ul style="list-style-type: none"> ■ Approval by competent ministers² (a hearing at the Postal Service Privatization Committee is required) <p>【After Japan Post Holdings disposes of a 50% or more of all the shares of the Company until the designated date³】</p> <ul style="list-style-type: none"> ■ Notification to competent ministers² (obligation to consider competitors, notification to Postal Service Privatization Committee is required) <p>【After designated date³】</p> <ul style="list-style-type: none"> ■ No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue) |
| Limit on coverage amount | <p>【Until the designated date³】</p> <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)) <p>【After designated date³】</p> <ul style="list-style-type: none"> ■ No regulations based on Postal Service Privatization Act |
| Subsidiary | <p>【Until the designated date³】</p> <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% <p>【After designated date³】</p> <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.

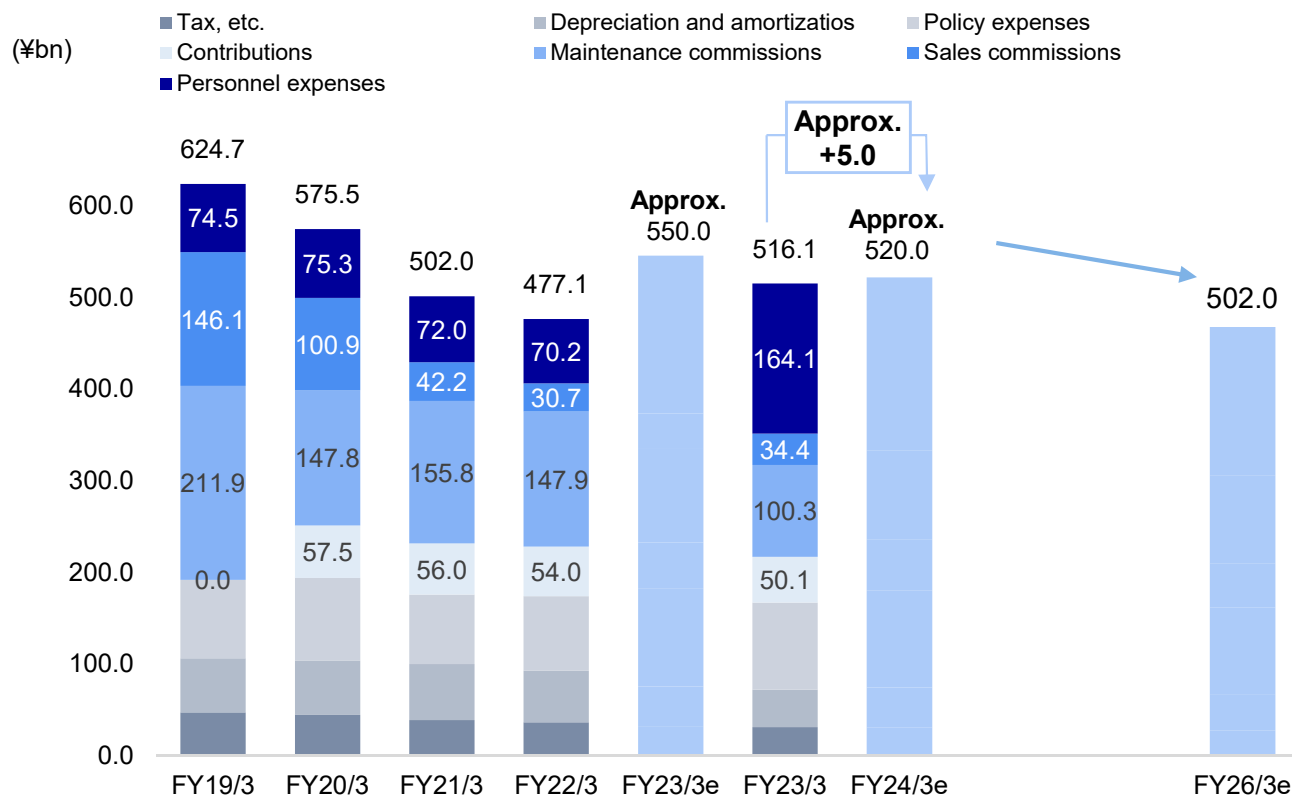
2. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister of Internal Affairs and Communications.

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.

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.

New Japan Post Insurance Sales System (from Apr.2022)

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.

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.

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)

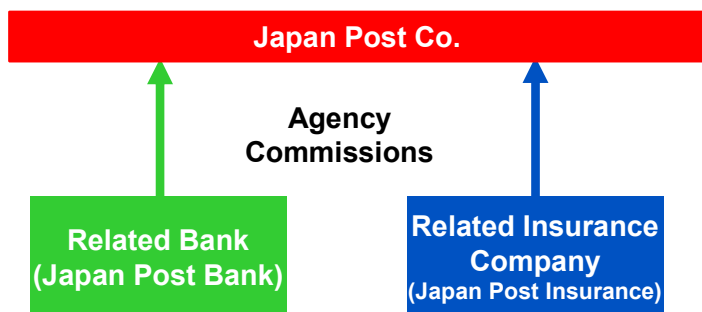
- Decreased in FY23/3 due to a revision of incentive commissions

Overview of Funds and Contributions

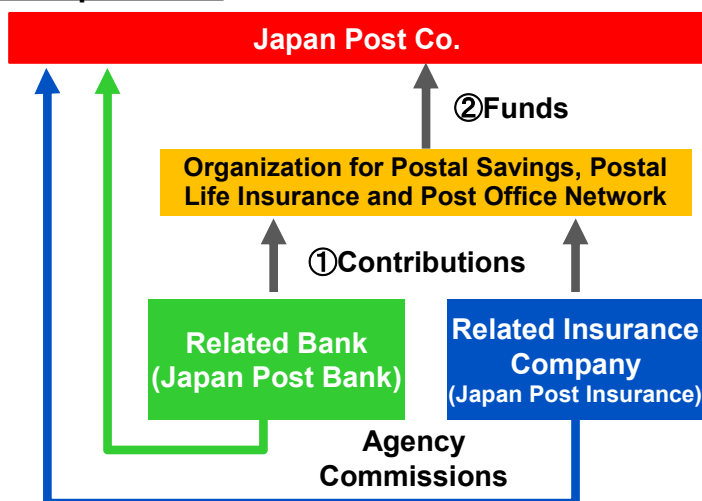
- Amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance have taken effect since December 1, 2018.
- From April 2019, we and Japan Post Bank are required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network which 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】



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

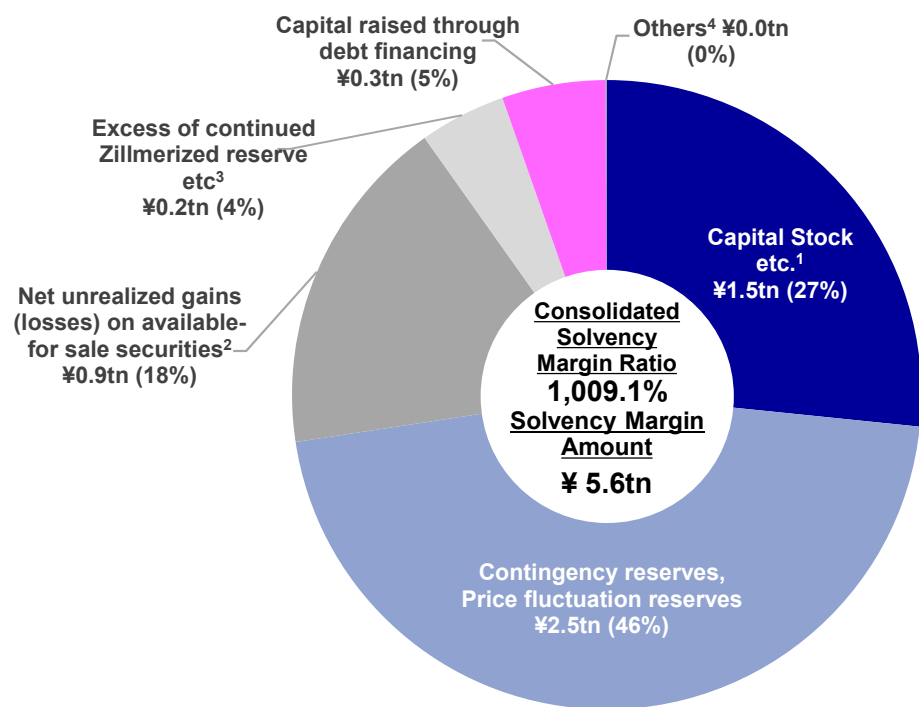
(¥bn)

| | 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 |

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 Ratings¹

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).

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 Series¹” and “the FTSE Blossom Japan Index Series²” 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

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 CO₂ emissions.
- Regarding work vehicles also, we will strive to reduce CO₂ 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 integration¹ 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.).

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



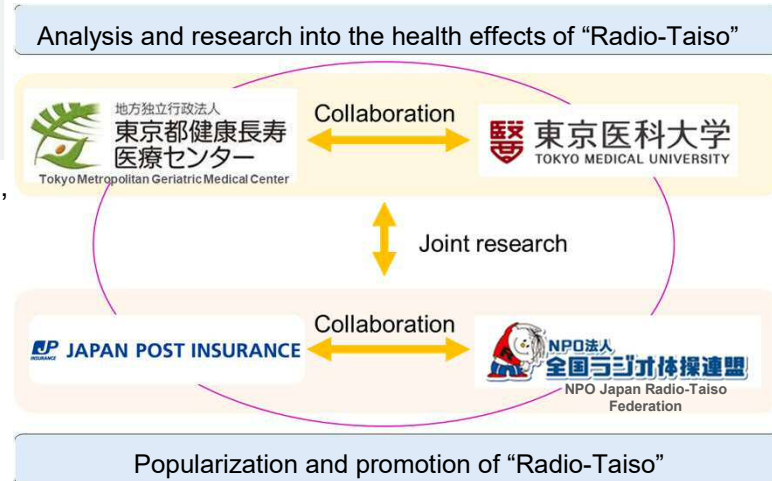
Welcoming the free participation of a wide range of people across all age groups and genders



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

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

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



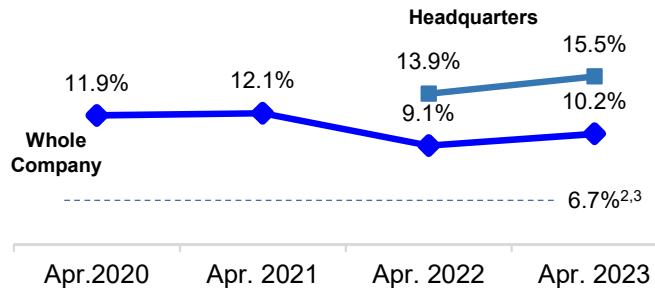
Promotion of Diversity and Work Style Reform - Social

- 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

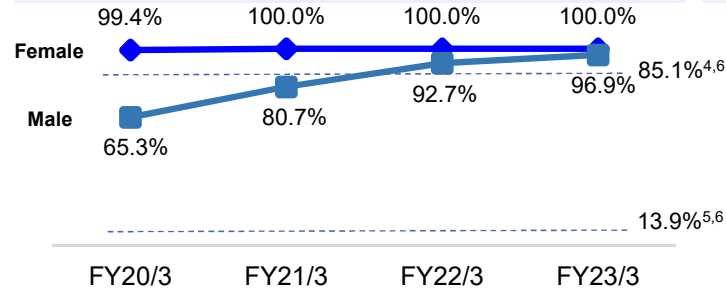
Ratio of female managers

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



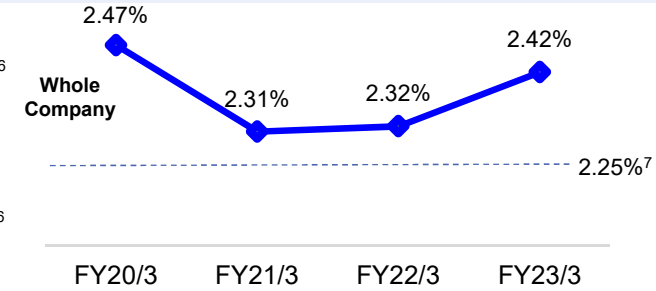
Rate of Taking Childcare Leave

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



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.



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)

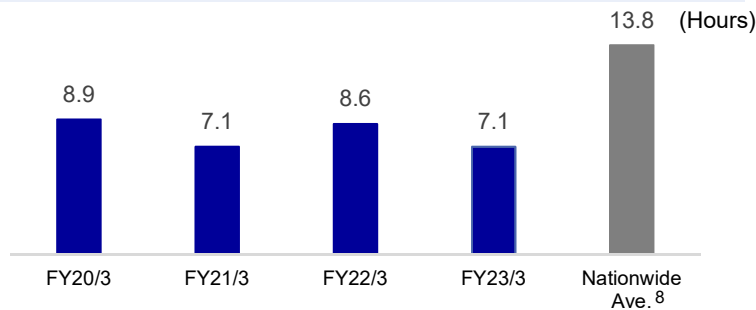
4. Nationwide Female Ave.
 5. Nationwide Male Ave.
 6. Rate of Taking Childcare Leave (2021 Basic Survey of Gender Equality in Employment Management, MHLW)

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

Work-Life Balance

Monthly average amount of overtime

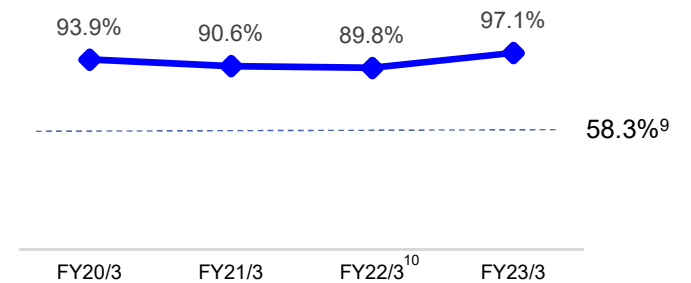
- Promote initiatives in work style reform and decrease the average overtime per month/per employee



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)

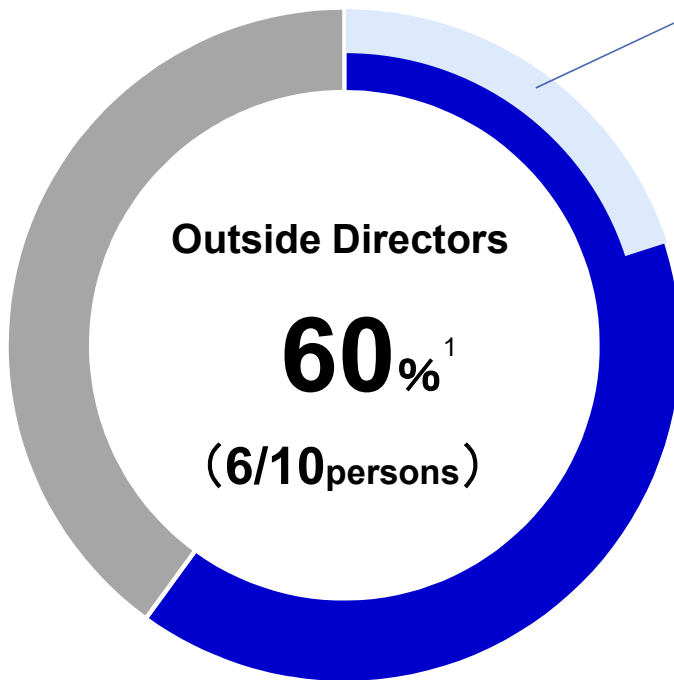
10. Partial change in calculation method from FY22/3 (excluding from the denominator, employees who took zero days of paid leave during the period due to childcare leave, leave of absence, etc.)

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

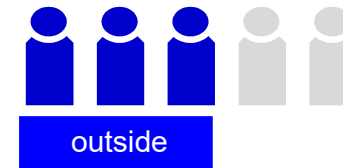
(2/10 persons)

【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

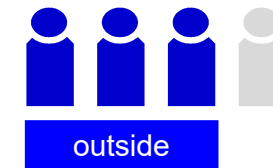


【Meetings held in FY2022】

4 meetings

outside

Audit Committee

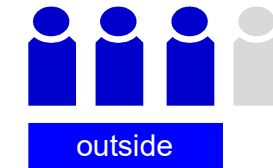


【Meetings held in FY2022】

17 meetings

outside

Compensation Committee



【Meetings held in FY2022】

6 meetings

outside

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.

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 Compensation¹ (Fixed) : performance-linked stock compensation² = 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: Scheduled 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.

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