

# **Financial Results & Corporate Strategy Meeting for the Six Months Ended September 30, 2025**

December 2, 2025



**JAPAN POST INSURANCE**

# Agenda

Theme		
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II	Directions of the Next Medium-Term Management Plan (Initiatives to Improve Market Valuation)	P.9
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**I**

# **Recognition of Current Status**

# Recognition of Current Status

## (1) Results of Efforts up to the First Half of FY2025 - 1

- Due to launch of lump sum-payment whole life insurance, etc., the number of new policies increased significantly in FY2024.
- However, the number of new policies declined in FY26/3 following the revelation of the improper use of private financial information, etc. The entire Group is working together to establish a framework to address such issues as we aim to revive the post office counter channel and reverse the policies in force in the New Category.

### 1 Retain and expand customer base

#### 1. Customer oriented business operations

- Released from the obligation to make reports based on the business improvement order (Dec. 2023) and resumption of solicitations to customers aged 70 and older (Jan. 2024)

#### 2. Strengthen sales force

- Shifted to the new Japan Post Insurance sales system, introduced customer assignment system (Apr. 2022)
- Introduced a new development and incentive system (Kampo GD System)(Jul. 2023)
- Introduced site-based GD system (Apr. 2025)

#### 3. Human resource strategy

- Strengthened recruitment of sales employees (270 people in FY2023 ⇒ 500 persons in FY2024)
- Established a base for initial training for new employees (Apr. 2025)

#### 4. CX/DX

- Introduced online attendance during the new policy application procedure (Nov. 2023)
- Enhancing functions of Kampo digital system for procedure (Sequentially)

#### 5. Launch new products meeting customer needs

- Launch of lump-sum payment whole life insurance (Jan. 2024)
- Started adding medical riders to underwritten basic policies of lump-sum payment whole life insurance after the underwriting of basic policy (Oct. 2024)
- Raising the assumed rate for lump sum-payment whole life insurance (Jul. 2025)
- Improve the attractiveness of level payment products(in preparation)

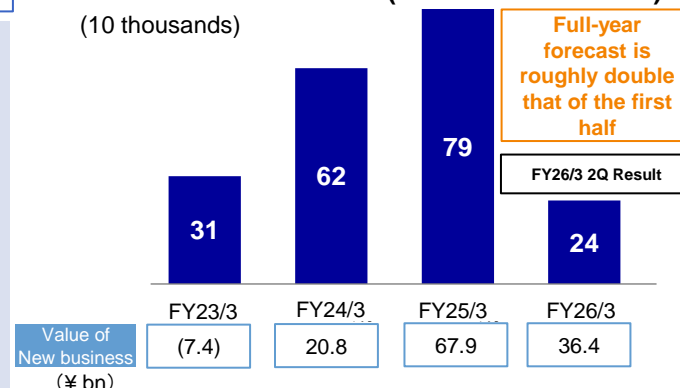
### 2 Corporate Culture Reform

- Direct dialogues between employees and management, etc. for all sites (Frontline meetings)
- Enabling more efficient sales activity by updating all sales employees' PCs

Note: "New Category" shows individual insurance policies underwritten by Japan Post Insurance. "Postal Life Insurance Category" shows postal life insurance policies reinsured by Japan Post Insurance from Organization for Postal Savings, Postal Life Insurance and Post Office Network.

#### ■ Number of New Policies (Individual Insurance)

(10 thousands)

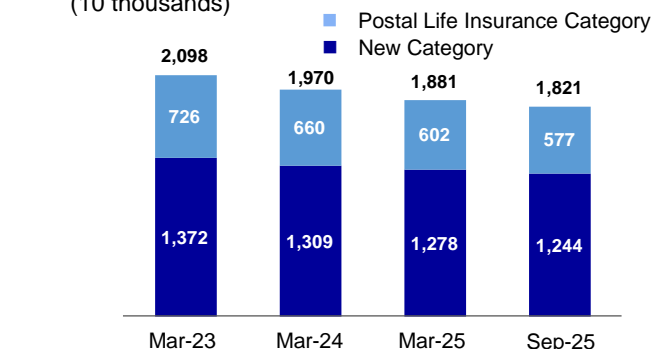


Value of New business (¥ bn)

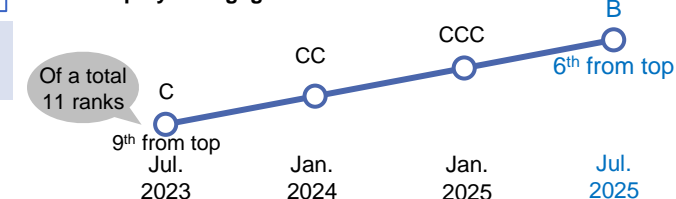
FY23/3	FY24/3	FY25/3	FY26/3
(7.4)	20.8	67.9	36.4

#### ■ Number of Policies In Force (Individual Insurance)

(10 thousands)



#### ■ Employee Engagement Score



# Recognition of Current Status

## (1) Results of Efforts up to the First Half of FY2025 - 2

- Caused by diversification of asset management, etc., positive spread in FY26/3 is expected to reach approx. ¥225.0 bn, a record high for the Company.
- Adjusted profit for FY26/3, which is the final fiscal year of the current Medium-Term Management Plan, is expected to increase considerably and forecast to be approx. ¥162.0bn.

### 3 Asset management

- Continue diversification of asset management, including building up alternative assets.
- Expanded scale of investments and improve asset management capabilities through our capital and business alliance with Mitsui Co. & Ltd. and Daiwa Securities Group (Aug. 2022, May. 2024, Mar. 2025)
- Promoting Impact investments and industry-academia collaborations, etc.

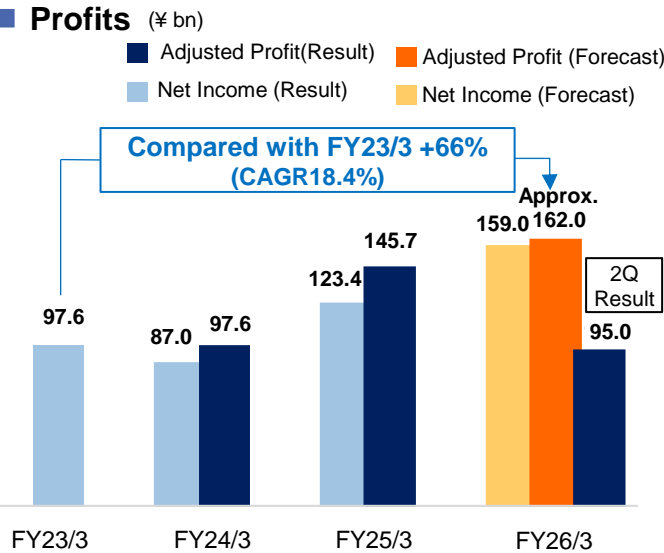
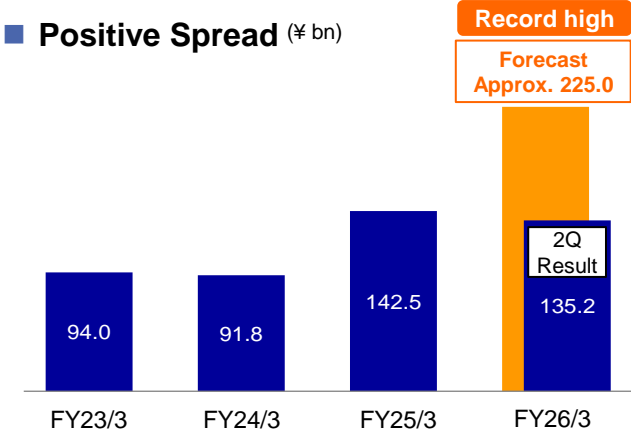
### 4 Diversify sources of revenue

- Obtain revenue from the U.S. insurance market through our strategic alliance with KKR and Global Atlantic, and reinsurance sidecar (Jun. 2023). Determined to do an additional investment in a reinsurance sidecar. (Jul. 2025)
- Obtain revenue from the asset management business through our investment in Daiwa Asset Management. (since Oct. 2024)

### 5 Achieving stronger business foundation

- Streamline operations through digitalization. (Workload reduced equivalent to 1,500 persons as of Apr. 2025)
- Utilization of reinsurance (Approx. ¥690bn in Mar. 2024, Approx. ¥530bn in Mar. 2025)
- Issuance of subordinated bonds (¥100bn in Apr. 2024)

Note: Adjusted profit is our proprietary measure to adjust for the effect unique to life insurance companies whose net income is reduced in the short time as new policies increase, etc. It is the amount of consolidated net income plus “Adjustment of policy reserve (after tax)”, etc.

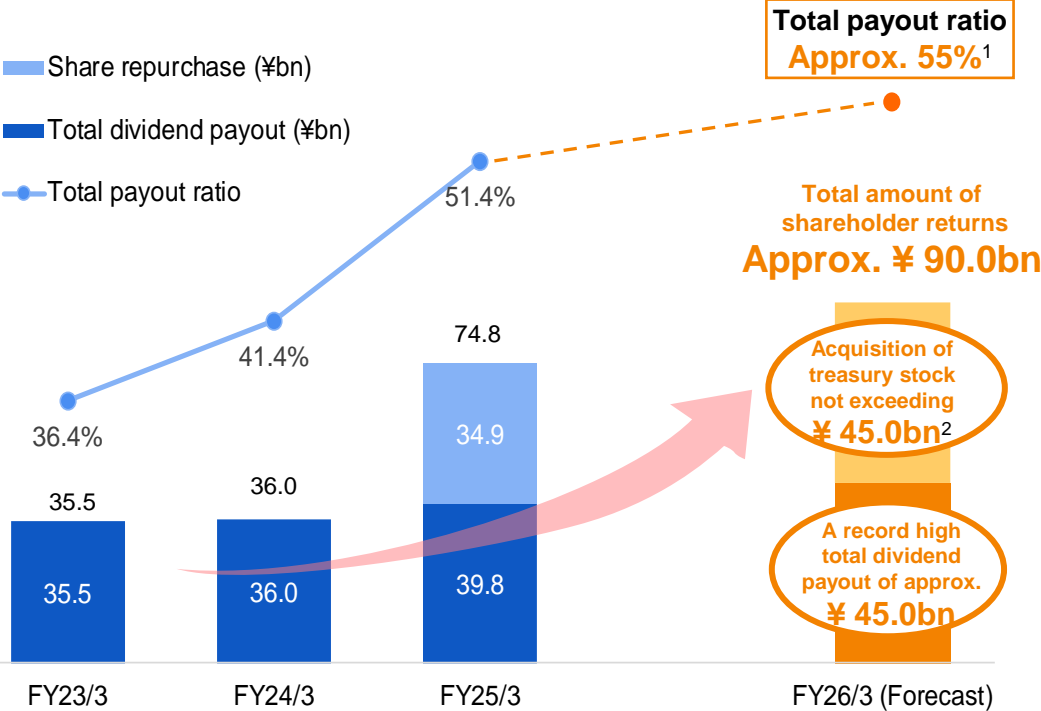


# Recognition of Current Status

## (1) Results of Efforts up to the First Half of FY2025 - 3

- Reflecting the increased profit level, we have enhanced shareholder returns for FY2025 and improved predictability.
- On November 14, 2025, the Company decided to revise its financial result forecast upward and repurchase up to ¥45.0 billion of treasury stock (Nov. 2025-Mar. 2026).

### Shareholder returns



### Shareholder returns for FY2025

Announced a total payout ratio for the single fiscal year on May 15, 2025

- ✓ Dividend per share up **¥20** Improved predictability
- ✓ **Total payout ratio of approx. 55%** for the single fiscal year (Average for the current med-term management plan period: approx. 47%)

Announced total amount and methods of shareholder returns on November 14, 2025

- ✓ Reflecting the upward revision of its financial results forecast, the Company decided to **carry out acquisition of treasury stock not exceeding ¥ 45.0bn** (Nov. 2025-Mar. 2026)

1. Assuming the implementation of the acquisition of ¥ 45.0bn (maximum) treasury stock.  
2. In consideration of the acquisition of treasury stock, the Company will continue to ensure that the ratio of voting rights of JAPAN POST HOLDINGS Co., Ltd. will be maintained at 50% or less. Therefore, depending on the status of the ratio of voting rights, etc., the amount of treasury stock to be acquired may be significantly less than ¥ 45.0bn.

DPS (¥)	92	94	104	124
Source of Shareholder Returns (¥ bn)	97.6	87.0	145.7	Approx. 162.0 (Previous forecast Approx. 142.0)

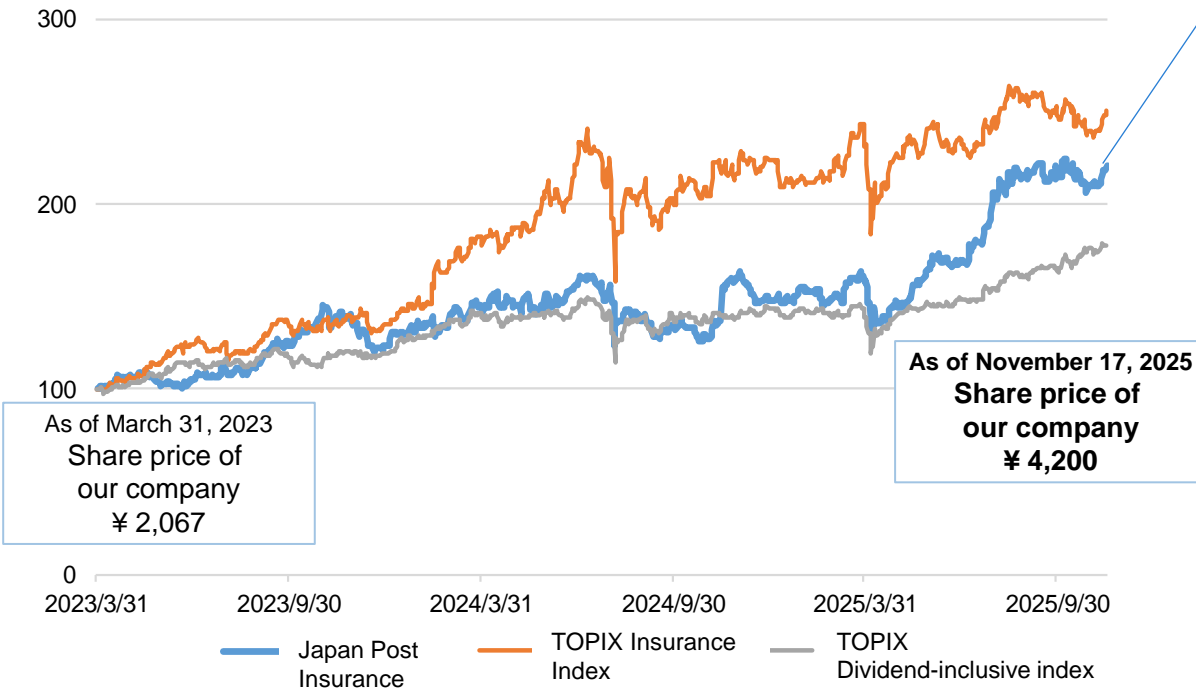
# Recognition of Current Status

## (2) Status of Improvement in Market Valuation

- Increased profit levels and enhanced shareholder returns resulted in higher share prices accompanied by a significant increase in relative TSR (total shareholder return).

### The Company's TSR<sup>1</sup>, etc., over time

【Relative TSR】 Note : Indexed to100 as of the end of March 2023 (Bloomberg data, compiled by our company)



### A significant increase in relative TSR at present

Three-year CAGR of EPS is  
at a high level of 20.4%

We implemented an increase  
in the dividend per share,  
maintaining a high dividend yield  
relative to TOPIX.

### 【Reference : Trends in Various Indicators】

		FY23/3 <sup>2</sup>	FY26/3 (forecast) <sup>2</sup>
EPS (¥) <sup>3</sup>	Japan Post Insurance	249.4	435.8
	TOPIX Dividend-inclusive index	140.2	181.9
		Compared with FY23/3 +75% (CAGR20.4%)	
Dividend yield <sup>4</sup>	Japan Post Insurance	4.5% (Dividend per Share ¥ 92)	3.0% (Dividend per Share ¥ 124)
	TOPIX Dividend-inclusive index	2.7%	2.2%

1. TSR (total shareholder return) ≡ The share price rate of appreciation (≡ EPS growth rate + PER improvement rate) + Dividend yield
2. The Company's EPS and dividend yield alone are calculated based on the fiscal year. The EPS and dividend yield for the TOPIX Insurance Index and TOPIX Dividend-inclusive Index are calculated on a calendar year basis (in 2022 and 2025). (Source: Bloomberg)
3. The Company's EPS was calculated using net profit for FY23/3 and adjusted profit for FY26/3. For the TOPIX Insurance Index and TOPIX Dividend-inclusive Index, data from Bloomberg is used.
4. Dividend yield is based on data from Bloomberg (FY26.3 (forecast) was calculated as of November 17, 2025).

# Recognition of Current Status

## (3) Further Improving Market Valuation- 1

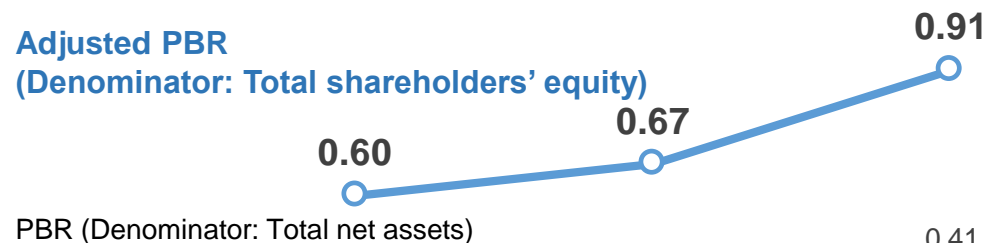
- At present, adjusted ROE has increased, reaching the 9% range, while adjusted PBR has improved to around 0.9x.
- On the other hand, we recognize that P/EV remains undervalued at around 0.4x, below the P/EV of 0.5x that corresponds to the adjusted net worth of EV and requires further improvement.

### Status of PBR and P/EV

FY24/3	FY25/3	FY26/3 <sup>2</sup> (as of November 17)
Share prices <sup>1</sup>		
¥ 2,482	¥ 2,900	¥ 4,200

PBR of 1x is in sight, but there is still some distance to cover before achieving the current target of a market capitalization of ¥2 trillion (adjusted PBR of about 1.2x)

#### Adjusted PBR (Denominator: Total shareholders' equity)



#### P/EV (Denominator: EV)

Adjusted ROE	6.1%	8.8%	9.5%
Adjusted PER	9.7	7.6	9.6
Earnings yield	10.3%	13.2%	10.4%

#### 【Referenced : Current P/EV status】

(¥ bn)

①EV (as of September 30, 2025)	②Market capitalization (as of November 17, 2025)	②÷① P/EV
4,255.1		
Value of in-force covered business 2,185.0		P/EV = 1.0
		P/EV ≒ 0.5
Adjusted net worth 2,070.1		
	Market capitalization 1,559.9	P/EV = 0.37

- For FY24/3 and FY25/3, average share price for each period, and for FY26/3 the share price as of November 17.
- For FY26/3, shareholders' equity, unamortized balance of goodwill, and EV are calculated based on those figures as of the end of September 2025 and adjusted profit are calculated based on revised forecast (approx. ¥ 162.0bn).

Note : Adjusted PBR = Market capitalization / (Shareholders' equity - Unamortized balance of goodwill)  
Adjusted profit = Net income + Adjustment for policy reserves + Amortization of goodwill  
Adjusted ROE = Adjusted profit / (Shareholders' equity - Unamortized balance of goodwill)

Adjusted net worth represent a broad definition of shareholders' equity, calculated by adding and adjusting unrealized gains and losses on assets not related to insurance contracts and new category retained earnings to the shareholders' equity on the balance sheet.

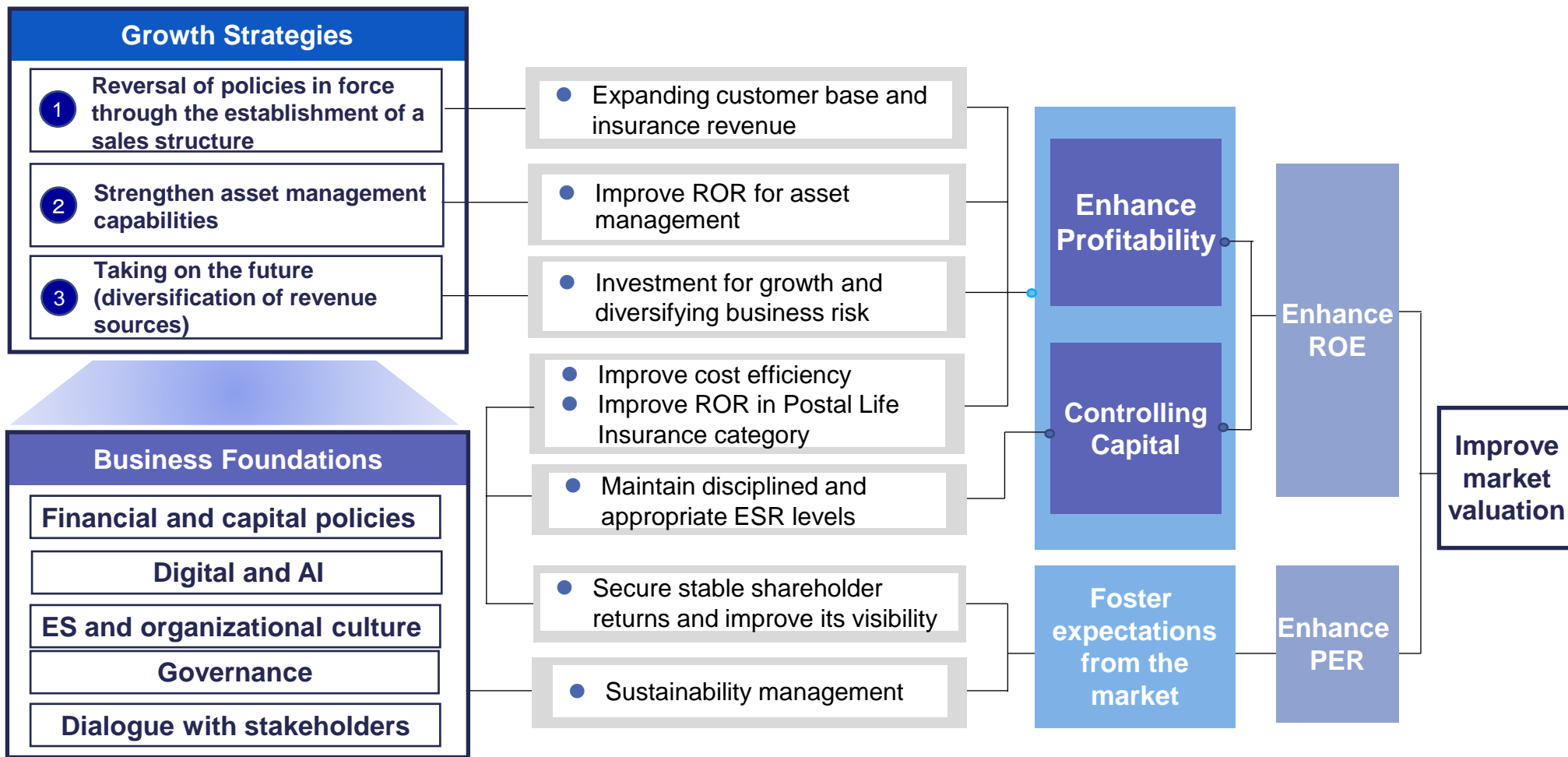


# Recognition of Current Status

## (3) Further Improving Market Valuation- 2

- We are concentrating our efforts on our three pillars of growth strategies and reinforcing the five business foundations that support these strategies as we aim to achieve a market capitalization of ¥2.0 trillion (adjusted PBR of 1.2x, P/EV of around 0.5x [equivalent to adjusted net worth]), which we have indicated as our immediate guideline.

### Initiatives of the Next Medium-Term Management Plan



## II

### **Directions of the Next Medium-Term Management Plan (Initiatives to Improve Market Valuation)**

## **II -1**

# **Reversal of Policies in Force Through the Establishment of a Sales Structure**

# Reversal of Policies in Force Through the Establishment of a Sales Structure

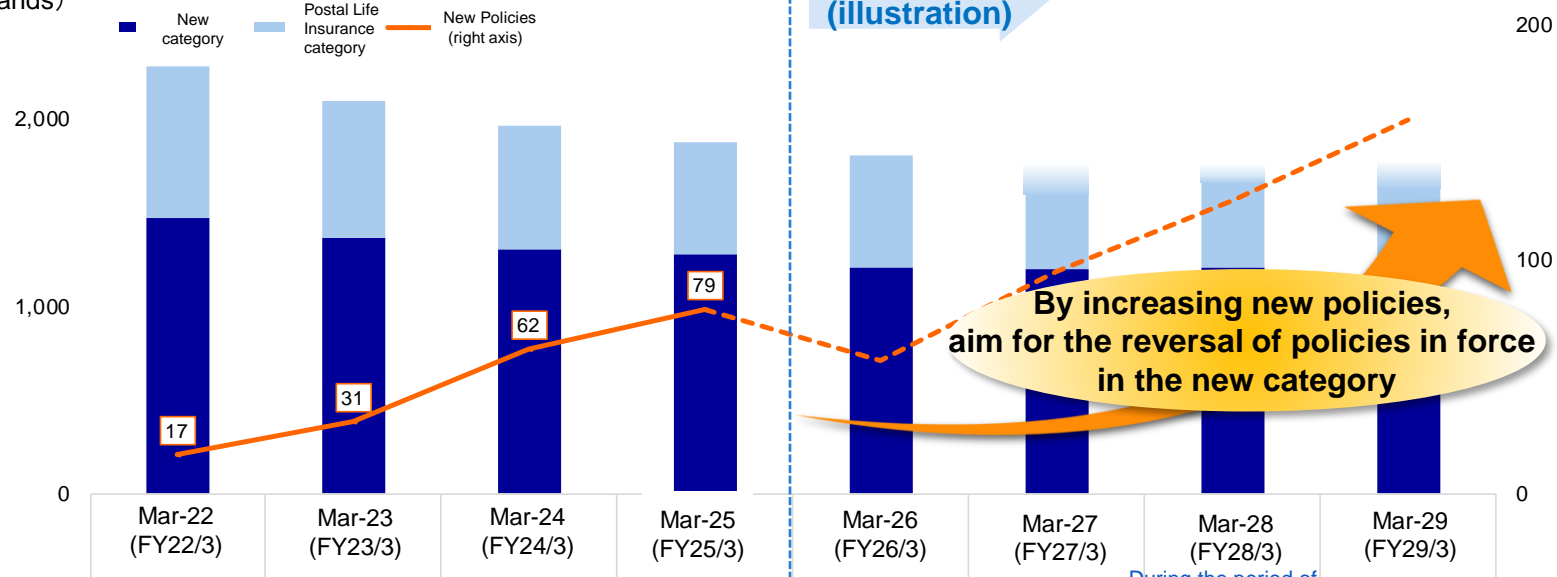
## (1) Summary

- Although the number of new policies increased due to the introduction of new products that took advantage of the rise in interest rates, the number of policies in force continued to decline.
- By establishing a sales structure in each sales channel and enhancing the appeal of level-premium products, etc., we aim for a reversal of policies in force in the new category during the period of the next Medium-Term Management Plan.

### Status of policies over time

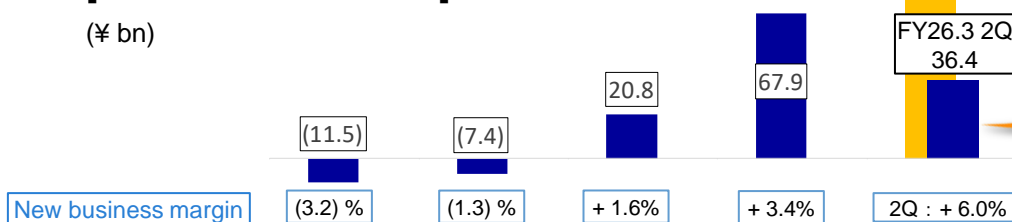
#### [Status of policies in force]

(10 thousands)



#### [Value of new business]

(¥ bn)



Further increase the value of new business and secure the foundation for future earnings growth

Note1: Value of new business is the value as at the time of sale of the new business issued in the reporting period.  
 Note2: The value of new business for FY26/3 (forecast) is calculated based on the economic environment as of September 30, 2025.  
 Note3: New business margin is calculated by dividing the value of new business by the present value of future premium income.

# Reversal of Policies in Force Through the Establishment of a Sales Structure

## (2) Revival and Accelerate Growth of Sales Channels

- By establishing a customer oriented solid business foundation, we aim for revival of the Post Office Counter Channel and return to a growth trajectory.
- In addition, accelerate growth in directly-managed channels through streamlining sales activities and securing and developing sales staff, aiming to reverse the trend in policies in force.

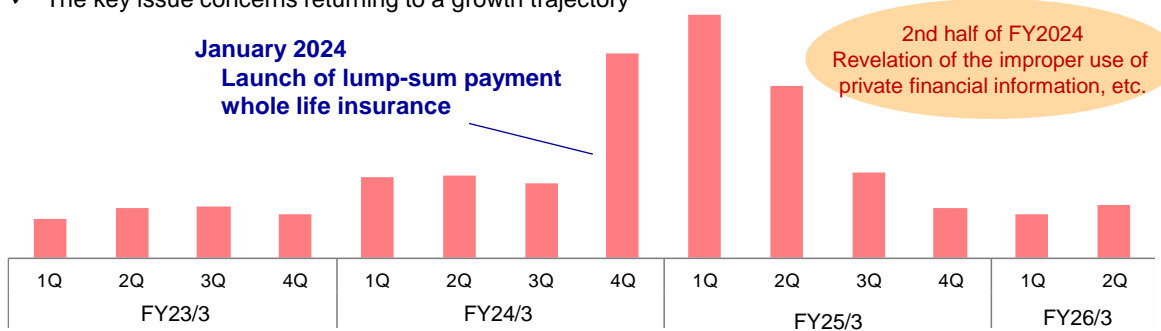
### New policies overtime by each Channel (Quarterly)

#### Post office counter channel

- ✓ While the launch of new products has produced positive result in the post office counter channel, the number of new policies declined at present.
- ✓ The key issue concerns returning to a growth trajectory

January 2024

Launch of lump-sum payment whole life insurance



2nd half of FY2024  
Revelation of the improper use of private financial information, etc.

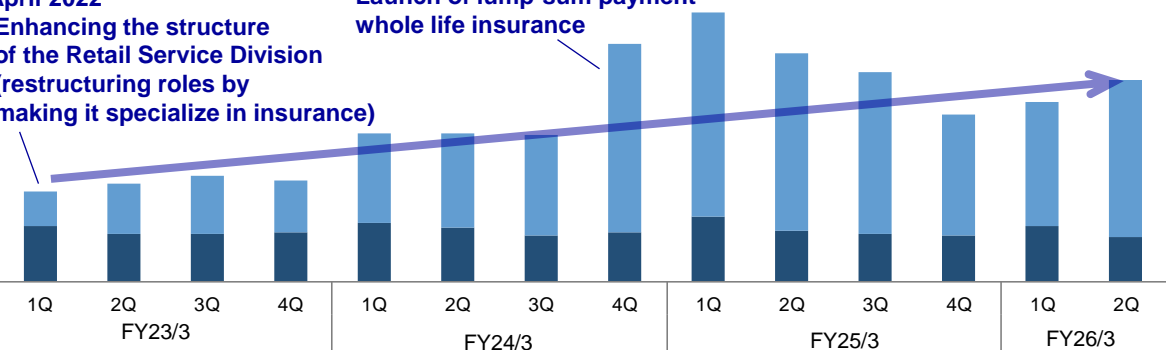
#### Directly-managed channel

- ✓ The results of initiatives such as enhancing the structure of the Retail Service Division are steadily being seen

January 2024

Launch of lump-sum payment whole life insurance

April 2022  
Enhancing the structure of the Retail Service Division (restructuring roles by making it specialize in insurance)



Retail Service Division  
Whole Sales Division

### Directions of the Next Medium-Term Management Plan

**Establish a solid business foundation and return to a growth trajectory**

**Pursuing synergistic effect of Japan Post Group** ⇒P.13

- ✓ A wide range of customers across ages continue to come to post office counter.
- ✓ Many customers also express interest in learning about insurance<sup>1</sup>.
- ✓ With thorough training for the employees, we ensure reliable guidance for those with insurance needs.

**Establishing systems befitting the circumstances of post offices**

- ✓ We will enhance our insurance services delivery capabilities by utilizing remote support, etc. based on the number of visitors and employees.

**The foundation of revival of the Post Office Counter Channel**

- Development of cross-service infrastructure, etc.
- Establishment of an appropriate and robust partnership with Japan Post in line with the purpose of amendments to the Insurance Business Act.

Note1:Our proprietary survey

**Accelerate growth through maximizing activities and strengthening systems**

**Streamlining and Maximizing sales activities**

- ✓ Using AI to support sales representatives in preparing for client visits and crafting proposals
- ✓ Creating an environment where they can focus on building relationships and delivering proposals

**Securing and developing sales staff**

- ✓ Bolster recruitment to secure human resources and enhance the sales structure
- ✓ By establishing training base for new employees and using Kampo GD system, we aim for further improvement.

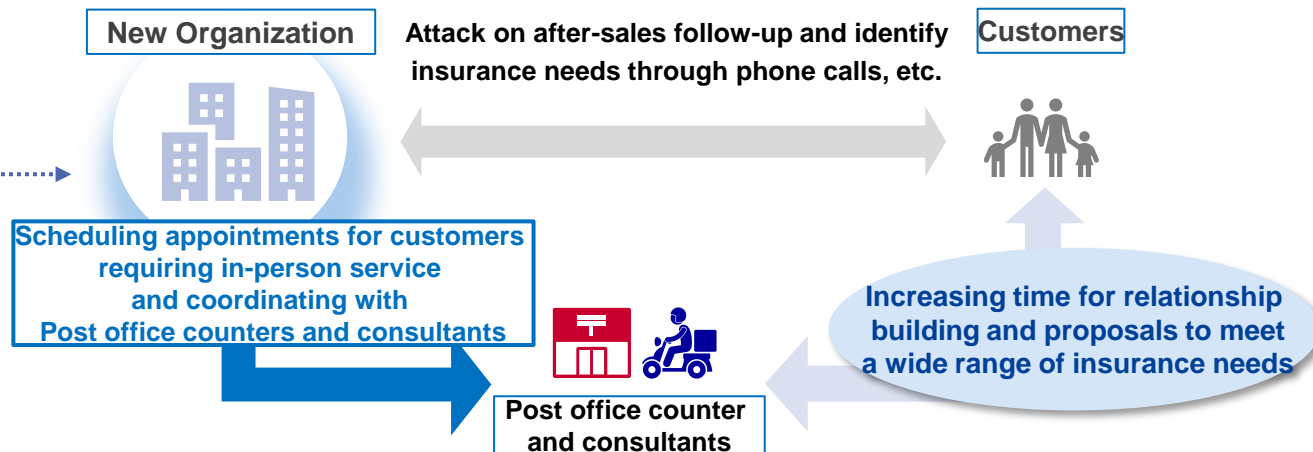
# Reversal of Policies in Force Through the Establishment of a Sales Structure

## (3) Pursuing of synergies in the Japan Post Group

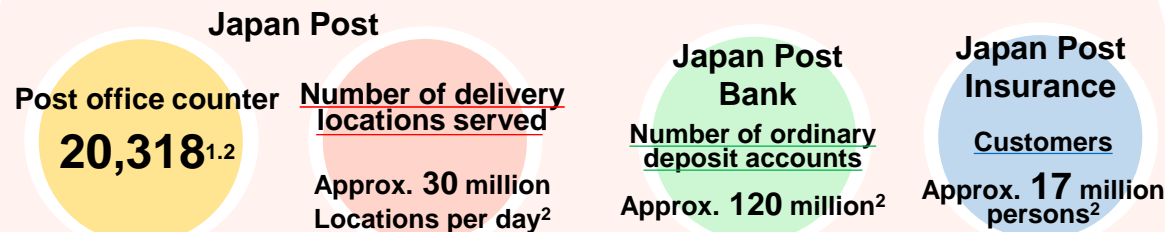
- The Japan Post Group has its bases nationwide and is deeply rooted in local communities, with its own unique brand and a large customer base.
- To meet the Group's significant latent insurance needs, we will aim to expand our offering of insurance services while creating new points of contact with customers.

Considering the establishment of a framework to capture the significant latent insurance needs within the Japan Post Group

### 【 Image of the Next Medium-Term Management Plan 】



### 【 Business model unique to the Japan Post Group 】



1. Number of post offices or contracted post offices undertaking life insurance solicitation  
2. As of FY25/3

### Progress in Establishing System Infrastructure, etc.

- ✓ Preparations are complete for the system aimed at providing appropriate cross-services

 Yu ID(Group-wide common IDs)



Approx. 15 million users<sup>2</sup>

Cross-selling consent Information and customer Information consolidated and integrated

**Japan Post Co.**

**Japan Post Bank**



• Post Office App  
• Procedures



• Yucho Bankbook App  
• Procedures

**Japan Post Insurance**



• My Page website  
• Kampo App  
• Procedures

# Reversal of Policies in Force Through the Establishment of a Sales Structure

## (4) Enhancing and enriching product appeal to meet customer needs

- We have enhanced and introduced attractive savings products addressing customer needs such as asset succession and preparation for children's educational funds by leveraging the transition to positive interest rates, etc.
- We will continue to work on enhancing the appeal of our main product, level-premium products and expanding our product lineups that meet customer needs, etc.

### Product Improvement Initiatives

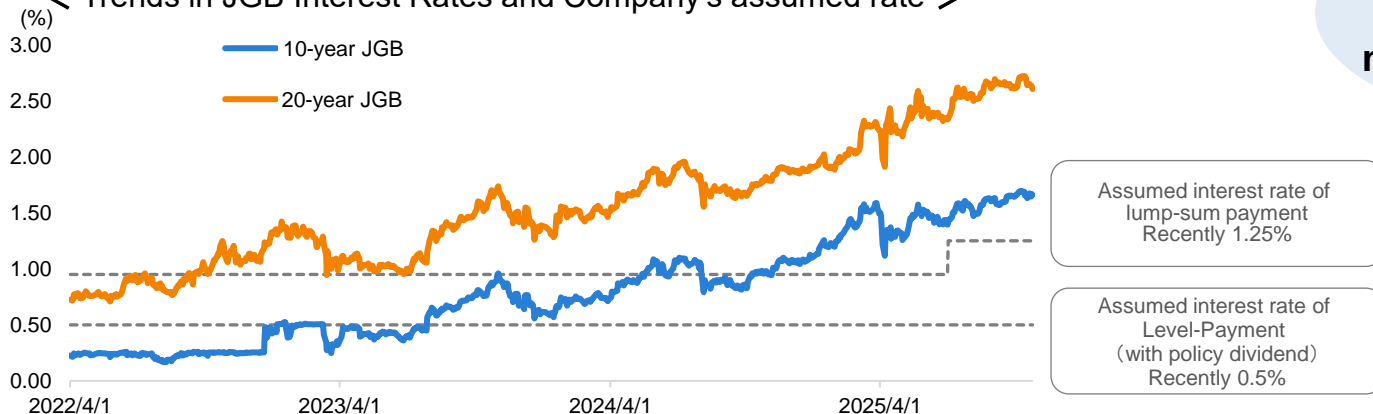
	Needs	Effects
<b>In preparation</b> ● <b>Level-payment product</b>	<b>[Customers of all ages]</b> Preparing for the unexpected as well as saving	✓ Our main product, expected to deliver effects similar to lump sum-payment whole life insurance. ✓ A high medical rider attachment rate of 92%.
● <b>Lump-Sum Payment Whole Life Insurance</b> [Launched (Jan. 2024)]	<b>[Middle aged]</b> Asset succession	✓ Sold a cumulative total of 780,000 cases in response to customers' asset succession needs, etc <sup>2</sup>
● <b>Endowment insurance</b> [Revised (Apr. 2023)]	<b>[Youth]</b> Preparation for children's educational funds	✓ Increased number of new policies by 45,000 cases due to improved attractiveness of return ratio, etc. <sup>3</sup>

### Directions of the Next Medium-Term Management Plan

- ✓ Expanding our savings products, which are in high customer demand and serve as our main product
- ✓ Expanding our lineup of protection products for coverage against serious illnesses, etc.
- ✓ Considering products targeted at the young and middle-aged customers

**Aiming to improve profitability through growth in new policies and medical care.**

< Trends in JGB Interest Rates and Company's assumed rate >



1. Percentage of new policies in FY2024(excluding whole sales).
2. As of September 30, 2025
3. Difference between the number of new policies in FY2022 (before revision) and in FY2023 (after revision).

# Reversal of Policies in Force Through the Establishment of a Sales Structure

## (5) The Evolution of Services Utilizing Digital Technology and AI

- Leveraging digital technology to enable continuous and regular contact with customers, paperless billing procedures, etc.
- We will continue to utilize our nationwide face-to-face channels alongside digital and AI solutions to enhance after-sales support and convenience, aiming to elevate the customer experience.

### Evolution of services that leverage digital technology, etc.

#### Enrichment of after-sales follow-up

[Period of the current medium-term plan]

Continuous and regular contact with customers through face-to-face and digital channels

- ✓ Contact all customers at least once a year (starting in FY25)
- ✓ Sharing useful information via email with approx. **10 million persons<sup>1</sup>**
- ✓ Deliver suitable services to each customer based on based on the status of their policies and their life events

#### Various procedures made even more convenient

[Period of the current medium-term plan]

Promote paperless billing procedures and utilization of Individual number card information, etc.

- ✓ Cut face-to-face processing times with customers **down to a third<sup>2</sup>** by leveraging the Japan Post Insurance Digital Procedure System
- ✓ **Claims payments deposited into the customer's account as early as the next business day**
- ✓ **Automatic payment of pensions, automatic change of address, etc.**

1. Total number of customers who received the emails in FY25/3.  
2. Compared to paper procedures for filing hospitalization claims

### Directions of the Next Medium-Term Management Plan

- ✓ Leveraging nationwide in-person channels, digital and AI, **delivering services tailored to each customer's situation**
- ✓ Procedures from insurance application to claims, **we achieve simplified, prompt billing procedures.**



**Increase the value of the customer experience so that customers feel glad to be insured with or want to be insured by Japan Post Insurance**



## II -2

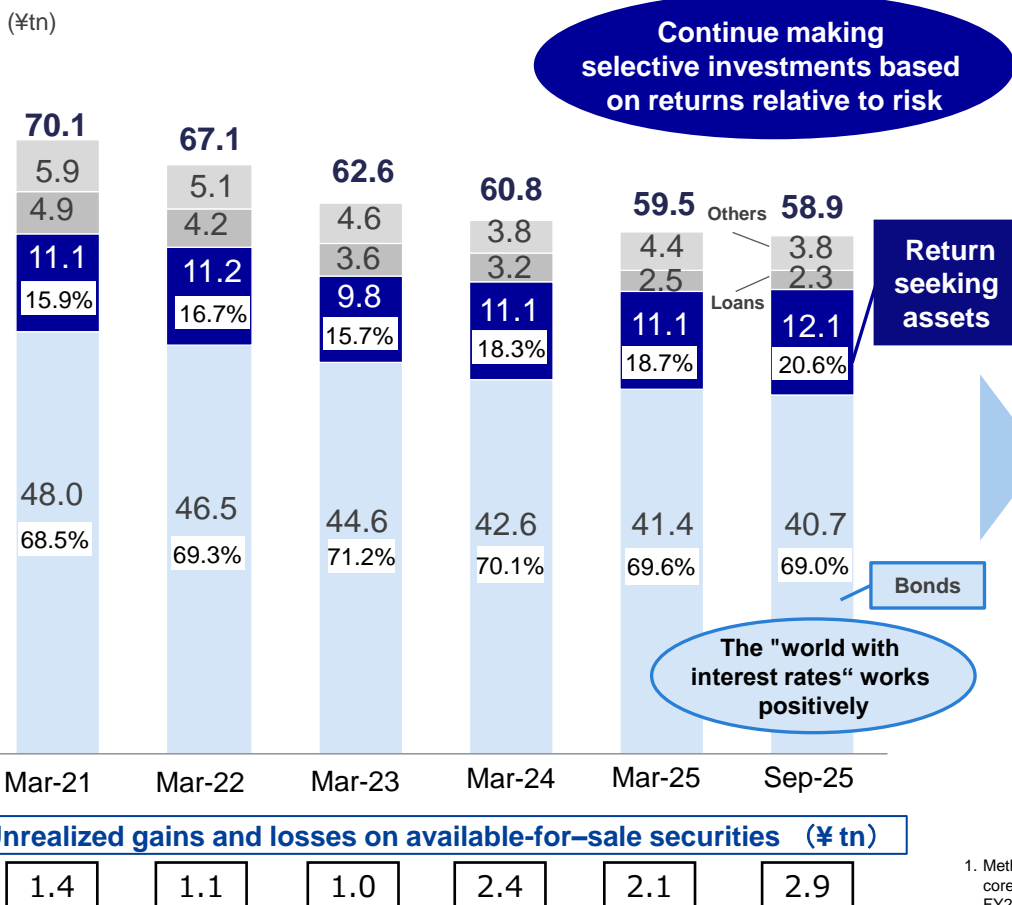
# Strengthen our asset management capabilities

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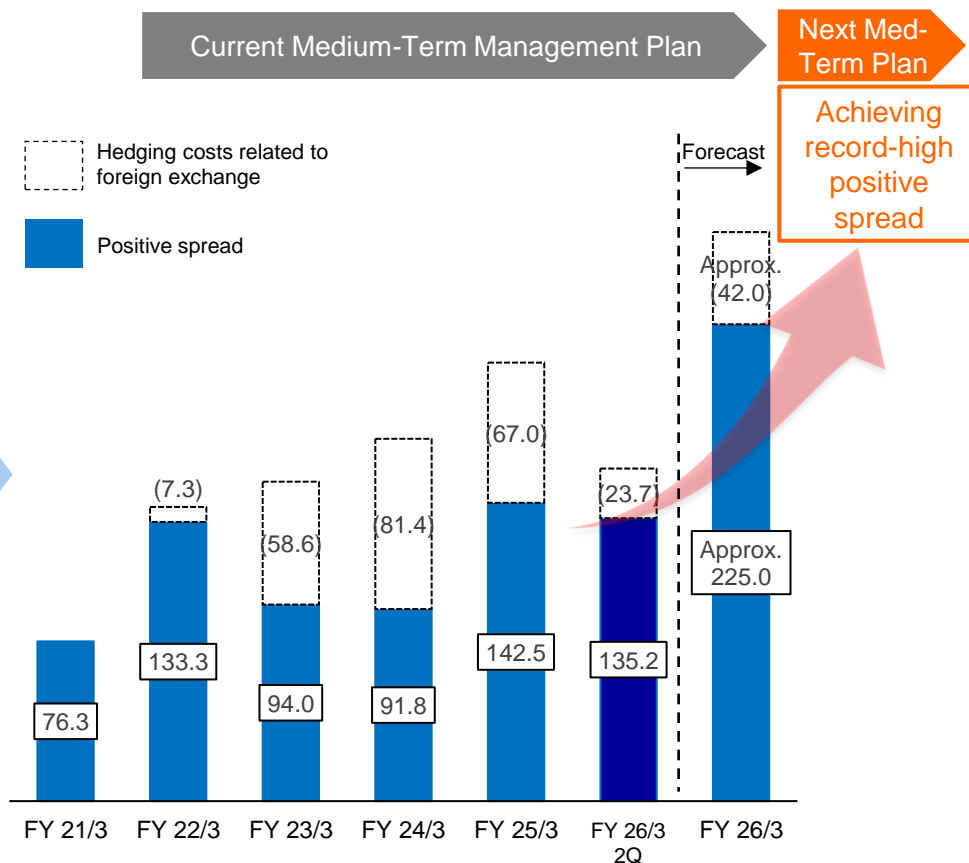
## (1) Summary

- Despite the decrease in total assets, profitability has improved as a result of appropriate risk-taking based on ALM management under the ERM framework.
- We will continue to take advantage of the return of a “world with interest rates” to improve our portfolio of yen-denominated interest-bearing assets, while continuing selective investment in return-seeking assets, as we aim to achieve a record-high profit spread in the next Medium-Term Management Plan.

### Return seeking assets



### Positive Spread<sup>1</sup> (¥ bn)



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 stated in this material is calculated reflecting the amendment from FY22/3 onward.



**JAPAN POST INSURANCE**

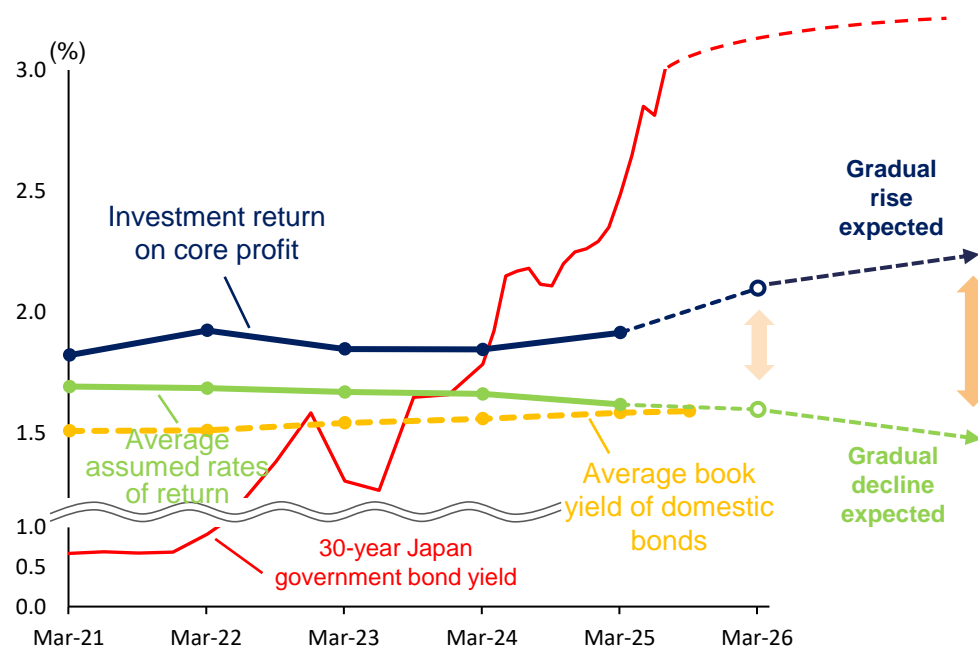
# Strengthen our asset management capabilities

## (2) Earnings improvement anticipating world with positive interest rates

- By actively replacing held corporate and government bonds while keeping trends in interest rates in mind, we will improve future investment returns in a cumulative manner.
- For hedged foreign bonds, we are maintaining some of the balance while improving the portfolio through replacement trading. Positive spread is expected to improve due to lower hedging costs and earnings are expected to increase from sales when interest rates decline.

### Earnings improvement with hikes of market rates

#### Market Rates and Investment Yields

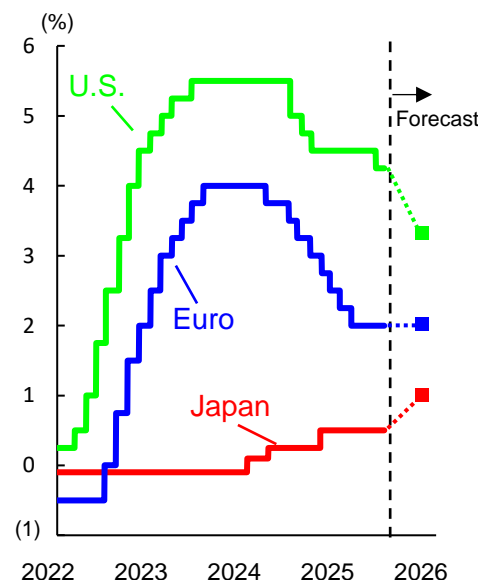


Contribution from the replacement trading of yen-denominated bonds to the improvement of positive spread in FY25/3: Approx. +¥5.0bn

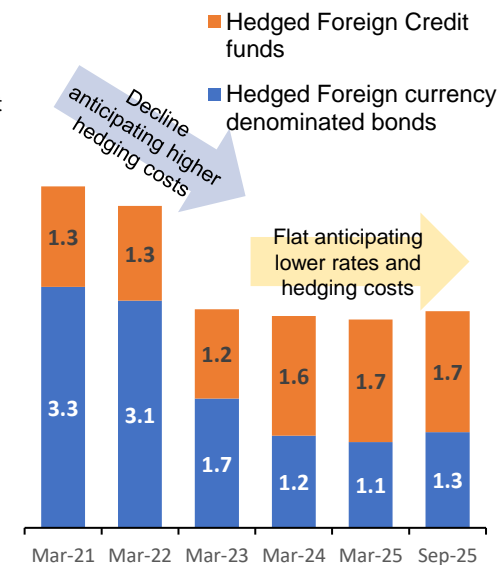
→ In the coming fiscal year, we will remain attentive to capital gains and losses, while seeking to benefit from further interest rate increases by enhancing the portfolio through the replacement of yen bonds.

### Earnings improvement with lower hedging costs

#### Key policy rate movements<sup>1</sup>



#### Hedged Foreign Bonds (¥ tn)



Lower hedging costs helping improve positive spread in FY25/3

• Proprietary investment: Approx. +¥25.0bn • Overseas credit fund: Approx. +¥4.0bn

1. The assumptions for the forecast of hedging costs: the interest rates are assumed to follow the IFR as of the end of September 2025.

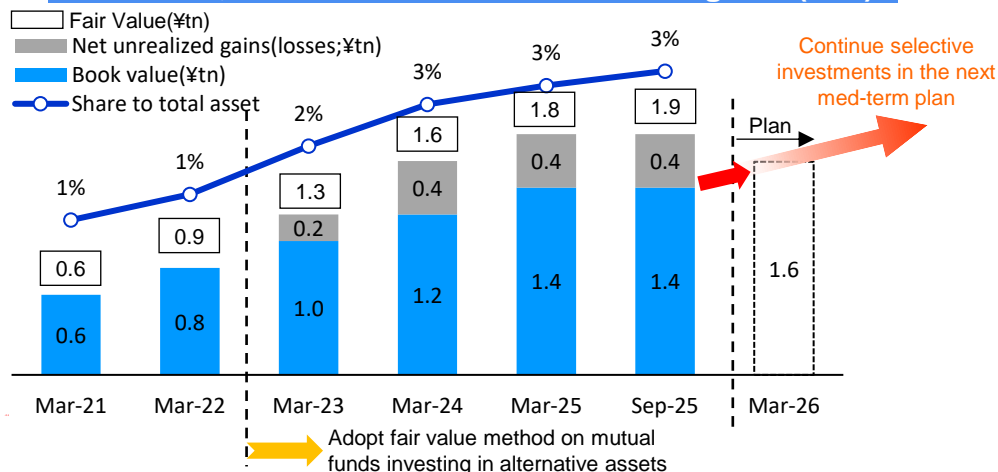
# Strengthen our asset management capabilities

## (3) Further promotion of the diversification of asset management

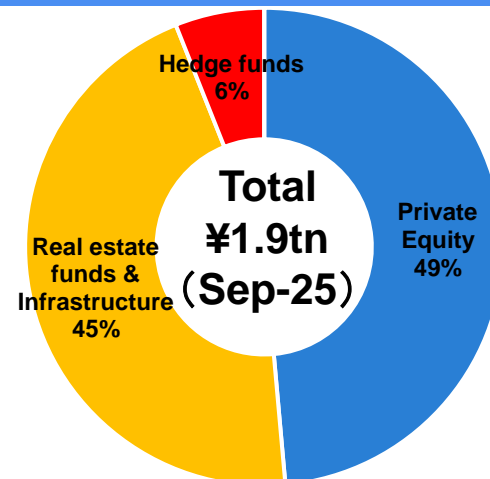
- Alternative assets have been in a period of full-scale revenue collection, contributing to income growth as a key revenue pillar.
- Going forward, we will continue to implement selective investments as we aim to sustainably expand revenues by enhancing returns relative to risk.

### Alternative investments

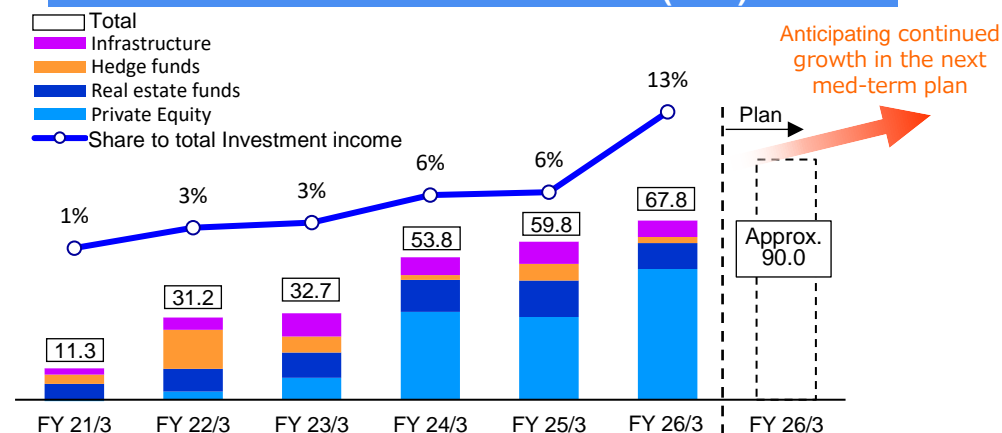
#### Fair value, book value and net unrealized gains (¥ tn)



#### Current Situation and Future Investment Policy



#### Interest and dividend income<sup>1</sup> (¥ bn)



#### [Financial situation]

- In the first half of fiscal 2025, income revenue increased, driven primarily by strong market conditions for PE, achieving a record high.

#### [Future Investment policy]

- Plan to build up the balance, focusing on infrastructure and real estate, which are expected to be resilient to inflation.
- We expect to continue building up our balance sheet and see a sustained increase in income revenue during the next medium-term plan period.

# Strengthen our asset management capabilities

## (4) Goals

- In the next medium-term management plan, we will strengthen our operational foundations—including organization, personnel, and systems—to achieve both “high returns relative to risk” and “improved net interest income.”
- Furthermore, by promoting distinctive impact investing, we will contribute to solving social issues and discovering core companies in next-generation industries.

### Continuous setting of new record highs in (positive) spread

Achieve **sustained renewal of record-high (positive) spreads**, the cornerstone of core profits, as the market environment improving and by advancing our operational sophistication

#### <Key initiatives>

- Portfolio construction based on the paradigm shift to a world with interest rates
- Steady revenues from alternative assets that have entered the revenue collection period; and continued selective investment
- Further promoting investments that contribute to improving returns relative to risk, including expanding new investment targets, primarily in alternative sectors, by identifying appropriate timing
- Deepening cooperation with existing business partners while seeking new business partners to create further synergies and strengthen operational capabilities

To become one of the world's leading institutional investors

### Changing society and strengthening the economy with the power of investment

Promoting distinctive sustainable investments, such as solving social issues through **impact investing** and discovering core companies for next-generation industries through **industry-academia collaboration**

#### <Key initiatives>

- Generate even greater positive impact by expanding the **Impact “K” Project**<sup>1</sup>, both solving social issues and generating revenue.

インパクト“K”プロジェクト

- Aim to discover companies that will become pillars of the industrial structure through startup investments enabled by industry-academia collaboration
- Improving stakeholder engagement by enhancing the dissemination of information

1 Our proprietary impact investment framework

#### Strengthen operational infrastructure to support the above

Expand overseas bases and strengthen economic research functions

Train and secure globally minded professional human resources

Establish an efficient next-generation administrative and systems structure

## **II -3**

# **Take on the Future (Diversification of revenue sources)**

# Take on the Future (Diversification of revenue sources)

- In the period of next medium-term management plan, we will strengthen alliances with existing partners and broadly explore new areas aligned with our company that offer potential synergies and profit contributions, with the aim of achieving returns exceeding the cost of capital of 7–8%.

## Directions of the Next Medium-Term Management Plan

### Obtain profit from overseas insurance market

- Gain opportunities to obtain firm revenue from the overseas insurance market (aim to achieve an IRR of 10% or higher)
- Expanding new fields of collaboration with KKR/GA (mainly in insurance)

### Obtain profit from asset management business

- Daiwa Asset Management aims to achieve growth and profitability in the new NISA and alternative investment
- To further expand and diversify revenue sources, we are pursuing new areas including overseas asset management

### Obtain profit from non-insurance domains

- Explore a wide range of domains that have an affinity with the life insurance business and can be expected to generate synergies and contribute to earnings

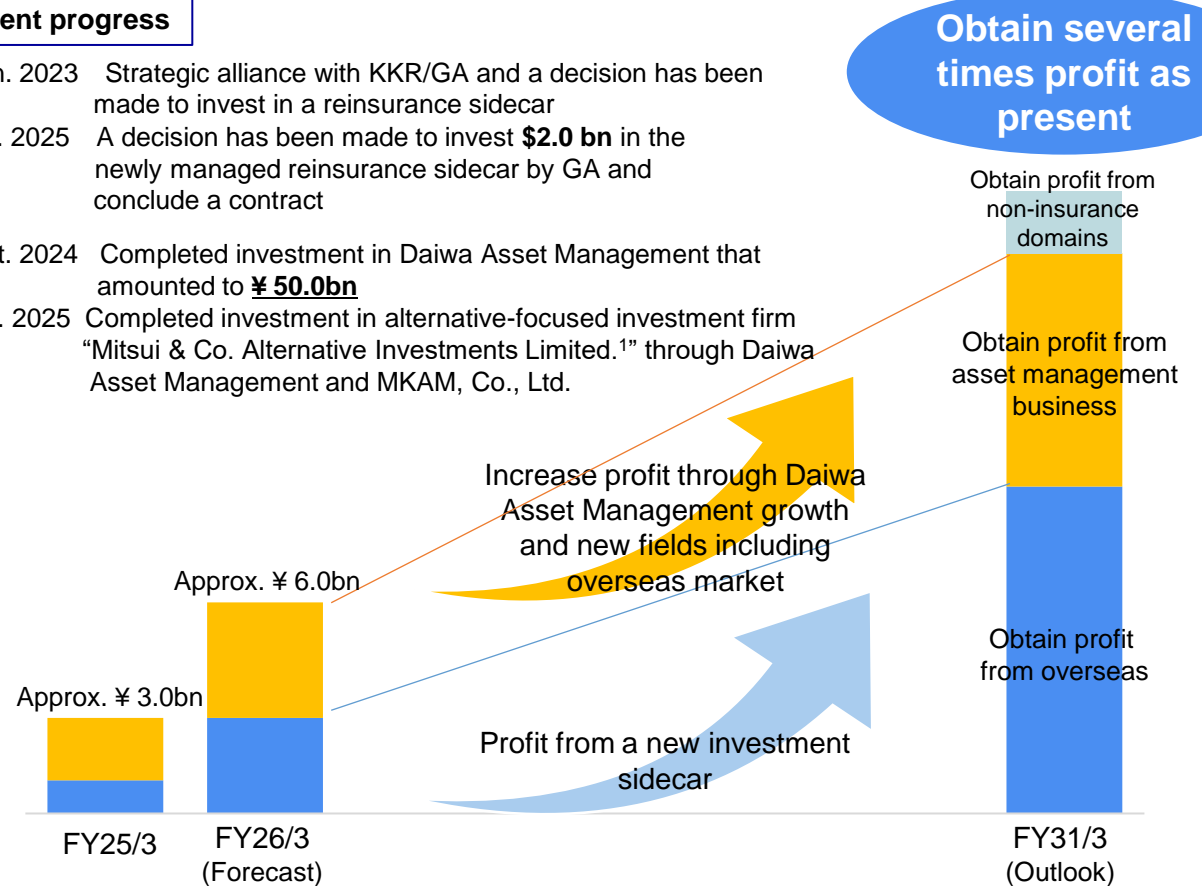
#### Examples

Education, Health care, Medical care, Nursing care, etc.

## Outlook for Adjusted Profit Stemming from Diversification of Earnings Sources (growth scenario)

### Recent progress

- Jun. 2023 Strategic alliance with KKR/GA and a decision has been made to invest in a reinsurance sidecar
- Jul. 2025 A decision has been made to invest **\$2.0 bn** in the newly managed reinsurance sidecar by GA and conclude a contract
- Oct. 2024 Completed investment in Daiwa Asset Management that amounted to **¥ 50.0bn**
- Jul. 2025 Completed investment in alternative-focused investment firm “Mitsui & Co. Alternative Investments Limited.”<sup>1</sup> through Daiwa Asset Management and MKAM, Co., Ltd.



Note: All of the above amounts are based on adjusted profit. 1. Previous name. Renamed to Daiwa JPI Alternative Investments Co., Ltd. in July 2025.

## Ⅱ -4

# Achieving stronger business foundation

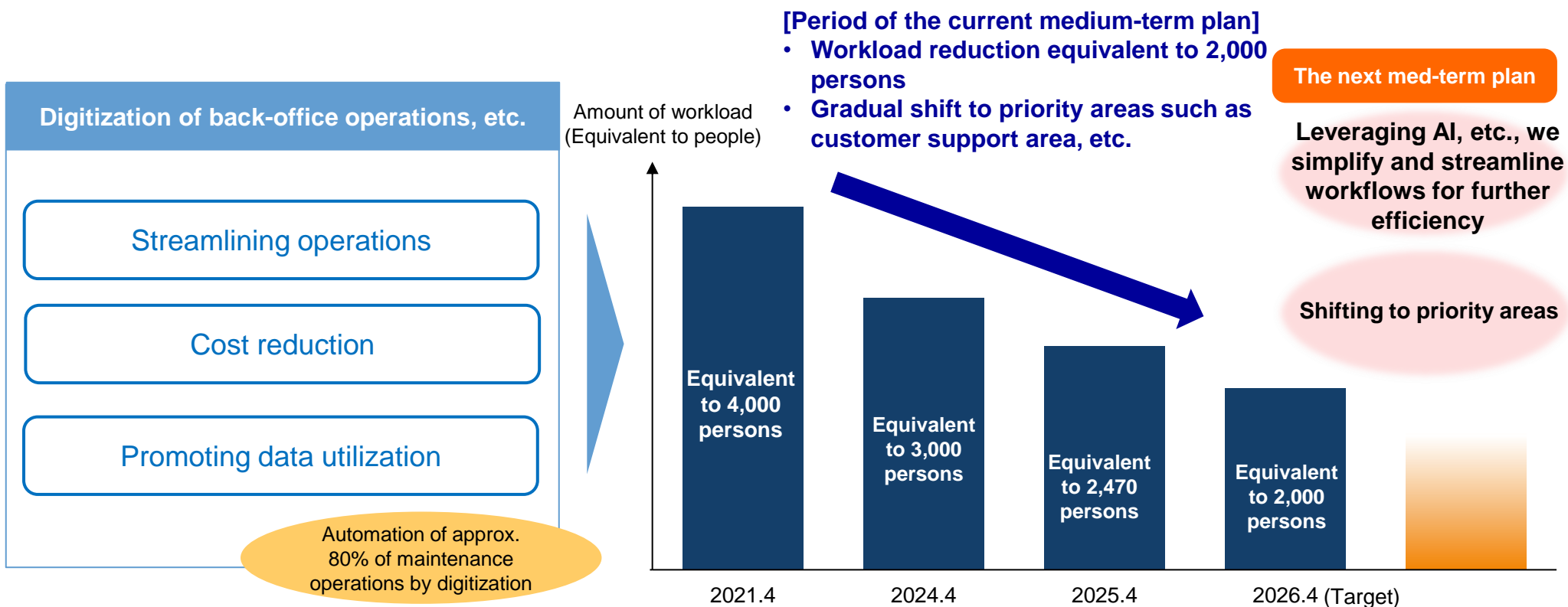


# Achieving stronger business foundation

## (1) Streamline business operations by transforming back-office operations

- The workload reduction in the current Medium-Term Management Plan has undergone a steady through the digitization of back-office operations, etc.
- In the next Medium-Term Management Plan, through the utilization of AI, etc., we will further reduce workloads while shifting to areas that need to be strengthened, such as customer support and sales support, etc.

### Transforming back-office (Service Center) operations

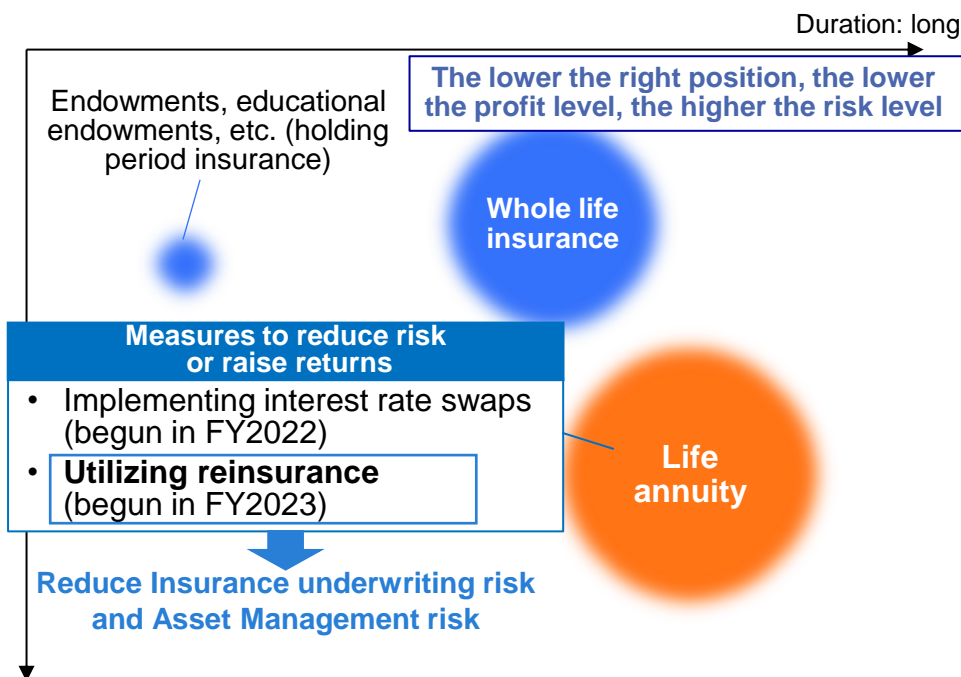


# Achieving stronger business foundation

## (2) Upgrading Liability Management, etc. (Improvement of ROE)

- To improve capital efficiency, since FY2023 we have reinsured policies with poor risk-return rates among policies in the Postal Life Insurance Category that have a high rate of policyholder dividends.
- We aim to increase ESR and improve returns by continuing to utilize reinsurance while closely monitoring the market environment and reinsurance market trends.

### Liability status of Postal Life Insurance Category (before implementation of reinsurance)



Liability market value ratio to liability book value: high

Note: Liability market value is the present value of liability cash flows based on best estimate assumptions. Liability book value refers to policy reserves. The bubble area represents the size of the liability market value.

1. Based on policy reserves. The gaps between policy reserves and reinsurance premiums are neutralized with contingency reserves (no impact on adjusted profit).
2. The total of the estimates calculated based on certain assumptions (an assumption of interest rates, etc.) as of the respective valuation dates.
3. Require the establishment of requirements for highly liquid, highly rated collateral assets and minimum collateral amounts based on the fair value of liabilities, mandating compliance at regular intervals

### Utilization of reinsurance

	March 2024	March 2025
Transaction scale <sup>1</sup>	Approx. ¥ 640.0bn	Approx. ¥ 550.0bn
Reinsurance premiums	Approx. ¥ 690.0bn	Approx. ¥ 530.0bn
Reduction in expected interest expenses in the first year	Approx. ¥ 16.0bn	Approx. ¥ 14.0bn
Estimated Contribution to ESR <sup>2</sup>	+ 5pt or more	
	In a situation of significant deterioration of the market environment, such as substantial decline in interest rates, etc., more contribution to ESR improvement is expected, and this also helps to enhance ESR stability.	
Counterparty	RGA Global Reinsurance Company, Ltd.	Talcott Life Re, Ltd.

### Addressing counterparty risks

#### Establish comprehensive reinsurance terms, including collateral terms

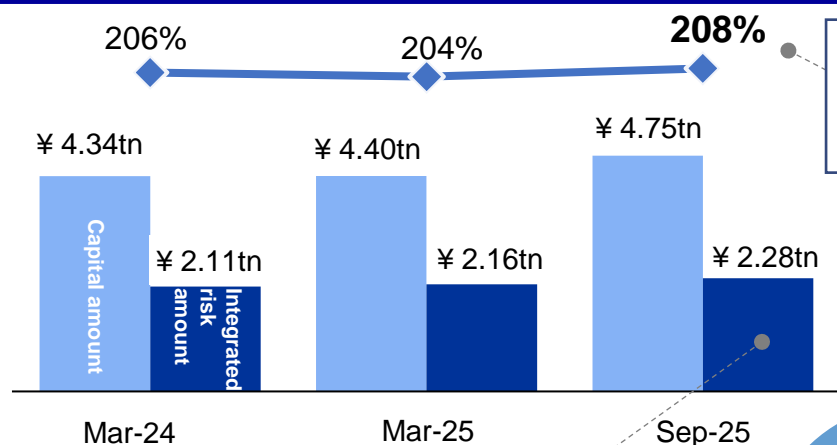
- Establishment of strict collateral terms<sup>\*3</sup> and appropriate recapture clauses in line with reinsurers' credit conditions, etc.
- Monitoring of collateral and credit conditions, etc.

# Achieving stronger business foundation

## (3) Management behavior corresponding to the ESR standards

- The ESR as of September 30, 2025 increased from March 31, 2025 to 208% since, while the integrated risk amount increased due to the increase in mass lapse risk, etc. caused by higher interest rates, the capital amount increased due to an increase in the market value of domestic stocks.
- Continue efforts to ensure appropriate ESR with good stability and consider further risk-taking and shareholder return if we exceeds an appropriate ESR.

### Change in ESR

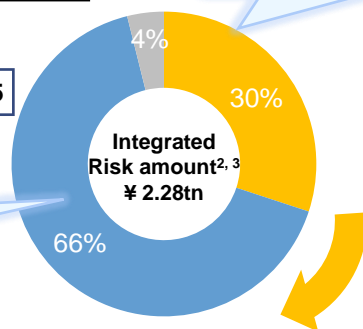


【Factors for changes from Mar-25】  
 Dividend payment, etc.<sup>1</sup> (1) point  
 Changes in market environment + 10 points  
 Other than those above (5) points

Aim to increase the share of insurance underwriting risk in the future as sales continue to recover

### Breakdown of risk amount as of Sep-25

Maintain asset management risk-taking while considering return relative to risk



- Insurance underwriting risk
- Asset management risk
- Operational risk, etc.

1. Dividend payment and share repurchase.
2. 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.
3. The share of the pie chart in the integrated risk amount did not take into account diversification effect etc. between risks.

### ESR target range and management behavior corresponding to the standards

Rating guidelines for capital standards

AA rank

220%

- Continue stable dividends
- Consider further risk-taking, shareholder return (including treasury stock acquisition), etc.

A rank

150%

- Continue stable dividends
- Continue current risk-taking, shareholder return (including treasury stock acquisition), etc.

BBB rank

110%

- Continue stable dividends
- Consider implementing risk control, revision of shareholder return policy, capital increase, etc. on a medium to long term basis
- Implement risk control, revise shareholder return policy, capital increase, etc.

- Impact from additional investment in reinsurance sidecar.  
 Estimated a decrease of **approx. 14 points** in ESR.  
 \*ESR to decline gradually from start of investments for capital calls (planned in 2026).  
 \*Based on ESR as of March 31, 2025 and assuming investment amount ¥300.0bn.

# Achieving stronger business foundation

## (4) Enhancement of Shareholder Returns

- The Company's average total shareholder return ratio during the current Medium-Term Management Plan (FY22/3-FY26/3) will rise to around 47% as a result of enhanced shareholder returns.
- Continue to consider an attractive shareholder return policy in the next Medium-Term Management Plan (from April 2026).

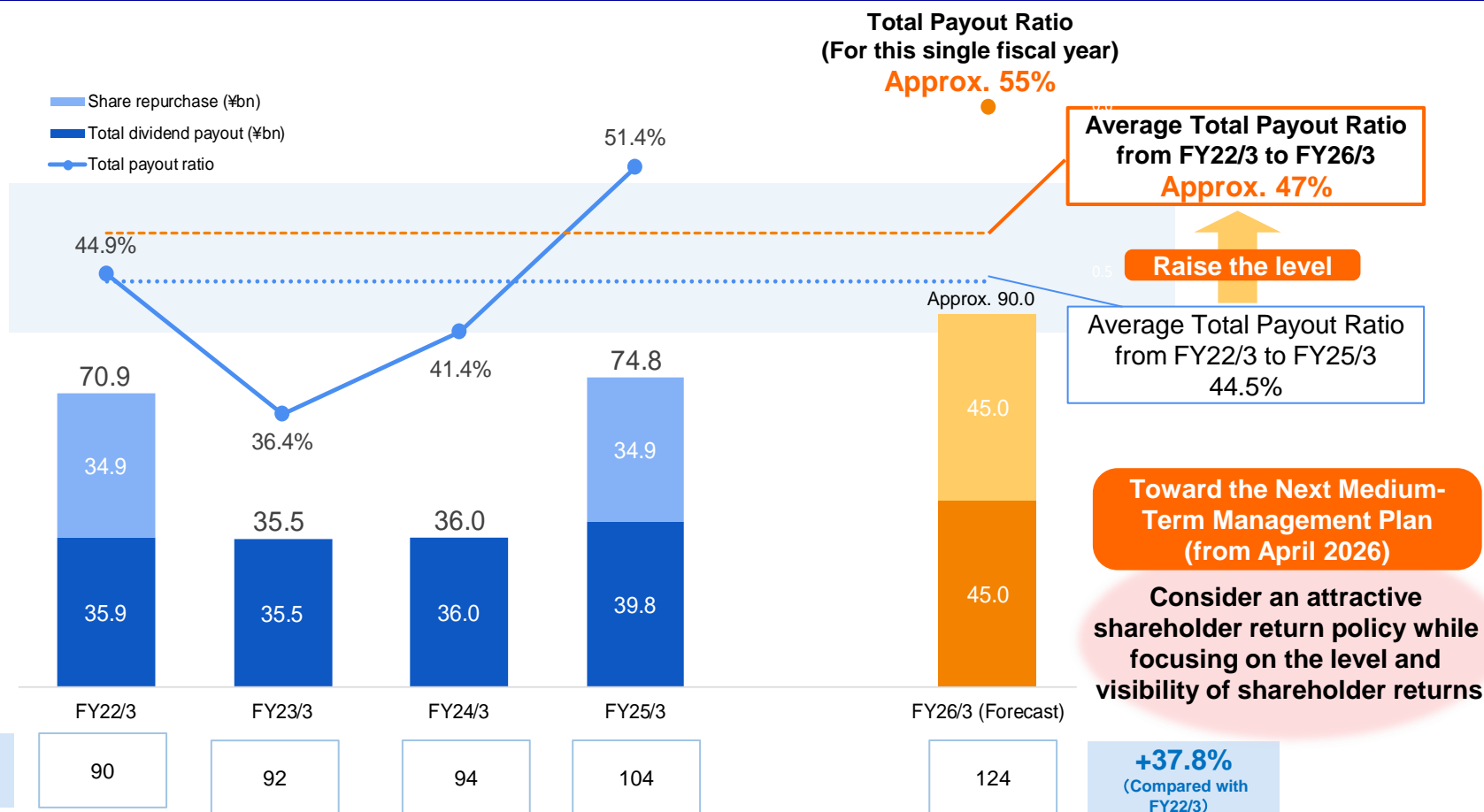
### Shareholder Return Policy and Result

#### Shareholder Return Policy during Medium-Term Management Plan (FY22/3~FY26/3)

Average Total Payout Ratio in the medium term  
40% ~ 50%

**Stable Dividend**  
Aim not to decrease but to increase dividends per share in principle

**Taking timely measures, including acquisition of treasury stock**



# Appendix

# Our History

- Our company was founded in 1916 as state-run Postal Life Insurance business, and this year marks the 109th anniversary of the company's foundation.



郵政創業150年



- 2022 Moved to Prime Market of the Tokyo Stock Exchange

2022

- 2021 150th anniversary of the foundation of the Japan Post Group

2021

- 2019 Secondary offering of common stock of Japan Post Insurance

2019

- 2016 100th anniversary of Postal Life Insurance

2016

- 2015 Listed on the First Section of the Tokyo Stock Exchange

2015



2007

- 2007 Postal service was privatized

Commenced life insurance business as JAPAN POST INSURANCE Co., Ltd.

2003

- 2003 Establishment of Japan Post

1949

- 1949 Establishment of the Ministry of Posts and Telecommunications

1926

- 1926 Commenced the postal annuity business

1916

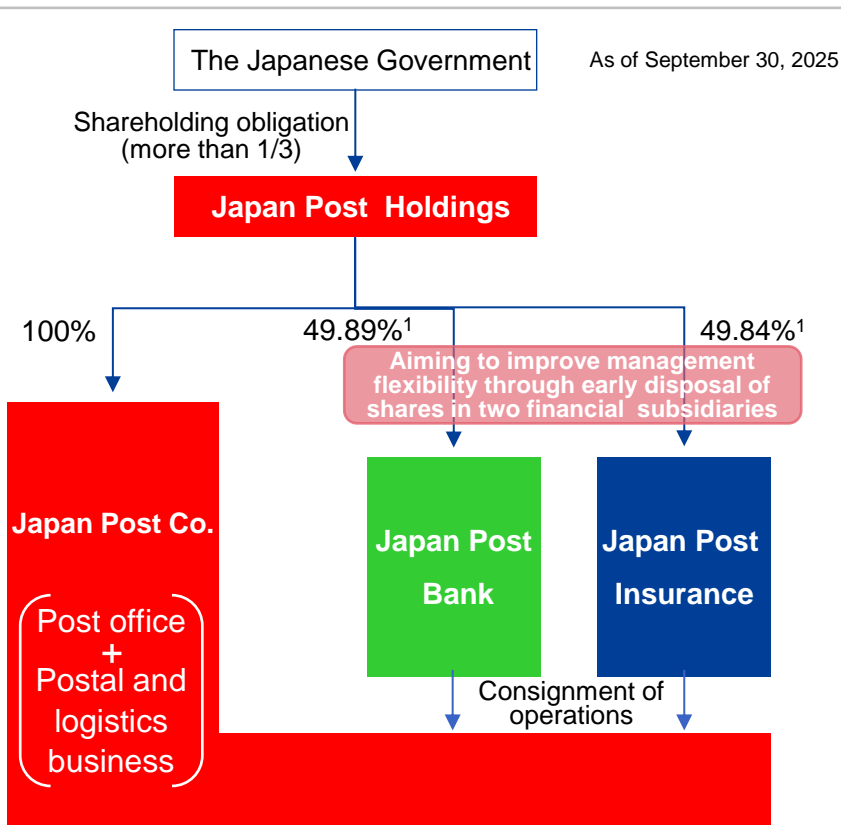
- 1916 Commenced Postal Life Insurance business



# Positioning in the Japan Post Group And Additional Restrictions under the Postal Service Privatization Act

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

## Structure of Japan Post Group



## Item

## Additional Restrictions under the Postal Service Privatization Act

### New business

- 【Until Japan Post Holdings disposes of 50% or more of all the shares of the Company】
  - Approval by competent ministers<sup>2</sup>  
(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<sup>3</sup>】
  - Notification to competent ministers<sup>2</sup>  
(obligation to consider competitors, notification to Postal Service Privatization Committee is required)
- 【After designated date<sup>3</sup>】
  - No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue)

### Limit on coverage amount

- 【Until the designated date<sup>3</sup>】
  - 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<sup>3</sup>】
  - No regulations based on Postal Service Privatization Act

### Subsidiary

- 【Until the designated date<sup>3</sup>】
  - 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<sup>3</sup>】
  - 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.

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

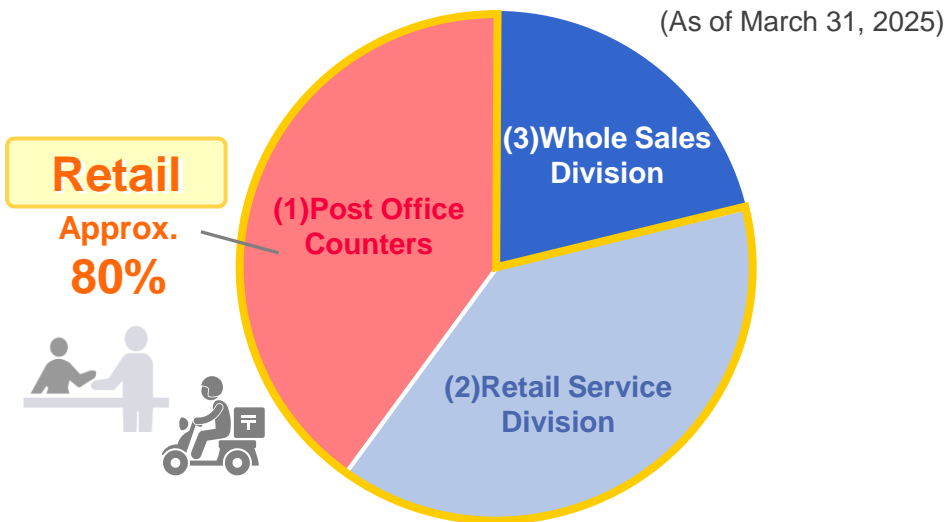
3. Designated date: The earlier of (i) the disposal of Japan Post Holdings' entire equity interest in the Company and (ii) the disposal of 50% or more of Japan Post Holdings' equity interest in the Company and the determination by the Prime Minister and the Minister for Internal Affairs and Communications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



# Sales Channels and Customer Base

- Our strength lie in the three sales channels through the nationwide network of post offices and a sizable customer base.

## Construction of Sales Channel



### (1) Post Office Counters (Approx. 20,000 offices)

- Sales to customers who come to the post office
- Many points of contact with customers

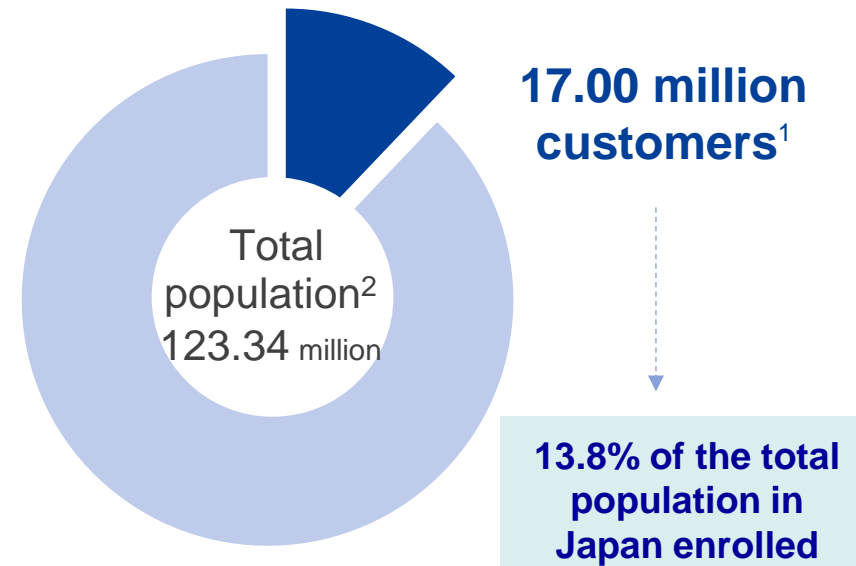
### (2) Retail Service Division (Approx. 620 offices)

- Door-to-door sales to customers homes
- Careful consulting

### (3) Whole Sales Division (Approx. 80 offices)

- Door-to-door sales to corporate customers<sup>1</sup>  
1 Mainly SMEs and companies related to Japan Post Group

## Our Customer Base



- Customers are mainly the elderly and the middle-aged who come to the post offices.
- About 80% of policyholders are aged 50 and above.

<sup>1</sup> As of March 31, 2025

<sup>2</sup> Data Source : Population Estimates, Statistics Bureau, Ministry of Internal Affairs and Communications (Rough estimate as of May 1, 2025)



# Major products sold

- Basically selling Endowment and Whole Life Insurance Products with Medical Care Riders.

## Easy-to-Understand Products with Smaller Coverage Amounts

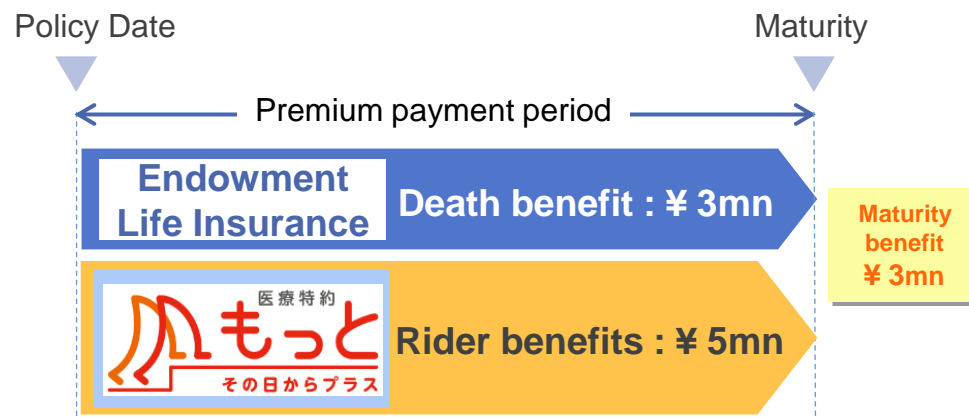
### ■ Simplified procedures

- ✓ No examination by physician (no medical examination)
- ✓ Customer can enroll by reporting health status (with a notification form)
- ✓ No occupational restrictions

### ■ Products of Smaller Coverage Amounts

- ✓ In principle, **¥ 10mn at most**  
(total of ¥ 20mn after 4 years have elapsed since start of coverage (age 20-55))

## Example of Endowment Life Insurance Products with Medical Care Riders



- 1 Lump-sum hospitalization benefit **¥ 100,000**  
(up to 5 times for each hospital stay)
- 2 Hospitalization benefit **¥ 5,000/day** x No. of days  
(up to 120 days per hospitalization)
- 3 Surgery benefit **¥ 50,000**
- 4 Radiation therapy benefit **¥ 50,000**

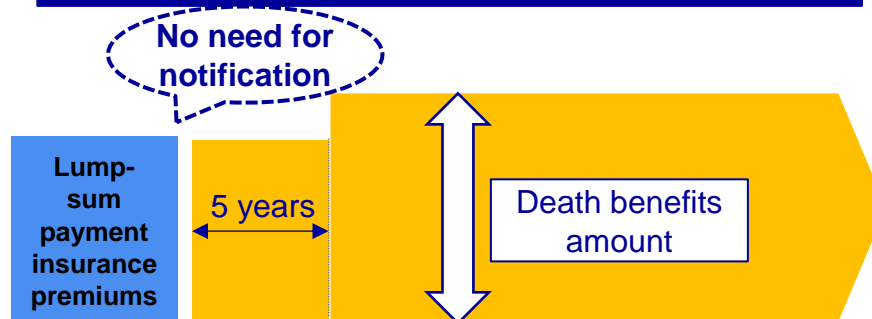
# Outline of Lump-Sum Payment Whole Life Insurance

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

## Outline

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

### Lump-Sum Payment Whole Life Insurance



Insurance  
premiums payment

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

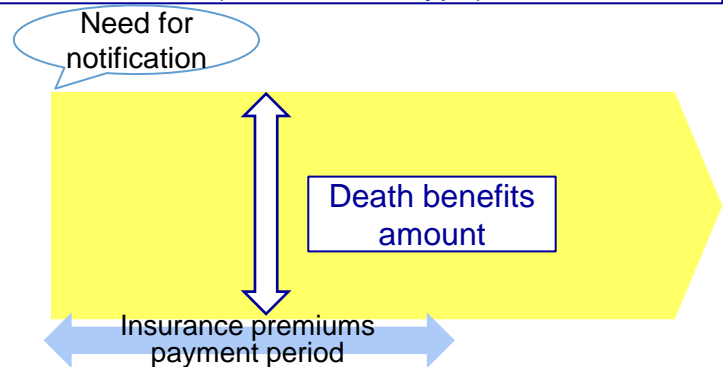
Coverage

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

Medical coverage

The medical rider “Motto Sonohi-kara Plus”  
can be added.<sup>2</sup>

### Reference: Current ordinary whole life insurance (fixed amount type)<sup>1</sup>



Premiums are paid monthly until the predetermined age.<sup>3</sup>

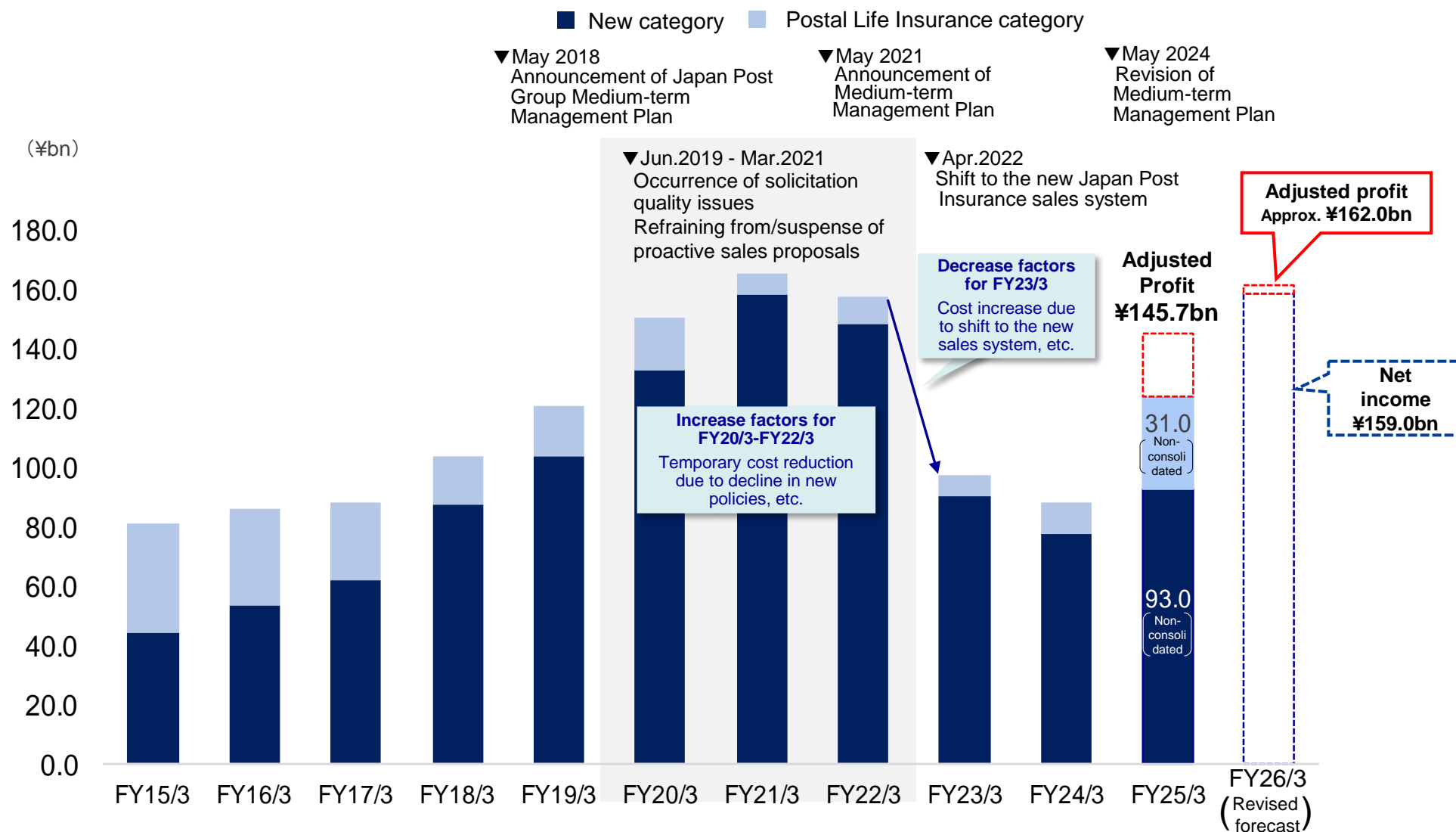
In addition to lifetime death benefits, claims for severe disability  
or double payments are available.

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

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

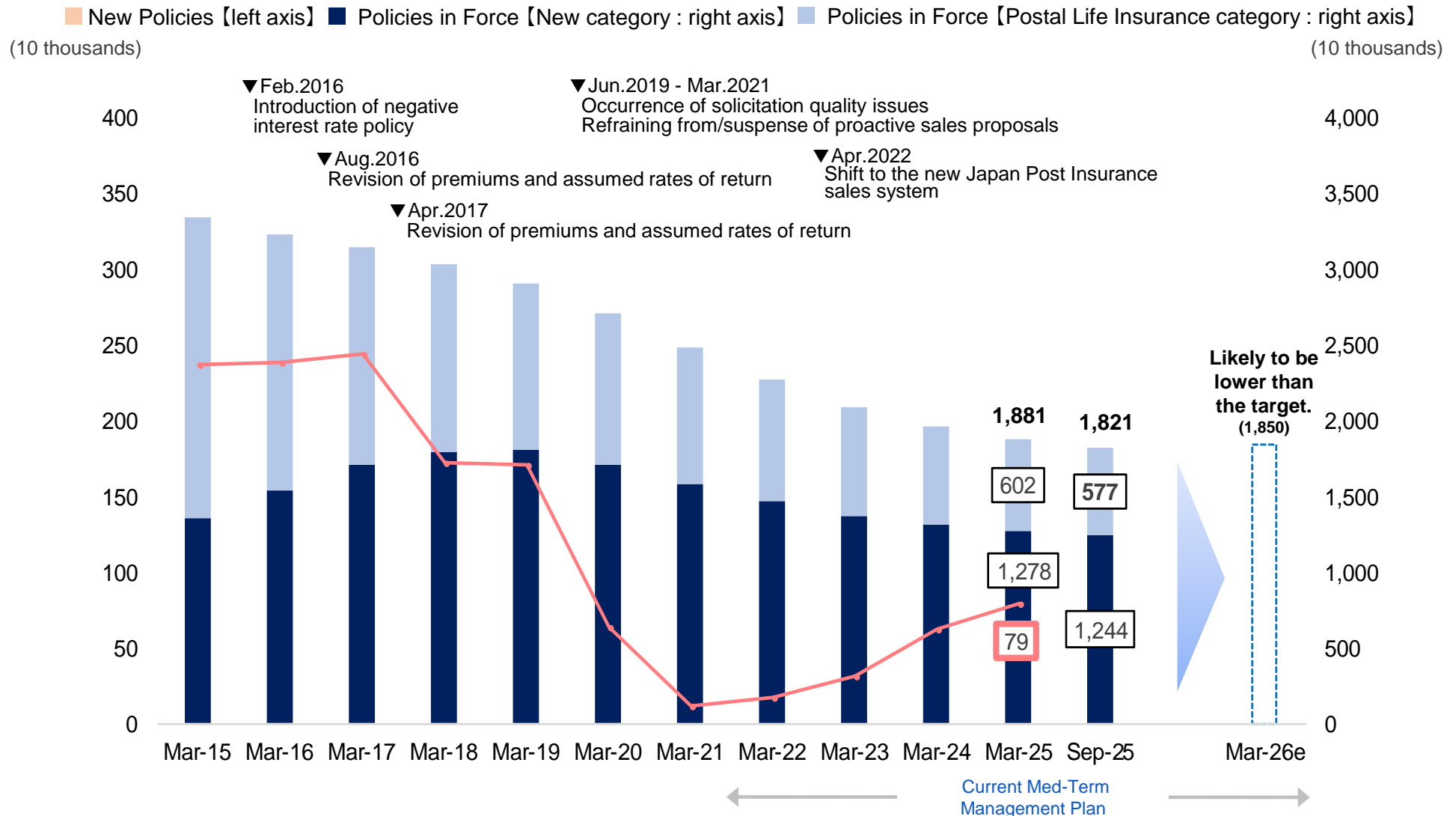
# Changes in Net Income (Figures by New and Postal Life Insurance Categories)

## Changes in Net Income



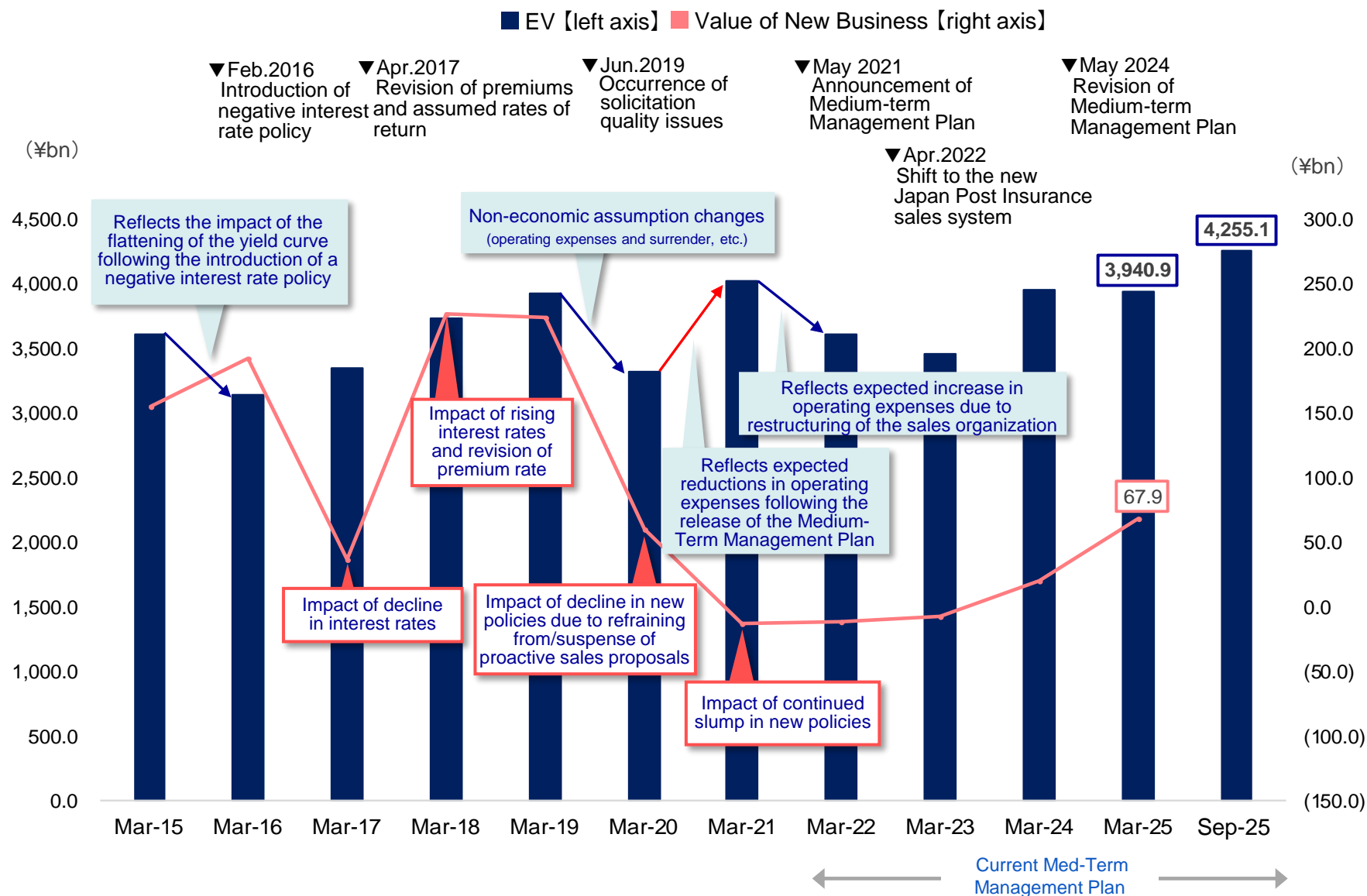
# Changes in Number of Policies

## Changes in Number of New Policies and Policies in Force (Individual Insurance)



# Changes in EV

## Changes in EV and Value of New Business



# Sensitivity Analysis of EV and Value of New Business (As of September 30, 2025)

## Sensitivity to Economic Assumptions (EV)

(¥bn)

Assumptions	EV	Change (%)	Adjusted net worth	Value of in- force covered business
50bp increase in risk-free rate of domestic interest rates <sup>1</sup>	4,199.3	(55.8) ((1.3) %)	2,056.6	2,142.6
50bp decrease in risk-free rate of domestic interest rates (parallel shift without zero floor) <sup>1</sup>	4,297.5	+ 42.3 (+ 1.0 %)	2,084.8	2,212.6
50bp increase in risk-free rate of foreign interest rates <sup>1</sup>	4,190.6	(64.5) ((1.5) %)	2,061.6	2,128.9
50bp decrease in risk-free rate of foreign interest rates (parallel shift without zero floor) <sup>1</sup>	4,321.3	+ 66.1 (+ 1.6 %)	2,078.5	2,242.7
10% decrease in equity and real estate value <sup>1</sup>	4,024.7	(230.4) ((5.4) %)	2,061.0	1,963.6
10% appreciation of the yen <sup>1</sup>	4,150.6	(104.5) ((2.5) %)	2,068.0	2,082.5

## Sensitivity to Non-economic Assumptions (EV)

(¥bn)

Assumptions	EV	Change (%)	Adjusted net worth	Value of in- force covered business
Future volume of policies in force is 105% of the level assumed in the calculation of EV as of March 31, 2025 <sup>1</sup>	4,307.3	+ 52.2 (+ 1.2 %)	2,070.1	2,237.2
10% decrease in maintenance expenses <sup>1</sup>	4,417.5	+ 162.3 (+ 3.8 %)	2,070.1	2,347.4

## Sensitivity to Economic Assumptions (Value of New Business)

(¥bn)

Assumptions	Value of New Business	Change (%)
50bp increase in risk-free rate <sup>1</sup>	48.1	+ 11.6 (+ 32.1 %)
50bp decrease in risk-free rate (parallel shift without zero floor) <sup>1</sup>	22.8	(13.5) ((37.3) %)

1. 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.

# Introduction of the new economic value basis solvency regulation

- Following the finalization of the new economic value basis solvency regulation, we are conducting a final review on the model, including differences from our current ESR measurement model.
- We will continue efforts to ensure appropriate ESR with good stability even after the introduction of the new economic value basis solvency regulation.

## The major difference in ESR levels between the ESR measurement model as of September 30, 2025 and the new economic value basis solvency regulation<sup>1</sup>

### Capital amount

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

### Life insurance risk<sup>2</sup>

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

### Massive catastrophe risk

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

### Asset Management risk

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

## Initiatives for securing appropriate ESR with good stability

### Increase in capital amount

#### ■ Increase in new policies

Promoting initiatives to pursuing truly customer-oriented insurance services

2023.9 ¥100.0bn

#### ■ Debt financing

Domestic subordinated bonds issuance

2024.4 ¥100.0bn

### Decrease in risk amount

#### ■ Implementation of interest rate swaps

Begun in Jan-23

2024.3 Approx. ¥690.0bn

#### ■ Utilization of reinsurance

Ceded a portion of the life annuity in the Postal Life Insurance Category.

2025.3 Approx. ¥530.0bn

## ESR Sensitivity (As of September 30, 2025)

50bp increase in risk-free rate of domestic interest rates <sup>4</sup>	(10) points
50bp decrease in risk-free rate of domestic interest rates (parallel shift without zero floor) <sup>4</sup>	+ 11 points
50bp increase in risk-free rate of foreign interest rates <sup>4</sup>	(4) points
50bp decrease in risk-free rate of foreign interest rates (parallel shift without zero floor) <sup>4</sup>	+ 4 points
10% decrease in equity and real estate value <sup>4</sup>	(3) points
10% appreciation of the yen <sup>4</sup>	(1) points
-----	
Future volume of policies in force is 105% of the level <sup>4,5</sup>	+ 3 points

5. Assumed in the calculation of EV as of September 30, 2025.

1. The sign in [ ] indicates the impact on our ESR (in the direction of increase or decrease) if the new economic value basis solvency regulation are applied.  
 2. Excluding business expense risk and mass lapse risk.  
 3. When standard coefficients are applied. Furthermore, the application for approval of company-specific stress coefficients is currently pending with the authorities. When company-specific stress coefficients become applicable, it is anticipated that no significant difference will arise compared to the coefficients in the internal model.  
 4. For each sensitivity scenario, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of a change of more than one assumption at a time is likely to be different from the sum of the relevant individual sensitivity results shown.

# Progress of Medium-Term Management Plan (FY26/3)

- Progress of medium-term management plan is as follows.
- We continue to aim for an early bottoming-out of the number of policies in force, as well as implement various growth strategies, thus further improve adjusted profit and adjusted ROE, etc.

	FY26/3 Target	First half of FY26/3 Results	FY26/3 Forecasts
<b>Adjusted profit</b> 【Reference: consolidated net income】	¥ 97.0 bn 【¥ 80.0 bn】	¥ 95.0 bn 【¥ 93.8 bn】	Adjusted profit is expected to surpass the target and to be approx. ¥162.0bn due to an increase in investment income, etc.
<b>Adjusted ROE</b>	Approx. 6%	—	With an improvement in the adjusted profit, adjusted ROE is expected to exceed Medium-Term Targets.
<b>Dividend-per-share (DPS)</b>	In principle aim not to decrease but to increase dividend per share for the period of the Medium-term Management Plan	Interim dividends : ¥ 62 (Change from FY25/3 Interim dividends : + ¥ 10)	¥124 Increased by ¥ 20 from FY25/3. Increased by ¥48 (+ 63%) throughout the period of Medium-Term Management Plan.
<b>Numbers of policies in force</b> (Individual Insurance)	18.5 million or more policies	18,210 K policies (Change from Mar-25 : (3.1) %)	Number of policies in force is likely to be lower than our target. We continue to aim for a swift turnaround and recovery.
<b>EV growth (RoEV)<sup>1</sup></b>	Aim for 6% to 8% growth	9.4% (Annualized)	As it has exceeded Medium-Term Targets (6 to 8%) in the most recent results, continue to aim to maintain and improve its level.
<b>Customer Satisfaction<sup>2</sup></b> <b>NPS®<sup>3</sup></b>	Customer satisfaction Aim for 90% or more  NPS® Aim for One of the highest in the industry	Overall satisfaction in Japan Post Insurance in FY25/3: 84%  【Reference】 NPS® : (54.8)points (11th/13 companies)	Continue to promote initiatives to improve CX to achieve the targets.

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 (2025)" by NTTCom Online Marketing Solutions.

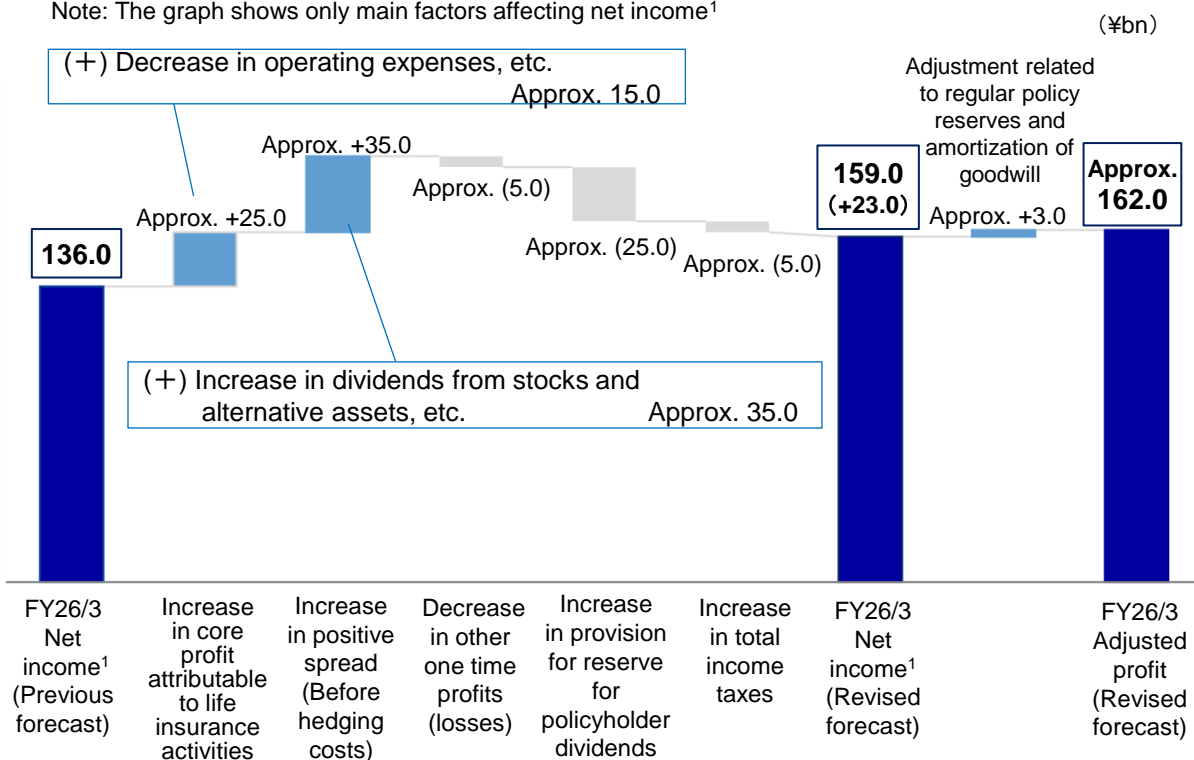


## Revisions to the Forecasts for Full-year Financial Results for the Year Ending March 31, 2026 (Factors for changes from previous forecasts)

- Revised forecast for consolidated net income upward from ¥136.0bn to ¥159.0bn due to an increase in core profit attributable to life insurance activities, an increase in positive spread before hedging costs, and an increase in provision for reserve for policyholder dividends, etc.
- Revised forecast for adjusted profit upward from approx. ¥142.0bn to approx. ¥162.0bn after applying adjustment for policy reserve and for amortization of goodwill to consolidated net income.

### Main Factors for changes in the forecast for FY26/3 compared to the previous forecasts

Note: The graph shows only main factors affecting net income<sup>1</sup>



### Factors for Year on Year Changes in Detail

(¥bn)	
FY26/3 Net income <sup>1</sup> (Previous forecast)	136.0
Increase in core profit attributable to life insurance activities	Approx. 25.0
Increase in positive spread (including hedging costs)	Approx. 25.0
Increase in hedging costs	Approx. (10.0)
Decrease in capital gains (losses)	Approx. (25.0)
Decrease in other one time profits (losses)	Approx. (5.0)
Decrease in provision for reserve for price fluctuations	Approx. 35.0
Increase in provision for reserve for policyholder dividends	Approx. (25.0)
Increase in total income taxes	Approx. (5.0)
FY26/3 Net income <sup>1</sup> (Revised forecast)	159.0
Adjustment	Approx. 3.0
Adjustment related to regular policy reserves in the first year	Approx. 1.0
Adjustment related to amortization of goodwill	Approx. 2.0
FY26/3 Adjusted profit (Revised forecast)	Approx. 162.0

# Definitions of Adjusted Profit and Adjusted ROE

## Definitions of adjusted profit and adjusted ROE

$$\begin{aligned}
 &\text{Adjusted profit} \quad \left( \begin{array}{c} \text{Source of} \\ \text{shareholder return} \end{array} \right) = \text{Consolidated net income} + \text{Burden of regular policy reserves in the first year}^1 + \text{Amortization of goodwill}^2 \\
 &\text{Adjusted ROE} = \text{Adjusted profit} \div \left( \text{Shareholders' equity}^3 - \text{Unamortized balance of goodwill}^2 \right)
 \end{aligned}$$

1. In order to partially adjust for the short-term reduction in net income as new policies increase, we add the burden of regular policy reserves in the first year (after tax) when calculating adjusted profit (from FY25/3 and onward).
2. In order to reflect the Company's intrinsic earning capacity, we add back the amount of amortization of goodwill deducted from net income associated with the investment in Daiwa Asset Management Co. Ltd. (completed in October 2024). We also deduct the unamortized balance of goodwill (average) from the denominator of adjusted ROE.
3. The net unrealized gains (losses) on available-for-sale securities are mainly due to the Postal Life Insurance category.<sup>4</sup> Shareholders' equity (average) is used as the denominator in view of the high policyholder dividend ratio in the Postal Life Insurance category<sup>4</sup> and the fact that gains and losses from the sale of securities etc. do not affect adjusted profit due to the provision and reversal of reserve for price fluctuations.
4. "Postal Life Insurance category" shows the amounts generated from the postal life insurance policies.

## Results of Adjusted profit and adjusted ROE

(¥bn)

	FY24/3	FY25/3
Consolidated net income	87.0	123.4
(+) Burden of regular policy reserves in the first year (after tax)	10.5	21.4
(+) Amortization of goodwill	-	0.8
Adjusted profit	97.6	145.7
Adjusted ROE	6.1%	8.8%
Numerator (Adjusted profit)	97.6	145.7
Denominator	1,596.2	1,648.0
(+) Shareholders' equity (average)	1,596.2	1,664.8
(-) Unamortized balance of goodwill (average)	-	16.8

### 【Reference】

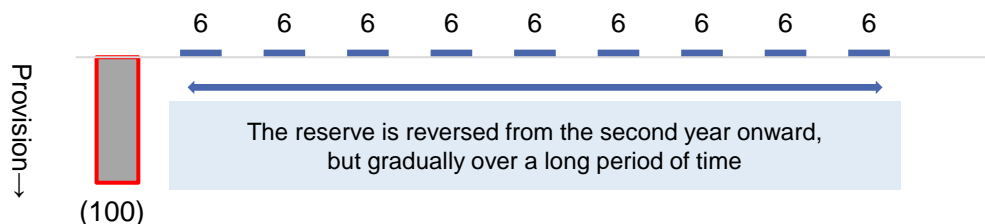
Total net assets (as of March 31)	3,395.7	3,241.4
Total shareholders' equity (as of March 31)	1,622.0	1,707.6
Net unrealized gains (losses) on available-for-sale securities (as of March 31)	1,775.6	1,551.6
Postal Life Insurance category (as of March 31)	1,561.1	1,480.1

# Adjustment Concerning the Burden of Regular Policy Reserves

## [Reference(As disclosed on May 15, 2025)] Burden of regular policy reserves included in the profit for the fiscal year ended March 31, 2025

- The burden of regular policy reserves arose mainly for lump-sum payment whole life insurance policies that commenced during the period from April to September 2024 due to the difference between assumed rates of return (0.95%) and the standard rate of return (0.75%)
- In order to partially adjust for the short-term reduction in net income as new policies increase, we add the burden of regular policy reserves in the first year (after tax) when calculating adjusted profit

The figure below shows an illustration of the annual amounts of provision and reversal of regular policy, taking the burden of regular policy reserves in the first year as 100.



## Burden of regular policy reserves (before tax) by fiscal year in which new policies commenced

Fiscal Year in which new policies commenced	Total burden of regular policy reserves (before tax) <sup>1</sup>					
	FY25/3 1Q	FY25/3 2Q	FY25/3 3Q	FY25/3 4Q	FY26/3 1Q	FY26/3 2Q
New policies in FY25/3	(17.5)	(29.7)	(29.8)	(29.7)	+ 0.1	+ 0.2
Level premium	+ 0.0	(0.1)	(0.3)	(0.5)	(0.2)	(0.4)
Lump-sum payment	(17.5)	(29.6)	(29.4)	(29.1)	+ 0.3	+ 0.6
New policies in FY26/3	-	-	-	-	(0.0)	(0.5)
Level premium	-	-	-	-	(0.0)	(0.1)
Lump-sum payment	-	-	-	-	(0.0)	(0.3)

1. The cumulative burden of regular policy reserves (before tax) for new policies that commenced in each year. Positive numbers indicate the reversal and negative numbers indicate the provision of policy reserves.

## Burden of regular policy reserves expected in the revised financial results forecasts for the fiscal year ending March 31, 2026

- At present, insurance premium rates for the fiscal year ending March 31, 2026 have not been decided. In the calculation of the revised financial results forecast for the fiscal year ending March 31, 2026, the burden of regular policy reserves in the first year of new policies (after tax) is set at approx. ¥ 1.0bn.

[Adjustment for the adjusted profit for FY26/3 (revised forecast), etc.]  
(¥bn)

Consolidated net income	159.0
Adjustment	Approx. 3.0
Burden of regular policy reserves in the first year of new policies (after tax)	Approx. 1.0
Amortization of goodwill	Approx. 2.0
Adjusted profit	Approx.162.0

(¥bn)

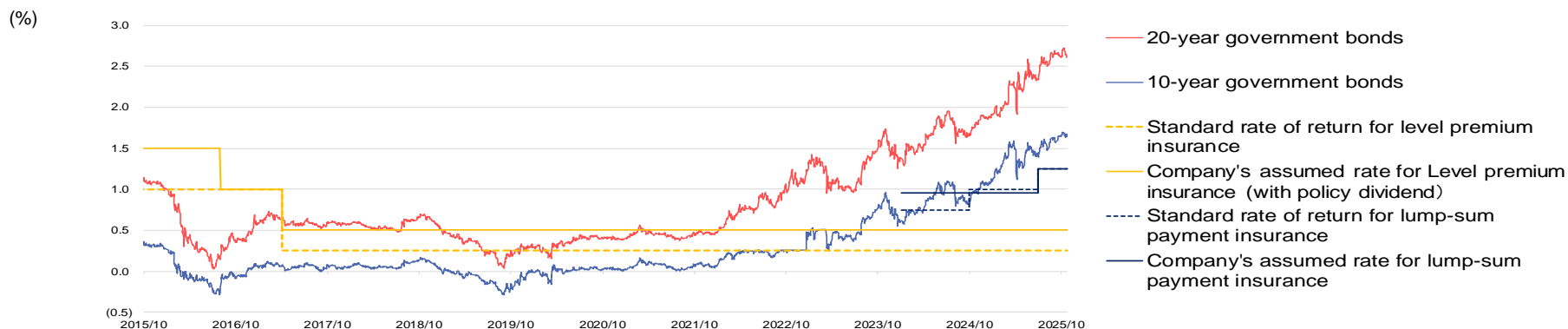
# Calculation Method and Level of the Standard Rate of Return

## Standard rate<sup>1</sup> and the Company's assumed rate

	Basic rate <sup>2,3</sup>	Record dates and dates of application	Level of rate (as of October 1, 2025)	Current level of the Company's assumed rate (as of October 1, 2025)
<b>Lump-sum payment whole life insurance, etc.</b>	Lower of: <ul style="list-style-type: none"> <li>▪ The mean of the “average distribution yield on 10-year government bonds during the past three months” and the “average distribution yield on 20-year government bonds during the past three months”</li> <li>▪ The mean of the “average distribution yield on 10-year government bonds during the past year” and the “average distribution yield on 20-year government bonds during the past year”</li> </ul>	Record dates: January 1, April 1, July 1, and October 1 Dates of application: Three months after each record date	1.25%	1.25%
<b>Level premium insurance, etc.</b>	Lower of: <ul style="list-style-type: none"> <li>▪ The “average yield to subscribers on 10-year government bonds during the past three years”</li> <li>▪ The “average yield to subscribers on 10-year government bonds during the past ten years”</li> </ul>	Record date: October 1 Date of application: April 1 in the year following the record date	0.25%	0.50% ( For zero-dividend policies: 0.55% )

1. Accumulation rate for policy reserves based on Public Notice No. 48 issued by the Ministry of Finance in 1996.
2. The basic rate is calculated using the stability coefficient designated in the Public Notice, based on the rate in the table above.
3. If the basic rate and the standard rate applied on the record date differ by 0.25% or more in the case of lump-sum payment products, or 0.50% or more in the case of level premium products, the standard rate for the date of application onward is revised to the multiple of 0.25% that is closest in value to the basic rate.

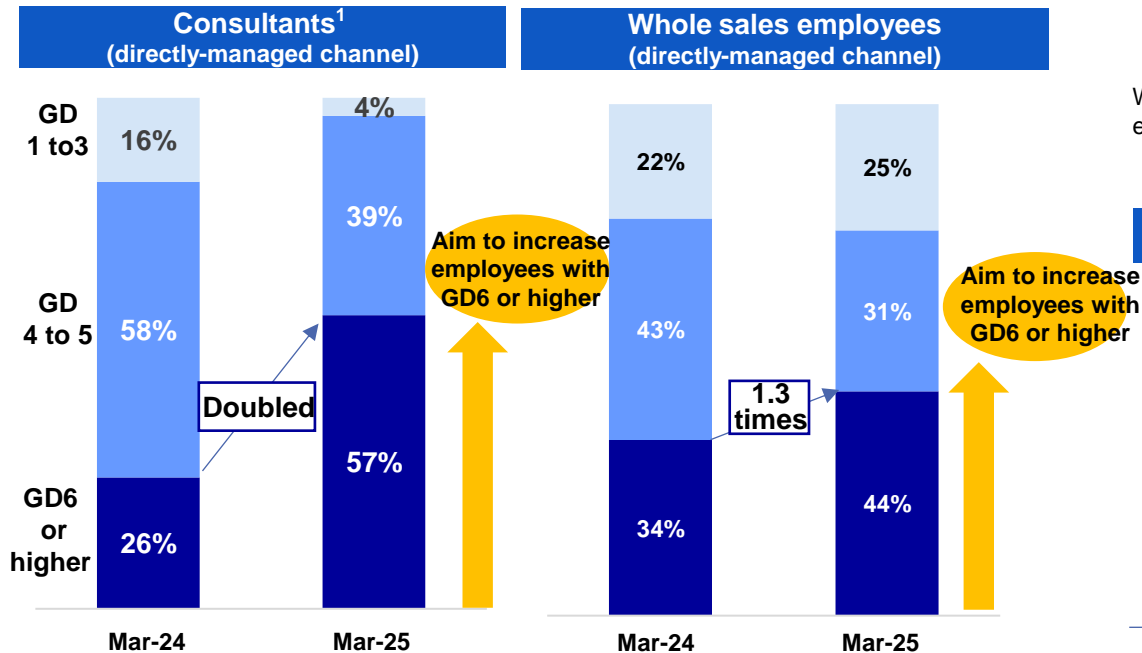
## Changes in interest rates, etc.



# Further develop and secure sales employees

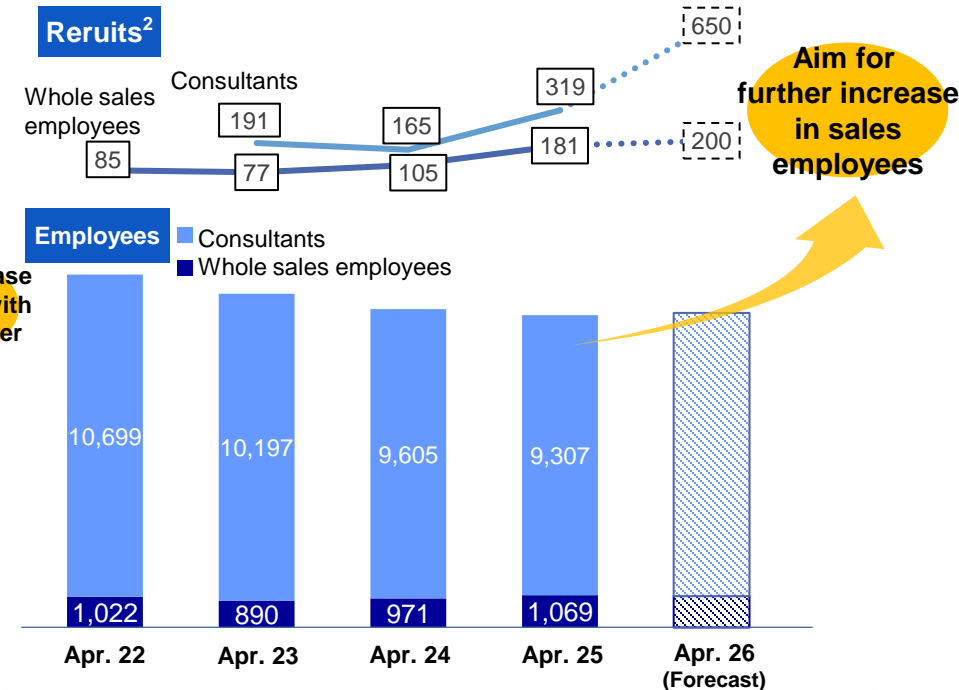
- The training and securing of sales employees through proactive investment is essential to provide our insurance services to nationwide customers.
- Our unique and generous training system has improved the skills of our sales employees. We aim for further enhancement by improving the system.
- In April 2025, we have substantially increased recruits by strengthened recruitment of experienced sales staff, etc. We aim for further increase in our sales employees.

## Skill status



- We have increased the company-wide average for the Kampo GD system, which comprehensively evaluates the activities of sales employees, by our unique and generous training system and revitalizing sales activities, etc.
- We aim for further improvement through further enhancement of training by establishing training base for new employees (in April 2025), and lifting linkage to incentives, etc.

## Active recruitment



- We have increased recruits by strengthened recruitment of experienced sales staff (year-round hiring) and diversifying recruitment methods, such as a comeback hiring system, etc.
- We aim to increase sales employees by continuing to strengthen recruitment.

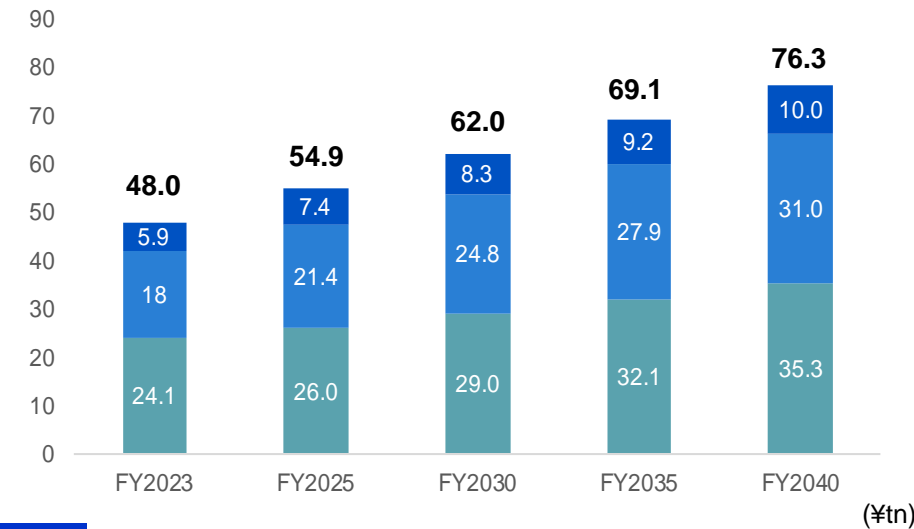
1. Regarding Consultants, From April 2024 and onward, we expanded the upper end of GD link to GD15 from GD10.  
 2. Recruits include the number of recruitment of experienced sales staff in the previous fiscal year.

# 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

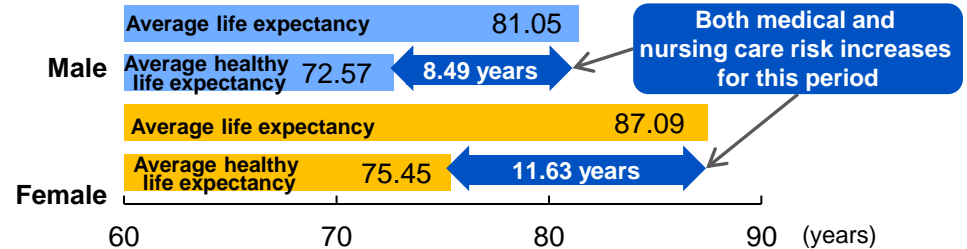


GDP	595.1	645.6	694.8	741.2	790.6
NME	8.1%	8.5%	8.9%	9.3%	9.7%

Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018), Ministry of Health, Labor and Welfare (October 10, 2025).

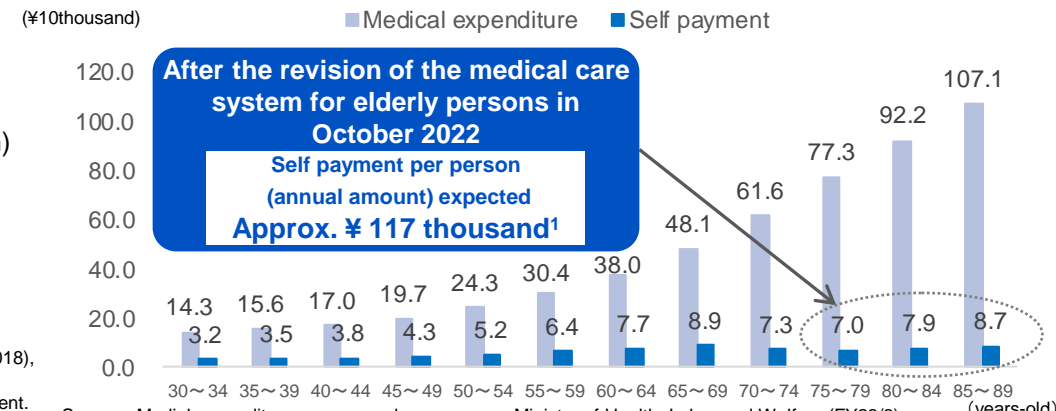
Note: Figures at FY24/3 are actual results. Figures at FY26/3 onwards are estimated amount at official announcement.

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



Source: Ministry of Health, Labor and Welfare, 4<sup>th</sup> meeting of Health Japan 21 (the 3<sup>rd</sup> term), material No. 1-1

## Medial expenditure per person by age group and self payment (annual amount) (estimated based on actual result in FY23/3)



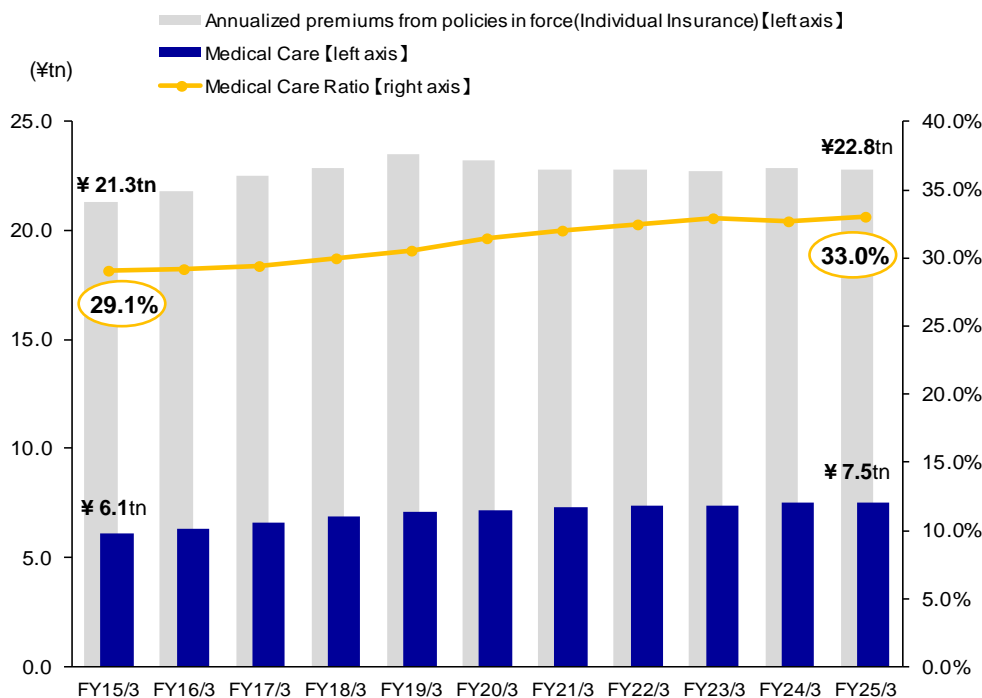
Source: 1. Website of Ministry of Health, Labor and Welfare (FY23/3) (6)Reference material," P8. Under transitional measures taken for 3 years after the revision to restrain its impact, the figure is expected to be approx. ¥ 109 thousand.

# Medical Care Market

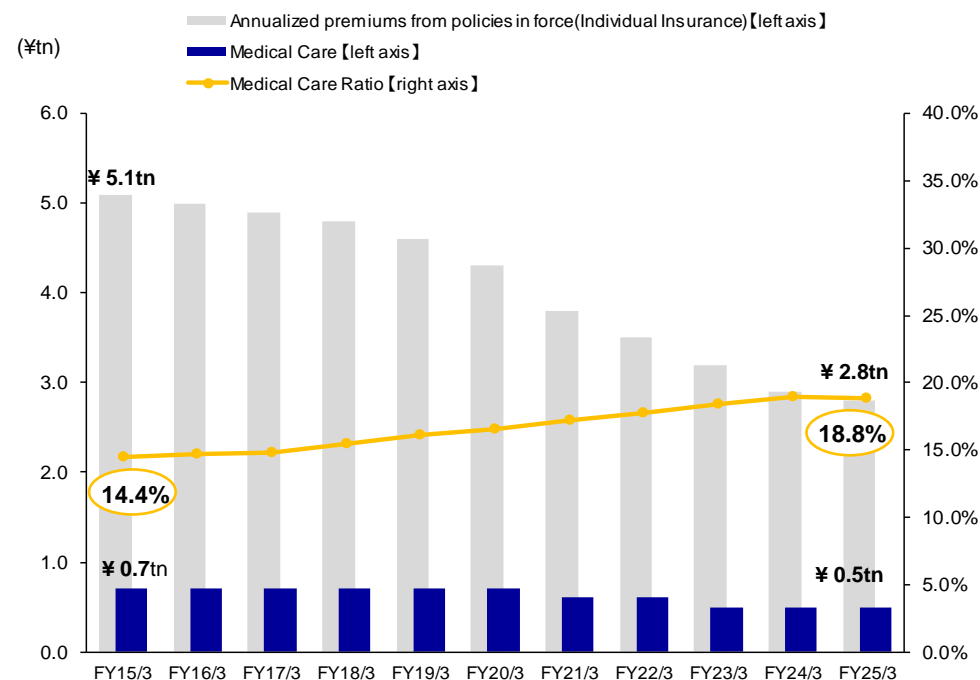
- As the domestic market for medical care is expanding, medical care ratio to annualized premiums in force is also increasing.
- Our medical care ratio to annualized premiums in force is still low compared with the domestic market, and we believe there is room to further increase that ratio by meeting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

Annualized Premium from policies in force (medical care)

## 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.

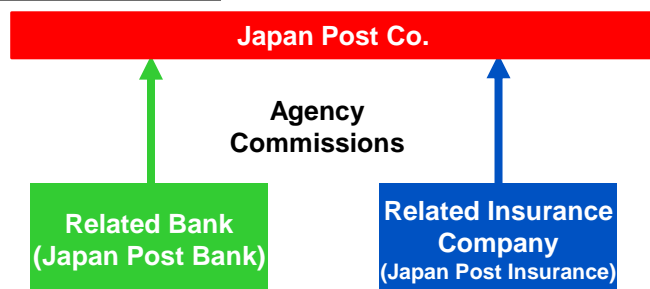


# Overview of Funds and Contributions

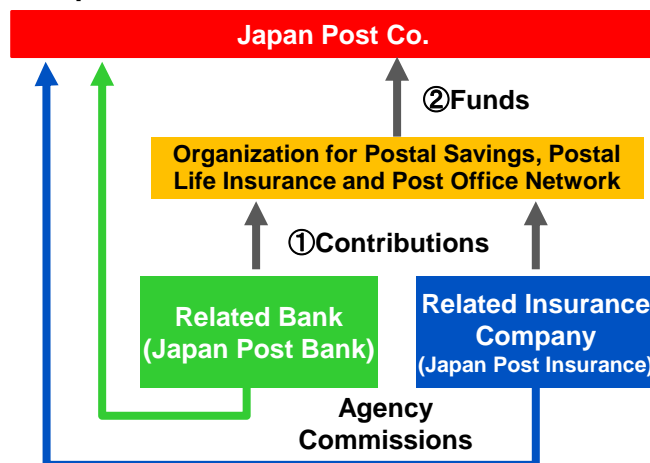
- Amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance have taken effect since December 1, 2018.
- From April 2019, we and Japan Post Bank are required to contribute to the Organization for Postal Savings, Postal Life Insurance and Post Office Network which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

## System of Funds and Contributions

### 【Until March 2019】



### 【From April 2019】



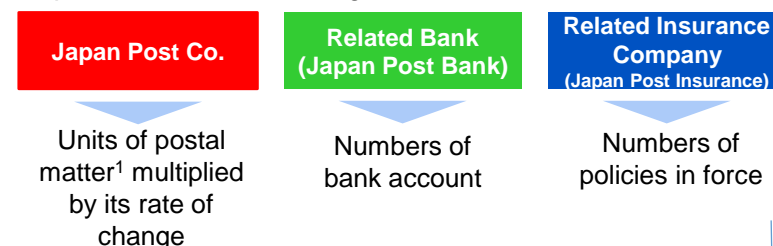
- Along with the establishment of the system of funds and contributions, we revised the structure of agency commissions

## 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

1. Population over 18-years-old in Japan + number of establishments

## Commissions and contributions

(¥bn)

	FY21/3	FY22/3	FY23/3	FY24/3	FY25/3
Commissions	198.1	178.6	134.8	123.7	111.4
Contributions	56.0	54.0	50.1	56.4	56.3
Total	254.1	232.6	185.0	180.2	167.7

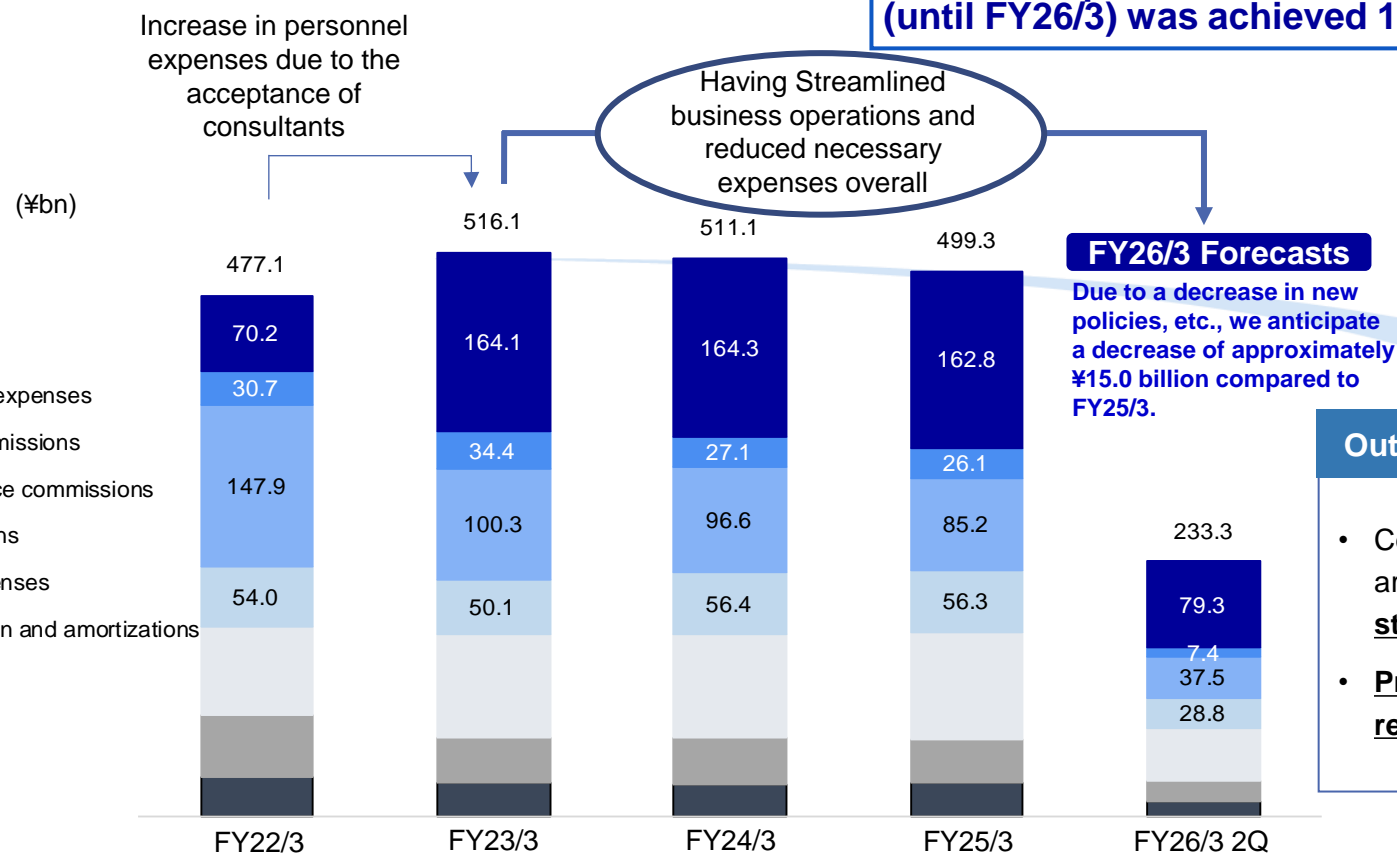


# Changes in Necessary Expenses and Forecasts (Revised Forecast for FY26/3)

- Although personnel expenses on sales employees etc., increased in FY23/3, we have streamlined our business operations and reduced necessary expenses overall.
- The target of necessary expenses of ¥502.0 billion for the period of Med-term management plan was achieved 1 year ahead of schedule, and the necessary expenses for FY26/3 is expected to decrease by approx. ¥15.0 billion year on year.
- Going forward, we continue both to invest in priority areas and to reduce costs, aiming for more efficiency.

## Necessary Expenses (Non-Consolidated)

The target of Necessary Expenses of ¥502.0 billion for the period of Med-term management plan (until FY26/3) was achieved 1 year ahead of schedule



## Outlook for FY27/3 and onward

- Continue to invest in the priority areas such as **DX promotion and strengthening sales personnel**
- **Promoting initiatives to further reduce costs**

# Strengthen our asset management capabilities through alliances

- Aiming to strengthen our asset management capabilities, we have established alliances and investments with MITSUI & CO., LTD. (June 2022) and Daiwa Asset Management Co., Ltd. (May 2024).
- In March 2025, Daiwa Securities Group Inc., Japan Life Insurance, and MITSUI & CO., LTD. concluded a capital and business alliance in the field of alternative asset management. We intend to further expand revenue over the medium to long term by increasing our asset management capabilities through our alliances to date and further advance our collaborative strategy.

**Daiwa**  
Securities Group Inc.

80%

20%



**JAPAN POST INSURANCE**

49%

51%



MITSUI & CO.

**Daiwa**  
Asset Management

— Foreign corporate bonds and domestic stocks —

- Initiatives:
  - More sophisticated foreign corporate bond investments utilizing overseas base
  - Improve the performance of our active investments in domestic stocks by utilizing Daiwa AM's analysts
- Amount of investment entrusted: Over ¥2tn
- Stronger earnings capacity is expected by enhancing our investment structure with foreign corporate bonds, etc., through the initiatives above.

Strengthen our asset management capabilities through collaboration and mutual personnel exchanges, etc.

51%

49%

**MKAM**

— Real estates —

- Initiatives:
  - Launch of our own private placement fund and the construction of a high-quality real estate portfolio through this fund
- Amount of investment entrusted: ¥200.0bn (AUM basis)
- Revenue contribution: Cumulative income of ¥1.53bn
- Expand investments in real estate with a high return efficiency relative to risk to strengthen our earnings capacity.

**Daiwa JPI Alternative Investments Co., Ltd.**

— Alternative assets —

- Initiatives:
  - Sophisticating our alternative investment management by making most of Daiwa JPI Alternative Investments Co., Ltd.'s experience over 20 years and specialists who have knowledge.
- Amount of investment entrusted: Estimate around ¥100bn newly entrusted, centering on private equity and infrastructure.
- Enhance our investment structure with alternative investments through the initiatives above, and strengthen our earnings capacity.

Note: Figures etc., above are as of the end of March 2025.

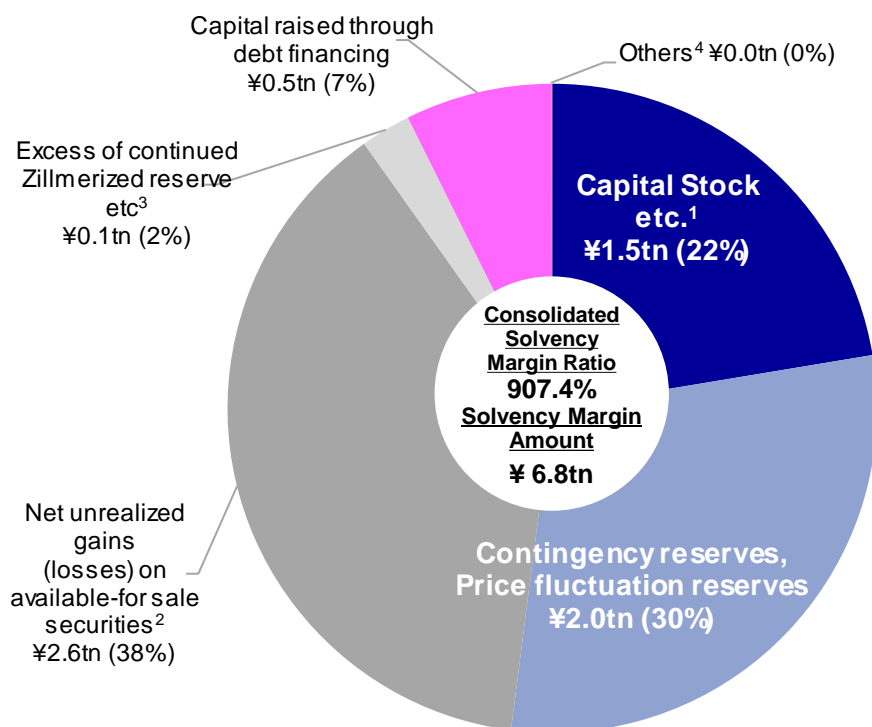


**JAPAN POST INSURANCE**

# 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.

## Breakdown of Consolidated Solvency (as of September 30, 2025)



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

## Bond Information

Subordinated unsecured bonds with interest deferral option and early redemption option

As of Sep. 30, 2025

Issue date	Principal amount
January 29, 2019	¥100.0 bn
January 28, 2021	¥200.0 bn
September 7, 2023	¥100.0 bn
April 17, 2024	¥100.0 bn

## Credit Ratings

As of Oct. 31, 2025

	S&P (Insurance Financial Strength Rating)	R&I (Insurance Claims Paying Ability)	JCR (Ability to Pay Insurance Claims)	Moody's (Insurance Financial Strength)
Japan Post Insurance	A+ (Stable)	AA- (Stable)	AA (Stable)	A1 (Stable)
(Reference) Japanese government	A+ (Stable)	AA+ (Stable)	AAA (Stable)	A1 (Stable)

# Achieving stronger business foundation

- Along with enhancing corporate governance, we promote human capital management to strengthen our business foundation.
- Thus, we aim to ensure the success of our growth strategy leveraging our strengths and initiatives for more efficient management, etc., so that we can improve our market valuation.

Aim for improvement of market valuation  
through the growth strategy leveraging our strengths, etc.

## Achieving stronger business foundation

### Enhancing corporate governance

- **Composition and function of Board of Directors**
  - Comprising Outside Directors with various backgrounds, and with diversity and high independence.
  - The effectiveness of the Board of Directors is evaluated every year to improve its operations and enhance its supervision functions.
- **Compensation system for executive officers**
  - We have revised the compensation system for executive officers to further enhance their awareness toward contributions expected for them to enhance sustainable growth and corporate value over the medium to long term, through stock prices, etc.
- **Establishing effective methods of supervising agencies**
  - Sales Agency Collaboration Department was established in April 2025, which is in charge of appropriate management of agencies
  - In addition, the Company will monitor post offices directly to grasp on actual situations and to provide them with education and guidance.

### Promoting human capital management

- **Engagement score/Organizational culture**
  - Frontline meetings for direct dialogue between employees and management, etc. are held for all sites.
  - Launching projects mainly led by ambitious, young employees, etc.
- **Recruitment and development of human resources**
  - Develop a human resources portfolio that visualizes the quantity and quality of human resources needed at present and in the future, and actively recruit human resources such as specialists in asset management, etc.
  - Established a next-generation leader development program
- **Promoting flexible working styles**
  - Enabling more efficient sales activity by upgrading all PCs of sales employees (planned to be done sequentially in FY2025).

### Dialogue with stakeholders

- **Building trust-based relationships with diverse stakeholders**
  - Through proactive dialogue with diverse stakeholders, including customers, employees, local communities, shareholders and investors, etc., we strive to meet expectations and build trust while fulfilling our corporate social responsibility.

# Human Capital Management / Corporate Culture Reform

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

## Establish a corporate culture in which employees act independently

### ■ Communication reform

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

Increased ES (Engagement Score)

- FY2023: CC → FY2025: B

Frontline meetings

- Held every fiscal year for all sites

### ■ Human resource development (human resource reform)

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

Use of feedback box (as of April 2025)

- No. of posts: approx. 8,100
- No. of cases that led to improvement: approx. 2,600

### ■ Reform of the way we operate

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

## Recruitment and development of human resources strategically

### ■ Active recruitment and development of sales employees

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

### ■ Human resource redeployment

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

### ■ Active recruitment of professionals with specialist knowledge

- Recruitment of actuaries and other professionals skilled in specialized fields

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

Establishment of Alumni Network  
(September 2022)

Establishment of recruitment courses specialized in digital technologies (FY2022)

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

### ■ Promotion of diversity

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



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

Rate of taking childcare leave (FY2024): 100% for both male and female employees

Support for diverse career development

- Career challenge system
- Provide role models

### ■ Work style reforms

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

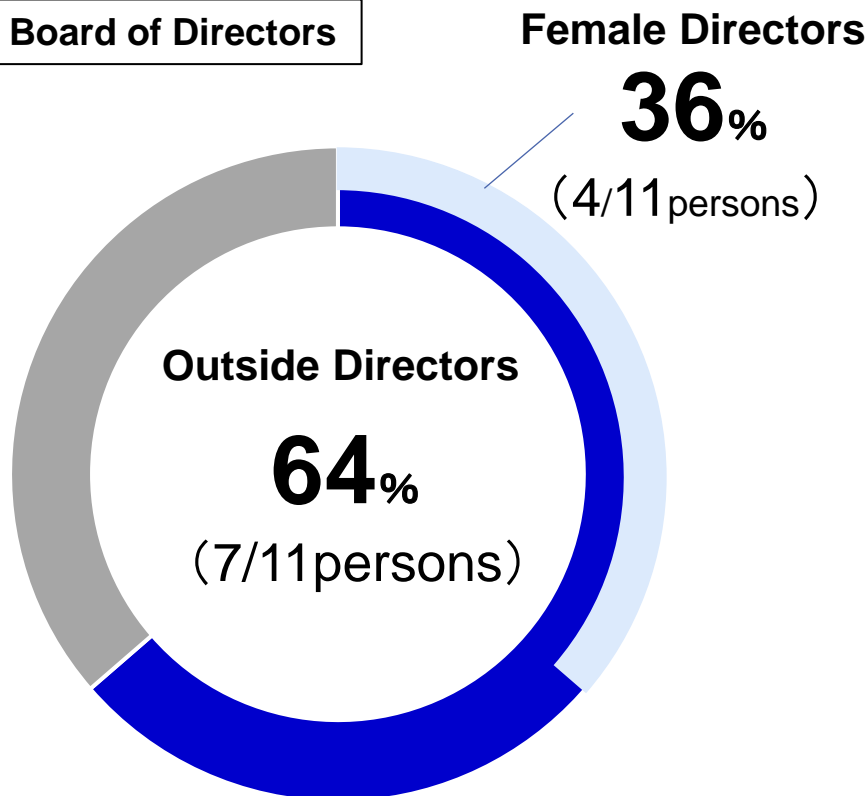
**Aim to be a company where all officers and employees are able to grow with the Company and work with confidence and pride**

# Board of Directors and Committee Meetings

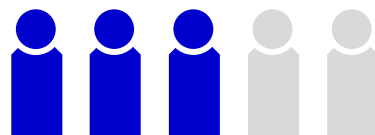
- Strengthened corporate governance and enabled faster decision-making by adopting the corporate structure of a company with a Nominating Committee and other committees, and clearly separate the business execution and supervisory functions.
- Majority of directors in our Board of Directors are outside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

## Composition of the Board of Directors

### Board of Directors

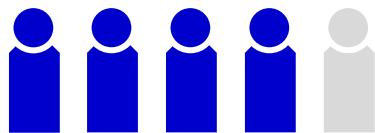


### Nomination Committee



Outside

### Audit Committee



Outside

### Compensation Committee



Outside

## Meetings held in FY2024

### [Number of Meetings held]

Board of Directors	13
Nomination Committee	7
Audit Committee	16
Compensation Committee	6

### [Principal Matters resolved

#### by the Board of Directors in FY2024]

- Review of the Medium-Term Management Plan
- Strategic partnership and capital and business alliances with other companies<sup>1</sup>
- Measures to implement management that is conscious of the cost of capital and stock price

Note: Composition of the Board of Directors as of July 1, 2025

1. Including reports on the progress and future policy on collaboration with KKR and Global Atlantic based on strategic partnership, and decision on capital and business alliance with Daiwa Securities Group in the asset management field.



# Compensation System for Executive Officers

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

Executive Officer compensation overview












Type	(Conventional)	(Future)
(1) Basic compensation (fixed monetary compensation)	Fixed	Fixed
(2) Performance-linked monetary compensation (bonus) <b>[NEW]</b>	—	Variable
(3) Performance-linked stock compensation	Variable	Variable
(4) Non-performance-linked stock compensation <b>[NEW]</b>	—	Variable

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

Indicators for performance-linked compensations (FY2024)

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

# Skill Matrix for Directors

Position	Name	Major concurrent post	Corporate management	Financial affairs /Accounting	Human resources/ Human resources development	Sales/Marketing	ICT/DX	Finance /Insurance	Asset management
Outside Directors	TONOSU Kaori 	Outside Director of Internet Initiative Japan Inc.	○		○		○	○	
	TOMII Satoshi 	Chairman of DBJ Investment Advisory Co., Ltd.	○	○				○	○
	SHINGU Yuki 	Director of Future Corporation	○		○	○	○		
	OMACHI Reiko 	Attorney-at-law						○	○
	YAMANA Shoei 	Outside Director of SCSK Corporation	○		○	○	○		
	HOSOYA Kazuo 	Outside Director of Dexerials Corporation	○		○	○			
	UNO Akiko 	Outside Director of OHBA CO.,LTD				○	○		
Internal Directors	TANIGAKI Kunio 	Director and President, CEO, Representative Executive Officer of the Company	○	○	○	○		○	
	ONISHI Toru 	Director and Deputy President Representative Executive Officer of the Company	○	○	○	○	○	○	
	NARA Tomoaki 	Director of the Company	○	○	○		○	○	○
	NEGISHI Kazuyuki 	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.	○	○	○	○		○	○

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



#### <Guidance>

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

#### **Financial data (in Excel format)**

Balance Sheets and Income Statements, among others\*

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

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

#### **Disclosure materials**

Annual Report

▶ [https://www.jp-life.japanpost.jp/english/aboutus/financial/en\\_abt\\_fnc\\_ar.html](https://www.jp-life.japanpost.jp/english/aboutus/financial/en_abt_fnc_ar.html)

#### **ESG information**

Sustainability Report

▶ [https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg\\_library/sustainability\\_report.html](https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg_library/sustainability_report.html)

ESG Data

▶ [https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg\\_library/databook.html](https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg_library/databook.html)

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