

# Revision to the Definitions of Adjusted Profit and Adjusted ROE

November, 2024



**JAPAN POST INSURANCE**

# Revision to the Definitions of Adjusted Profit and Adjusted ROE

- In order to reflect the Company's intrinsic earning capacity, we have revised the definitions of adjusted profit and adjusted ROE. Specifically, we will add back the amount of amortization of goodwill deducted from net income, and we will also deduct the unamortized balance of goodwill from the denominator of adjusted ROE.
- The target levels for adjusted profit and adjusted ROE for the fiscal year 2025 remain unchanged.

## Revision to the definitions of adjusted profit and adjusted ROE

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

New

New

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

## FY2025 targets for adjusted profit and adjusted ROE

Adjusted profit	¥97.0bn	<span style="border: 1px solid black; border-radius: 15px; padding: 2px 5px; background-color: #808080; color: white; transform: rotate(-15deg);">unchanged</span>	Adjusted ROE	Approx. 6%	<span style="border: 1px solid black; border-radius: 15px; padding: 2px 5px; background-color: #808080; color: white; transform: rotate(-15deg);">unchanged</span>
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