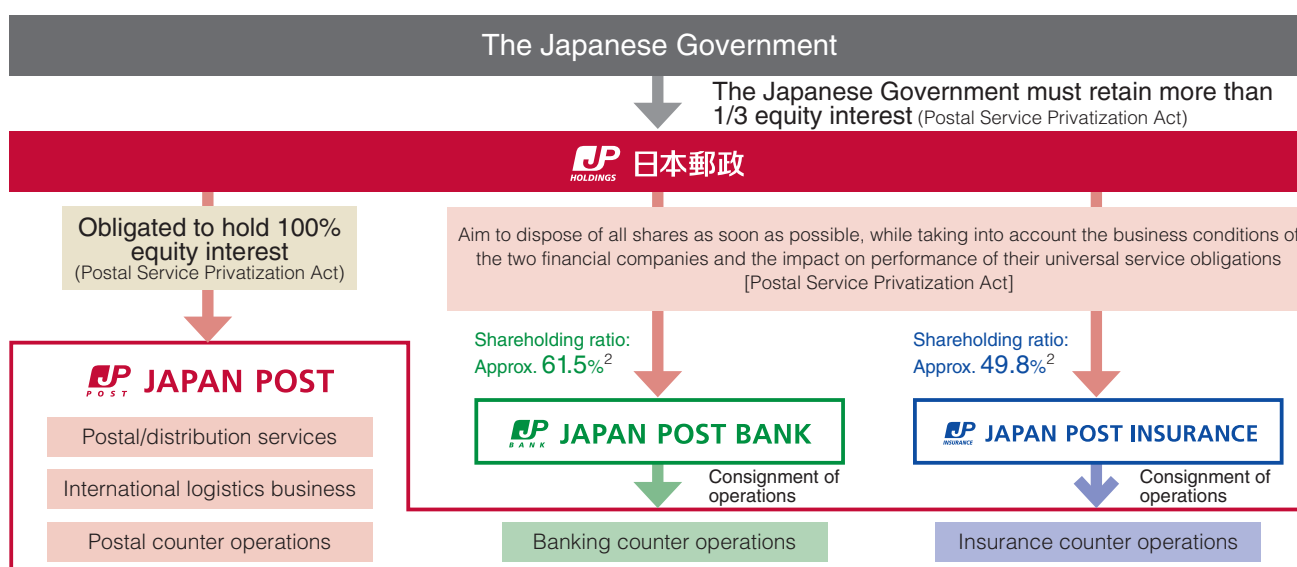


## Our Position within the Japan Post Group

### Structure of the Japan Post Group

The life insurance business, carried out by Japan Post Insurance, is one of the three main businesses of the Japan Post Group.

In view of its universal service obligation, Japan Post Holdings aims to dispose of its entire equity interest in Japan Post Insurance and Japan Post Bank as soon as possible, in accordance with the Postal Service Privatization Act.<sup>1</sup>



Notes: 1. Universal service refers to the obligation of Japan Post Holdings and Japan Post Co. to maintain a post office network to ensure that postal services, simple savings, transfer and receivables and payables settlement services, and easy-to-use life insurance services can be used uniformly at post offices via user-oriented simple methods, and that such services can be used in a universally fair manner in the future throughout Japan. Insurance counter operations include insurance solicitation for whole life insurance and endowment insurance, and accepting claims for payment of maturity and survival benefits for such insurance at post offices (Article 7-2 of the Postal Service Privatization Act and Article 5 of the Act on Japan Post Holdings Co., Ltd.).  
2. Ratio of the number of shares held to the total number of issued shares excluding treasury shares.

### Additional Restrictions Under the Postal Service Privatization Act

There are additional restrictions under the Postal Service Privatization Act to ensure fair competition with other life insurance companies.

As the percentage of Japan Post Insurance shares held by Japan Post Holdings fell below 50% in May 2021, a part of additional regulatory restrictions relating to new businesses was relaxed, thereby establishing an environment in which the Company can further provide insurance services to meet our customers' needs.

Item	Additional Restrictions Under the Postal Service Privatization Act		
	Until Japan Post Holdings disposes of 50% or more of the shares of the Company	After Japan Post Holdings disposes of 50% or more of all the shares of the Company until the designated date <sup>2</sup>	After the designated date <sup>2</sup>
New business	Approval by the specified ministers <sup>1</sup> (a hearing at the Postal Privatization Committee is required)	Prior notification to the competent ministers (obligation to consider competitors, notification to the Postal Privatization Committee is required)	No regulations under the Postal Service Privatization Act <sup>3</sup>
Limit on coverage amount	Prescribed in a cabinet order (a hearing at the Postal Privatization Committee is required to revise) - Limit on coverage amount: in principle, ¥10 mn (total of ¥20 mn after 4 years have elapsed since start of coverage (ages 20-55))		No regulations under the Postal Service Privatization Act
Subsidiary	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%		No regulations under the Postal Service Privatization Act

Notes: 1. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister for Internal Affairs and Communications  
2. Designated date: The earlier of (i) 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 and (ii) the disposal of Japan Post Holdings' entire equity interest in the Company  
3. Regulations under the Insurance Business Act will continue.

## Provision of Services through Post Offices

The Company has entered into an operations consignment agreement with Japan Post Co., which has a nationwide network of post offices, and provides our products and services through post offices across Japan.

The Company pays Japan Post Co. commissions for insurance solicitation, maintenance and claim payment based on the operations consignment agreement.



### Commissions for insurance solicitation, maintenance and claim payment

#### ○ Commissions for insurance solicitation

Payment of commissions for insurance solicitation operations consigned to Japan Post Co. is mainly linked to new policies (solicitation results).

Commissions are calculated based on a formula generally used in the life insurance industry and are basically paid in installments over several years.

#### ○ Commissions for maintenance and claim payment

For maintenance and claim payment services consigned to Japan Post Co., commissions are paid according to a unit price, which is set based on the processing time and other aspects of the services provided at post offices.

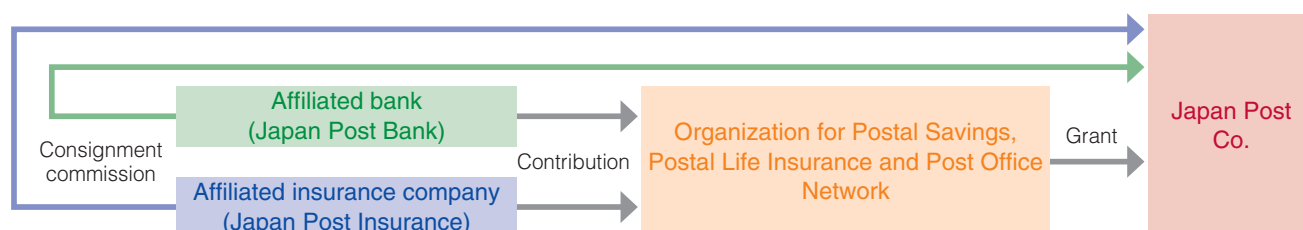
Commissions include a commission proportional to the number of policies in force, the number of post offices, etc. (basic commission), and a commission for the maintenance of policies in force and others (incentive commission).

## Overview of the Grant and Contribution System

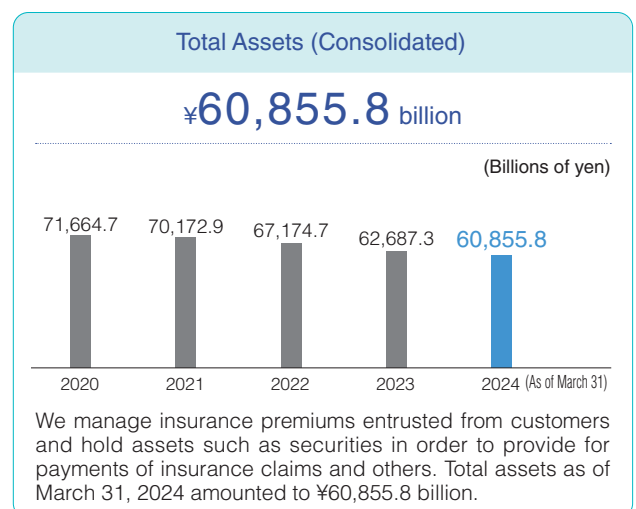
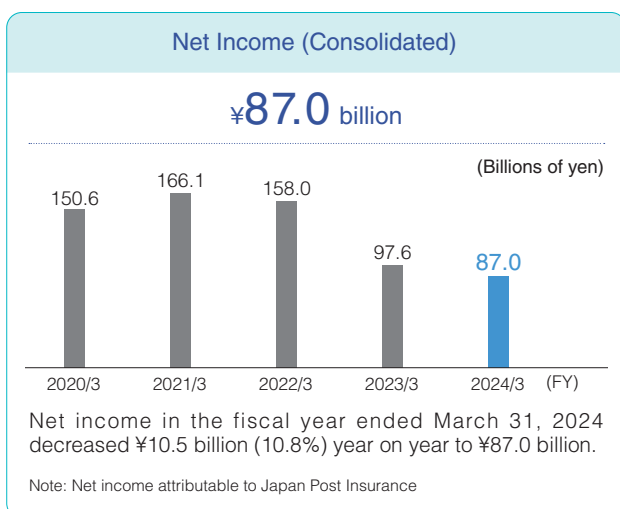
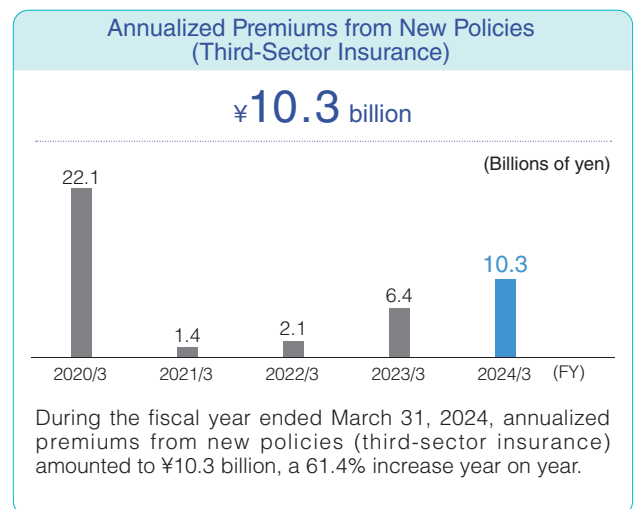
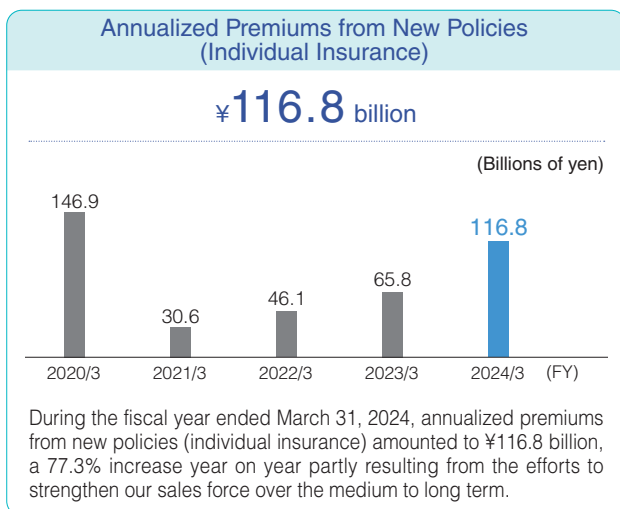
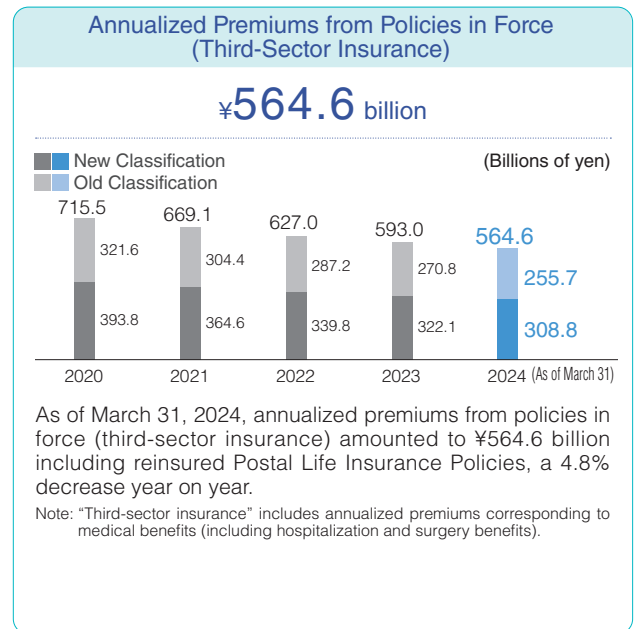
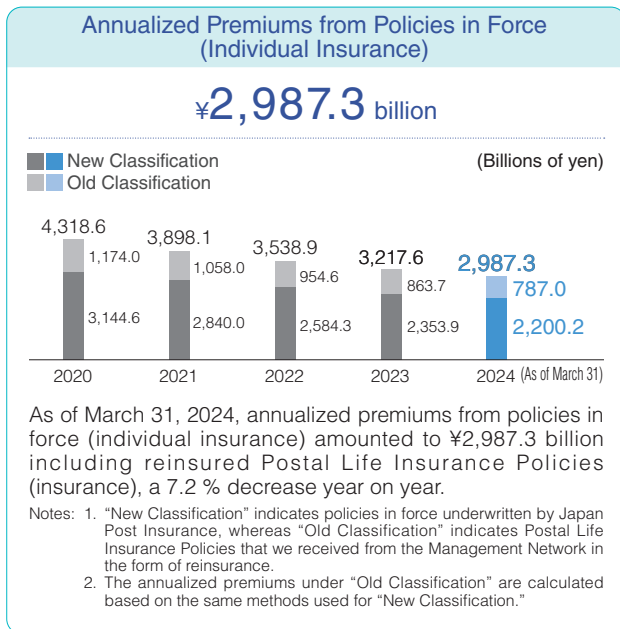
The Act to Partially Revise the Act on the Management Organization for Postal Savings and Postal Life Insurance was enacted on December 1, 2018.

From the fiscal year ended March 31, 2020, the basic expenses required for the maintenance of the post office network will be covered by the funds provided to Japan Post Co. from the Organization for Postal Savings, Postal Life Insurance and Post Office Network using the contributions from Japan Post Insurance and Japan Post Bank.

### Framework of the grant and contribution system

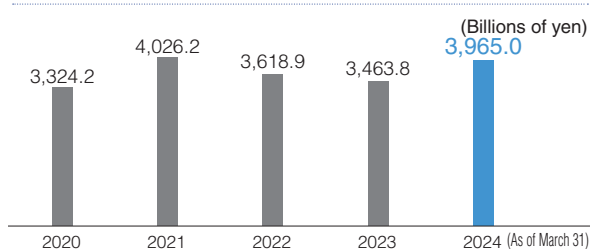


## Financial Highlights



## Embedded Value (EV)

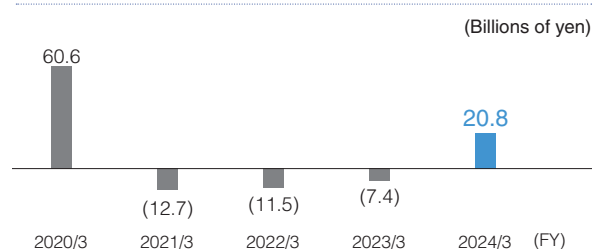
¥3,965.0 billion



Embedded value (EV) is one of the corporate value indicators for life insurance companies. Our EV as of March 31, 2024 was ¥3,965.0 billion, a ¥501.2 billion increase year on year, mainly due to an increase in unrealized gains or losses of domestic stocks holdings resulting from an increase in the market value of domestic stocks.

## Value of New Business

¥20.8 billion

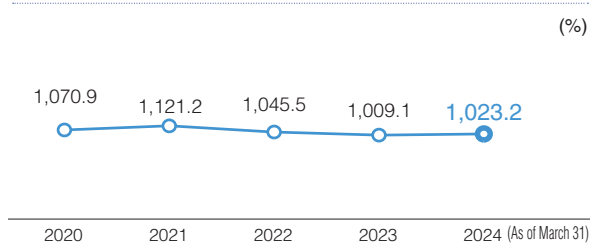


The value of new business is the present value of future profits expected from new business. The value of new business for the fiscal year ended March 31, 2024 increased ¥28.3 billion year on year to ¥20.8 billion, mainly due to higher interest rates and an increase of the number of new policies.

Note: Please see pages 95–96 of this section and pages 109-111 of the data section for the details of EV and the value of new business.

## Consolidated Solvency Margin Ratio

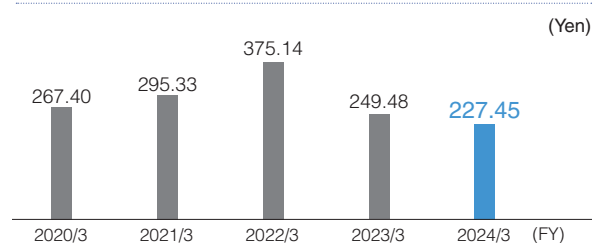
1,023.2%



Our consolidated solvency margin ratio as of March 31, 2024 remained high at 1,023.2%, significantly exceeding 200%, the criterion of prompt corrective action by the regulatory agency.

## Earnings per Share (EPS)

¥227.45

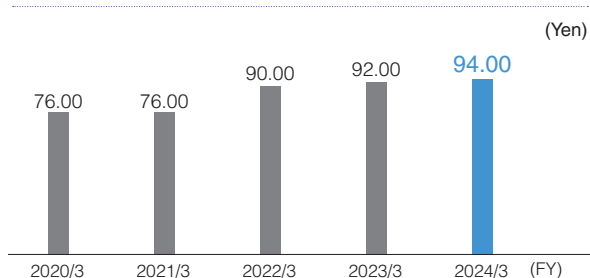


During the fiscal year ended March 31, 2024, earnings per share amounted to ¥227.45, a ¥22.03 decrease year on year.

Note: Figures for EPS are stated on a consolidated basis.

## Dividend per Share (DPS)

¥94.00



The dividend per share for the fiscal year ended March 31, 2024 was ¥94.

## Credit Ratings

As of June 1, 2024

Rating and Investment  
Information, Inc. (R&I)Japan Credit Rating  
Agency, Ltd. (JCR)

AA-

AA

Insurance Claims Paying Ability

Ability to Pay Insurance Claims Rating

Standard &amp; Poor's (S&amp;P)

A+

Insurer Financial Strength Ratings

Note: Ratings are the opinion of the rating agencies and do not represent any guarantee by the rating agencies regarding the payment of insurance claims or other matters. Ratings could change in the future based on the judgment of the rating agencies.

## Major Financial and Non-Financial Data

Financial data	As of/For the years ended March 31	2015	2016	2017	2018			
Results of operations and financial position								
Ordinary income	¥	10,169.2	¥	9,605.7	¥	8,659.4	¥	7,952.9
Ordinary profit		492.6		411.5		279.7		309.2
Core profit		515.4		464.2		390.0		386.1
Spread (positive/negative spread)		66.9		97.4		78.5		65.8
Core profit attributable to life insurance activities		448.4		366.8		311.4		320.3
Net income		81.3		84.8		88.5		104.4
Capital stock		500.0		500.0		500.0		500.0
Number of shares issued (Thousands of shares)		20,000		600,000		600,000		600,000
Total assets		84,915.0		81,545.1		80,336.7		76,831.2
Contingency reserve		2,498.7		2,374.8		2,254.0		2,114.3
Reserve for price fluctuations		712.1		782.2		788.7		916.7
Securities		66,276.2		63,609.9		63,485.2		60,130.9
Major financial soundness indicators								
Consolidated solvency margin ratio (%)		1,644.2		1,570.3		1,290.6		1,131.8
Economic solvency ratio (ESR) (%)		179		167		176		186
Status of policies								
Annualized premiums from policies in force (individual insurance)		5,182.5		5,031.4		4,979.6		4,859.5
Annualized premiums from policies in force (third-sector insurance)		748.0		738.7		736.1		750.9
Annualized premiums from new policies (individual insurance)		457.8		485.3		507.9		376.2
Annualized premiums from new policies (third-sector insurance)		41.1		49.5		55.7		59.2
Corporate value								
EV		3,613.7		3,151.0		3,355.6		3,743.3
Value of new business		154.9		192.7		36.8		226.7
Per share indicators								
Earnings per share (EPS) (Yen)		4,066.16						
		135.54		141.50		147.71		174.21
Dividend per share (DPS) (Yen)		1,226.38		56.00		60.00		68.00
(of which, interim dividend per share)		[—]		[—]		[—]		[—]

Non-financial data	As of/For the years ended March 31	2020	2021	2022	2023	2024
Number of employees (Persons)		7,638	7,645	7,545	19,148	18,427
Male (Persons)		4,270	4,233	4,147	14,759	14,088
Female (Persons)		3,368	3,412	3,398	4,389	4,339
Average age (Age)		39.4	39.9	40.5	43.6	43.9
Male (Age)		42.1	42.7	43.2	45.0	45.3
Female (Age)		35.9	36.5	37.3	38.9	39.5
Average years of service (Years)		15.0	15.4	15.9	18.3	18.5
Male (Years)		17.8	18.3	18.7	19.6	19.7
Female (Years)		11.5	11.8	12.5	13.8	14.3
Number of foreign employees (Persons)		4	4	5	9	8
Monthly average amount of overtime per employee (Hours)		8.9	7.1	8.6	7.1	9.2
Rate of taking paid leave (%)		93.9	90.6	89.8	97.1	96.0
Return-to-work rate of employees who took childcare leave (%)		97.7	96.8	98.0	98.7	98.2
Number of employees who returned to work (Persons)		169	210	243	368	336
Number of employees who took nursing care leave (Persons)		14	10	6	26	15
Status of retention of new employees (after 3 years) (%)		87.2	86.0	86.8	87.3	85.2
Wage difference between men and women (%)		—	—	—	73.0	73.4
Regular workers (%)		—	—	—	71.5	71.8
Non-regular workers (%)		—	—	—	78.2	80.6

(Billions of yen unless specifically indicated)

	2019	2020	2021	2022	2023	2024
¥	7,916.6	¥ 7,211.4	¥ 6,786.2	¥ 6,454.2	¥ 6,379.5	¥ 6,744.1
	264.8	286.6	345.7	356.1	117.5	161.1
	377.1	400.6	421.9	429.7	192.3	224.0
	58.4	80.4	76.3	133.3	94.0	91.8
	318.7	320.1	345.6	296.4	98.2	132.1
	120.4	150.6	166.1	158.0	97.6	87.0
	500.0	500.0	500.0	500.0	500.0	500.0
	600,000	562,600	562,600	399,693	399,693	383,192
	73,905.0	71,664.7	70,172.9	67,174.7	62,687.3	60,855.8
	1,962.7	1,797.3	1,611.3	1,690.9	1,701.8	1,725.3
	897.4	858.3	904.8	972.6	889.9	873.7
	58,451.5	55,870.5	55,273.6	53,417.5	49,841.4	47,693.8
	1,189.8	1,070.9	1,121.2	1,045.5	1,009.1	1,023.2
	225	116	205	169	172	206
	4,677.1	4,318.6	3,898.1	3,538.9	3,217.6	2,987.3
	753.1	715.5	669.1	627.0	593.0	564.6
	351.3	146.9	30.6	46.1	65.8	116.8
	61.6	22.1	1.4	2.1	6.4	10.3
	3,925.7	3,324.2	4,026.2	3,618.9	3,463.8	3,965.0
	223.8	60.6	(12.7)	(11.5)	(7.4)	20.8
	200.86	267.40	295.33	375.14	249.48	227.45
	72.00	76.00	76.00	90.00	92.00	94.00
	[—]	[38.00]	[—]	[45.00]	[46.00]	[47.00]

- Notes: 1. The financial data represent consolidated figures. However, core profit, number of shares issued, status of policies and dividend per share represent non-consolidated figures. Furthermore, net income represents net income attributable to Japan Post Insurance.
2. In the calculation of core profit, partial amendments (including costs for hedging currency fluctuations and excluding gains on cancellation of mutual funds from the calculation) have been made from the fiscal year ended March 31, 2023, from the perspective of reflecting the economic situation and encouraging consistency in the handling among companies. The figure for core profit for the fiscal year ended March 31, 2022 is calculated by applying such calculation procedures. Therefore, core profit and spread (positive/negative spread) are calculated based on different standards for the fiscal years ended March 31, 2015 through 2021 and the fiscal year ended March 31, 2022 onwards.
3. The total number of shares issued is truncated to the nearest thousand.
4. The Company implemented a 30:1 stock split effective August 1, 2015. The lower rows of the fiscal year ended March 31, 2015 for EPS have been calculated assuming the stock split was implemented on April 1, 2013.
5. The Company cancelled its treasury stock on May 31, 2019, reducing the total number of shares issued by 37,400 thousand shares.
6. The Company cancelled its treasury stock on August 20, 2021, reducing the total number of shares issued by 162,906 thousand shares.
7. The Company cancelled its treasury stock on May 8, 2023, reducing the total number of shares issued by 16,501 thousand shares.
8. The consolidated solvency margin ratios have been calculated in accordance with the provisions set forth in Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and in the public notification No. 23 issued by the Financial Services Agency in 2011.
9. In the calculation of the consolidated solvency margin ratio from March 31, 2016 onwards, the total amount of solvency margin was partially amended in accordance with the Cabinet Office Ordinance No. 16 of 2016. Accordingly, the consolidated solvency margin ratios on March 31, 2015 and March 31, 2016 onwards were calculated based on different standards.
10. The economic solvency ratio (ESR) is the capital amount based on economic value divided by the integrated risk amount based on economic value and is one of the indicators that represents the financial soundness of life insurance companies (Figures are based on the Company's internal model; 99.5% confidence level). The Company shifted to a new ESR measurement model in the fiscal year ended March 31, 2022.
11. Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.
12. Annualized premiums from policies in force include reinsured Postal Life Insurance Policies (for individual insurance, limited to Postal Life Insurance Policies (insurance)).
13. Third-sector insurance includes medical benefits (including hospitalization and surgery benefits), living benefits (including limited illness and nursing care benefits), and premium payment waivers benefits (excluding disability and including specified diseases and nursing benefits).
14. The value of new business for the fiscal year ended March 31, 2016 onwards is calculated as the difference between the EV calculated on the basis of the profit and loss for all in-force covered business including new business issued, and the EV calculated on the basis of the profit and loss for all in-force covered business if no new business had been issued (the value of new business for the fiscal year ended March 31, 2015 is calculated on the basis of the profit and loss for new business on a stand-alone basis).
15. The Company established a Board Benefit Trust (BBT) in the fiscal year ended March 31, 2017. Shares of the Company held in the trust, which was recorded as treasury stock under the category of shareholders' equity, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating EPS.
16. The number of employees excludes employees assigned to other companies by Japan Post Insurance but includes employees assigned to Japan Post Insurance by other companies. The figures exclude non-regular employees (including indefinite-term employees based on the indefinite-term employment conversion system).
17. Average age and average years of service are based on attained ages and years of service as of March 31 of each fiscal year, and truncated to the first decimal place.
18. Average years of service represents the number of years of continuous service including years at the Ministry of Posts and Telecommunications, the Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.
19. The calculation method for the rate of taking paid leave has been partially changed from the fiscal year ended March 31, 2022 (excluding from the denominator, employees who took zero days of paid leave during the period due to childcare leave, leave of absence, etc.).
20. The calculation method for the return-to-work rate of employees who took childcare leave, the number of employees who returned to work, and the number of employees who took nursing care leave has been changed from the fiscal year ended March 31, 2024. Following the change, the scope excludes employees assigned to Japan Post Insurance by other companies, but includes employees assigned to other companies by Japan Post Insurance.
21. Status of retention of new employees represents the retention rate of new graduates for each year after three years from their employment.
22. The wage difference between men and women is based on employees recorded on the wage ledger, and includes employees seconded from other companies and employees seconded to other companies who are paid by the Company in accordance with the terms of their secondment agreements.
23. The wage difference between men and women is based on the wage ledger and is the ratio of the average wages of female workers recorded to the average wages of male workers recorded (average annual wages = total wages / number of employees). Retirement allowances are excluded from total wages, and employees on leave are excluded from the number of employees. In addition, associate employees who have been converted to indefinite-term employment based on the system for conversion to indefinite-term employment are included in regular (indefinite) workers.
24. The Company does not differentiate between men and women in terms of the wage system, operations such as promotions or pay raises, or hiring standards. The main factor for regular workers in the difference in wages between men and women is that there is a bias in the ratio of men and women based on the age structure, where the percentage of women is low in the older and in management positions, where wages are relatively high. The main reason for the non-regular workers is the high salaries of professional hires, which account for about 40% of the male workers. The Company continues to work on increasing the ratio of female managers through efforts including implementing career development support for female employees who are expected to be active in management positions in the future.