

Reviewed Medium-term Management Plan (FY2021 – FY2025)

May, 2024



JAPAN POST INSURANCE

Agenda

1. Concept of Review

2. Growth Strategies

3. Sustainability Management

4. Management Conscious of Capital Efficiency

1. Concept of Review

2. Growth Strategies

3. Sustainability Management

4. Management Conscious of Capital Efficiency

Concept of Reviewed Medium-term Management Plan (FY2021 – FY2025)

- As three years has passed since the formulation of the Medium-term Management Plan, we have reviewed it based on changes in the internal and external environments and our progress of the plan while maintaining the basic policies such as thoroughly implementing customer-oriented business operations.

Changes in business environment

- | | |
|-----------------------------|---|
| External environment | <ul style="list-style-type: none"> From a world without interest rates to a world with interest rates Changes in customer contact points due to accelerated digitalization |
| Internal environment | <ul style="list-style-type: none"> Resumption of senior citizen solicitation based on customer-oriented business operations Decrease in number of sales employees as the hiring climate becomes tough |

Basic policy

Major progress

Reconstruction

Continue efforts to regain trust

- With the thorough implementation of customer-oriented business operations, all measures outlined in the business improvement plan have been implemented
- Start business operations with new Japan Post Insurance sales system
- Sales of new medical riders and lump-sum payment whole life insurance
- Promote deepened and sophisticated asset management, business efficiency, etc.

Reinforce business foundations

Sustainable growth

Improve customer experience value

- Implement DX¹ measures to improve CX², including online attendance during the new policy application procedure and expansion of My Page functions.

Promote ESG management

(contribute solutions to social issues)

- Promote measures that contribute to resolving social challenges, such as impact investment, progress in academic-industrial collaboration and home nursing care services

Corporate culture and work-style reform

- Improve ES scores while promoting diversity through various improvement measures and promotion of expanding roles for female employees

Reinforcement of governance, solvency policy

- Achieve stable shareholder returns while maintaining financial soundness based on ERM³

Main Points of the Reviewed Medium-Term Management Plan

Through a post office network, etc., we maintain connections with customers as “a trusted partner easy to consult with”.

- Expand product line-up that includes both savings-oriented features and protection-oriented features
 - Enhance after-sales follow-ups via physical and digital means

- Further diversification of revenue sources through domestic and international alliances, etc.

- Promote human capital management / Corporate culture reform

- Further promotion of management conscious of capital efficiency

{ Also, we will steadily progress with the other initiatives such as asset management and streamlining business operations }

¹ DX is an abbreviation for Digital Transformation./² CX is an abbreviation for Customer Experience. / ³ ERM is an abbreviation for Enterprise Risk Management.

Primary Targets

Financial Targets. Etc.		FY2025 Targets	FY2023 Results
unchanged	Customer satisfaction¹ NPS^{®2}	Customer satisfaction Aim for 90% or more NPS [®] Aim for One of the highest in the industry	Customer satisfaction: 83% NPS [®] : lower rank in the industry
reviewed	Numbers of policies in force	Before the review: 20 million or more policies After the review: 18.5 million or more policies	19.7 million policies
new	Adjusted profit [Ref: Net income]	Before the review: - [¥91.0bn] After the review: ¥97.0bn [¥80.0bn]	- [¥87.0bn]
unchanged	Dividends per share (DPS)	In principle aim not to decrease but to increase dividend per share for the period of the Medium-term Management Plan (Average Total Payout Ratio in the medium term: 40% ~ 50%)	¥94 FY24(Forecast) : ¥104
new	Adjusted ROE	Approx. 6%	-
unchanged	EV growth (RoEV)³	Aim for 6% to 8% growth	7.6%

ESG Targets

unchanged	CO₂ emissions	FY2030(compared to FY2019) Reduce 46% ^{4,5} Aim to achieve carbon neutrality by 2050 ⁵	FY2022 Results (33.9%)
	Ratio of female managers	FY2030 The ratio of female managers at the head offices: 30% ⁶ (Strive to establish an adequate environment, raise awareness and develop human resources with a view to increasing employees who wish to become managers and executives, in an effort to increase female managers outside the head office as well)	FY2023 Results 15.0%

1. The total percentage of customers who responded "satisfied" or "somewhat satisfied" in a 5-level rating of customer satisfaction.
2. NPS[®] is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. (currently NICE Systems, Inc.)
3. Calculated by excluding economic variance factors
4. Subject to Scope 1 (direct emissions from the company) and Scope 2 (emissions associated with the use of electricity, etc. supplied by other companies) of the four main companies of Japan Post Group. Increases due to new businesses such as the real estate business have been excluded.
5. In order to achieve the targets, the carbon neutralization is necessary, including the popularization of renewable energy in Japan. Japan Post Group will also support the carbon neutralization of Japan and the world. We will support the Paris Agreement and promote efforts to achieve carbon neutrality.
6. Ratio of female managers at the head offices of the four main companies of Japan Post Group. The Group aims to achieve the ratio above as of April 1, 2031, a date when the effect of the initiatives up to FY2030 will have become apparent

Introduction of Adjusted Profit

- Considering the characteristics unique to life insurance companies whose sales recovery has a negative impact on net income in the short term, we are introducing “adjusted profit” that partially adjusts for such negative impact as a management target and source of shareholder returns.
- We aim to achieve medium- to long-term growth exceeding the cost of shareholders’ equity (approx. 6%) under adjusted ROE, with adjusted profit as the numerator and shareholders’ equity as the denominator.

Adjusted profit

- By adjusting the burden of regular policy reserves from net income, we can mitigate the effect of decline in short-term profits when considering future sales recovery
- Stable returns to shareholders while ensuring soundness by treating adjusted profit as a source of shareholder returns

Adjusted profit

Net income
+ Burden of regular policy reserves
in the first year (after tax)

Target adjusted profit for FY2025: ¥97.0bn

Adjusted ROE

- Our cost of shareholders’ equity believed to be approx. 6%
- Aim to achieve medium- to long-term growth exceeding the cost of shareholders’ equity under adjusted ROE with adjusted profit as the numerator and shareholders’ equity as the denominator

Adjusted ROE

Adjusted profit
÷ Shareholders’ equity (average)

Target adjusted ROE for FY2025: approx. 6%

→ Aim for medium- to long-term growth exceeding the cost of shareholders’ equity

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Overall picture of the growth strategies

- While thoroughly implementing customer-oriented business operations, we aim to retain and expand customer base based on connections across life stages/generations, and grow into a sustainable and “strong company” that can secure stable income

“Unchanged”
Value we offer

We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product

Retain and expand customer base based on connections across life stages/generations

- Increase the appeal of savings products in tune with rising interest rates and other external factors; expand product line-up to meet the diverse customer needs
- Enhance after-sales follow-ups with quality and quantity, leading to improved CX

- Along with a sense of familiarity as “Post Office insurance,” we maintain connections with customers as “a trusted partner easy to consult with” and provide assurance across life stages/generations, aiming to retain and expand customer base

Grow into a sustainable and “strong company”

Achieving greater depth and evolution of asset management

- Under appropriate risk management, secure and increase stable asset management earnings
- Achieving greater depth and evolution of asset management that also contributes to promoting Japan as a “Leading Asset Management Center,” such as embarking on a new stage of sustainable investment focused on impact investments (Innovation3.0).

Diversify sources of revenue / Create new opportunities for growth

- Expand collaborations based on various alliances both in Japan and abroad; continue exploration to create new opportunities for growth

Streamline business operations

- By streamlining front line/back office operations, proceed with personnel shifting to production divisions and promote reduction of necessary expenses
- Reduce necessary expenses to 502.0 billion Yen (FY 2025), while responding to inflation beyond expectations and strengthening investment in human capital.

Retain and expand customer base based on connections across life stages/generations

- We maintain connections with customers as “a trusted partner easy to consult with” and continue providing assurance across life stages/generations.
- To this end, we work to expand our product line-up to meet the diverse customer needs and further enhance after-sales follow-ups with quality and quantity.

Expand product line-up to meet the diverse customer needs

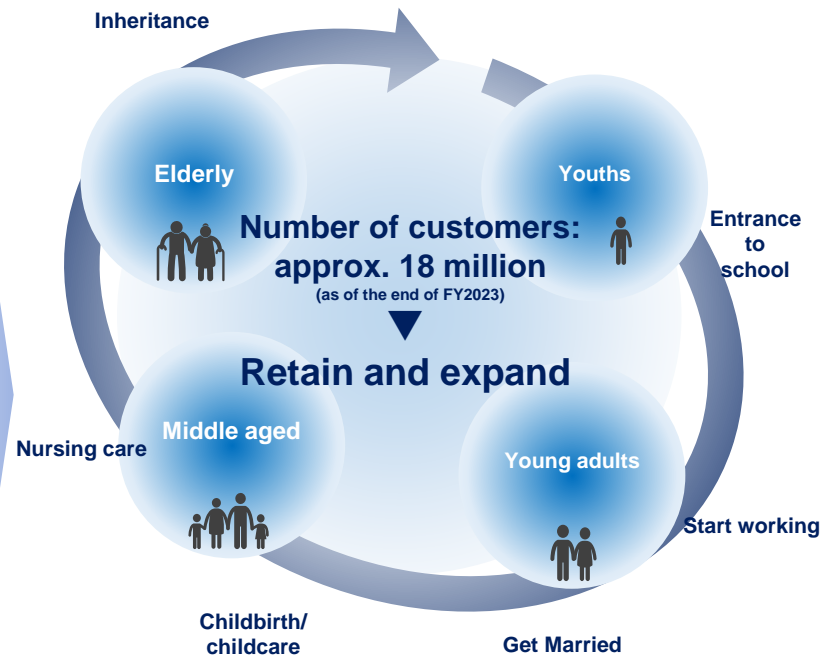
- Increase the appeal of savings products in tune with rising interest rates and other external factors
- Expand product line-up that includes both savings-oriented features and protection-oriented features

Remain close to customers as “a trusted partner easy to consult with”

Enhance after-sales follow-ups with quality and quantity, leading to improved CX

- Maintain connections with customers via physical and digital means to build relationships in which they feel comfortable consulting with us at anytime
- Payment of insurance claims, provision of useful information, resolution of problems ,etc. based on a timely understanding of situations, expectations and concerns of customers and their families

Connections across life stages/generations



- Leveraging the industry's largest customer base and connections with customers across life stages/generations, retain and expand customers

《Connect maturities》

Number of insurance payouts on maturity: approx. 1.3 million (FY2023)

- Provide insurance seamlessly to customers whose insurance policies reached maturity

《Connect generations》

- Explain the necessity of insurance to next-generation prospects, gain their understanding and provide assurance

Attend to customers through a post office network, etc.
(active recruitment and development of sales employees)



(Reference) DX Promotion for CX Improvement

- We are working to improve customer convenience and quality of our services by promoting DX such as following up on customers using digital means, digitalizing procedures, and streamlining and automating operations, to ensure customers feel truly glad they chose Japan Post Insurance.

Initiatives

Enhancing customer follow-ups using digital means

<After-sales follow-ups via physical and digital means>

- Share information on customer procedures and attributes with consultants in a timely manner, and support the process of approaching customers
- Provide useful information tailored to customers' interests
[Example] Giving advance notice on policy maturity and delivery of certificate of payment, etc.

<Customer and employee support at customer centers>

- Customer center employees offer digital and non-face-to-face support to customers and front line employees
[Example] Real-time support, online attendance during the new policy application procedure

Digitalizing procedures/streamlining and automating operations

<Wider range of claims to file via My Page/online>

- Improve customer convenience by gradually expanding the range of procedures that can be completed via My Page or online
[Example] My Page members: approx. 1.2 million as of the end of FY2023

<Online claim acceptance>

- introduction of paperless "Japan Post Insurance Digital Procedure System", which allows requests to be processed on the spot
[Example] Full automation of approx. 70% of policy-maintenance and claim-processing operations*
* For back-office work for requests received at sales terminals

Future direction

- Promote DX with force in order to improve CX and support growth strategy

Enhancement of after-sales follow-ups

- Utilization of digital technology by all front- and back-office employees to jointly enhance after-sales follow-ups with quality and quantity
- As a trusted and familiar entity, we will continue to connect with customers and build a better relationship where customers feel free to consult with us

Further expansion of customer center functions

- Further expand customer center functions to improve customer convenience and support sales
- Promote reskilling and training of personnel responsible for enhancing various functions

Further promotion of business model reform

- Further improve CX by expanding the range of claims that can be processed through Japan Post Insurance Digital Procedure System and promoting registration and use of My Page
- Steadily proceed with reduction of workload through automation of operations and productivity improvement

(Reference)

By FY2023, DX promotion and other measures led to the reduction of existing service center workload by the equivalent of approx. 1,000 employees compared to FY2021. We aim to further reduce the workload by the equivalent of 1,000 employees by FY2025.

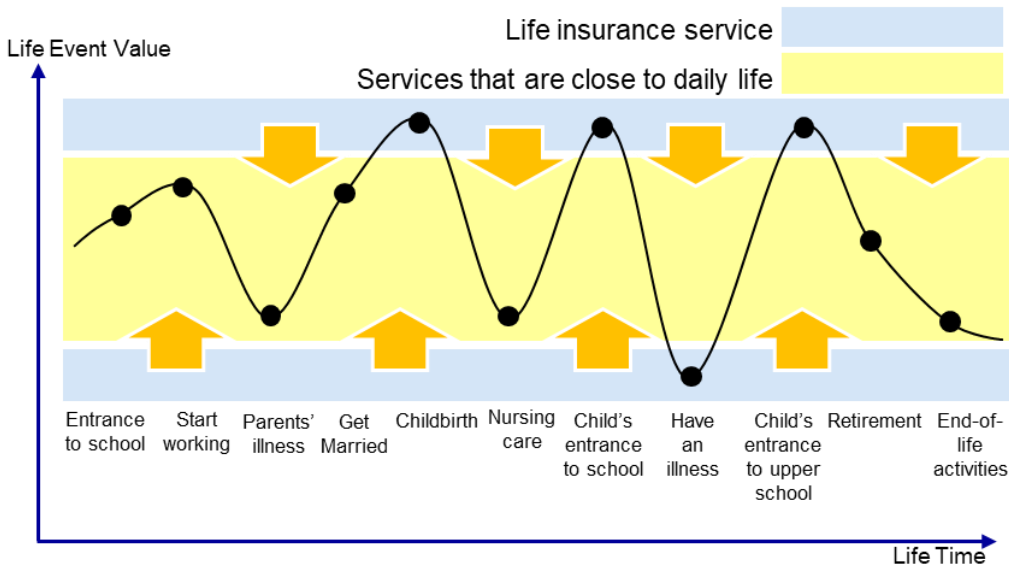
Retain and expand customer base based on connections across life stages/generations

(Reference) Services That Are Close to the Daily Lives of Customers

- By providing services to customers in all aspects of their lives and continuing to connect with them, we will be able to understand their needs in a more timely and accurate manner and to make optimal proposals that meet the needs of each individual.
- By providing services that are close to the daily lives of customers, we will continuously work to resolve social challenges our customers are facing.

Connections between customers' lifetimes and Japan Post Insurance (from points to lines)

- Help customers resolve their problems as they come by providing support as a trusted partner easy to consult with through daily after-sales follow-ups, etc.
- Build lasting connection with customers in all aspects of their lives (lines), as opposed to our conventional connection with customers in limited aspects of their lives (dots)



Case studies

- Solve problems for customers through cooperation with businesses that provide services that contribute toward solving social issues

End-of-life activities / inheritance

Family Trust Service (From Oct 2022)

- Launched the Family Trust Service as our complementary service, enabling flexible decision-making related to various methods for managing and disposing of customers' property according to family circumstances

Nursing care

Support for daily life and nursing care (From May 2023)

- Launched a complementary service, in which professionals such as care managers attend to the concerns and problems of the elderly customers themselves and their family members and provide appropriate information

Initiative for service expansion

CVC

Kampo NEXT Partners established (From May 2023)

- Established a subsidiary (CVC) to create business partnerships to enhance services that are close to the daily lives of customers and promote investment in promising venture companies

[Investment results] approx. ¥1.5bn in 8 companies as of March 2024

Achieving greater depth and evolution of asset management (Innovation 3.0)

- Under the ERM framework, we aim to secure stable asset management earnings and improve asset management earnings based on ALM management.
- We strive for greater depth and evolution of asset management (Innovation 3.0*), that also contributes to promoting Japan as a “Leading Asset Management Center,” which will be achieved through improving asset management earnings in response to changes in the market environment, expanding and advancing new businesses in collaboration with other companies, embarking on a new stage of sustainable investment with impact investments at its core, restructuring organizations and fostering specialists.

Improve asset management earnings

- Tactically and flexibly acquire additional earnings in tune with the market environment
- Restructure asset portfolio considering the departure from zero-inflation environment (concentrate new funding in inflation-resistant stocks, infrastructures, real estate, etc.)
- In light of the introduction of the new solvency regulation, establish an investment framework with an emphasis on economic value-based return against risk

Expand and develop new businesses

- In collaboration with MITSUI & CO., LTD., invest in and realize acquisition of a new asset management company, etc. through MKAM Co., Ltd.
- Seize revenue and create synergetic effects through collaborations, etc. with other companies, such as the expansion of asset management business

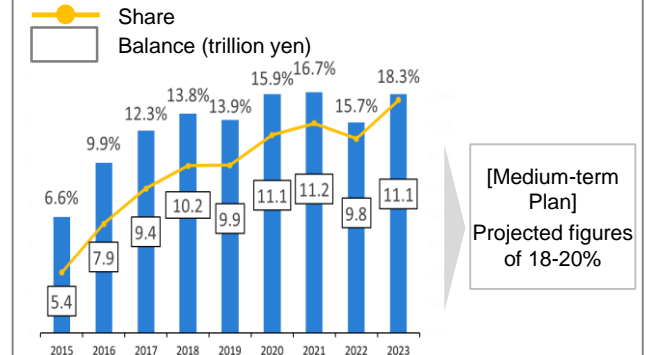
Embark on a new stage of sustainable investment

- Promote sustainable investment that creates a sense of “warmth” unique to Japan Post Insurance, with impact investments as the core (promote further the Impact “K” Project)
- As a universal owner and from the leading position in the financial industry, we realize investment and financing conducive to solving social issues and creating innovations mainly through academic-industrial collaborations
- Through “Responsible Investment Report,” etc., announce publicly our forward-thinking initiative of sustainable investment (including efforts to decarbonize our investment portfolio)

Restructure organizations/ Foster specialists

- Set up a specialized department to enhance knowledge on the investment fields and sustainability fields
- Develop specialists well-versed in cross asset trading and strengthen measures to foster personnel engaged in specialist jobs by way of active talent exchange with external parties
- Discuss and build optimal administrative and system structures capable of responding to changes in the market quickly

Return Seeking Assets



Embark on a new stage of sustainable investment

Under the “Impact ‘K’ Project,” promote impact orientated investment



Certified Funds	Mar-23	Mar-24
Number of certified fund (cumulative)	2	6
Amount of investment (cumulative)	¥1.75bn	¥22.55bn

[Medium-term Plan]
Target 15 projects and 50 billion yen

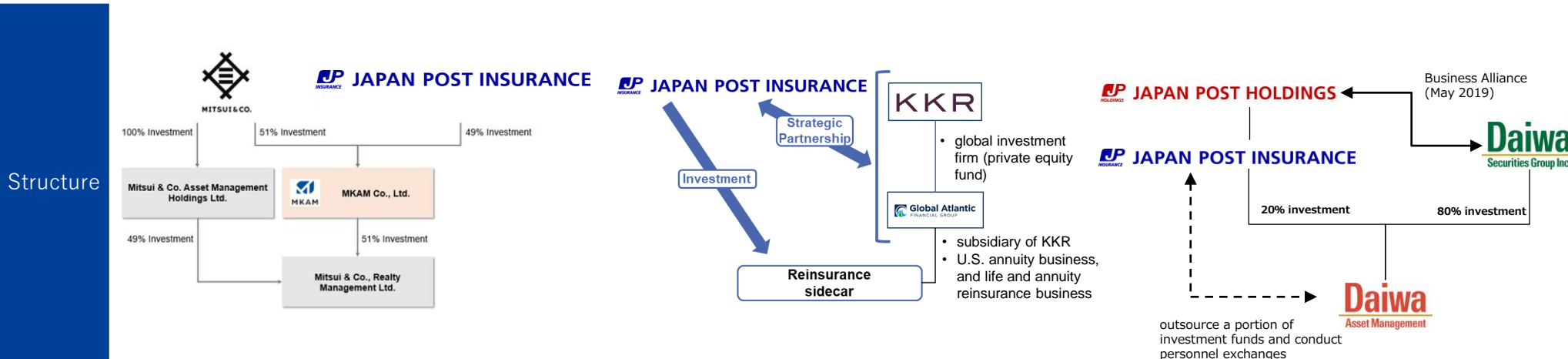
* Accumulated total of projects and the amount of investment by Japan Post Insurance since the start of certification in FY2022 (either the amount of investment or amount of committed investments are recorded, according to the form of each fund)

* Innovation 3.0: Following the diversification of asset management in FY2013-FY2020 (Innovation 1.0) and greater depth and sophistication of asset management (Innovation 2.0) in FY2021-FY2023, we work to achieve greater depth and evolution of asset management as Innovation 3.0.

Diversify sources of revenue / Create new opportunities for growth

- We have implemented capital and business alliances with MITSUI & CO., LTD. and a strategic partnership with KKR and Global Atlantic (GA) with the aim of diversifying our sources of revenue and creating new opportunities for growth. Furthermore, in May 2024, we entered into a capital and business alliance with Daiwa Securities Group.
- Based on these alliances, we will expand collaborations aimed at further growth, and continue discussion for the creation of new opportunities for growth.

Partner	MITSUI & CO.,LTD. (From June 2022)	KKR and GA (From June 2023)	Daiwa Securities Group (From May 2024)
Summary	<ul style="list-style-type: none"> ● As an intermediary holding company, MKAM Co., Ltd. was established for the purpose of collaboration between JAPAN POST INSURANCE and MITSUI & CO., LTD. ● Mitsui & Co., Realty Management Ltd. launched a flagship fund, in which JAPAN POST INSURANCE is investing as a limited partner. And the balance under management is firmly accumulating 	<ul style="list-style-type: none"> ● The first international partnership for JAPAN POST INSURANCE ● Adding to the strategic partnership, we make an investment in a reinsurance sidecar sponsored by Global Atlantic ● Started discussion to expand business collaborations 	<ul style="list-style-type: none"> ● Invest 20% in Daiwa Asset Management Co. Ltd. and also outsource a portion of our investment funds and conduct a mutual exchange of asset management personnel ● Through this alliance, we aim to acquire new sources of revenue and further strengthen our asset management capabilities



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Promotion of Sustainability Management (Contribute to Resolving Social Challenges)

- To fulfill the Company's social mission (purposes) of "We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product.", we have identified 5 materiality (important issues) and aim to achieve the SDGs by contributing to resolving social challenges related to sustainability.

Materiality (5 important issues)

	Materiality	KPI (FY2025 targets)	Main initiatives
Issues related to business  Issues related to business infrastructure 	1 Provide insurance products and services through the network of post offices, etc. 	<ul style="list-style-type: none"> Numbers of policies in force: 18.50 million or more Customer satisfaction: 90% or more NPS®: one of the highest in the industry "Radio-Taiso" performance rate: 25% 15 funds totaling 50.0 billion yen certified by Impact "K" Project 	<ul style="list-style-type: none"> Provide basic protection and services through the network of community-based post offices / integrate the network of post offices and digital contact points through DX promotion Develop products that respond to the protection needs of all generations, etc. Popularize "Radio-Taiso" Provide services utilizing health promotion app. "Sukoyakanpo" Promote sustainable investment, etc.
	2 Deploy solutions to improve well-being and protect smiles and health 	<ul style="list-style-type: none"> Implementing social contribution activities 15 funds totaling 50.0 billion yen certified by Impact "K" Project 	<ul style="list-style-type: none"> Initiatives to realize a society that respects human rights Support for wheelchair tennis and social contribution activities at local level Promote sustainable investment, etc.
	3 Contribute to development of safe, secure and comfortable communities and society where diversity and human rights are respected 	<ul style="list-style-type: none"> CO2 emissions (Scopes 1, 2): <ul style="list-style-type: none"> – FY2030 target: 46% reduction (compared to FY2019) – 2050 target: Achieve carbon neutrality Implement initiatives based on the Compliance Program 	<ul style="list-style-type: none"> Climate change initiatives Initiatives related to biodiversity and natural capital Promote sustainable investment, etc.
	4 Contribute to environmental conservation that nurtures abundant nature 	<ul style="list-style-type: none"> Results of ES (engagement score) survey: target score B Ratio of female managers at the head offices: 30% (FY2030 target) 	<ul style="list-style-type: none"> Promote human capital management Thorough compliance Strengthen corporate governance, etc.
	5 Build a foundation to support sustainability management 	<ul style="list-style-type: none"> Rate of taking childcare leave: 100% for both male and female employees Ratio of employees with disabilities: 3.0% (for the entire Japan Post Group) 	

(Reference)Assessment from external party

Our sustainability initiatives have been recognized and received the following evaluations as of May 2024.

* ISS ESG, the responsible investment arm of a proxy advisory firm Institutional Shareholder Services Inc. (ISS), provides sustainability rates and scores. (<https://www.issgovernance.com/esg/ratings/>)

We have been recognized with the "Prime Status" and have achieved evaluations placing it in the top 10% globally in the insurance industry.

- ▶FTSE4Good Index Series
- ▶FTSE Blossom Japan Index Series
- ▶the "Prime Status" designation by ISS ESG in its ESG Corporate Rating*



Embark on a New Stage of Sustainable Investment

- We will lead the finance industry as a universal owner and promote initiatives such as impact-oriented investment (“Impact ‘K’ Project”), investment and financing that generate innovation based on academic-industrial collaboration, stewardship activities, and expansion of external communications to realize high-quality and responsible investment activities.

under the priority themes of **“increase in well-being”, “development of communities and society,”** and **“contribution to environmental conservation,”** we strive for greater depth and evolution of sustainable investment with Impact “K” Project at its core that create a feeling of warmth unique to Japan Post Insurance.

The Responsible Investment Office was established to take on the challenge of a new stage of sustainable investment with Impact “K” Project at its core.

Impact “K” Project

- Under the “Impact ‘K’ Project”, promote impact-oriented investment and financing taking into consideration priority themes based on an original framework
 - 【Impact investment】
Investment activities intended to generate positive and measurable social and environmental impact as well as financial returns
 - 【Characteristics of Impact “K” Project】
 - Ensure quality and transparency of impact creation
 - Accumulate a variety of impact-investment projects
 - Contribute to society and to the development of the impact investment industry as an asset owner
 - 【Examples of investment】
 - Investment in a real estate fund whose main tenants are licensed nursery schools in urban areas with large numbers of children on waiting lists (March 2022)
 - Investment in companies that are actively engaged in creating social impact and domestic-listed equity fund that aims to achieve both social and economic returns (May 2022)



Academic-industrial collaboration

- Strengthen academic-industrial collaboration linked to solving social issues and bringing about innovation, including possible implementation of impact investment
 - 【Parties with whom we signed memorandums of understanding for impact investment】
(date of agreement shown in parenthesis)
 - Keio University (January 2022)
 - Osaka University (January 2023)
 - The Ritsumeikan Trust (March 2023)
 - 【Case studies】
 - Invest in KII3, LPS., the first impact fund as a university VC. (October 2023)
 - Set up impact funds for startups that utilize academic research findings
 - Education on finance (university lectures on sustainable investment, etc.)

Stewardship activities

- Promote stewardship activities that focus on sustainability and enhance corporate value of investees
 - 【Case studies】
 - Setting “climate change,” “natural capital,” “human rights,” and “human capital” as important issues in dialogue with investees
 - Dialogues based on TCFD scenario analysis results and TNFD portfolio analysis results, taking into account the sector, industry and policies of the investee
 - Exercising shareholder voting rights in all shares held by the Company, etc.

Multi-directional dissemination of information

- Further dissemination to all stakeholders on advanced initiatives for sustainable investment through the “Responsible Investment Report,” etc.
 - 【Examples】
 - Initiatives for sustainable investment
 - ESG integration
 - Sustainability-themed investments
 - Stewardship activities
 - Initiatives to address sustainability issues (“climate change,” “natural capital,” “human rights,” and “human capital,” etc.)

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)

- FY2022: C → FY2023: CC

Frontline meetings

- Held every fiscal year for all sites

Use of feedback box (as of March 2024)

- No. of posts: approx. 7,000
- No. of cases that led to improvement: approx. 2,000

■ 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

■ 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

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

Establishment of Alumni Network (September 2022)

■ Human resource redeployment

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

Establishment of recruitment courses specialized in digital technologies (FY2022)

■ Active recruitment of professionals with specialist knowledge

- Recruitment of actuaries and other professionals skilled in specialized fields

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 (FY2023): 100% for both male and female employees



■ Work style reforms

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

Support for diverse career development

- Career challenge system
- Provide role models

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

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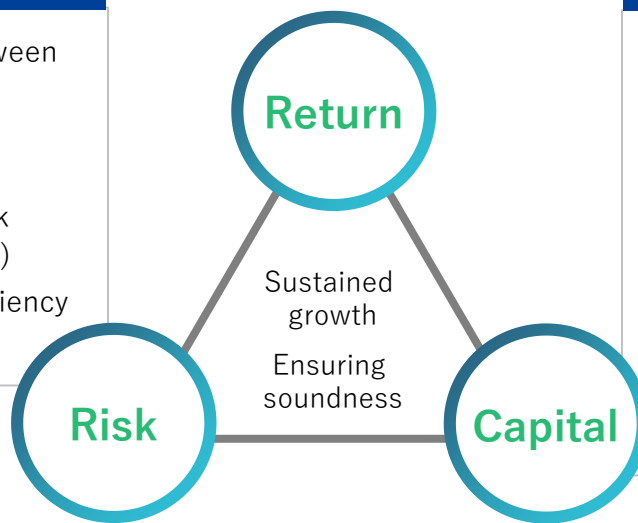
4. Management Conscious of Capital Efficiency

ERM and Capital Policy

- Based on ERM under our Risk Appetite Statement, we will ensure soundness in business operation while achieving sustained growth and the medium- to long-term enhancement of corporate value.
- We will aim to secure revenue and give due consideration to efficiency in terms of capital and risk while ensuring financial soundness.
- Recognize that the distribution of profit to shareholders is an important policy of management, we aim to secure profits while maintaining financial soundness and return them to shareholders stably based on ERM.

Improvement of return against risk

- Build a well-balanced product portfolio between savings-type products and protection-type products
- Engage in deeper and evolution of asset management to maximize return against risk (Return seeking assets: approx. 18% to 20%)
- Invest in DX while promoting improved efficiency in business operation



Improvement of capital efficiency

- Aim for growth exceeding estimated capital costs in the medium- to long-term, at adjusted ROE and RoEV* of approx. 6%
- Pay due consideration to costs and quality in the capital composition and maintain soundness of the financial base
- During Medium-term Management Plan, average total payout ratio in the medium term is set at 40~50%. Adjusted profit was introduced in an effort to define sources of shareholder returns while taking their stability into consideration.

* A value obtained by excluding the "difference between the economic assumption and actual results" from the EV variance factors.

Maintaining financial soundness

- Establish and maintain various levels of financial soundness
 - ✓ ESR (economic solvency ratio) : appropriate standards (target range) 150%~220% / warning standard 110%
 - ✓ Solvency margin ratio: standard ratio of 600% / minimum ratio of 400%
- Implementation of improvement measures aimed at stable achievement of the ESR target range (debt financing, ceded reinsurance, etc.)
- Smooth implementation of the new capital regulations

To Improve Market Evaluation

- We aim to improve our market evaluation by steadily implementing our Medium-term Management Plan, retaining and expanding customer base, improving profitability and achieving appropriate financial leverage to increase our adjusted ROE.



<Disclaimer>

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

UNOFFICIAL TRANSLATION

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