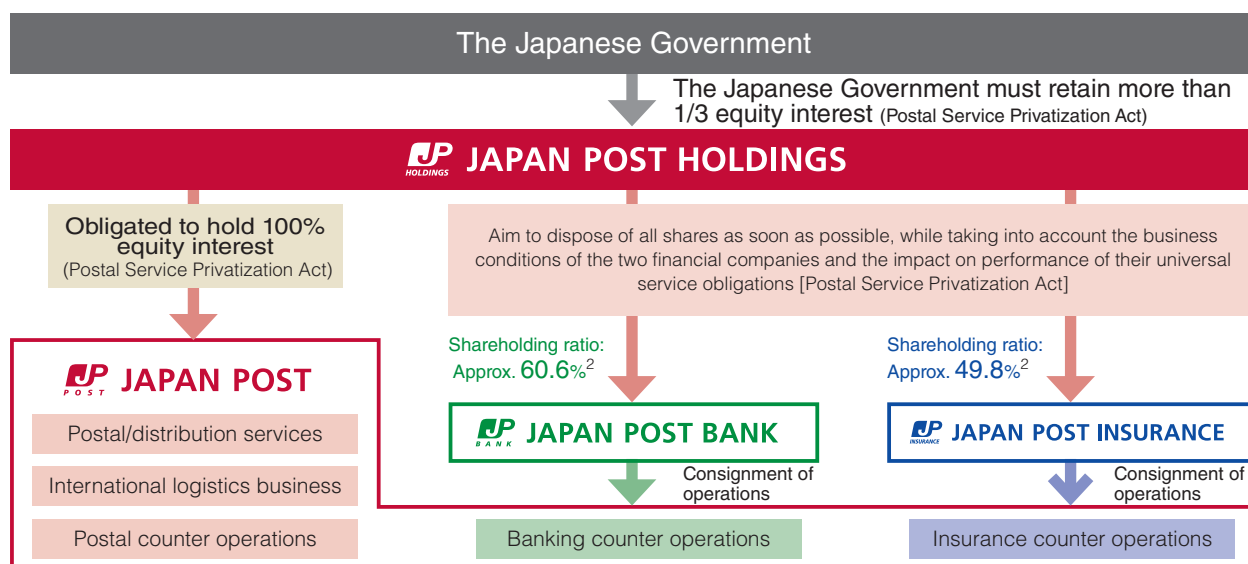


Our Position within the Japan Post Group

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.¹



- 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.

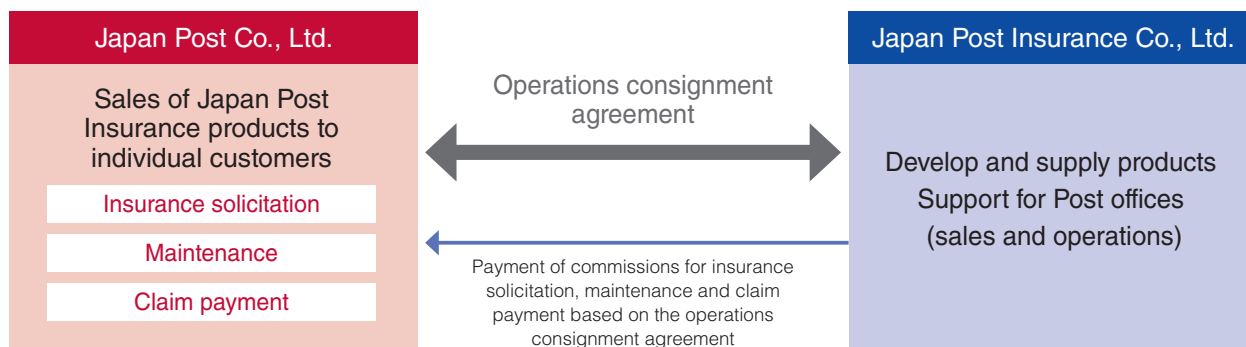
Item	Additional Restrictions Under the Postal Service Privatization Act		
	Until Japan Post Holdings disposes of 50% or more of the shares of the Company	After Japan Post Holdings disposes of a 50% or more of all the shares of the Company until the designated date ²	After the designated date ²
New business	Approval by the specified ministers ¹ (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 ³
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 sells life insurance 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 paid in installments over several years.

○ Commissions for maintenance and claim payment

For maintenance and claim payment services consigned to Japan Post Co., a unit price is set and paid based on the processing time and others of the service at post offices.

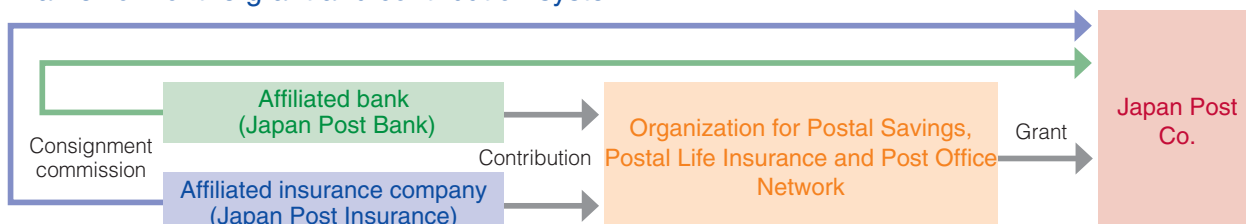
Commissions include a commission proportional to the number of policies in force, the number of post offices, etc. (basic commission), and a commission for the maintenance of policies in force (incentive commission).

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

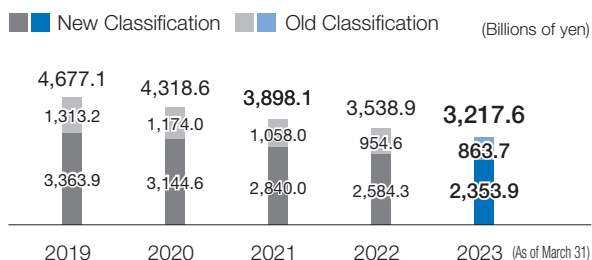


Financial and Non-Financial Highlights

Financial Highlights

Annualized Premiums from Policies in Force (Individual Insurance)

¥3,217.6 billion

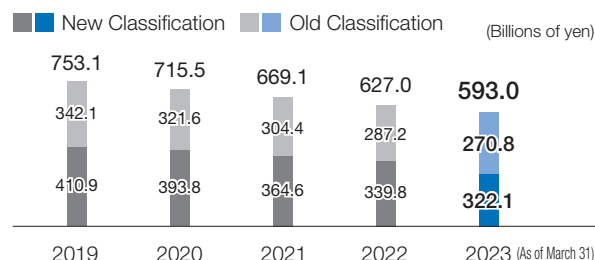


As of March 31, 2023, annualized premiums from policies in force (individual insurance) amounted to ¥3,217.6 billion including reinsured Postal Life Insurance Policies (insurance), a 9.1% decrease year on year.

Notes: 1. "New Classification" indicates policies in force underwritten by Japan Post Insurance, whereas "Old Classification" indicates Postal Life Insurance Policies that we received from the Management Network in the form of reinsurance.
2. The annualized premiums under "Old Classification" are calculated based on the same methods used for "New Classification."

Annualized Premiums from Policies in Force (Third-Sector Insurance)

¥593.0 billion

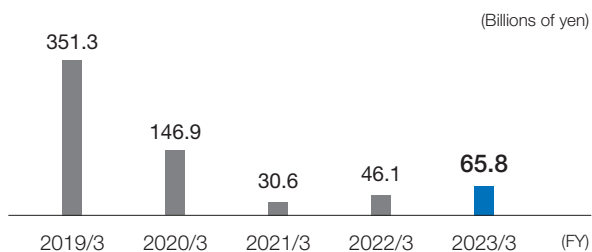


As of March 31, 2023, annualized premiums from policies in force (third-sector insurance) amounted to ¥593.0 billion including reinsured Postal Life Insurance Policies, a 5.4% decrease year on year.

Note: "Third-sector insurance" includes annualized premiums corresponding to medical benefits (including hospitalization and surgery benefits).

Annualized Premiums from New Policies (Individual Insurance)

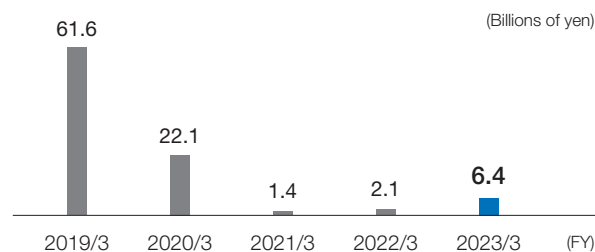
¥65.8 billion



During the fiscal year ended March 31, 2023, annualized premiums from new policies (individual insurance) amounted to ¥65.8 billion, a 42.7% increase year on year.

Annualized Premiums from New Policies (Third-Sector Insurance)

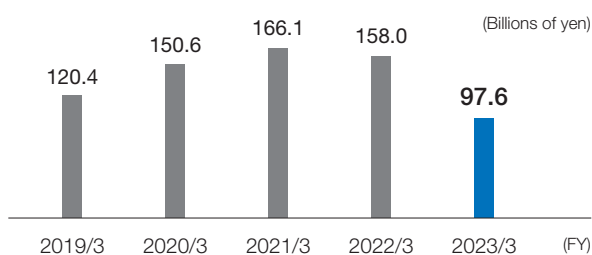
¥6.4 billion



During the fiscal year ended March 31, 2023, annualized premiums from new policies (third-sector insurance) amounted to ¥6.4 billion, a 196.3% increase year on year due to the start of sales of a new medical care rider.

Net Income (Consolidated)

¥97.6 billion

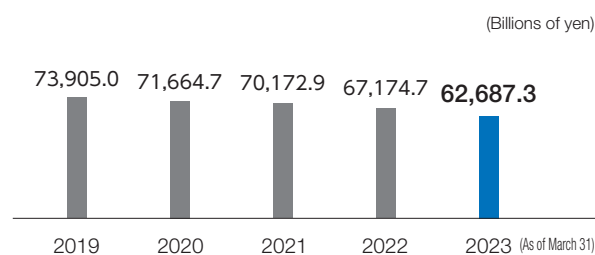


Net income in the fiscal year ended March 31, 2023 decreased ¥60.4 billion (38.2%) year on year to ¥97.6 billion.

Note: Net income attributable to Japan Post Insurance

Total Assets (Consolidated)

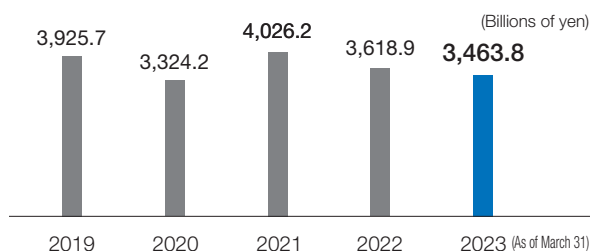
¥62,687.3 billion



We manage insurance premiums entrusted from customers and hold assets such as securities in order to provide for payments of insurance claims and others. Total assets as of March 31, 2023 amounted to ¥62,687.3 billion.

Embedded Value (EV)

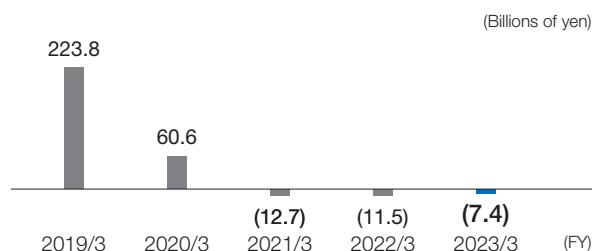
¥3,463.8 billion



Embedded value (EV) is one of the corporate value indicators for life insurance companies. Our EV as of March 31, 2023 was ¥3,463.8 billion, a ¥155.0 billion decrease year on year, mainly due to a decrease in unrealized gains on foreign bonds in line with rising overseas interest rates.

Value of New Business

¥(7.4) billion

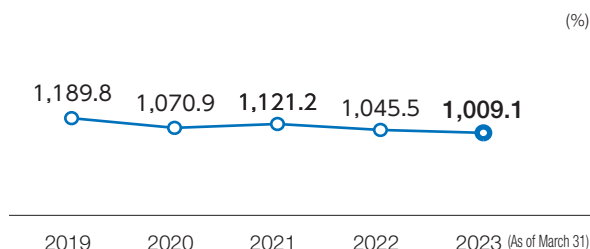


The value of new business is the present value of future profits expected from new business. The value of new business was negative because certain operating expenses were necessary for acquiring new policies regardless of the scale of sales efforts, while the volume of new policies was small in the fiscal year ended March 31, 2023.

Note: Please see pages 80-81 and 192-194 for the details of EV and the value of new business.

Consolidated Solvency Margin Ratio

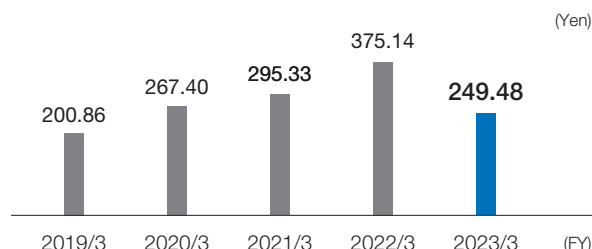
1,009.1%



Our consolidated solvency margin ratio as of March 31, 2023 remained high at 1,009.1%, significantly exceeding 200%, the criterion of prompt corrective action by the regulatory agency.

Earnings per Share (EPS)

¥249.48

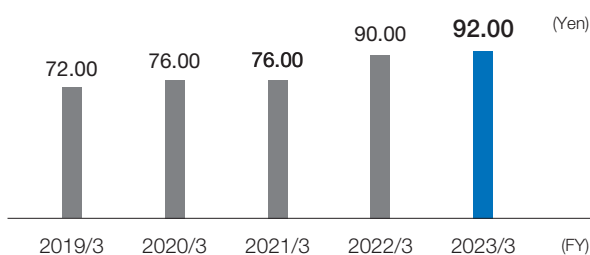


During the fiscal year ended March 31, 2023, earnings per share amounted to ¥249.48, a ¥125.66 decrease year on year.

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

Dividend per Share (DPS)

¥92.00



The dividend per share for the fiscal year ended March 31, 2023 was ¥92.

Credit Ratings

As of June 1, 2023

Rating and Investment Information, Inc. (R&I)

AA-

Insurance Claims Paying Ability

Japan Credit Rating Agency, Ltd. (JCR)

AA

Ability to Pay Insurance Claims Rating

Standard & Poor's (S&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.

Non-Financial Highlights

Customer Satisfaction

79%



2019/3 2020/3 2021/3 2022/3 2023/3 (FY)

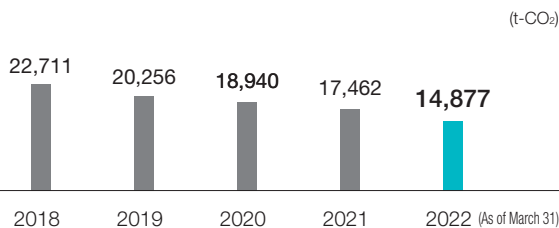
We conduct a Customer Satisfaction Survey (Customer Feedback Survey) to improve services based on customers' evaluations.

Note: The satisfaction level was evaluated on a five-point scale of "satisfied," "somewhat satisfied," "not satisfied or dissatisfied," "somewhat dissatisfied," and "dissatisfied," and the total ratio of customers who answered "satisfied" and "somewhat satisfied" is shown.

In FY2020/3, the Customer Satisfaction Survey was not performed as we concentrated our efforts on insurance claim surveys and other initiatives.

Carbon Dioxide (CO₂) Emissions

14,877 t-CO₂



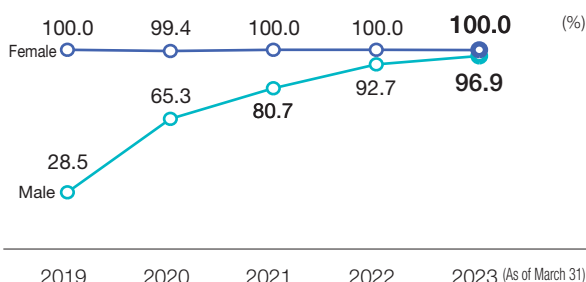
During the fiscal year ended March 31, 2022, CO₂ emissions were 13,277t-CO₂ from our facilities and 1,600t-CO₂ from vehicles, amounting to total emissions of 14,877t-CO₂. As efforts to reduce CO₂ emissions, we are improving the operation of lighting and airconditioning systems at our facilities and promoting a switch to eco-friendly vehicles such as hybrid vehicles.

Notes: 1. Emissions from facilities and vehicles of all organizations within Japan Post Insurance.
2. CO₂ emissions in FY2023/3 are being tabulated at the time of publication of this report.

Rate of Taking Childcare Leave

Female:100%

Male:96.9%



We aim for a childcare leave utilization rate of 100% for both male and female employees by establishing an environment in which childcare leave is easy to use regardless of employee gender, as part of our efforts to create a working environment where every employee can work actively.

[Reference] NPS® ["NPS® Benchmark Study, Life Insurance Division (2019-2022)" by NTTCom Online Marketing Solutions]

(55.1)



2019 2020 2021 2022 (As of April 1)

Score as of April 1, 2022 has recovered to near the level before the solicitation quality issues occurred. Scores are expected to rise in the fiscal year ending March 31, 2024 onwards due to the effects of the transition to the new Japan Post Insurance sales system and various measures.

Note: 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.).

Ratio of Female Managers at the Head Offices

15.5%



2022 2023 (As of April 1)

We strive to promote women's career activities as an important diversity promotion measure. We conduct systematic training to support medium- to long-term career development for female employees and aim to increase the ratio of female managers at the head offices to 30% or more by FY2031/3.

Note: Partial amendments have been made to the calculation procedures from FY2023/3 (excluding for the employees assigned from other companies).

Ratio of Employees with Disabilities (for the Entire Japan Post Group)

2.42%



2020 2021 2022 (FY)

Based on the philosophy of respecting human rights and creating workplaces in which a diverse workforce can participate actively, we are actively promoting the employment of people with disabilities at all of our locations nationwide, and are supporting their retention in the workplace.

Note: Ratio of employees with disabilities (for the entire Japan Post Group) represents the number employed by all six companies in the Japan Post Group as of June 1 of each fiscal year.

External Evaluation and Support for Initiatives

External Evaluation

We have been awarded the following evaluations by promoting ESG related initiatives, such as improving customer experience value and establishing an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself.

				
FTSE4Good Index Series	FTSE Blossom Japan Index	Certified Health and Productivity Management Outstanding Organization	Platinum Kurumin	PRIDE INDEX
				
Tomonin	Eruboshi Certification	Top Hundred Telework Pioneers	DX Certification Program	Sports Yell Company

Support for Initiatives

We are enhancing our efforts to realize a sustainable society by supporting various sustainability-related initiatives.

				
United Nations Global Compact	Women's Empowerment Principles (WEPs)	Task Force on Climate-related Financial Disclosures (TCFD)	Taskforce on Nature-related Financial Disclosures (TNFD)	Principles for Responsible Investment (PRI)
				
Advance	CDP	Climate Action 100+	PCAF	Japan Climate Initiative (JCI)
				
Japan Impact-driven Financing Initiative	Social Impact Management Initiative (SIMI)	Japan Stewardship Initiative (JSI)	COOL CHOICE	

Major Financial and Non-Financial Data

Financial data	As of/For the years ended March 31	2014	2015	2016	2017			
Results of operations and financial position								
Ordinary income	¥	11,234.1	¥	10,169.2	¥	9,605.7	¥	8,659.4
Ordinary profit		462.7		492.6		411.5		279.7
Core profit		482.0		515.4		464.2		390.0
Spread (positive/negative spread)		54.2		66.9		97.4		78.5
Core profit attributable to life insurance activities		427.8		448.4		366.8		311.4
Net income		62.8		81.3		84.8		88.5
Capital stock		500.0		500.0		500.0		500.0
Number of shares issued (Thousands of shares)		20,000		20,000		600,000		600,000
Total assets		87,092.8		84,915.0		81,545.1		80,336.7
Contingency reserve		2,588.7		2,498.7		2,374.8		2,254.0
Reserve for price fluctuations		614.2		712.1		782.2		788.7
Securities		69,377.9		66,276.2		63,609.9		63,485.2
Major financial soundness indicators								
Consolidated solvency margin ratio (%)		1,625.1		1,644.2		1,570.3		1,290.6
Economic solvency ratio (ESR) (%)		—		179		167		176
Status of policies								
Annualized premiums from policies in force (individual insurance)		5,393.9		5,182.5		5,031.4		4,979.6
Annualized premiums from policies in force (third-sector insurance)		768.6		748.0		738.7		736.1
Annualized premiums from new policies (individual insurance)		439.0		457.8		485.3		507.9
Annualized premiums from new policies (third-sector insurance)		49.1		41.1		49.5		55.7
Corporate value								
EV		3,386.8		3,613.7		3,151.0		3,355.6
Value of new business		185.1		154.9		192.7		36.8
Per share indicators								
Earnings per share (EPS) (Yen)		3,140.11		4,066.16				
		104.67		135.54		141.50		147.71
Dividend per share (DPS) (Yen)		840.43		1,226.38		56.00		60.00
(of which, interim dividend per share)		[—]		[—]		[—]		[—]

Non-financial data	As of/For the years ended March 31	2019	2020	2021	2022	2023
Number of employees (Persons)		7,617	7,638	7,645	7,545	19,148
Male (Persons)		4,307	4,270	4,233	4,147	14,759
Female (Persons)		3,310	3,368	3,412	3,398	4,389
Ratio of female managers (%)		12.1	11.9	12.1	9.1	10.2
Average age (Age)		39.0	39.4	39.9	40.5	43.6
Male (Age)		41.8	42.1	42.7	43.2	45.0
Female (Age)		35.3	35.9	36.5	37.3	38.9
Average years of service (Years)		14.7	15.0	15.4	15.9	18.3
Male (Years)		17.5	17.8	18.3	18.7	19.6
Female (Years)		11.0	11.5	11.8	12.5	13.8
Number of foreign employees (Persons)		4	4	4	5	9
Monthly average amount of overtime per employee (Hours)		8.4	8.9	7.1	8.6	7.1
Rate of taking paid leave (%)		87.7	93.9	90.6	89.8	97.1
Rate of taking childcare leave (%)		64.5	81.7	90.6	97.0	97.9
Return-to-work rate of employees who took childcare leave (%)		98.2	97.7	96.8	98.0	98.7
Number of employees who returned to work (Persons)		162	169	210	243	368
Number of employees who took nursing care leave (Persons)		6	14	10	6	26
Status of retention of new employees (after 3 years) (%)		84.4	87.2	86.0	86.8	87.3
Wage difference between men and women (%)		—	—	—	—	73.0
Regular workers (%)		—	—	—	—	71.5
Non-regular workers (%)		—	—	—	—	78.2

(Billions of yen unless specifically indicated)

	2018	2019	2020	2021	2022	2023
¥	7,952.9	¥ 7,916.6	¥ 7,211.4	¥ 6,786.2	¥ 6,454.2	¥ 6,379.5
	309.2	264.8	286.6	345.7	356.1	117.5
	386.1	377.1	400.6	421.9	429.7	192.3
	65.8	58.4	80.4	76.3	133.3	94.0
	320.3	318.7	320.1	345.6	296.4	98.2
	104.4	120.4	150.6	166.1	158.0	97.6
	500.0	500.0	500.0	500.0	500.0	500.0
	600,000	600,000	562,600	562,600	399,693	399,693
	76,831.2	73,905.0	71,664.7	70,172.9	67,174.7	62,687.3
	2,114.3	1,962.7	1,797.3	1,611.3	1,690.9	1,701.8
	916.7	897.4	858.3	904.8	972.6	889.9
	60,130.9	58,451.5	55,870.5	55,273.6	53,417.5	49,841.4
	1,131.8	1,189.8	1,070.9	1,121.2	1,045.5	1,009.1
	186	225	116	205	169	172
	4,859.5	4,677.1	4,318.6	3,898.1	3,538.9	3,217.6
	750.9	753.1	715.5	669.1	627.0	593.0
	376.2	351.3	146.9	30.6	46.1	65.8
	59.2	61.6	22.1	1.4	2.1	6.4
	3,743.3	3,925.7	3,324.2	4,026.2	3,618.9	3,463.8
	226.7	223.8	60.6	(12.7)	(11.5)	(7.4)
	174.21	200.86	267.40	295.33	375.14	249.48
	68.00	72.00	76.00	76.00	90.00	92.00
	[—]	[—]	[38.00]	[—]	[45.00]	[46.00]

- 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, 2014 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 years ended March 31, 2014 and 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, 2014 through 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. In the calculation of EV and the value of new business for the fiscal year ended March 31, 2015 onwards, an approach which utilizes the ultimate forward rate is applied as the extrapolation method of interest rates at longer durations of the risk-free rates (an approach in which the forward rates for the last year of the market data onwards are assumed to be the same is used for the fiscal year ended March 31, 2014 and before).
15. 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 and before is calculated on the basis of the profit and loss for new business on a stand-alone basis).
16. 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.
17. 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).
18. Ratio of female managers represents the ratio as of April 1 of the following fiscal year. The ratio of the fiscal year ended April 1, 2022 fell significantly in comparison to that of the fiscal year ended April 1, 2021 due to the increase in the number of employees assigned to Japan Post Insurance from Japan Post Co., Ltd. in conjunction with the shift to the new Japan Post Insurance sales system. Partial amendments have been made to the calculation procedures from the fiscal year ended April 1, 2023 (excluding for the employees assigned from other companies).
19. 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.
20. 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.
21. 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).
22. Status of retention of new employees represents the retention rate of new graduates for each year after three years from their employment.
23. 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.
24. 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.
25. The main factors for regular workers in the difference in wages between men and women are (1) the low percentage of women in management positions, where salaries are higher, and (2) with regard to years of service, which is one of the major factors for higher salaries, the average length of service for men is at least approximately six years longer than for women as of April 1, 2023. 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 wage standard is the same regardless of gender.