

Financial and Capital Policies

Aiming for Further Improvement of Market Valuation and Corporate Value Through a Virtuous Capital Cycle

Under management that is conscious of cost of capital and share price, we will achieve a *virtuous capital cycle* through appropriate capital management and balanced allocation of generated profits to growth investments and shareholder returns, thereby enhancing corporate value on a sustainable basis.

SOMA Nobuhiro Managing Executive Officer



As a company listed on the Prime Market of the Tokyo Stock Exchange, we recognize that improving capital efficiency and achieving the sustainable enhancement of corporate value are vital to realizing management that is conscious of cost of capital and share price. In May 2024, in light of changes in the internal and external environment, we revised the previous Medium-Term Plan, upgraded our growth strategies, and introduced adjusted profit^(*) and adjusted ROE^(*) as new performance measures. In November of the same year, we set a market capitalization of ¥2 trillion as an immediate guideline, and have been working to achieve that.

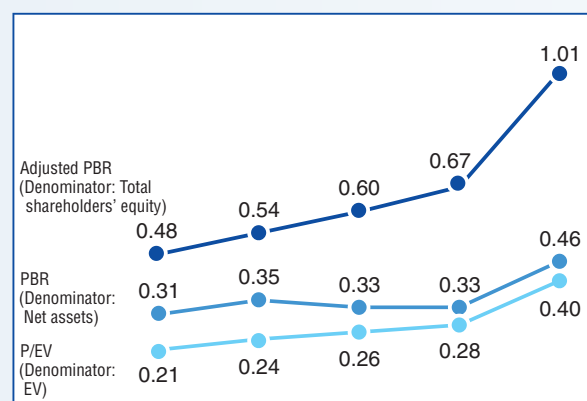
During the period of the previous Medium-Term Plan, we focused on the three pillars of our growth strategies and on management efficiency improvements, and as a result, our share price at the end of the final year of the plan had more than doubled compared to the average annual share price in the plan's first year. This development is among several encouraging signs that we are moving toward growth.

Under the new Medium-Term Plan announced in May 2026, we will, through appropriate capital management, steadily execute the growth strategies and allocate the profit generated in the process in a balanced manner between strategic investment for future growth and shareholder returns, and thereby achieve a virtuous capital cycle and, in turn, further enhance corporate value.

In the new Medium-Term Plan, we have set the ambitious targets of ¥190.0 billion for adjusted profit and approximately 10% for adjusted ROE for the fiscal year ending March 31, 2029, and we will also enhance shareholder returns (raising the total payout ratio to 55% and increasing shareholder dividends). We will continue to work toward a bottoming out and reversal in the number of policies in force, profitability improvement, and appropriate capital policy and shareholder returns, with the aim of continuously achieving adjusted ROE that exceeds the cost of shareholders' equity.

Status of Adjusted PBR^(*) and P/EV

	FY2021	FY2022	FY2023	FY2024	FY2025
Share prices ^(*)	¥2,015	¥2,194	¥2,482	¥2,900	¥4,725
Profit level ^(*)	¥158.0 bn	¥97.6 bn	¥87.0 bn	¥145.7 bn	¥171.5 bn



Adjusted ROE	9.4%	6.3%	5.5%	8.8%	10.1%
Adjusted PER ^(*)	5.1	8.6	10.9	7.6	10.0
Earnings yield	19.6%	11.6%	9.2%	13.2%	10.0%

*1 Adjusted profit = Net income + Adjustment for policy reserves + Amortization of goodwill

*2 Adjusted ROE = Adjusted profit / (Shareholders' equity - Unamortized balance of goodwill)

*3 Adjusted PBR = Market capitalization / (Shareholders' equity - Unamortized balance of goodwill)

*4 For FY2021 to FY2024, the average share price for each period, and for FY2025 the share price as of March 31, 2026, is used (the same applies to the share prices used to calculate the following indicators).

*5 Each indicator is calculated based on actual profit (net income for FY2023 and the earlier periods, adjusted profit from FY2024 onward).

*6 Adjusted PER = Share price / Adjusted profit per share.

Recognition of Current Circumstances and Initiatives to Further Improve Our Market Valuation

Our PBR was below 1.0x and at a low level compared to our competitors, indicating that our stock is not well evaluated by the market, and our ROE was below the cost of shareholders' equity due to factors such as a sluggish acquisition of new policies and a decline in policies in force. We took this situation seriously, and in response, we have been working to strengthen profitability and control capital in order to improve our market valuation. During the period of the previous Medium-Term Plan, sales of new policies increased significantly. Lump-sum payment whole life insurance, which we launched in January 2024, performed especially well, with cumulative sales topping 500,000 policies in the approximately one year since launch. As a result, in order to partially adjust for the effect unique

to life insurance companies whose net income is reduced in the short term as strong sales lead to an increase in new policies, we introduced adjusted profit that adjusts for some of these effects in the fiscal year ended March 31, 2025.

Furthermore, in the fiscal year ended March 31, 2026, profit levels improved due to a favorable investment environment and other factors, and adjusted ROE reached 10%. Adjusted PBR has recently been trending at a level close to 1x, making us confident that our market valuation is steadily improving.

On the other hand, adjusted PER and P/EV remain at levels we consider undervalued, and we believe there is room for further improvement. We will therefore continue to aim for further enhancement of market value.

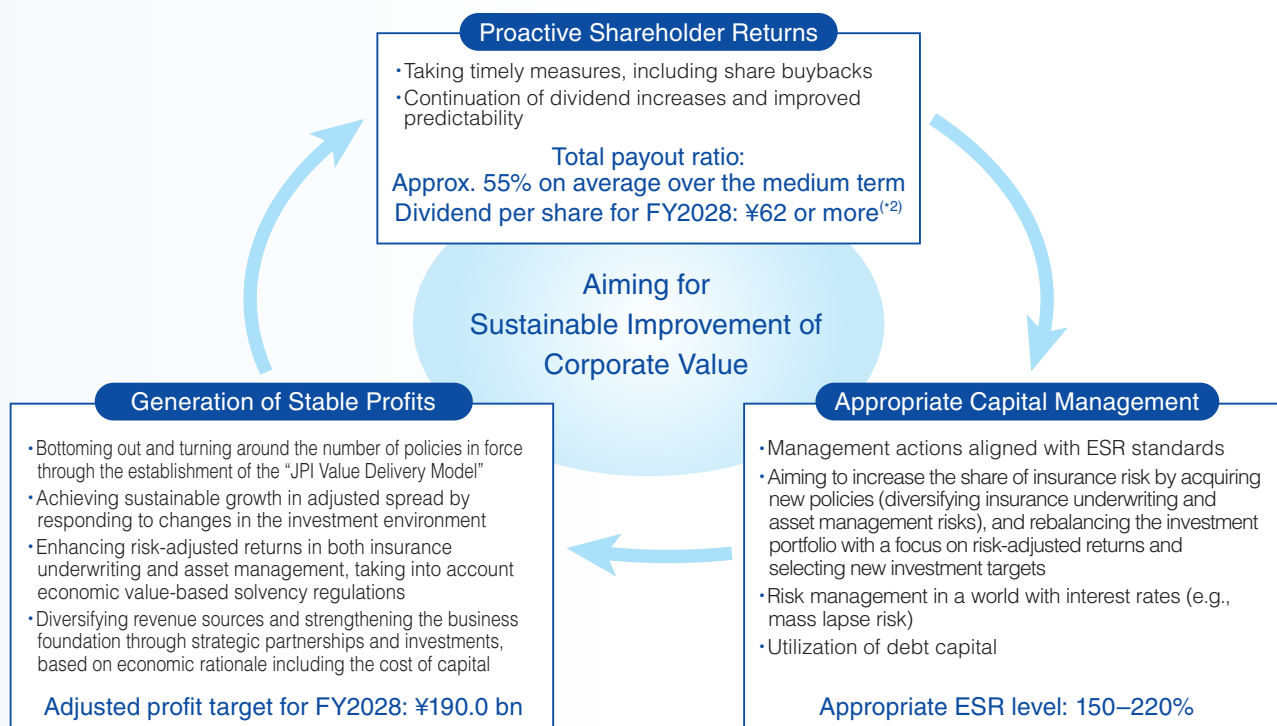
Basic Approach to Financial and Capital Policies

Under our Risk Appetite Statement and based on ERM,⁽¹⁾ we maintain the soundness of our business operations, and consider and implement financial and capital policies to achieve sustainable growth and improve corporate value over the medium to long term by securing profitability through the appropriate allocation of management resources.

In addition, we position returning profits to shareholders as one of our important management initiatives. Through the execution of the growth strategies set out in the new

Medium-Term Plan, we aim to generate a record-high level of adjusted profit in the fiscal year ending March 31, 2029, the final year of the new plan, and will allocate this profit to future growth investments and shareholder returns. We will also raise the total payout ratio from the previous *medium-term average of 40–50%* to a *medium-term average of approximately 55%*, and aim for a dividend per share of ¥62 or more in the fiscal year ending March 31, 2029.

Virtuous Capital Cycle



⁽¹⁾ ERM: Enterprise risk management (ERM) refers to integrated risk management.

⁽²⁾ On the premise that the adjusted profit target for FY2028 is achieved.

ERM

Appropriate Capital Management

At the end of March 2026, an economic value-based solvency regulation was introduced in Japan. Even under this new solvency regulation, we continue to take management actions based on our ESR target range and levels, and the appropriate range remains unchanged at 150–220%, just as before.

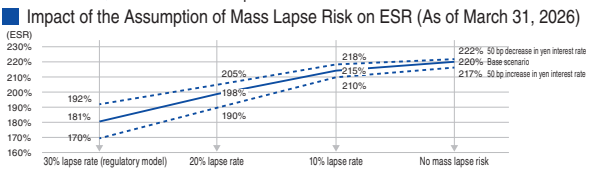
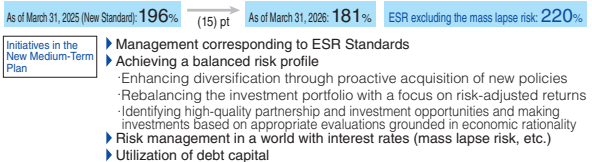
The ESR as of March 31, 2026, was 181%, down 15 points from March 31, 2025, due to the impact of mass lapse risk associated with rising interest rates, but we have confirmed that it remains within the appropriate range. Excluding mass lapse risk, the ESR as of March 31, 2026, was 220%, at the upper limit of the appropriate range, and we have not observed any increase in the lapse rate at present. We will continue to strive to maintain a stable level within the appropriate range and aim for the medium- to long-term improvement of the ESR level through appropriate capital management.

We will also closely monitor the impact on ESR from mass lapse risk amid rising interest rates, and respond appropriately while carefully assessing the actual nature of the risk. Our core products focus on protection needs rather than being purely savings-focused products, and we believe that lapses associated with rising interest rates and other factors will be limited. For lump-sum payment whole life insurance as well, since the average age of policyholders is relatively high at around 70, we expect

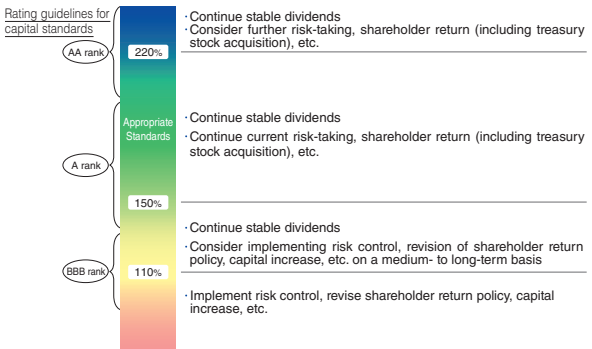
lapses to be limited. However, because this is a highly savings-focused product, the impact of mass lapse at times of rising interest rates is relatively large, and we will continue to manage it appropriately going forward. In addition, we also pay close attention to capital allocation. Regarding the breakdown of required capital (risk profile), even where the measurement method has changed due to the introduction of the new solvency regulation, there has been no change in the fact that the proportion of surrender and lapse risk arising from the impact of mass lapse risk is large, and that investment-related risk accounts for more than half of required capital. We will strive to achieve a balanced risk profile by restructuring our investment portfolio with a focus on risk-adjusted returns and increasing the proportion of insurance risk through the acquisition of new policies. Furthermore, based on ERM, while maintaining soundness in business operations, we will endeavor to appropriately allocate capital to each risk area and secure profitability that exceeds the cost of capital. In cases where the ESR exceeds the appropriate level, we plan to prioritize measures that enhance capital efficiency and lead to the improvement of corporate value. Specifically, we will consider further risk-taking and shareholder returns, among other measures, to achieve both capital efficiency and financial soundness.

Status of ESR

Trends in ESR and Initiatives to Improve Levels
Decreased due to the impact of the mass lapse risk



ESR Target Range and Management Behavior Corresponding to the Standards



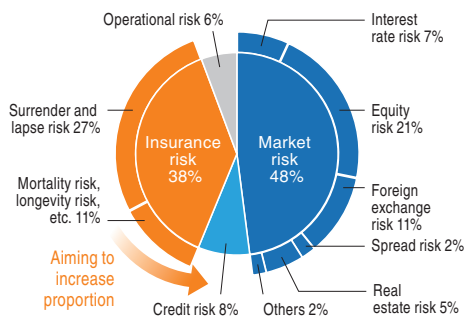
Achieving a Balanced Risk Profile

Breakdown of required capital
(as of March 31, 2026)

Insurance Risk

Significant benefits in terms of diversification
Aiming to take this risk proactively to increase its proportion

- Secure profitability through protection-oriented products and volume through savings-oriented products, thereby ensuring both the margin and volume of profits across all new policies.
- Regarding the profitability of new policies in FY2025, the IRR^(*) is 12% and a break-even period^(*) is 8 years for level-premium products alone. For all new policies, including lump-sum payment products, the IRR is higher than 20%.
- We will continue to maintain high profitability and aim for Value of New Business of ¥170.0 bn or more.



Investment Risks

Rebalancing the investment portfolio based on ALM, with a focus on risk-adjusted returns

- Against the backdrop of a world with interest rates, we will drive portfolio restructuring and aim to continuously achieve record-high adjusted spread.
- We will pursue a return on risk (RoR) that reflects the level necessary to achieve our EV growth rate target.

Strategic Investment Risk

Diversify revenue sources and strengthen our business foundation through strategic partnerships and investments

- Seek out high-quality investment opportunities that are more accretive to EPS than share buybacks.
- Make investment and exit decisions based on appropriate valuations grounded in economic rationality.

Note: The breakdown does not take into account factors such as the diversification effect among risks.

*1 The discount rate at which the initial investment equals future cash flows (certain-value equivalent) when the initial investment is treated as new business costs (including the increased burden of regular policy reserves in the first year of new policies).
*2 The number of years required for the initial investment to be recovered by future cash flows (certain-value equivalent) when the initial investment is treated as new business costs (including the increased burden of regular policy reserves in the first year of new policies).

Risk Appetite Statement

The Risk Appetite Statement stipulates our risk-taking policies in terms of which risks to take in order to achieve our target earnings. We categorize our risk appetite into qualitative risk appetite and quantitative risk appetite.

Risk Category	Statement
Qualitative Risk Appetite	Overall Policy - Be active in universal services through the post office network while cultivating a corporate culture where every employee can grow with job satisfaction as the base for sustainable growth of the Company and pursue effective customer-oriented business operations. - Achieve sustainable growth by ensuring profitability through the appropriate allocation of management resources, while maintaining soundness in business operations based on ERM.
	Insurance Underwriting Risk Underwrite insurance products based on sales activities with solicitation quality and respond to the diversification of insurance needs.
	Investment Risk - The basic approach is to promote asset-liability matching while taking into account surrender risk and profitability. - Aim to become one of the world's leading institutional investors and enhance investment income, while giving due consideration to market constraints and financial soundness.
	Strategic Investment Risk - Diversify sources of revenue and strengthen the business foundation through strategic partnerships and investments. - Make decisions on investment and exit in line with the Company's management strategies, based on appropriate valuations grounded in economic rationality.
	Operational Risk - Prevent operational risk from materializing by strengthening internal control systems and establishing a system to perform all operations from underwriting to claim payment in a simple, prompt, and accurate manner. - Prevent actualization of human risks by improving communication between management and employees, supporting diverse career development, and strengthening management capabilities. - Prevent actualization of compliance risks by detecting risk using high-risk-sensitivity as well as embedding behavior to respond to the expectations of society in every employee.
Quantitative Risk Appetite	- Set an appropriate level of financial soundness and establish an appropriate management system to ensure that the relevant indicator remains within this range over the medium to long term. - Appropriate level: Economic Solvency Ratio (ESR) 150–220%

Management Efficiency

Optimal Allocation of Necessary Expenses Through the Streamlining of Operations and Other Measures

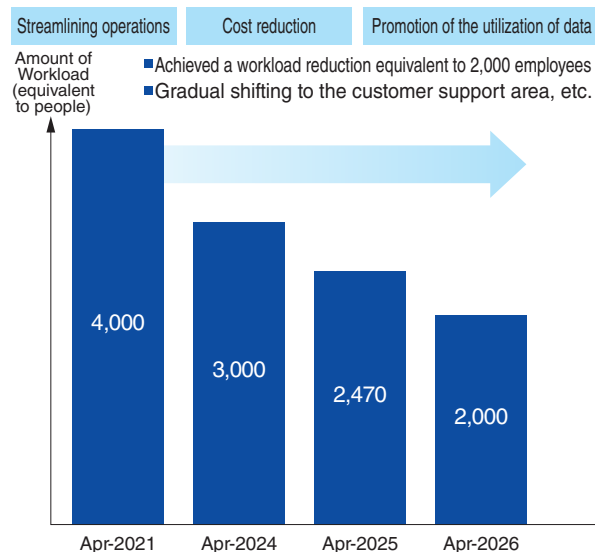
Under the previous Medium-Term Plan, we had set a target of reducing necessary expenses to ¥502.0 billion by the fiscal year ended March 31, 2026, and through steady efforts including streamlining operations, we achieved an overall reduction in necessary expenses and met this target.

From the fiscal year ending March 31, 2027 onward, we will make the necessary investments in priority areas under the new Medium-Term Plan, such as AI-related investment, in order to deliver convenient and attentive services leveraging AI and digital technologies. We will also aim to optimally allocate necessary expenses and improve management efficiency by, for example, reducing workloads and shifting employees to higher-value-added work.

At the same time, we have also advanced the streamlining of operations at our Services Centers, achieving the target set at the start of the fiscal year ending March 31, 2027, of reducing workloads equivalent to approximately 2,000 employees. Under the new Medium-Term Plan, too, we will pursue further reductions in workloads by utilizing AI and digital technologies and redesigning workflows.

Promoting the Streamlining of Operations

Digitalization of insurance operations, etc.



Implementation of Retrocession

To improve capital efficiency, on three occasions since the fiscal year ended March 31, 2024, we have placed retrocession, through reinsurance by coinsurance basis,⁽¹⁾ for policies with a poor risk-return rates among Postal Life Insurance policies that have a high rate of policyholder dividends. While the need to address interest rate risk has decreased as a result of these initiatives and the recent rise in interest rates, on July 10, 2026, Japan Post Insurance and SCOR SE (hereinafter, “SCOR”) decided, from the standpoint of appropriate capital management, to enter into a memorandum of understanding to consider actions 1

through 3 below, in order to continue managing the risk associated with Postal Life Insurance policies.

Going forward, we intend to continue discussions on details of the reinsurance transaction and the investments in the reinsurance vehicle, and, subject to reaching a final agreement on these matters and obtaining the necessary regulatory approvals and licenses, Japan Post Insurance and SCOR intend to proceed with the commencement of the transaction outlined above and the investment in the reinsurance vehicle.

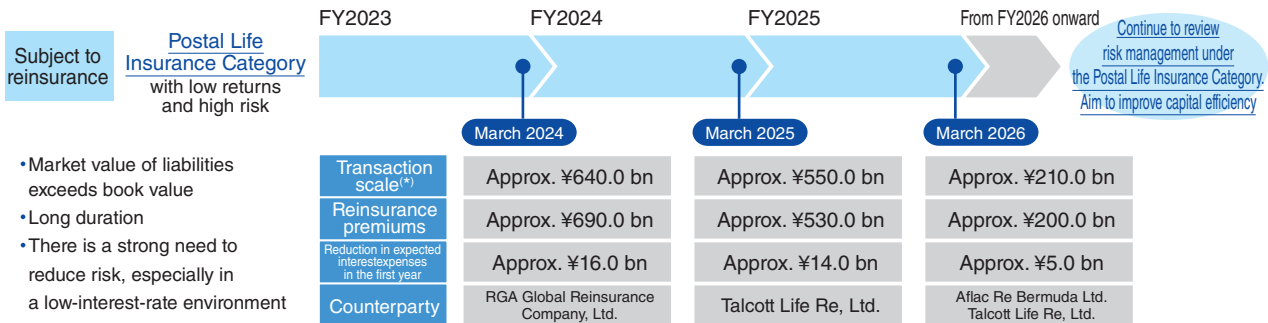
1. The cession of the underwriting risks under Japan Post Insurance’s Postal Life Insurance policies.

2. The establishment, investment and operation by SCOR of a reinsurance vehicle for risk management purposes, intended to assume underwriting risks held by both Japan Post Insurance and SCOR and thereby provide both parties with risk diversification benefits.

3. Japan Post Insurance’s investment⁽²⁾ in the reinsurance vehicle for the purpose of ensuring its financial soundness, with the expectation that the reinsured contracts ceded thereto will be appropriately managed by the ceding reinsurer.

^{*1} This refers to a form of reinsurance in which insurance underwriting risk and interest rate risk are ceded. In implementing this reinsurance, comprehensive reinsurance terms, including collateral conditions, will be set with due consideration to counterparty risk.
^{*2} Japan Post Insurance plans to hold less than 50% of the voting rights of the reinsurance vehicle.

Utilization of Reinsurance



^{*} Based on policy reserves. The gaps between policy reserves and reinsurance premiums are neutralized with contingency reserves (no impact on adjusted profit).

Shareholder Returns

Status of Shareholder Returns

In light of the improvement in adjusted profit, a measure we adopted as the source of shareholder returns in the fiscal year ended March 31, 2025, we strengthened shareholder returns during the period of the previous Medium-Term Plan, Regarding dividends for the fiscal year ended March 31, 2026, we paid ¥124 per share as initially forecast, and total dividends reached a record high of ¥45.4 billion. As a result, the total payout ratio rose to approximately 47%, exceeding the median of

the medium-term average of 40–50% set forth in our shareholder return policy.

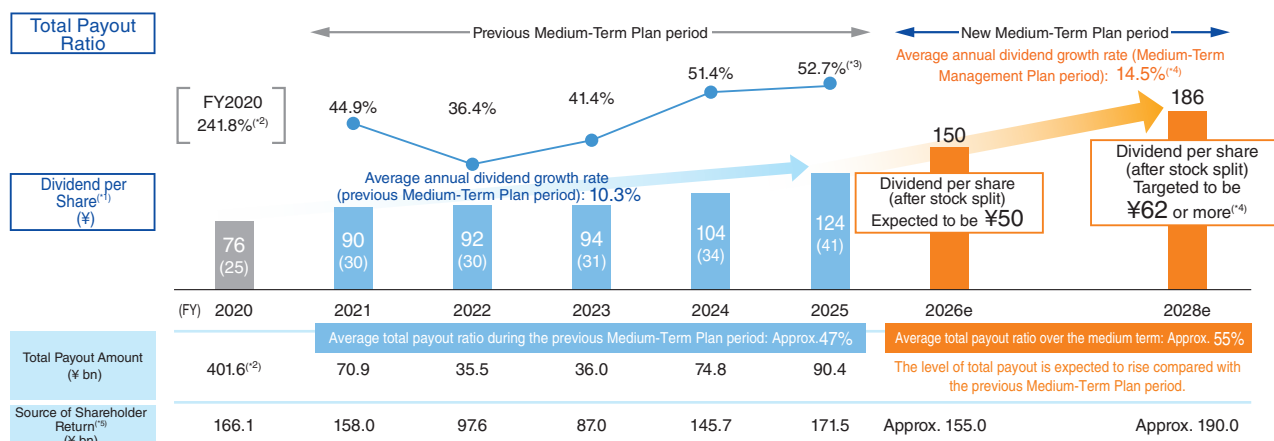
In addition, with the aims of making the Company easier to invest in by lowering the amount per investment unit, and of improving the liquidity of our common stock and expanding our investor base, we conducted a three-for-one split of our common stock (effective date: April 1, 2026).

Shareholder Return Policy

During the previous Medium-Term Plan period, we actively worked to enhance shareholder returns with the aims of responding to market expectations and improving our market valuation. For the new Medium-Term Plan period, with the aim of improving the predictability of shareholder returns, we have decided,

against the backdrop of improved and stable profit levels, to raise our target for the total payout ratio to a medium-term average of approximately 55%, while appropriately managing capital. For the fiscal year ending March 31, 2029, we will aim for dividends per share of ¥62 or more.

Trends and Policy on Shareholder Returns



*1 The dividend per share shown in the graph is the amount prior to the 3-for-1 stock split effective April 1, 2026 (converted figures are shown for FY2026 and beyond). The amounts after the split are shown in brackets (the amounts less than 1 yen rounded down).

*2 The total payout amount related to profits for FY2020 includes the repurchase of treasury stock from Japan Post Holdings (¥358.8 bn) conducted in May 2021.

*3 We will separately consider additional shareholder return in response to the higher-than-expected adjusted profit for FY2025, in conjunction with share buybacks to be conducted at some point from FY2026 onward.

*4 On the premise that the adjusted profit target for FY2028 of approximately ¥190.0 bn is achieved.

*5 A source of shareholder returns is net income for FY2023 and prior, and adjusted profit for FY2024 and onward.

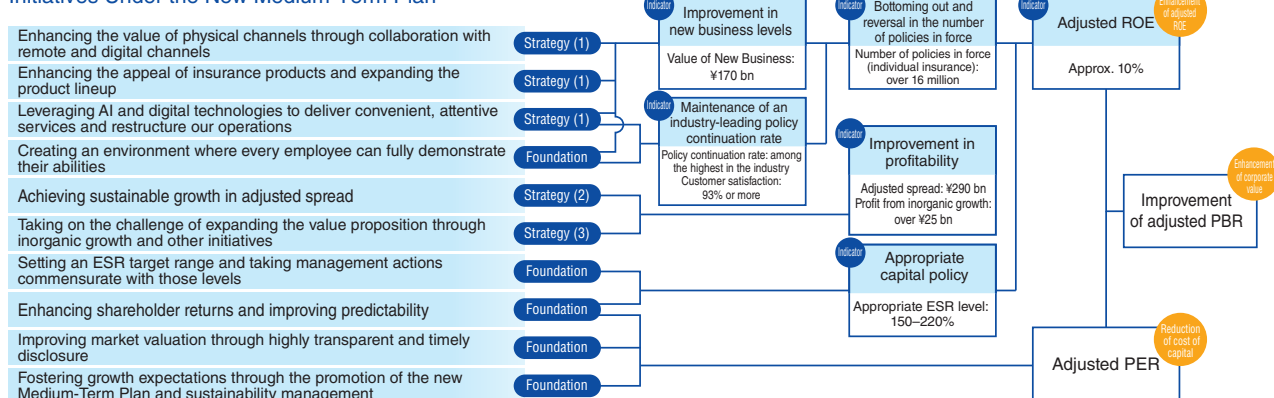
Enhancing Corporate Value

We believe that, in order to achieve a sustainable enhancement of corporate value, it is essential for us to further promote dialogue with a wide range of stakeholders, to deepen their understanding of our strategy, and to build mutual trust. We have various unique characteristics, such as restrictions on certain operations due to the nature of the life insurance business as well as accounting treatments and regulations specific to our business. For this reason, we strive to provide appropriate and accurate information by means of

thorough investor relations activities and clear disclosure in materials such as our Annual Report. We have long reflected the views obtained through dialogue with stakeholders in our financial and capital policies. The financial and capital policies and the enhancement of shareholder returns under the new Medium-Term Plan were also determined with reference to dialogue with stakeholders. We will continue to take the opinions we receive from all stakeholders seriously and strive to reflect them appropriately in our management.

Logic Tree Diagram for Improving Market Valuation and Key Targets for FY2028

Initiatives Under the New Medium-Term Plan



Looking Back on the Medium-Term Management Plan

In the fiscal year ended March 31, 2026, the final year of the Previous Medium-Term Plan, driven by record-high adjusted spread and expanded earnings from overseas insurance markets and the asset management business, we achieved results that exceeded targets for adjusted profit, adjusted ROE, and EV growth (RoEV)⁽¹⁾ with the dividend per share also paid in line with our initial forecast. Although the recovery of new policies is still a work in progress, the steady implementation of various measures set out in the Previous Medium-Term Plan raised the policy continuation rate to an industry-leading level.

Based on the results and challenges of the Previous Medium-Term Plan, under the New Medium-Term Plan that began in the fiscal year ending March 31, 2027, we will embark on a full-scale drive for “Growth and Challenge.”

Medium-Term Management Plan 2018–2020

- In response to the occurrence of solicitation quality issues, we promptly formulated and implemented priority measures. We built a foundation to regain customer trust and partially resumed sales activities.

✓ Overview of the Medium-Term Management Plan 2018–2020

- Building on a foundation of peace of mind and trust, we aimed for sustainable profit growth by providing coverage that meets customer needs and reversing and growing the number of policies in force.

✓ Basic Policies

- Strengthening of sales activities focusing on protection needs, improvement in solicitation quality, cultivation of a new customer base, development of new products, and establishment of a sales foundation
- Improvement of services through the use of ICT, enhancement of efficiency in back-office administration
- Diversification of asset management, sophistication of risk management

Occurrence of solicitation quality issues

✓ Priority response items based on the solicitation quality issues

- Efforts to regain customers' trust
- Implementation and establishment of improvement measures based on the business improvement plan
- Reconstruction of the business foundation and enhancement of corporate value

	FY2020 Targets	FY2020 Results
Earnings per share (Reference) consolidated net income	¥155 ¥93.0 bn	¥295 ¥166.1 bn
Dividend per share ⁽²⁾	¥76 (¥25)	¥76 (¥25)
Annualized premiums from policies in force (individual insurance)	Approx. ¥4.9 tn	¥3.89 tn

Medium-Term Management

- We fully resumed sales activities and advanced the various procedures and payments, **which resulted industry-leading level. On the other hand, the due to the impact of suspending efforts to the inappropriate use of non-public financial insurance premium revisions from the original**
- Against the backdrop of an improved investment

✓ Overview of the Medium-Term Management

- We will reconstruct into a company that is truly model that positions customer experience value

✓ Basic Policies

- Continue efforts to regain trust
- Reinforce business foundations
- Improve customer experience value
- Promote ESG management
- Corporate culture and work-style reform
- Reinforcement of governance and capital policy

Changes in the internal and external environment

- Released from the obligation to make reports based on the business improvement order (December 2023)
- Transition to a world with interest rates

Adjusted profit (Reference) consolidated net income
Adjusted ROE
EV growth rate (RoEV)
Dividend per share ⁽²⁾
Number of policies in force (individual insurance)
Customer Satisfaction
NPS ^{®(3)}

2018

2019

2020

2021

2022

20

● Solicitation quality issues occurred

● Start of Operations Aimed at Regaining Customers' Trust

● Shift to new Japan Post Insurance sales system

⁽¹⁾ RoEV stands for Return on Embedded Value, which refers to the “EV growth rate over a certain period,” and is calculated by excluding the “differences between economic assumptions and actual results” and the impact of goodwill from EV variance factors. The EV growth rate (RoEV) is calculated based on calculation standards revised in conjunction with the start of the application of economic value-based solvency regulations at the end of the fiscal year ended March 31, 2026.

⁽²⁾ The amount prior to the 3-for-1 stock split effective April 1, 2026 (converted figures are shown for the fiscal year ending March 31, 2027 and beyond). The amounts after the split are shown in parentheses and amounts are rounded down to the nearest yen.

⁽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.

Growth and Challenge

Medium-Term Management Plan 2026–2028

- By enhancing the value of physical channels through collaboration with remote and digital channels and by providing *easy-to-understand products* tailored to customers and *convenient, attentive services*, we will respond to the latent insurance needs of our massive and unique customer base and **aim for a bottoming out and reversal in the number of policies in force.**
- We will further improve customer satisfaction while maintaining an industry-leading level of policy continuation rate

Overview of the Medium-Term Management Plan 2026–2028

- Together with post offices, we will expand and deepen our relationships with customers across Japan, delivering peace of mind now and for the future

Basic Policies

Establishment of the “JPI Value Delivery Model”

- Enhancing the value of physical channels through collaboration with remote and digital channels
- Providing *easy-to-understand products* and *convenient, attentive services*

Asset Management that Responds to Changes in the Investment Environment and Resolution of Social Issues

- Achieving sustainable growth in adjusted spread
- Solving social issues through the power of investment

Three Key Strategies

Take on the Future

- Expanding the value proposition through inorganic growth and other initiatives
- Business transformation through AI and digital technologies

Establishing a Business Foundation

- Human Capital Management, Strengthening Governance, Dialogue with Stakeholders, Financial and Capital Policy

Instruction

Plan 2021–2025

strengthening of after-sales follow-up, acceleration of **in raising the policy continuation rate to the recovery of new policies is still a work in progress attract customers to post offices in response to information as well as delays in the timing of plan, among other factors.**

environment, **we achieved a record-high adjusted spread.**

Plan 2021–2025

trusted by its customers and shift to a business as its top priority to ensure sustainable growth.

Review of the Medium-Term Management Plan

- Retain and expand the customer base based on connections across life stages/generations
- Grow into a sustainable and *strong company*
- Sustainability management
- Management conscious of capital efficiency

The Three Pillars of Growth Strategies

Further Expansion of Insurance Products and Services

Achieving Greater Depth and Evolution of Asset Management

Diversifying Sources of Revenue

FY2025 Targets	FY2025 Results
¥97.0 bn ¥80.0 bn	¥171.5 bn ¥168.7 bn
Approx. 6%	10.1%
6–8%	9.5%
In principle, aim not to decrease but to increase dividend per share	¥124 (¥41)
18.5 mn or more policies	17.72 mn policies
90% or more	84%
One of the highest levels in the industry	(54.8) 11th/13 companies

	FY2028 Targets
Adjusted profit	¥190.0 bn
Adjusted ROE	Approx. 10%
EV growth rate per share	Medium-term average of 8% or more
Total payout ratio Dividend per share ^{(*)2}	Medium-term average of approx. 55% ¥186 (¥62) or more ^{(*)4}
Number of policies in force [of which, post-privatization policies] (individual insurance)	16 mn or more [11.5 mn or more]
Customer Satisfaction	93% or more

23

2024

2025

2026

2027

2028

- Launch of lump-sum payment whole life insurance
- Medium-Term Plan reviewed
- Cross-selling issue, etc. occurred^{(*)5}

- Resumed efforts to attract customers to post offices

^{(*)4} Assuming the adjusted profit target for the fiscal year ending March 31, 2029 is achieved

^{(*)5} This refers to the case of the improper handling of non-public financial information within the Japan Post Group that was announced on September 27, 2024, and the case of solicitation of sales of lump-sum payment whole life insurance prior to obtaining regulatory approval that was announced on March 18, 2025.

Overview of the New Medium-Term Management Plan

In May 2026, we announced our new Medium-Term Management Plan.

Together with post offices, we will expand and deepen our relationships with customers across Japan and aim to enhance corporate value over the medium to long term by delivering peace of mind now and for the future.

In formulating the New Medium-Term Plan, under the Management Philosophy of “Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being,” we clarified the three values that we deliver to customers.

We also recognize that the business environment over the medium to long term will be affected by changes in the social environment, including

population decline, the entrenchment of a long-lived society, an increase in single-person households, and advancements in technology. Under such an environment, the types of protection, products, and services customers seek, as well as how they are provided, will change significantly. We believe it is necessary to view the impact of these changes as opportunities and to actively respond to them.

Three Values We Deliver



Based on the three values we deliver and our recognition of the medium- to long-term business environment, we have newly set becoming “an Essential Company that continuously creates new value and delivers peace of mind nationwide” as the vision we aim to achieve by 2040. The term “Essential Company” embodies our aspiration for Japan Post Insurance to continue to be a company that is to continue to be an “indispensable company” and

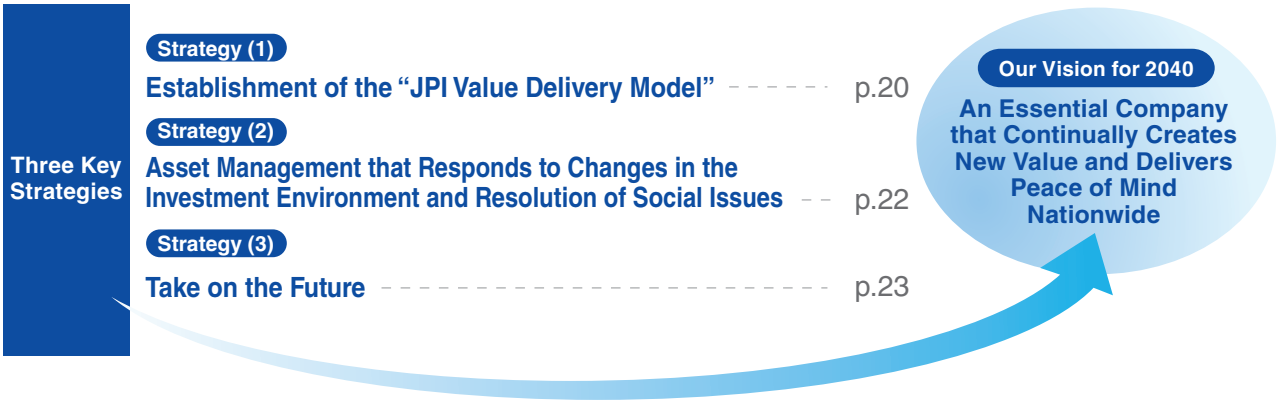
Medium- to Long-Term Business Environment and Opportunities to Be Seized, etc.



“essential presence” for customers’ lives and for society.

Toward the achievement of this vision, while taking into account a review of the Previous Medium-Term Plan and other factors, we have designated the three-year period of the New Medium-Term Plan as the “Growth and Challenge Phase,” during which we will focus on three key strategies.

Growth Strategies We Should Pursue



Strategy (1) Establishment of the “JPI Value Delivery Model”

In addition to our massive customer base of approximately 15.77 million people, we also have contact points with a large number of customers who use the services of the various companies of the Japan Post Group. One of our major strengths is our massive and highly unique customer base.

While our new policy sales for the fiscal year ended March 31, 2026, were ¥97.3 billion, we estimate that the life insurance enrollment potential of customers with ties to the Japan Post Group is approximately 15 times that amount. As such, we recognize that there are still significant latent insurance needs that we have yet to fully address.

To respond to these latent insurance needs, we will establish the “JPI Value Delivery Model,” which is an optimal customer-oriented business model that combines both quality and quantity, and provide *easy-to-understand products* that are best suited to each individual customer and *convenient, attentive services* that leverage AI and digital technologies.

Our Market Potential



*1 Estimated based on our proprietary survey (online survey conducted in July–August 2025, N: over 7,000). Market potential represents the estimated amount for which individuals recognize the need for life insurance coverage but have not yet considered purchasing a policy

*2 Annualized premiums from new policies

Specifically, we will work on (1) enhancing the value of physical channels through collaboration with remote and digital channels, (2) enhancing the appeal of insurance products and expanding the product lineup, and (3) providing convenient and attentive services by leveraging AI and digital technologies, thereby responding to customers' insurance needs more than ever before.

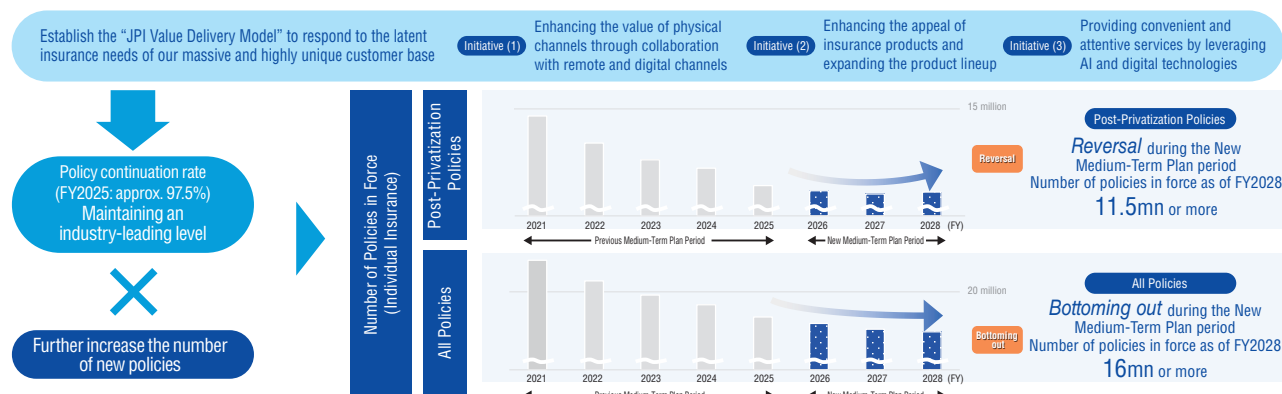
Overview of the “JPI Value Delivery Model”



Through the establishment of the “JPI Value Delivery Model,” while maintaining the high policy continuation rate that rose to an industry-leading level through the initiatives of the Previous Medium-Term Plan, we will further increase new policies, thereby achieving a

reversal in the number of post-privatization policies in force and a bottoming out of the total number of policies in force during the period of the New Medium-Term Plan, and linking this to the enhancement of corporate value.

Vision for the Establishment of the “JPI Value Delivery Model”



Initiative (1)

Enhancing the value of physical channels through collaboration with remote and digital channels

We will provide opportunities for customers to recognize their insurance needs by increasing customer touchpoints through remote and digital channels and further enhancing our attentive after-sales follow-up. We also aim to double the number of insurance consultation opportunities by guiding customers with a high interest in insurance to physical channels.

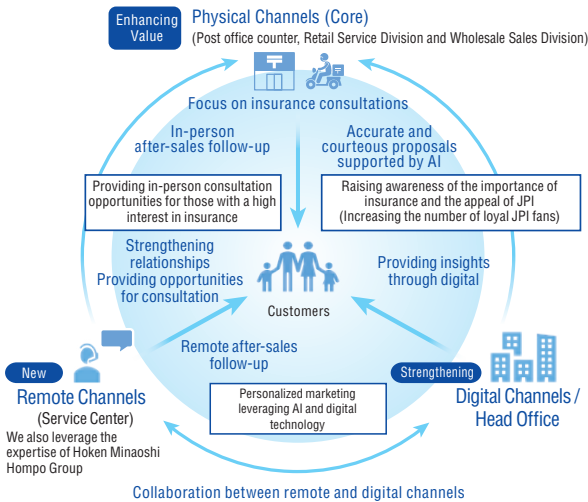
Furthermore, we will enhance the value of our core physical channels by developing an environment in which they can focus on insurance consultations, providing AI support for insurance consultations, and accurately and courteously proposing *easy-to-understand products* tailored to customers.

Initiative (2)

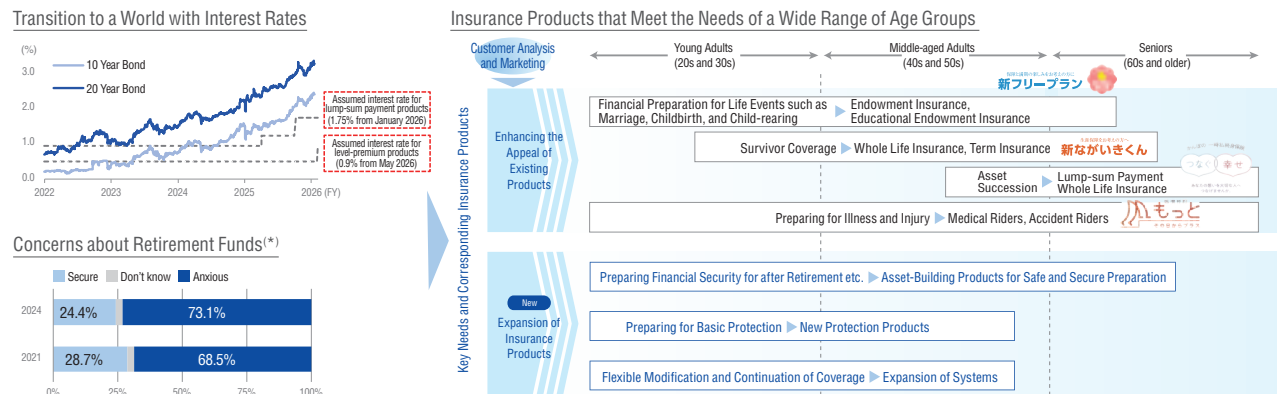
Enhancing the appeal of insurance products and expanding the product lineup

In light of changes in the environment such as the continued rise in interest rates following the Bank of Japan's lifting of the negative interest rate policy in March 2024, as well as the growing need for preparing financial security after retirement, we aim for *enhancing the appeal of main products, an expansion of the product lineup that meets customers' basic needs, and expanding systems that flexibly respond to changes in customer needs*. Specifically, in addition to reducing

Depiction of Enhancing the Value of Physical Channels



Changes in the External Environment and Needs, and Our Product Development Direction



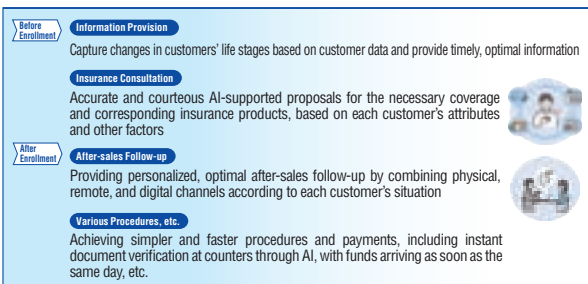
* Japan Institute of Life Insurance, "2024 (Reiwa 6) National Survey on the Actual State of Life Insurance" (Survey Results for Households with Two or More Members)

Initiative (3)

Providing convenient and attentive services by leveraging AI and digital technologies

By leveraging AI, digital technologies, and marketing strategies based on customer data, we will provide accurate and courteous proposals for *easy-to-understand products* that are best suited to each individual customer, as well as services that are unique to Japan Post Insurance, such as *attentive after-sales follow-up* and *convenient procedures*, to achieve high customer satisfaction and policy continuation rates.

Examples of Convenient and Attentive services



Strategy (2) Asset Management that Responds to Changes in the Investment Environment and Resolution of Social Issues

As a universal owner that manages a wide range of assets over the long term, after further strengthening our investment foundation, we will capture improvements in the investment environment, such as the rise in interest rates in Japan, and pursue the sustained achievement of record-high adjusted spread through portfolio restructuring. Furthermore, through

the promotion of impact investments and academic-industrial collaborations, we will contribute to the resolution of social issues through asset management and to the discovery of companies that will become pillars of the next-generation industrial structure, thereby aiming to become one of the world's leading institutional investors.



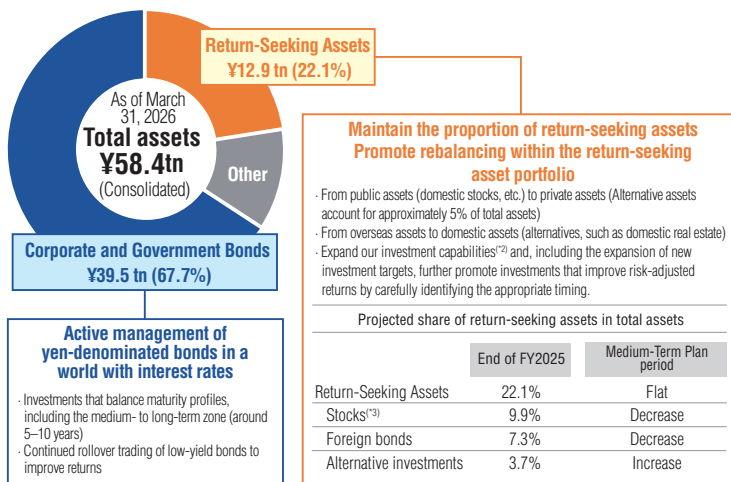
Initiative (1) Achieving sustainable growth in adjusted spread

We conduct asset management with the aim of generating stable investment returns over the medium to long term through diversified investment in various assets, with a focus on yen-denominated interest-bearing assets. Under the New Medium-Term Plan, we will aim to expand returns while appropriately controlling risks while continuing to base ourselves on stable management through ALM^(*) under the ERM framework

as in the Previous Medium-Term Plan, against the backdrop of the transition to “a world with interest rates.” Under this policy, we will promote portfolio restructuring through the active management of yen-denominated bonds and rebalancing within return-seeking assets, and pursue the sustained achievement of record-high adjusted spread.

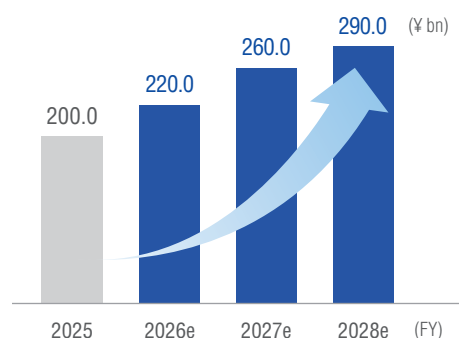
Portfolio restructuring that captures structural changes in the financial environment

From the Accumulation of Return-Seeking Assets phase to the Portfolio Restructuring phase



Achieving Sustainable Growth in Adjusted Spread

Approx. ¥90.0 bn increase compared to FY2025



*1 ALM (Asset Liability Management) refers to the integrated management of assets and liabilities.

*2 Recent Initiatives: Strategic partnership with Ashmore Group plc (emerging markets), Establishment of a U.S. subsidiary (U.S. market), Establishment of JPI Research Institute

*3 Since privatization, the Company has not held any cross-shareholdings; stocks (excluding subsidiaries, etc.) are held purely for investment purposes.

Initiative (2)

Further promoting impact investments and industry-academia collaborations

Through the expansion of the Impact “K” Project, our proprietary impact investment framework, we will work to achieve both social impact and financial returns, while aiming to establish our position as an industry leader. The cumulative investment certified under this project is planned to be expanded to ¥100.0 billion by the end of the fiscal year ending March 31, 2029, which is double the target amount for the period of the Previous Medium-Term Plan.

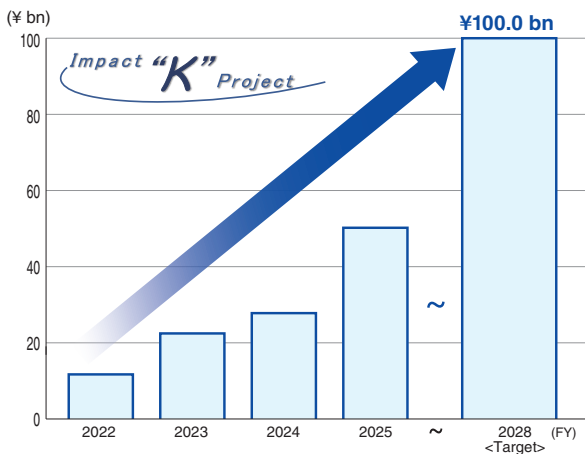
In addition, through industry-academia collaborations, we will invest in university-based startups, conduct joint research, and facilitate personnel exchanges, with the aim of further developing the impact ecosystem^(*).

* Collaboration and cooperation aimed at balancing financial returns with the resolution of social issues

Strategy (3) Take on the Future

With the aim of stabilizing and strengthening our business and achieving further profit growth, during the period of the New Medium-Term Plan, we will work on taking on the challenge of expanding the value proposition through inorganic growth and other initiatives and taking on the

Progress of the Impact “K” Project



challenge of business transformation through AI and digital technologies. Through these initiatives, we will aim to expand the value proposition for customers, embody our presence as a company that delivers peace of mind, and further enhance our earning capacity.

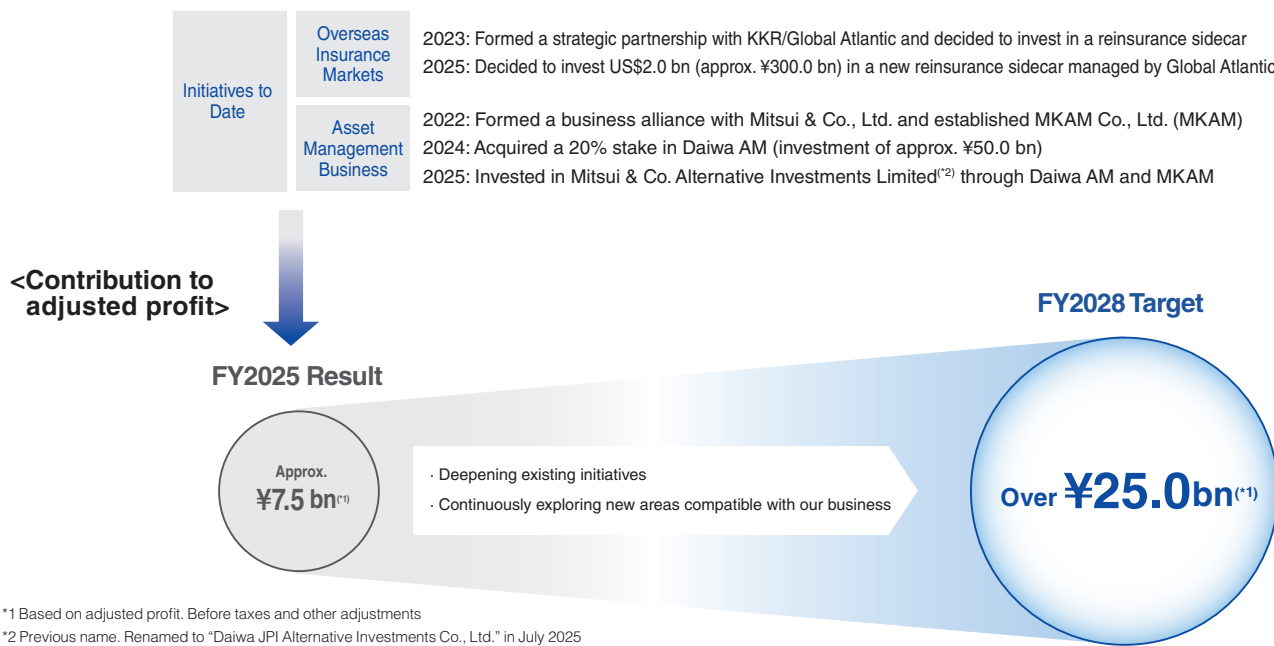
Initiative (1)

Taking on the challenge of expanding the value proposition through inorganic growth and other initiatives

We will deepen collaboration with existing partners in overseas insurance markets and the asset management business, while continuing to explore high-quality investment and partnership opportunities that are highly compatible with our business and more accretive to EPS than treasury stock acquisition. As a result of our initiatives to date, profit generation from inorganic growth grew to

approximately ¥7.5 billion in the fiscal year ended March 31, 2026, and by further promoting initiatives toward the diversification of these sources of revenue during the period of the New Medium-Term Plan, we aim to generate profits of ¥25.0 billion or more^(*) in the fiscal year ending March 31, 2029.

Expanding Profit Generation through Partnership and Investments

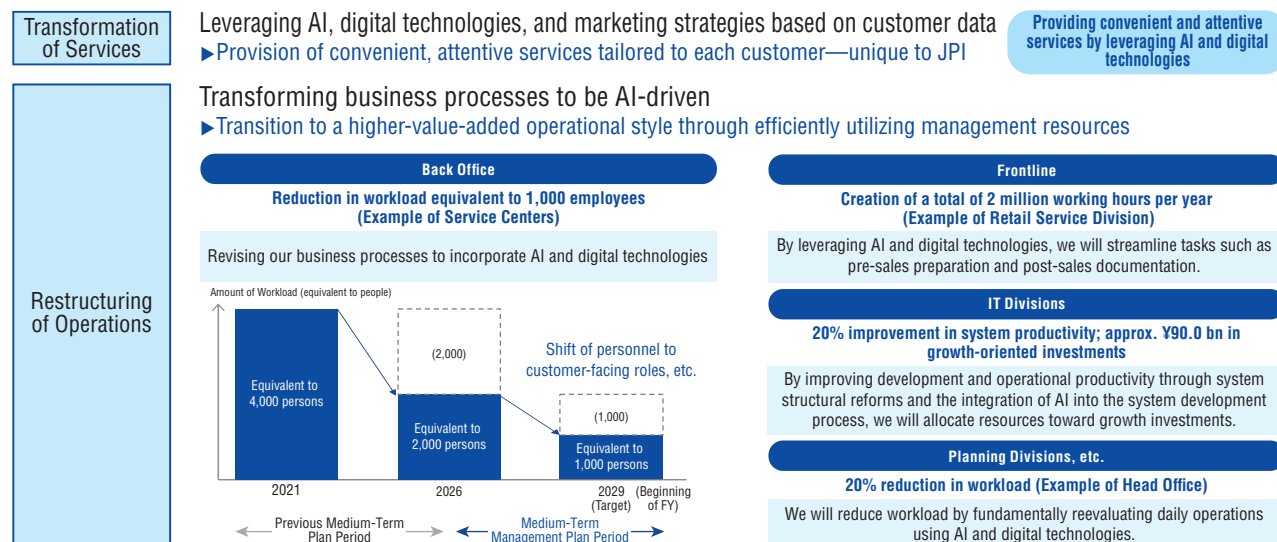


Initiative (2)

Taking on the challenge of business transformation through AI and digital technologies

As an Essential Company, we will deliver peace of mind to customers throughout Japan by taking on the challenge of business transformation, leveraging AI, digital technologies, and marketing strategies based on

customer data. During the New Medium-Term Plan period, we will also work on transforming our services and restructuring our operations to support these changes.



Key Targets for the New Medium-Term Plan Period

The key targets for the New Medium-Term Plan period include adjusted profit of ¥190.0 billion in the fiscal year ending March 31, 2029, adjusted ROE of approximately 10%, and an EV growth rate per share of 8% or more on a medium-term average basis.

We also set the total payout ratio at approximately 55% on average over the medium term, and assuming the achievement of the adjusted profit target, we will enhance shareholder returns including a dividend per share of ¥62

or more for the fiscal year ending March 31, 2029. In addition, for the number of policies in force, we aim to achieve a bottoming out and reversal with targets of 11.5 million or more for post-privatization policies in force and 16 million or more for all policies in force as of March 31, 2029, and we aim for a customer satisfaction rate of 93% or higher.

Through the steady realization of the various measures set out in the New Medium-Term Plan, we will work toward the achievement of these key targets.

Key Targets

		Targets for the New Medium-Term Management Plan Period	
Financial Indicators	Adjusted Profit	FY2028	¥190.0 bn
	Adjusted ROE	FY2028	Approx. 10%
	EV Growth Rate per Share	Medium-term average	8% or more
	Total Payout Ratio Dividend per Share	Medium-term average	Approx. 55%
Non-Financial Indicators	Assuming the adjusted profit targets are met, ¥62 or more for FY2028		
	Number of Policies in Force ^(*) / Of which, Post-Privatization Policies * Individual insurance	By the end of FY2028	16mn or more / 11.5mn or more Aiming for a bottoming out of the total number of policies in force and a reversal in post-privatization policies
	Customer Satisfaction	FY2028	93% or more

Outside Directors Roundtable Discussion



HOSOYA Kazuo

Outside Director

TOMII Satoshi

Outside Director

UNO Akiko

Outside Director

Expectations for Japan Post Insurance as It Takes Its First Step Toward *Growth and Challenge* Under the New Management Structure

Under new President ONISHI's leadership, the Company launched its new Medium-Term Management Plan in the fiscal year ending March 31, 2027.

Outside Directors TOMII, HOSOYA, and UNO held a roundtable discussion, exchanging candid views on the challenges and expectations ahead.

Reflections and Observations on the Fiscal Year Ended March 31, 2026

TOMII: In the stock market, the Company's stock price was at a low level a year ago, but it has recovered as management set clear goals and maintained consistent dialogue with the market. I see the recovery as a re-evaluation of aspects that had previously been undervalued.

However, what matters now is how much the Company can strengthen its actual capabilities to drive its market valuation higher going forward. It is true that Japan's population is declining, and the insurance market will likely shrink overall as a result. Even so, many customers' concerns about retirement

and illness remain insufficiently addressed by current products, and I believe the Company has significant room to respond to such unmet needs by leveraging its strengths. Japan Post Insurance has a distinctive advantage in its frequent contact with elderly customers and its ability to visit customers at their homes. I believe there is still much the Company can do to protect customers' lives through the power of insurance.

HOSOYA: As the Company works to reverse the decline in the number of policies in force, following the occurrence of incidents such as the cross-selling incident, it has encountered new challenges in agency supervision and regulatory compliance. The Company viewed these challenges as opportunities to develop new initiatives, and I believe this was a year in which it advanced discussions on the New Medium-Term Plan and clarified its strategy going forward.

Now the Company is at a genuine turning point. It must manage its operations in a way that earns the confidence of its shareholders and investors and execute its growth strategies steadily.

UNO: Over the past year, I have been interested in the questions of whether the Company's activities are earning the trust of its customers, whether the Company is reaching new customers, and whether those factors are translating into applications from them.

In its sales activities, the Company has begun an initiative in which the head office and the front lines work as one through the organization, a call center-based lead-generation unit, rather than leaving everything to the front lines. It has already shifted its performance evaluation system to assess process as well as results. Going forward, I believe that refining the process indicators in line with the Company's strategic direction will lead to stronger outcomes. On many occasions, I have spoken with a large number of employees and have been struck by how many are diligent and talented. Since many employees have genuine pride and confidence in their work, I believe the Company can further strengthen the connection and collaboration between the head office and the front lines, and that the strength of that collaboration will result in an even more resilient organization. I also found that many employees in the Retail Service Division are genuinely dedicated to serving customers, which reinforced my sense that the Company as a whole has considerable potential for further growth.

Driving the New Medium-Term Management Plan and Future Growth

TOMII: The New Medium-Term Plan, which launched this fiscal year, identifies "Establishment of the JPI

Value Delivery Model" as one of its key strategies. The Company has organized its efforts around how to deliver its value to as many customers as possible. Strengthening its marketing to reach customers is an ongoing challenge. Over the past year or two, the Company has begun taking various steps, and I believe it must continue raising awareness of this priority across the entire organization.

Turning to the second key strategy, "Asset Management that Responds to Changes in the Investment Environment and Resolution of Social Issues," the results of our various new initiatives are beginning to emerge. In particular, the Company's impact investments have received high praise. Under the third key strategy, "Take on the Future," the organization is actively pursuing new initiatives within a framework of sound risk-taking, and I intend to support that effort.

UNO: Under the strategy for the establishment of the "JPI Value Delivery Model," Japan Post Insurance has set out to build on the consolidation of previously scattered customer touchpoints into a unified operational framework. The goal is to increase those touchpoints further, so that customers will choose to stay with Japan Post Insurance throughout their lives.



I too have high hopes for these efforts. I believe it is important to add the strengths of digital technologies to the strengths of physical channels, such as post offices, and to establish a solid framework that enables the Company to connect with more customers and earn their trust.

HOSOYA: Whether Japan Post Insurance is offering products that customers find attractive is also a critical question. Insurance products are often said to be difficult to differentiate, yet the industry offers a wide variety of products. It is essential to consider which



customer segments would benefit from which products, then concentrate resources to differentiate accordingly. I believe it is important to work toward making Japan Post Insurance products appealing to customers, including through the familiar post offices near them.

UNO: How customers choose insurance is also changing significantly. As customers can now ask AI what insurance is best suited to their individual circumstances, it is key to ensure that Japan Post Insurance products are among those recommendations, so that customers are motivated to visit post offices on their own initiative. Leveraging its strengths as a company that customers can confidently trust with their future, Japan Post Insurance should expand its touchpoints to reach underserved segments, such as younger generations. The goal is a world where customers can consult “Kampo-san” or their local post offices whenever they need help.

HOSOYA: More customers today use AI and websites when researching insurance, so investing in a well-built website as the first point of contact will help increase enrollment and streamline operations. Customers typically use the website to narrow down the insurance that would give them peace of mind in their lives, then visit a service counter or similar channel to hear a detailed explanation from a representative before making a final decision. It is therefore important to concentrate human resources at that final stage.

UNO: It is important that Japan Post Insurance be among the options customers consider when researching insurance or choosing where to seek advice. The trust built over its long history is a major strength, and the Company should continue to reinforce it.

Strengthening Governance and Reforming the Corporate Culture

TOMII: On incidents, such as the cross-selling incident, I have continuously visited post offices and branches since these issues arose, listened directly to frontline staff, and reported that feedback to management. At the front lines, I believe the mechanisms to prevent recurrence have steadily taken shape, built through painstaking improvements to highly complex and detailed processes, one by one.

That said, the Japan Post Group is fundamentally a large and complex organization, prone to a wide variety of risks. As Audit Committee Chair, I intend to continue monitoring whether compliance issues are being

addressed, while maintaining direct communication with frontline staff.

UNO: We receive reports on the content and frequency of training, one of the Company's compliance initiatives, and have confirmed that it is being conducted properly. Holding *Frontline meetings* and building mechanisms to collect the voices of frontline employees are important steps in establishing the structures needed for governance to function effectively, and I view them positively.

TOMII: I feel the corporate culture is improving year by year. Previously, when I asked frontline employees about upcoming policies and initiatives, I sometimes received responses such as “I haven’t heard about that” or “That doesn’t concern me.” Now, head office policies are communicated clearly to the front lines, and employees are willing to share their individual opinions and views.

HOSOYA: Frontline employees are genuinely committed to their work, but change also needs to come from the top. When managers take the initiative to open the door to their teams, the genuine commitment frontline employees show can be put to even better use. When I was in management myself, I was often caught off guard—realizing that what I thought was going well was actually a source of frustration for someone on my team.

Expectations for New President ONISHI and the Future of Japan Post Insurance

TOMII: New President ONISHI has deep expertise in the business and a clear vision. I hope Japan Post Insurance will pursue its goals within the Japan Post Group in ways that also benefit the Group as a whole. I expect Japan Post Insurance to achieve two goals: broadly providing the basic insurance services that define its purpose, and establishing the new “JPI Value Delivery Model,” all while ensuring financial soundness.

UNO: It is important for change toward the new vision to start with management, and for transformation efforts to be put into practice. Based on marketing research and other materials, I believe the foundation for advancing a range of initiatives is now in place. I particularly expect Japan Post Insurance to reach a new stage of growth quickly through AI and digital technologies.

HOSOYA: When management changes its ways, I believe their teams will change as well. From a marketing perspective, it is important to focus on essentials: developing products that draw on our resource strengths, delivering products and services suited to customers’ characteristics, and communicating the value of Japan Post Insurance in a way that customers can understand and appreciate.

At the same time, where there are areas that need improvement, I hope the new leadership will move decisively to address them. Rather than finding satisfaction in accumulating materials and tasks, focusing on business value and working continuously to address the root causes of problems efficiently will ultimately drive differentiation.

UNO: Japan Post Insurance is expected to ensure that everyone across the country has access to insurance, and to offer products that give younger people hope for the future. Trust is its greatest asset. I hope the Company will use AI and digital technologies to deliver trusted products and services to more people. I hope Japan Post Insurance will

build on the Japan Post Group’s foundation, unlock further value, and realize its potential to become a truly indispensable insurer.

HOSOYA: The key lies in leveraging Japan Post Insurance’s strengths: the nationwide post office network, approximately 15.77 million customers, and total assets of approximately ¥60 trillion. I believe that executing the New Medium-Term Plan’s initiatives will enable the Company to serve more customers well, achieve corporate growth and enhance corporate value. I will be watching closely as the Company works toward that goal.

