May 28, 2026

Company Name: JAPAN POST INSURANCE Co., Ltd.
Representative: TANIGAKI Kunio, Director and President, CEO, Representative Executive Officer
Stock exchange listing: Prime Market of the Tokyo Stock Exchange (Code Number: 7181)

Disclosure of Embedded Value as of March 31, 2026

Japan Post Insurance Co., Ltd. ("Japan Post Insurance", Director and President, CEO TANIGAKI Kunio) discloses its Embedded Value ("EV") results calculated as of March 31, 2026 in order to provide additional information as to the current financial position of Japan Post Insurance.

Contents

1. Outline of EV

(1) Embedded Value ("EV")

EV provides an estimate of the value of future profits distributable to shareholders from the assets and liabilities of the covered business, excluding any value of new business that is expected to be sold in the future.

The profit pattern of life insurance products is typically that a loss arises at the time of issue, due to acquisition costs, followed by profits arising over the remainder of the term of the business. The profits over the remaining term of the business are typically expected to more than offset the initial losses which arose due to acquisition costs. While profits under the current accounting practices only represents the profit or loss for a single accounting period, the EV includes the present value of future profits from the in-force business. Therefore we consider that the EV is a useful indicator which provides financial information supplementary to the statutory accounting statements.

(2) Change in Calculation Method

Japan Post Insurance has disclosed its European Embedded Value calculated using a market-consistent methodology on the basis of the European Embedded Value Principles ("Old Method") up to March 31, 2025.

The calculation method for EV as of March 31, 2026 has been changed, considering the introduction of economic value-based solvency regulations at the end of fiscal year 2025. Under this method ("New Method"), EV is calculated based on net assets on the economic value–based balance sheet, after deducting elements that are not attributable to shareholders.

The differences in calculation methodologies between the Old Method and the New Method mainly affect EV as a result of factors such as the application of an Adjustment Spread to the risk-free rate for determining the discount rate for calculating insurance liabilities, as well as replacing the allowance for non-hedgeable risks under the Old Method by the Margin Over Current Estimate (MOCE) on the economic value-based balance sheet under the New Method. Please refer to "4. Movement Analysis" for the impact of the changes in methodologies.

2. Postal Life Insurance Policies

Japan Post Insurance was established in September 2006, and commenced operations in October 2007, on the basis of the Postal Service Privatization Act of October 2005. Pursuant to the Postal Service Privatization Act, insurance policies held by Japan Post on September 30, 2007 ("Postal Life Insurance policies") were taken over by the Organization for Postal Savings, Postal Life Insurance and Post Office Network ("Postal Management and Support Organization"). The Postal Management and Support Organization ceded 100% of its insurance policies to Japan Post Insurance via a reinsurance agreement.

Japan Post Insurance manages the Postal Life Insurance policies ceded from the Postal Management and Support Organization as a block, separate from other policies. In addition, the contingency reserve and reserve for price fluctuations related to the Postal Life Insurance policies are managed separately. An amount equal to 80% of the profits arising from these policies (including profits arising from the release of the contingency reserve and reserve for price fluctuations, and excluding guaranteed policyholder dividend payments and total income taxes), as well as the fixed amount of guaranteed policyholder dividends, is used to determine the reinsurance dividend paid to the Postal Management and Support Organization. The EV calculations take into consideration the profits net of this reinsurance dividend.

3. EV Results

(1) EV

The EV of Japan Post Insurance is ¥4,256.5 billion as of March 31, 2026, increasing by ¥315.5 billion from March 31, 2025, primarily due to factors such as an increase in unrealized gains on domestic equities resulting from rising domestic stock prices.

(in billions JPY)

	March 31, 2025(*1)	March 31, 2026	Increase (Decrease)
EV	3,940.9	4,256.5	315.5
Adjusted net worth equivalent(*2) (*3)	2,006.3	1,999.6	(6.7)
Value of in-force covered business equivalent(*2) (*4)	1,934.5	2,256.9	322.3

(*1) The March 31, 2025 value was calculated under the Old Method.

(*2) Unrealized gains and losses on securities, loans and real estate related to insurance contracts, and the contingency reserves and price fluctuation reserves related to Postal Life Insurance policies are included in the value of in-force covered business equivalent and not in the adjusted net worth equivalent.

(*3) Treasury shares totaling ¥33.0 billion that were acquired (on a contract basis) on March 31, 2025 are excluded from the value as of March 31, 2025.

(*4) The value of in-force covered business equivalent represents the value of in-force policies as of the valuation date, and is calculated as the present value of expected future distributable shareholder profits arising from in-force policies and the assets related to those policies.

(2) Value of New Business

Value of new business is the value as at the time of sale of the new business issued in the reporting period (for policies issued using the conditional cancellation system and for policy conversions, the net increase in value). New business includes policy renewals over the reporting period.

The table below shows the value of new business and new business margin, where the latter is calculated as the ratio of the value of new business to the present value of new business premiums.

(in billions JPY)

	Fiscal year ended March 31, 2025 (*1)	Fiscal year ended March 31, 2026	Increase (Decrease)
Value of new business	67.9	61.5	(6.3)
Present value of new business premium (*2)	1,970.7	1,037.5	(933.2)
New business margin	3.45%	5.93%	2.48 points

(*1) The values for the fiscal year ended March 31, 2025 were calculated based on the Old Method.

(*2) Future premium income is discounted using the same discount rates as those used in the value of new business calculation.

4. Movement Analysis

(in billions JPY)

	EV
Embedded Value (Old Method) as of March 31, 2025	3,940.9
(1) Adjustments from Old Method to New Method	61.7
Embedded Value (New Method) as of March 31, 2025	4,002.7
(2) Opening adjustments	(89.9)
Embedded Value as of March 31, 2025 after adjustment	3,912.7
(3) Value of new business	61.5
(4) Expected existing business contribution (unwinding of the discount rate)	60.3
(5) Expected existing business contribution (in excess of the discount rate)	178.9
(6) Non-economic experience variances	(4.9)
(7) Non-economic assumption changes	70.3
(8) Economic variances	(22.3)
Embedded Value as of March 31, 2026	4,256.5

(1) Adjustments from Old Method to New Method

This amount includes the difference arising from the change in calculation methodologies between the Old Method and the New Method. Please refer to "(2) Change in Calculation Method" in section "1. Outline of EV" for an outline of the changes in methodologies between the Old Method and the New Method.

(2) Opening adjustments

This amount includes ¥42.9 billion of shareholder dividends paid during the fiscal year ended March 31, 2026, which reduced the EV. In addition, Japan Post Insurance acquired its own treasury stock worth ¥46.9 billion (on a contract basis) during the same period, further reducing the EV.

(3) Value of new business

The value of new business represents the value at the time of sale, after all acquisition-related costs, attributable to new business obtained during the fiscal year ended March 31, 2026.

(4) Expected existing business contribution (unwinding of the discount rate)

In calculating the EV, future expected profits are discounted using discount rates. Thus, the discounted value grows at the discount rate due to the passage of time. In addition to the unwinding of the discount rate, which includes the Adjustment Spread, this item also includes the release, for the fiscal year ended March 31, 2026, of the time value of financial options and guarantees, and of the MOCE.

(5) Expected existing business contribution (in excess of the discount rate)

Rates of future returns are assumed to be risk-free rates in calculating the EV. However, after-tax

investment earnings on assets are expected to be in excess of the risk-free rates. This item reflects the expected excess. For detail of the expected investment earnings assumptions for the fiscal year ended March 31, 2026, refer to “Appendix B: Main EV Assumptions”.

Note that the expected existing business contribution corresponding to the Adjustment Spread is included in “(4) Expected existing business contribution (unwinding of the discount rate)”. Accordingly, the expected investment earnings presented in this item represent the portion of excess returns calculated using the expected rate of return excluding the Adjustment Spread.

(6) Non-economic experience variances

This item represents the difference between the non-economic assumptions which were used for calculating EV as of March 31, 2025 and the actual experience during the fiscal year ended March 31, 2026 corresponding to such assumptions.

(7) Non-economic assumptions changes

This item quantifies the amount of change attributable to increase/decrease in future profits/losses after March 31, 2026 due to changes made to the non-economic assumptions.

(8) Economic variances

This item represents the impact of differences between actual investment returns in the period and the expected investment returns, and the impact on the EV from the change to the end of period economic assumptions such as interest rates and implied volatilities.

The EV decreased ¥22.3 billion, due largely to a reduction in unrealized gains on domestic bond holdings from increases in domestic interest rates.

5. Sensitivities

The impact of changes in assumptions (sensitivities) on the EV is summarized below.

For each sensitivity scenario, only one specific assumption is changed and other assumptions remain unchanged from the base. It should be noted that the effect of a change of more than one assumption at a time is likely to be different from the sum of the relevant individual sensitivity results shown.

(in billions JPY)

		EV	Change in EV
Base Scenario	March 31, 2026	4,256.5	-
Sensitivity 1	50bp increase in domestic interest rates	4,147.9	(108.5)
Sensitivity 2	50bp decrease in domestic interest rates	4,355.4	98.9
Sensitivity 3	50bp increase in USD interest rates	4,216.3	(40.1)
Sensitivity 4	50bp decrease in USD interest rates	4,298.8	42.3
Sensitivity 5	10% decrease in equity and real estate value	4,003.5	(252.9)
Sensitivity 6	10% appreciation of the Japanese Yen	4,153.3	(103.1)
Sensitivity 7	10% decrease in maintenance expenses	4,397.3	140.7
Sensitivity 8	10% decrease in surrender and lapse rates	4,306.8	50.3

The sensitivity analysis for the value of new business is summarized below.

(in billions JPY)

		Value of New Business	Change in Value of New Business
Base scenario	New business for the fiscal year ended March 31, 2026	61.5	-
Sensitivity 1	50bp increase in domestic interest rates	79.3	17.8
Sensitivity 2	50bp decrease in domestic interest rates	41.2	(20.3)
Sensitivity 7	10% decrease in maintenance expenses	66.9	5.3
Sensitivity 8	10% decrease in surrender and lapse rates	64.7	3.2

○ Sensitivity scenario 1: 50bp increase in domestic interest rates

- The item represents the effect of an upward parallel shift of 50bp (for all future years) in the yield curve of Japanese Yen interest rates (forward rates). As bonds, loans, and other items are revalued, and as future expected investment yields are changed, the EV changes.
- For the forward rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.

○ Sensitivity scenario 2: 50bp decrease in domestic interest rates

- The item represents the effect of a downward parallel shift of 50bp (for all future years) in the

yield curve of Japanese Yen interest rates (forward rates), without applying a lower limit.

- For the forward rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.

○ **Sensitivity scenario 3: 50bp increase in USD interest rates**

- The item represents the effect of an upward parallel shift of 50bp (for all future years) in the yield curve of interest rates (forward rates) of the US Dollar.
- For the forward rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.

○ **Sensitivity scenario 4: 50bp decrease in USD interest rates**

- The item represents the effect of a downward parallel shift of 50bp (for all future years) in the yield curve of interest rates (forward rates) of the US Dollar, without applying a lower limit.
- For the forward rates at terms longer than the extrapolation entry term, extrapolation to the ultimate forward rate is applied without changing the ultimate forward rate itself.

○ **Sensitivity scenario 5: 10% decrease in equity and real estate value**

- This item shows the effect on EV of a decline of 10% in equity and real estate values at the valuation date.

○ **Sensitivity scenario 6: 10% appreciation of the Japanese Yen**

- The item represents the effect of a 10% appreciation of the Japanese Yen exchange rate at the valuation date.

○ **Sensitivity scenario 7: 10% decrease in maintenance expenses**

- The item represents the effect of a decrease of 10% in maintenance expenses, i.e. the base rates are multiplied by 90%.

○ **Sensitivity scenario 8: 10% decrease in surrender and lapse rates**

- The item represents the effect of a decrease of 10% in surrender and lapse rates, i.e. the base rates are multiplied by 90%.

6. Notes on the Use of Results

The calculation of EV results involves certain assumptions regarding the future that are subject to risk and uncertainty, many of which are outside Japan Post Insurance's control. Actual future results might differ materially from the assumptions used in the EV calculation.

Consequently, the inclusion of EV results herein should not be regarded as a statement by Japan Post Insurance that the stream of future after-tax profits discounted to produce the EV results will be achieved; the users are strongly advised to exercise caution.

Appendix A: EV Methodology

1. Covered Business

All of the life insurance business written through Japan Post Insurance and its subsidiaries is covered in the EV calculations. Japan Post Insurance has only life insurance business.

Although Japan Post Insurance is a member of the Japan Post group, the EV in this document is calculated on a solo entity basis.

2. Value of New Business

The value of new business for the fiscal year ended March 31, 2026 is the value as at the time of sale of the new business issued. The value of new business includes new business, additional riders and policy renewals. Future policy renewals are excluded from the value of new business as well as from the EV.

The value of new business also reflects the net increase in value from policies issued using the conditional cancellation system and policies converted using the policy conversion system. The economic assumptions are as at the end of each quarter-end over the fiscal year ended March 31, 2026, and other assumptions are the same as assumptions used to calculate the EV.

For Japan Post Insurance, the actual level of policyholder dividends is determined based on the profit and loss of all in-force business, not on profit and loss for new business alone. Therefore, the value of new business is calculated as the difference between the EV calculated on the basis of the profit and loss for all in-force business including new business issued in the reporting period, and the EV calculated on the basis of the profit and loss for all business that would be in-force if no new business had been issued, i.e. by a marginal approach.

As a result of using a marginal approach, effects such as any reduction of risk due to diversification arising from the sale of new business are included in the value of new business.

Appendix B: Main EV Assumptions

1. Economic Assumptions

(1) Interest Rates

The interest rates used to value insurance liabilities are based on the risk-free rates prescribed under the Financial Services Agency's economic value-based solvency regulations, and incorporate an Adjustment Spread.

The table below shows, for selected terms, the risk-free rates (converted to spot rates) used for the calculation.

Term (Years)	March 31, 2025	March 31, 2026
1	0.641%	1.116%
2	0.857%	1.353%
3	0.893%	1.482%
4	1.023%	1.653%
5	1.114%	1.795%
10	1.521%	2.396%
15	1.957%	2.919%
20	2.323%	3.485%
25	2.412%	3.817%
30	2.685%	3.973%
40	3.043%	4.000%
50	3.210%	3.967%
60	3.312%	3.939%

The risk-free rate data for March 31, 2025 was used for calculating EV under the Old Method.

(2) Economic Assumptions (for Risk Neutral Economic Scenarios)

i. Interest rate model

Japan Post Insurance has adopted a Stochastic Alpha Beta Rho LIBOR Market Model, in which interest rates associated with Japanese yen ("JPY"), U.S. dollars ("USD"), Euro ("EUR") and Australian dollars ("AUD") are calculated. The model has been adjusted to be in line with a risk-neutral approach in which Japanese yen is set as a base currency, with correlations between the interest rates also taken into account. The interest rate model has been calibrated consistent with the market environment as of the valuation date, and parameters used are estimated from the yield curve and implied volatilities of interest rate swaptions with various maturities. A set of 5,000 scenarios is used in calculating the time value of financial options and guarantees utilizing stochastic methods. These scenarios have been generated by Willis Towers Watson.

ii. Implied volatilities of equities and currencies

Volatilities of major equity indices and currencies are calibrated based on implied volatilities of relevant options traded in the market. Implied volatilities used to calibrate the scenarios are shown below. Japan Post Insurance has made adjustments based on the implied volatilities of these indices, taking into account the asset composition at the valuation date. As TOPIX is the main benchmark index used by Japan Post Insurance for managing Japanese equity assets, the actual JPY volatilities used for the calculation are derived by taking the Nikkei 225 implied volatilities and multiplying them by the historical volatility ratio of TOPIX to the Nikkei 225.

iii. Correlations

In addition to implied volatilities described above, Japan Post Insurance has calculated implied volatilities reflecting its asset portfolio and correlation factors. With regard to correlation factors, market-consistent data from exotic options with sufficient liquidity is not available. Therefore, the correlation factors are estimated based on historical market data. Specifically, the monthly data for the most recent 10 years at the valuation date have been used.

(3) Expected Future Asset Portfolio

Future asset purchases are assumed to be invested according to the duration characteristics of the liabilities, with consideration of the actual asset portfolio at the valuation date.
In addition, all foreign assets have been assumed to be USD, EUR or AUD denominated based on the composition of foreign assets within the portfolio.

(4) Expected Investment Earnings Assumptions

The expected investment earnings assumptions (the total including the unwinding of the discount rate and the excess returns) that are used to calculate the value of the expected existing business contribution in the movement analysis for the fiscal year ended March 31, 2026 are as follows for major asset categories:

Asset	Expected Earning
Government bonds	0.742%: 1 year risk-free rate + Adjustment Spread
Cash and deposits, call loans	0.742%: 1 year risk-free rate + Adjustment Spread
Local bonds	0.942%: 1 year risk-free rate + Adjustment Spread + credit spread of 0.200%
Government-backed bonds	0.942%: 1 year risk-free rate + Adjustment Spread + credit spread of 0.200%
Corporate bonds	1.292%: 1 year risk-free rate + Adjustment Spread + credit spread of 0.550%
Foreign sovereign bonds (currency hedged)	2.242%: 1 year risk-free rate + Adjustment Spread + risk premium of 1.500%
Foreign sovereign bonds (unhedged)	3.742%: 1 year risk-free rate + Adjustment Spread + risk premium of 3.000%
Domestic equity	5.742%: 1 year risk-free rate + Adjustment Spread + risk premium of 5.000%

The expected investment earnings assumption that is used to calculate the value of the expected existing business contribution is calculated by multiplying the asset allocation ratios as of March 31, 2025 by the aforementioned expected investment earnings assumptions. The expected investment earnings assumption for the entire company after considering the asset allocation ratios is 1.700%.

2. Other Assumptions

All cash flows (premiums, expenses, claims and benefits, cash surrender values, taxes, etc.) are projected applying assumptions, specified by product group, considering past, current, and expected future experience, up to the termination of the policies.

Expenses

- Operating expense assumptions have been set based on actual expense experience. A look-through approach has been applied for Japan Post Insurance's subsidiaries. Adjustments were made to eliminate one-off expenses (e.g. expenses for measures to contribute to future work efficiency improvement) which are not expected to be regularly repeated in the future, and to include expenses which are expected to be additionally incurred in the future. No future productivity gains are assumed.
- The consumption tax rate is 10%.
- The future inflation rate is assumed to be 1.42%, based on observation of the breakeven inflation rates derived from inflation-indexed Japanese government bonds, up to the extrapolation entry term of the risk-free rate (year 30). Inflation is applied in the calculation allowing for adjustments based on Japan Post Insurance's expense structure. For terms longer than the extrapolation entry term of the risk-free rate, the inflation rate follows growth in the forward rate, converging to an ultimate rate of 2%.

Policyholder Dividends

- Policyholder dividend rates are set based on the current dividend policy. For Postal Life Insurance policies, rates for the reinsurance dividend payable to the Postal Management and Support Organization are set based on the reinsurance agreement with the Postal Management and Support Organization.

Effective Tax Assumptions

- Based on the most recent effective tax rates, the effective tax rate is set as follows:
  28.00% for the fiscal year ended March 31, 2026.
  28.93% for all subsequent periods.

Glossary

Terminology	Description
Look-through approach	An approach such that when a subsidiary or related company within the group is involved in a transaction related to the management etc. of the covered business, the profits and losses arising from that transaction are reflected in the EV.
Organization for Postal Savings, Postal Life Insurance and Post Office Network (referred to as the "Postal Management and Support Organization" in the document)	The Management Organization for Postal Savings and Postal Life Insurance was set up on October 2007 to manage the insurance policies issued by Japan Post before September 30, 2007 (referred to as "Postal Life Insurance policies" in the document). In April 2019, the Act to Revise a Part of the Management Organization for Postal Savings and Postal Life Insurance Act (June 2018) entered into force. The name of the management organization was changed to Organization for Postal Savings, Postal Life Insurance and Post Office Network, and it started paying subsidies to Japan Post Co., Ltd. for a part of the expenses required to maintain the post office network. As a source of funding for the subsidies, Japan Post Insurance started paying contributions to the Organization for Postal Savings, Postal Life Insurance and Post Office Network. Japan Post Insurance is responsible for all of the insurance obligations of the Postal Life Insurance policies through its reinsurance agreement with the Organization for Postal Savings, Postal Life Insurance and Post Office Network.
Postal Service Privatization	Under the Postal Service Privatization Act, on October 1, 2007 Japan Post was privatized and split into five entities (Japan Post Holdings Co., Ltd., Japan Post Service Co., Ltd., Japan Post Network Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd.). Further, the Act for Partial Revision of the Postal Service Privatization Act and Others was passed, such that on October 1, 2012 Japan Post Service Co., Ltd. and Japan Post Network Co., Ltd. were merged to form Japan Post Co., Ltd. On November 4, 2015, Japan Post Holdings Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. became listed companies on the Tokyo Stock Exchange.