

(1) Definition of reinsurance

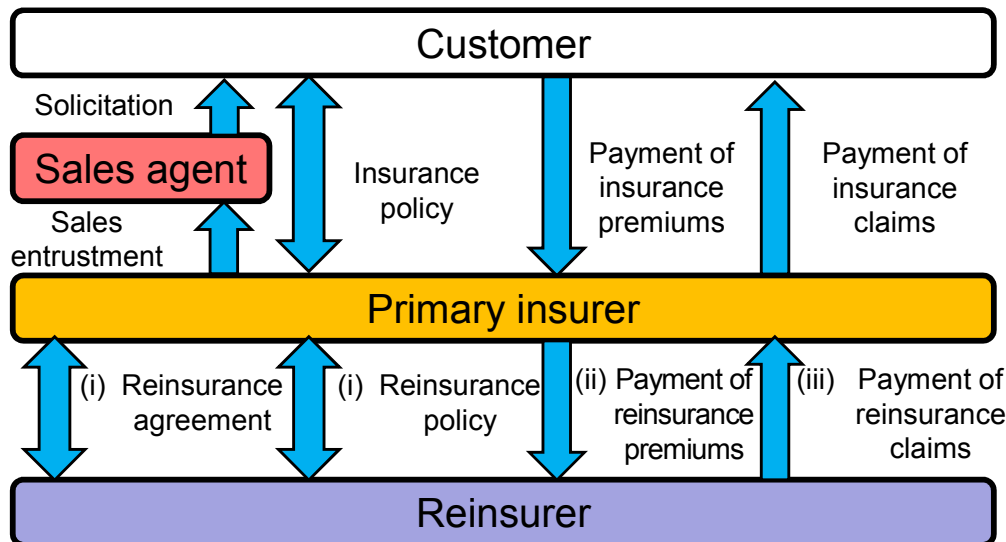
- Reinsurance is a type of insurance by which an insurance company (primary insurer) ^(Note 1) transfers part or whole of its insurance obligations to another insurance company (reinsurer) ^(Note 2).

(Notes) 1. Primary insurer in this case refers to any other life insurance company.

2. Reinsurer in this case refers to JAPAN POST INSURANCE Co., Ltd.

*Article 3, Paragraph 4, Item 3 of the Insurance Business Act stipulates that life insurance companies may engage in underwriting of reinsurance with regard to all types of life insurance.

(2) Overview of reinsurance



- (i) The primary insurer and the reinsurer conclude a reinsurance agreement and a reinsurance policy which specify the details of reinsurance.
- (ii) In accordance with the reinsurance policy, the primary insurer pays the reinsurer part of insurance premiums as reinsurance premiums.
- (iii) In the event the primary insurer has made a payment of insurance claims, the reinsurer pays the primary insurer reinsurance claims in proportion to the reinsurer's quota share.

(3) Timing of commencing the reinsurance operations

- As soon as all the preparations are complete including the conclusion of a reinsurance agreement with each primary insurer.