

UNOFFICIAL TRANSLATION

Although Japan Post Insurance pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

March 22, 2024

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)

**Notice Regarding Reinsurance (Retrocession) of the Postal Life Insurance Policies
and Revisions to the Full-Year Consolidated Financial Results Forecast**

JAPAN POST INSURANCE Co., Ltd. (the “Company”) hereby announces that it has decided today to cede some whole life annuity plans under the Postal Life Insurance policies reinsured by the Company from the Organization for Postal Savings, Postal Life Insurance and Post Office Network (the “Postal Management and Support Organization”).

At the same time, the Company hereby announces that it has revised the consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024) disclosed on May 15, 2023 when the Company announced its financial results for the fiscal year ended March 31, 2023 (the amount of net income per share is as of the announcement of financial results for the nine months ended December 31, 2023 on February 14, 2024), as shown below.

1. Reinsurance of Whole Life Annuity Plans under the Postal Life Insurance Policies

(1) Purpose of reinsurance

By reinsuring whole life annuity policies with high assumed rates of interest, the Company aims to reduce insurance underwriting and investment risks and improve future earnings and capital efficiency.

The planned reinsurance transaction is a transfer of economic risk and will not cause any change in the relationship between customer and the Postal Management and Support Organization or Japan Post Insurance under the insurance policy.

(2) Overview of the planned transaction

Transaction block	Some whole life annuity policies (policies with annuity payments in progress)
Transaction scale* ¹	Approx. 650 billion yen (policy reserve basis)
Reinsurance premiums* ¹	Approx. 700 billion yen
Effective date of reinsurance policy	March 31, 2024
Partner reinsurer	RGA Global Reinsurance Company, Ltd.

*1 Both the transaction scale and reinsurance premiums are estimates based on Japan Post Insurance's current assumptions and are subject to change.

2. Revision to the Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Details of the revision

(Millions of yen unless otherwise noted)

	Ordinary income	Ordinary profit	Net income attributable to Japan Post Insurance	Net income per share
Previous forecast (A)	5,890,000	140,000	72,000	188.11 yen
Revised forecast (B)	6,690,000	150,000	82,000	214.24 yen
Change (B - A)	+800,000	+10,000	+10,000	—
Percentage change (%)	+13.6%	+7.1%	+13.9%	—
Reference: Results of the previous fiscal year (fiscal year ended March 31, 2023)	6,379,561	117,570	97,614	249.48 yen

(2) Reasons for the revision

The Company has made upward revisions to its forecast for ordinary income due to a reversal of policy reserves for policies subject to ceding reinsurance following the cession, a reduction in the provision of contingency reserves to neutralize the impact of profit and loss following the cession, and an expected increase in investment income caused by an improvement in the market environment, compared with that of when the initial consolidated financial results forecast*² was formulated.

The Company has made upward revisions to its forecast for ordinary profit due, in addition to the abovementioned factors, to an expected decrease in operating expenses, although the impact of profit and loss related to the cession will be neutralized by the payment of reinsurance premiums related to the cession, and investment expenses are expected to increase due to losses on the sales of securities and other factors.

The Company has made upward revisions to its forecast for net income attributable to Japan Post Insurance due, in addition to the abovementioned factors, to the impact of gains and losses on the sales of securities and other factors being neutralized by reversing the reserve for price fluctuations, and a resulting expected increase in investment income caused by an improvement in the market environment, and an expected decrease in operating expenses.

*2 Economic assumptions as of December 31, 2022 were used in preparing the initial consolidated financial results forecast announced on May 15, 2023.

3. Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2024

The Company announced on May 15, 2023 that it forecast an annual dividend of 94 yen per share for the fiscal year ending March 31, 2024 (including a year-end dividend of 47 yen per share). The forecast remains unchanged.

Note: The above figures are based on judgments using information available as of the date when this announcement was made, and actual results may differ from the forecast figures due to various factors.