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History

Japan Post Insurance Co., Ltd. was established as “Kampo Co., Ltd.” on September 1, 2006 under the Postal Service Privatization Act enacted in October 2005. During the period up to September 30, 2007, the Company prepared to launch operations as a life insurance company. On October 1, 2007, the Company changed its

trade name to “JAPAN POST INSURANCE Co., Ltd.”

We currently engage in the life insurance business and Postal Life Insurance management business under commission from the Management Organization for Postal Savings and Postal Life Insurance.

September 2006	Established Kampo Co., Ltd. under the Postal Service Privatization Act
October 2007	Changed trade name to JAPAN POST INSURANCE Co., Ltd. in line with the commencement of the life insurance business Started Postal Life Insurance management operations under commission from the Management Organization for Postal Savings and Postal Life Insurance
December 2007	Obtained approval for new operations (liberalization of investment products)
June 2008	Commenced commissioned sales of life insurance products for corporate clients
July 2008	Launched <i>Sono hi kara</i> , a new hospitalization rider
July 2009	Established branches in all prefectures through the opening of the Nara Branch and Wakayama Branch
October 2011	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. (current consolidated subsidiary) became a subsidiary
April 2014	Launched <i>Hajime no Kampo</i> , an educational endowment insurance
July 2014	Commenced handling commissioned sales of cancer insurance products for American Family Life Assurance Company of Columbus ^(Note 1)
October 2015	Launched Shin Free Plan (short-term premium payment), an endowment insurance
November 2015	Listed common stock on the First Section of the Tokyo Stock Exchange Commenced commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)
March 2016	Obtained approval for new operations (underwriting of reinsurance related services) Business alliance with The Dai-ichi Life Insurance Company, Limited ^(Note 2)
October 2017	Launched <i>Sono hi kara Plus</i> , a new medical rider Launched <i>Shin Nagaiki Kun Low Cash Value Plan</i> , a new whole life insurance (low cash value) Launched <i>Choju no Shiawase</i> , a longevity support insurance (low cash value)

Notes: 1. The Japan branch of the U.S. corporation was established as a Japanese corporation and the business conducted by the Japan branch was succeeded to the Japanese corporation. As a result, our contract partner at the date of publication of this report is Aflac Life Insurance Japan Ltd.
2. Due to an internal transfer of management within the group of our business partner, our business alliance is with Dai-ichi Life Holdings, Inc. at the date of publication of this report.

[Reference] History of Postal Life Insurance

October 1916	Foundation of postal life insurance business by the Ministry of Communications
October 1926	Foundation of postal annuity business by the Ministry of Communications
June 1949	Establishment of the Ministry of Posts and Telecommunications
January 2001	Creation of Postal Services Agency as part of realignment of government ministries
April 2003	Establishment of Japan Post

New Operations after Privatization

(As of July 1, 2018)

- Approval for the liberalization of investment products (including derivative transactions)
Pursuant to Article 138, Paragraph 2 of the Postal Service Privatization Act, application for approval was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on October 4, 2007. Accordingly, business operations including syndicated loans (participation loans) and the acquisition of trust beneficiary interests, etc. were approved on December 19, 2007.
- Approval for the commencement of commissioned sales of life insurance products for corporate clients (term insurance for managers) and the review on the hospitalization rider
Pursuant to Article 138, Paragraph 1 and Paragraph 3 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on November 26, 2007 and approved on April 18, 2008.

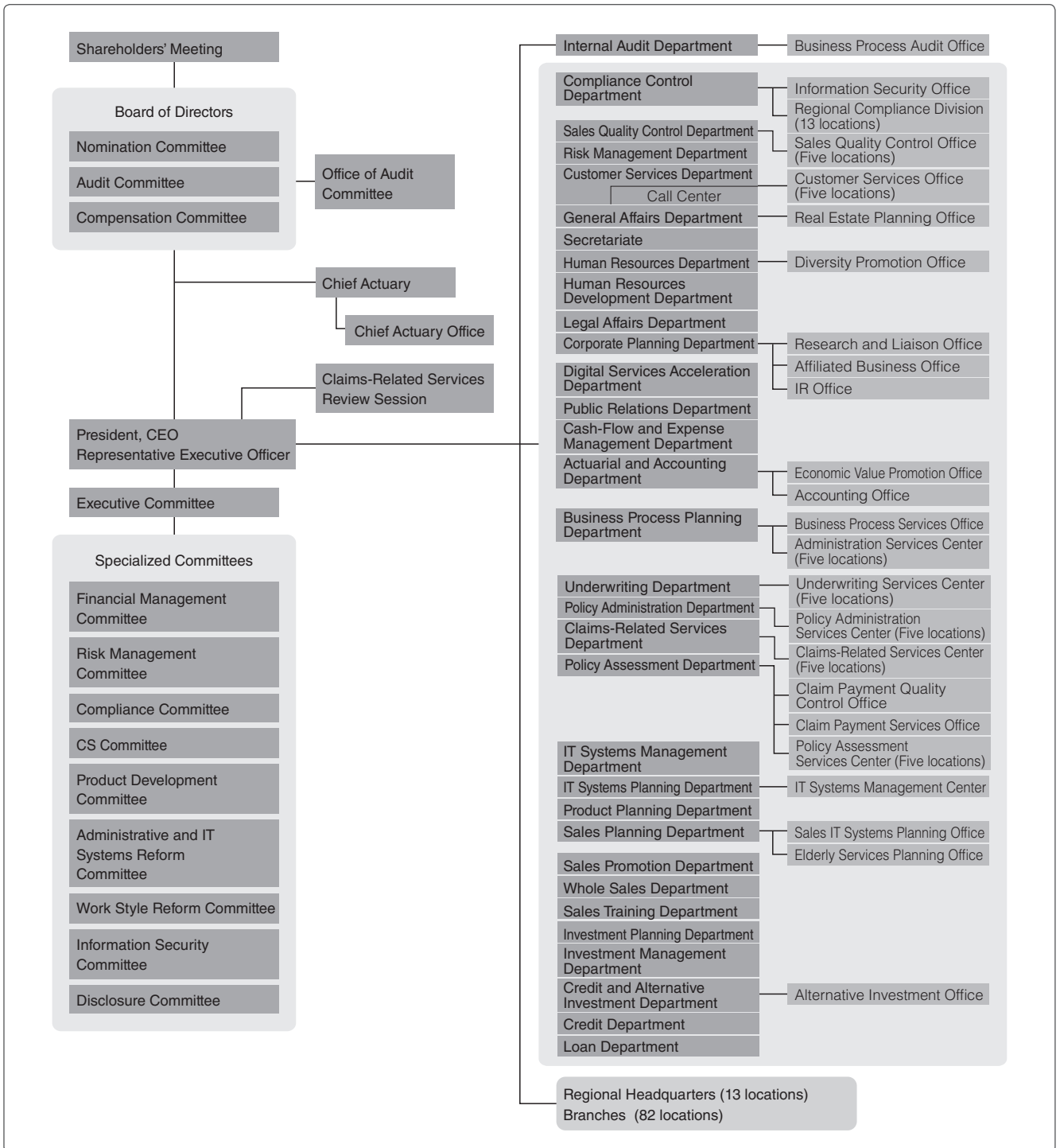
- 3) Approval for the revision on the educational endowment insurance
Pursuant to Article 138, Paragraph 1 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on September 3, 2012 and conditional approval was acquired on November 30, 2012 according to said Act. Accordingly, the revision was approved on January 24, 2014.
- 4) Approval for the sales of short-term premium payment endowment insurance
Pursuant to Article 138, Paragraph 1 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on February 19, 2015 and approved on April 15, 2015.
- 5) Approval for commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)
Pursuant to Article 138, Paragraph 3 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on July 1, 2015 and approved on September 30, 2015.
- 6) Approval for the underwriting of reinsurance
Pursuant to Article 138, Paragraph 1 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on January 19, 2016 and approved on March 11, 2016.
- 7) Approval for the commencement of related services
Pursuant to Article 138, Paragraph 3 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on January 19, 2016 and approved on March 11, 2016.
- 8) Approval for the revision of the whole life insurance, etc.
Pursuant to Article 138, Paragraph 1 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 31, 2017 and approved on June 19, 2017.
- 9) Approval for commissioned sales of life insurance products for corporate clients (term insurance with nursing care compensation for managers)
Pursuant to Article 138, Paragraph 3 of the Postal Service Privatization Act, application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on March 31, 2017 and approved on June 19, 2017.

Major Businesses

- (1) Life insurance businesses
- (2) Agency or administration services for other insurance companies (including foreign insurance companies) and other financial services companies; loan guarantees and other businesses supplemental to previously mentioned businesses
- (3) Trading of Japanese government bonds, local government bonds and government-guaranteed bonds; accepting subscriptions for local government bonds, corporate bonds and other bonds; commissioned management and other businesses provided for under the Insurance Business Act; and other life insurance businesses not covered by the Insurance Business Act but legally permissible
- (4) Management of Postal Life Insurance Policies commissioned by the Management Organization for Postal Savings and Postal Life Insurance
- (5) Other business supplemental or related to previously mentioned businesses

Organization Chart

(As of April 1, 2018)



Paid-in Capital

Date	Gain (loss) on investments	Gain (loss) on capital after contribution	Outline
October 1, 2007	¥499,950 million	¥500,000 million	Capital increase by privatization

Total Number of Stocks

Total number of issuable stocks	2,400,000,000
Total number of issued stocks	600,000,000
Current period shareholders	175,381

Condition of Stocks

(1) Class of stocks issued

Issued stocks	Class	Number of issued stocks	Contents
	Common stock	600,000,000	The number of shares composing one share unit is 100.

(2) Major shareholders

Name	Investments in Japan Post Insurance Co., Ltd.	
	Number of stocks held (thousands of shares)	Ratio of number of stocks held
Japan Post Holdings Co., Ltd.	534,000	89.00%
Japan Trustee Services Bank, Ltd. (Trust Account)	3,706	0.62%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,377	0.40%
Japan Post Insurance Employee Shareholding Association	2,022	0.34%
THE BANK OF NEW YORK - JASDECNON - TREATY ACCOUNT	1,577	0.26%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,424	0.24%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	1,062	0.18%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	1,058	0.18%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	898	0.15%
JP MORGAN CHASE BANK 385151	890	0.15%

Principal Shareholder

Name	Address of main place of business or sales	Paid-in capital or investment	Business outline	Date of establishment	Percentage of owned shares included in the total number of shares
Japan Post Holdings Co., Ltd.	Chiyoda-ku, Tokyo	¥3,500,000 million	Strategy formulation of Group management	January 23, 2006	89.00%

Accounting Advisor

Not applicable.

Independent Auditor

KPMG AZSA LLC

(Designated Limited Liability Partners, Engagement Partners)

Certified Public Accountant Yukihisa Tatsumi

Certified Public Accountant Noriyuki Akiyama

Certified Public Accountant Takahiro Toyama

Total Number of Employees and Conditions of Employment

(Unit: persons, years)

Category	As of the end of FY2017/3	As of the end of FY2018/3	FY2017/3	FY2018/3	As of the end of FY2017/3		As of the end of FY2018/3	
	Total	Total	Staff employed	Staff employed	Average age	Average years of service	Average age	Average years of service
In-house employees	6,320	6,342	255	303	38.5	14.4	38.7	14.6
(Male)	3,372	3,320	89	124	41.7	17.8	41.9	17.9
(Female)	2,948	3,022	166	179	34.9	10.7	35.3	11.0
Sales employees	1,104	1,148	48	47	39.2	14.8	39.2	14.7
(Male)	950	981	42	39	40.8	16.4	40.8	16.3
(Female)	154	167	6	8	29.0	5.2	30.0	5.6

- Notes: 1. The number of employees excludes employees assigned to other companies by Japan Post Insurance Co., Ltd. but includes employees assigned to Japan Post Insurance Co., Ltd. by other companies. The figures exclude non-regular employees (including indefinite-term employees based on the indefinite-term employment conversion system).
2. Average number of 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.
3. Average age and average years of service are based on attained ages as of March 31, 2018, and truncated to the first decimal place.

Average Monthly Salary (In-house employees)

(Thousands of yen)

Category	March 2017	March 2018
In-house employees	345	353

Note: Average monthly salary represents the pre-tax regular salary for March 2018, which excludes bonuses and overtime allowances.

Average Monthly Salary (Sales employees)

(Thousands of yen)

Category	March 2017	March 2018
Sales employees	292	297

Note: Average monthly salary represents the pre-tax regular salary for March 2018, which excludes bonuses and overtime allowances.

Summary of the Subsidiaries

(1) Major Businesses and the Organizational Structure

Number of consolidated subsidiaries: One

(2) Subsidiaries

Name	Location	Amount of capital stock	Description of business	Date of establishment	Ratio of the voting rights in the subsidiary held by the Company against the voting rights held by all shareholders or equity holders	Ratio of the voting rights in the subsidiary held by the subsidiaries of the Company against the voting rights held by all shareholders or equity holders
JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Shinagawa-ku, Tokyo	¥500 million	Commissioning of design, development, maintenance and operation of information systems	March 8, 1985 (Date of share acquisition: October 3, 2011)	100 %	—

(3) Outline of Business in the Most Recent Fiscal Year

JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. is mainly engaged in the design, development and maintenance of software for systems that support the Company's business activities. In the fiscal year ended March 31, 2018, the subsidiary steadily promoted the periodic update of the core IT system in October 2017, the first large-scale the development since the previous renewal, as well as the open IT system project. Its other IT system initiatives included improvement of system quality and productivity, the optimization of system costs and the development of specialist human resources.

Major Types of Insurance

(As of March 31, 2018)

Purpose of Policy	Product Name	Nickname • Age Limit Range										
		0	10	20	30	40	50	60	70	80		
For lifetime coverage	Fixed amount type whole life insurance											<i>Shin Nagaiki Kun</i> (flat-type) 15*-85 years old
	Fixed amount type whole life insurance (low cash value)											<i>Shin Nagaiki Kun</i> (flat-type) (low cash value) 15*-85 years old
For balanced lifetime coverage	Double-type whole life insurance											<i>Shin Nagaiki Kun</i> (balance-type, double) 15*-65 years old
	Double-type whole life insurance (low cash value)											<i>Shin Nagaiki Kun</i> (balance-type, double) (low cash value) 15*-65 years old
	Fivefold-type whole life insurance											<i>Shin Nagaiki Kun</i> (balance-type, fivefold) 15*-60 years old
	Fivefold-type whole life insurance (low cash value)											<i>Shin Nagaiki Kun</i> (balance-type, fivefold) (low cash value) 15*-60 years old
For lifetime coverage with perks	Special whole life insurance											<i>Shin Nagaiki Kun</i> (special-type) 15*-70 years old
	Special whole life insurance (low cash value)											<i>Shin Nagaiki Kun</i> (special-type) (low cash value) 15*-70 years old
For large coverage with lower burden	Ordinary term insurance											<i>Shin Ordinary Term Insurance</i> 15-50 years old
For coverage and benefits at maturity	Ordinary endowment insurance	<i>Shin Free Plan</i> 0-80 years old										
		<i>Shin Free Plan</i> (short-term premium payment) 0-75 years old										
For full coverage and benefits at maturity	Double-type special endowment insurance											<i>Shin Free Plan</i> (double benefit) 15-70 years old
	Fivefold-type special endowment insurance											<i>Shin Free Plan</i> (fivefold benefit) 15-65 years old
	Tenfold-type special endowment insurance											<i>Shin Free Plan</i> (tenfold benefit) 15-60 years old
For those who are spending life with a disease	Designated endowment insurance											<i>Shin Ichibyō Soken Plan</i> 40-65 years old
For preparing for educational funds	Educational endowment insurance (H24)	<i>Hajime no Kampo</i> 0-12 years old										
			18-65 years old (male)									
			16-65 years old (female)									
For preparing for longevity risk with surplus funds	Longevity support insurance (low cash value)											<i>Choju no Shiawase</i> 50-70 years old
For working people who want to form assets	Asset-formation savings insurance											15*-65 years old
	Asset-formation housing funding insurance											15*-54 years old
	Asset-formation whole life annuities											36*-54* years old

Notes: 1. For educational endowment insurance (H24), shows the age range of insured persons, whereas shows that of policyholders.
2. Depending on the interest-rate situation, the sale of some products could be suspended.
3. Ages denoted with an asterisk (*) show the applicant's attained age. All ages shown without an asterisk represent subscription age as insurance age.

List of Major Insurance Products for Corporate Clients

	Product
Own products	<p><i>Shin Free Plan (ordinary endowment insurance)</i></p> <p><i>Shin Free Plan (double, fivefold and tenfold benefits) (special endowment insurance)</i></p> <p><i>Shin Ichibyō Soken Plan (designated endowment insurance)</i></p>
	<p><i>Shin Ordinary Term Insurance (ordinary term insurance)</i></p>
Products sold on commission (Term insurance)	<p>NN Life Insurance Company, Ltd. Quality (term insurance), Smart Term (no cash value term insurance) and Term insurance/Increasing term insurance</p>
	<p>SUMITOMO LIFE INSURANCE COMPANY Term life insurance Emblem YOU Premium (low cash value term insurance without a dividend)</p>
	<p>The Dai-ichi Life Insurance Company, Limited Success (long-term life insurance 2018), Just (no cash value term insurance 2018), Majesty (increasing term life insurance 2018) and Exceed (term insurance for disability with periodical fixed benefit 2018)</p>
	<p>Tokio Marine & Nichido Life Insurance Co., Ltd. Term Life Insurance [without dividend], Nagawari Teiki (Term Life Insurance with special provisions for lower surrender benefits [without dividend]), Increasing Term Life Insurance with lower surrender benefits [without dividend] and Term Life Insurance with Disaster Coverage Period [without dividend]</p>
	<p>Nippon Life Insurance Company Nissay Long-term Term Insurance, Nissay Increasing Term Insurance, Nissay Long-Term Insurance with Low Surrender Benefits Term Life Insurance, Nissay Term Life Insurance, and Nissay Long-Term Term Life Insurance with Period of Extensive Coverage for Accidents</p>
	<p>Mitsui Sumitomo Aioi Life Insurance Company, Limited Term Life Insurance, Term Life Insurance (No Surrender Value) and Increasing Term Life Insurance</p>
	<p>Meiji Yasuda Life Insurance Company New term life insurance E (New term life insurance with interest dividends every five years), New increasing term insurance and Increasing term life insurance with three-year disaster coverage with dividends every five years (low cash value)</p>
<p>MetLife Insurance K. K. Long-term Level term insurance (H19) and Non Participation Level term insurance</p>	
Products sold on commission (Cancer insurance)	<p>Aflac Life Insurance Japan Ltd. Days 1—Cancer insurance for daily living (cancer insurance with low or no cash value 2018), Days supporting you—Cancer insurance for daily living (special cancer insurance with no cash value)</p>
Products sold on commission (General welfare group term insurance)	<p>MetLife Insurance K. K. General welfare group term insurance and nonparticipating group insurance (general welfare group term insurance without a dividend)</p>

Notes: 1. The company names are listed in the order of the Japanese syllabary.

2. The riders that can be added to the above products are limited.

Major Riders

Name	Outline
Non-participation accidental rider	Offers provision for death or disability due to an unexpected accident
Non-participation accident medical rider	Offers provision for hospitalization, surgery and radiation therapy as prescribed in the rider due to an unexpected accident
Non-participation comprehensive medical rider	Offers provision for hospitalization, surgery and radiation therapy as prescribed in the rider due to illness or an unexpected accident

Note: For details of the riders, such as the reasons for and limitation on payment of benefits, please refer to the respective Contract Guidelines and Policy Conditions.

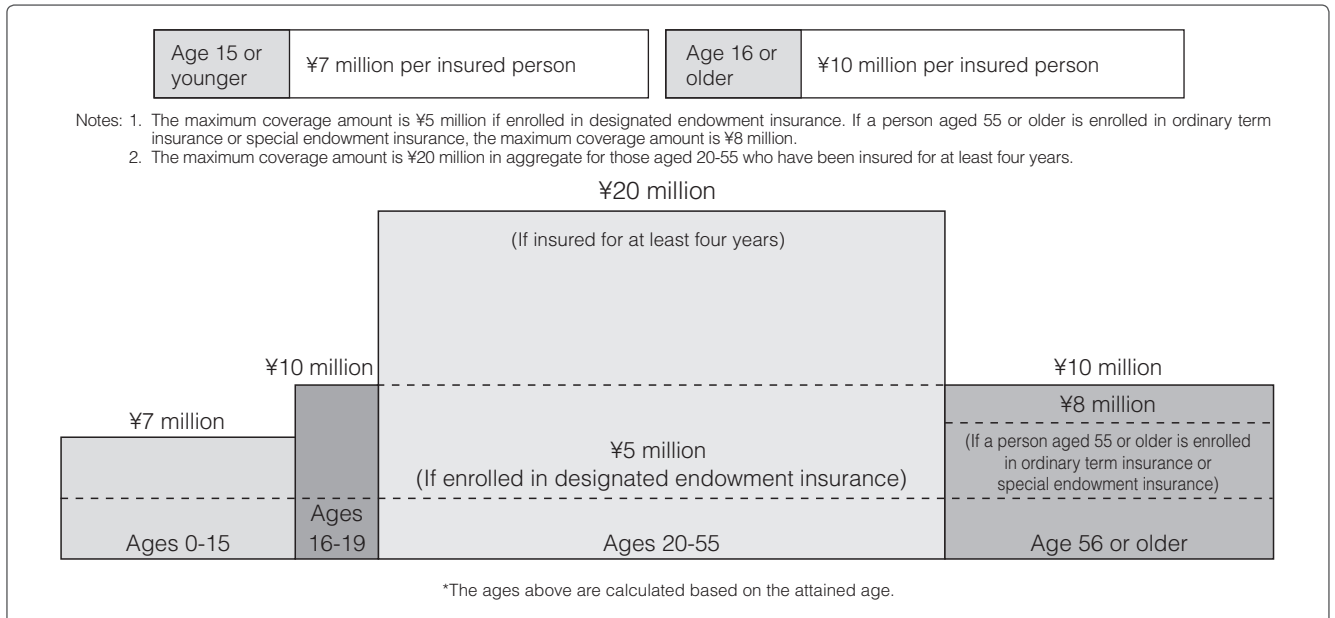
Maximum Amount of Insurance Coverage

For the insurance policies we offer, the maximum amount of insurance coverage per insured person is stipulated by Article 137 of the Postal Service Privatization Act and other regulations. Any application for insurance coverage exceeding the maximum amount shall be declined. If such excess in coverage is found after the insurance policy or rider is signed, such contract shall be cancelled.

Persons insured under Postal Life Insurance, which was succeeded by the Management Organization from Japan Post, can be insured by our policy up to the amount calculated by deducting the insured amount of the Postal Life Insurance from the maximum amount of insurance coverage.

Maximum Coverage Amount of the Basic Insurance Policy

(As of March 31, 2018)



Note: In addition to the maximum coverage amounts stipulated by the above-mentioned law, there is a certain range of limitation on the maximum insurance coverage according to the age of the insured person or type of insurance, such as a limitation on the insurance amount if the attained age of the insured person is less than 15 years of age.

Maximum Amount of Insurance Coverage for Riders

(1) For the rider types below, each insured person can add up to ¥10 million in aggregate ^(Note 1). However, the upper limit is the insurance amount of the basic insurance policy to which the rider is added ^(Note 2).

Non-participation accidental rider	Non-participation accidental rider (decreasing cash value)
Non-participation accidental rider (no cash value)	Non-participation accidental rider (Educational endowment insurance (H24))

(2) Aside from (1) above, each insured person can add up to ¥10 million in aggregate ^(Note 3) to the following types of riders. However, the upper limit is the insurance amount of the basic insurance policy to which the rider is added ^(Note 2).

Non-participation accident and medical rider	Non-participation comprehensive medical rider
Non-participation accident and medical rider (decreasing cash value)	Non-participation comprehensive medical rider (decreasing cash value)
Non-participation accident and medical rider (no cash value)	Non-participation comprehensive medical rider (no cash value)
Non-participation accident and medical rider (Educational endowment insurance (H24))	Non-participation comprehensive medical rider (Educational endowment insurance (H24))

Notes: 1. The total includes the amount of following types of riders that is currently unavailable. (Nursing care riders, Accidental riders and Accidental riders (Educational endowment insurance (H24))

2. In case of addition to Longevity Support Insurance (low cash value), the limit will be equivalent to 20 times that of annuity.

3. The total includes the amount of following types of riders that is currently unavailable. (Accident hospitalization rider, Illness hospitalization rider, Illness and accident hospitalization rider, Non-participating accident hospitalization rider, Non-participating illness and accident hospitalization rider, Non-participating accident hospitalization rider (Educational endowment insurance (H24)) and Non-participating illness and accident hospitalization rider (Educational endowment insurance (H24))

Types of riders that can be added to each basic insurance policy

Type of basic insurance policy ^(Note 1) \ Type of rider	Non-participation accidental rider	Non-participation accidental rider (decreasing cash value)	Non-participation accidental rider (no cash value)	Non-participation accidental rider (Educational endowment insurance (H24))	Non-participation accident and medical rider	Non-participation accident and medical rider (decreasing cash value)	Non-participation accident and medical rider (no cash value)	Non-participation accident and medical rider (Educational endowment insurance (H24))	Non-participation comprehensive medical rider	Non-participation comprehensive medical rider (decreasing cash value)	Non-participation comprehensive medical rider (no cash value)	Non-participation comprehensive medical rider (Educational endowment insurance (H24))
Ordinary whole life insurance ^(Note 2)	—	○	○	—	—	○	○	—	—	○	○	—
Special whole life insurance ^(Note 2)	—	○	○	—	—	○	○	—	—	○	○	—
Ordinary endowment insurance	○	—	—	—	○	—	—	—	○	—	—	—
Special endowment insurance	○	—	—	—	○	—	—	—	○	—	—	—
Designated endowment insurance	○	—	—	—	○	—	—	—	—	—	—	—
Ordinary term insurance	○	—	—	—	○	—	—	—	○	—	—	—
Educational endowment insurance (H24)	—	—	—	○	—	—	—	○	—	—	—	○
Longevity support insurance (low cash value)	○	—	—	—	○	—	—	—	○	—	—	—

Notes: 1. There are cases where the above riders can be added if certain criteria are met even for basic insurance policies that are not currently available.

2. This includes low cash values.

Briefing on Important Matters/Provision of Literature about Disadvantageous Information

We will suggest policies upon understanding the will of the customer regarding coverage expected in insurance products. To prevent customers from suffering disadvantages due to not being informed adequately about insurance products and systems, we provide a prior briefing on the content of an insurance policy, including the policy coverage, the limitations on benefit payments, amount of insurance coverage and the duty of declaration. To that end, we deliver the summaries that explain items we would especially like

customers to confirm, including an “Insurance Design Document (Contract Outline)” and “Precautions about Insurance Contracts (Information Calling for Attention),” while making explanations.

Please be sure to review the “Insurance Design Document (Contract Outline)” and the “Precautions about the Insurance Contract (Information Calling for Attention),” and confirm that you understand the content, as well as that of the “Contract Guidelines and Policy Conditions,” before applying for enrollment.

Notice of Policy Details

Japan Post Insurance sends the “Notice of Policy Details” to each policyholder in October every year, together with the “Certificate of Premium Payment,” so that policyholders can reconfirm their policies’ details and update the information therein if necessary. This Notice serves as information to ensure that policyholders can feel secure about continuing their policy contracts and that insurance benefits can be received without fail.

The Notice contains information such as the bank account for the receipt of insurance benefits and other benefits, the designation of the beneficiary of insurance benefits, the coverage of the insurance policy held, the premiums paid, the policyholder dividend and the status of loans to the policyholder, so customers can confirm the content of the policy.

Education for Sales Personnel and Insurance Solicitation Agents

We state in our Solicitation Policy that we will make efforts to raise product knowledge and the consulting capabilities of all executives and employees. Accordingly, we are making efforts to raise consulting-based sales

skills in accordance with the life plan of each and every individual customer by providing training and education for sales personnel and agents.

Sales Personnel

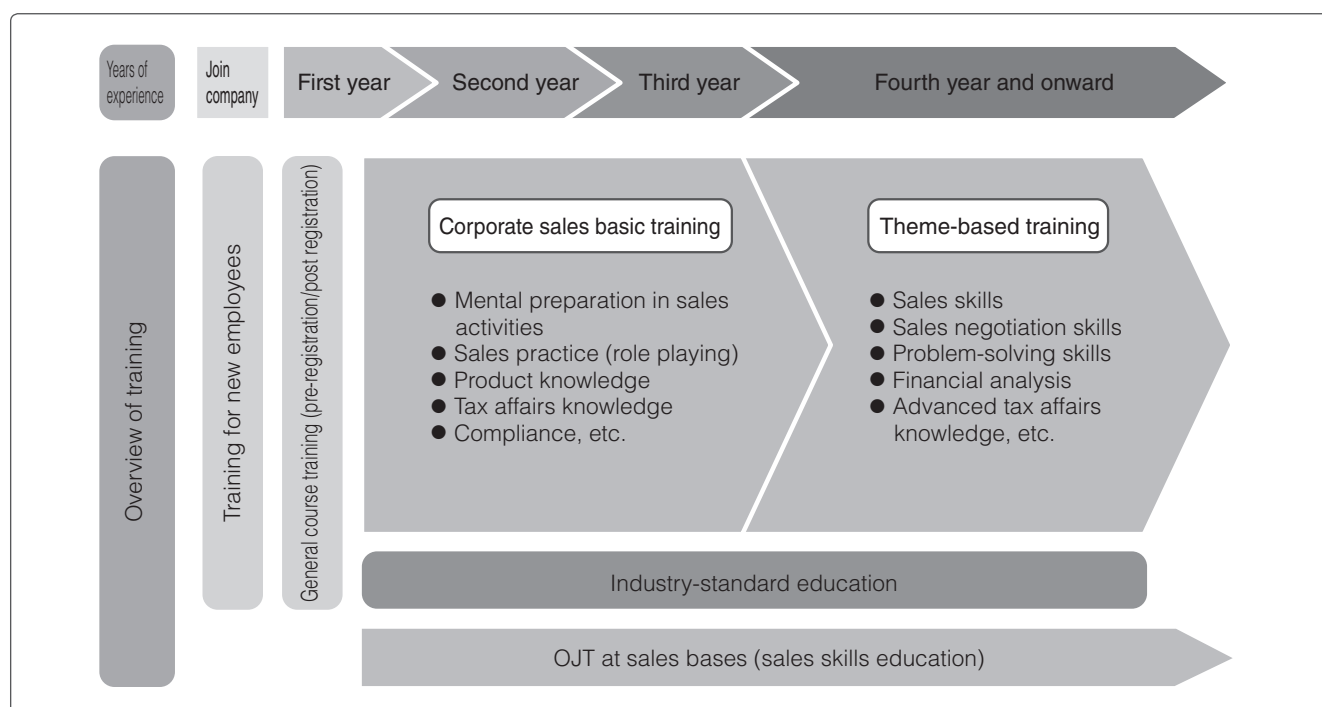
Sales personnel at directly-managed offices undertake insurance solicitations mainly targeting the corporate and worksite market.

Overview of Training

Through the Kampo Instruction College, an education and training program for Japan Post Insurance’s sales personnel, we work to develop sales personnel who possess advanced knowledge and a sense of ethics to ensure that personnel accurately respond to the needs of corporate customers.

We have positioned the three years after new employees join the Company as the period for basic

training. During this time, through mass training and industry-standardized education held at the head office, sales personnel acquire the knowledge and skills needed to undertake insurance solicitations in the corporate markets. From the fourth year onward, we implement various types of training based on specific themes with the aim of developing human resources who can demonstrate high-quality consulting-sales abilities.



Insurance Solicitation Agents

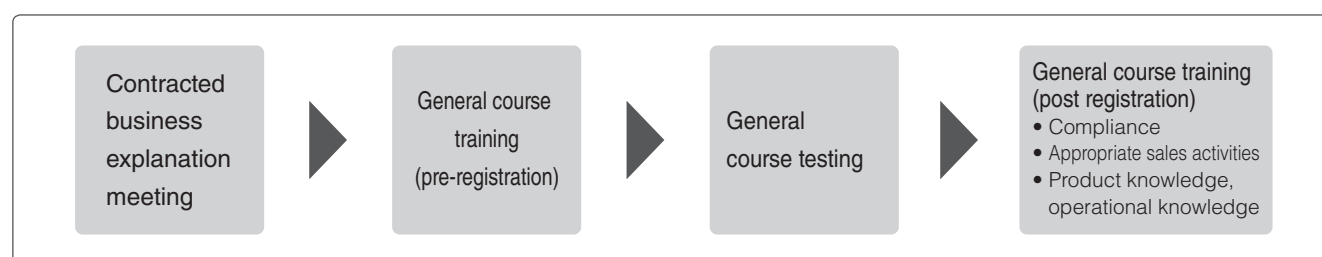
We conclude life insurance sales and maintenance agreements with Japan Post Co. and the operators of contracted post offices and carry out insurance

soliciting via the nationwide network of post offices, primarily targeting the individual market for households and small- and mid-sized companies.

Overview of Training

Persons involved in insurance solicitation are provided with training from employees of Japan Post Insurance aimed at ensuring thoroughgoing compliance, appropriate sales activities and enhanced operational knowledge.

In addition, we provide support that includes dispatching our employees as instructors for training and other activities implemented by Japan Post Co.



Life Insurance Policyholders Protection Corporation of Japan

Unlike the Postal Life Insurance Policies before the privatization, the life insurance policies of Japan Post Insurance after the privatization do not involve government guarantees for the payment of insurance claims. The policyholders' protection scheme applies to the life insurance policies in the same way as other life insurance companies.

● Life Insurance Policyholders Protection Corporation of Japan

Life Insurance Policyholders Protection Corporation of Japan ("Protection Corporation") is a corporation established pursuant to the Insurance Business Act. It serves as a mutual assistance mechanism for the purpose of life insurance policyholder protection in the event of the default of a member life insurance company. The Protection Corporation engages in processes and measures including financial support for facilitating the transfer of the insurance portfolio from the insurer in default, along with the succeeding insurer's general business administration, underwriting of the transferred portfolio and financial support for the payment of insurance claims covered under the policyholder protection scheme, as well as the purchase of rights of claim for insurance concerned, in an effort to ensure policyholder protection, thereby sustaining the credibility of the life insurance industry.

Because of the nature of life insurance policies, taking out a new insurance policy under the same conditions as the insurer in default could involve some difficulty due to the policyholder's age and health status. Therefore, in the event of the default of an insurance company, the Protection Corporation provides financial support for the transfer of the insurance portfolio, thereby ensuring continuous insurance coverage for the policyholder.

The portfolio subject to transfer covered under the policyholder protection scheme must, according to the provisions of the Insurance Business Act, etc., comprise life insurance policies originally written in Japan (excluding those associated with the specified special account ^{(*)1} for performance-linked insurance contracts), in which the limits of indemnity are set to be equivalent to 90% of the relevant policy reserve, etc. ^{(*)2}, except for the high assumed interest rate

policies ^{(*)3} (which does not mean that the policyholder protection scheme provides 90% of the level of protection provided by the original insurance claims or annuities ^{(*)4}).

The transfer of the insurance portfolio might involve, apart from the reduction in policy reserve, etc., changes in experience assumptions (including assumed interest rate, assumed rate of mortality and assumed rate of expenses) that serve as the basis of calculating policy terms and conditions, in order to ensure adequate maintenance of the insurance portfolio with reasonable security on a continuous basis, which could entail a reduction in the level of protection provided by the original insurance policies or annuities. Furthermore, special early surrender loading (involving a special surrender charge apart from the normal surrender charge for a certain period of time, for the purpose of sustaining a group of insured parties and the insurance policies associated therewith) might be established.

*1 This refers to a special account for the insurance policies that do not involve minimum guarantees (such as guaranteed minimum death benefit and guaranteed minimum maturity benefit) of the insurance policies involving the establishment of a special account. Corporate reorganization procedures for the insurer in default might be based on the preparation of a reorganization plan without involving a reduction in the policy reserve, etc., for the insurance policies concerned (whether implementing such reduction or not shall be determined in the course of an individual reorganization procedure).

*2 Policy reserve, etc. refers to the reserve funded based on insurance premiums and investment proceeds for the future payment of insurance claims, annuities and benefits.

*3 This refers to the policies with an assumed interest rate constantly beyond a basic interest rate ^(Note 1) in the five years prior to the default ^(Note 2). For such policies, the limit of indemnity for the policy reserve, etc. shall be as follows, provided, however, that such limit shall not go below the limit of reimbursement in the case where no financial support is provided to the insurer in default.

*4 Likewise, it does not mean that the Protection Corporation provides 90% of the level of the guaranteed minimum maturity benefit originally provided under the individual variable annuity.

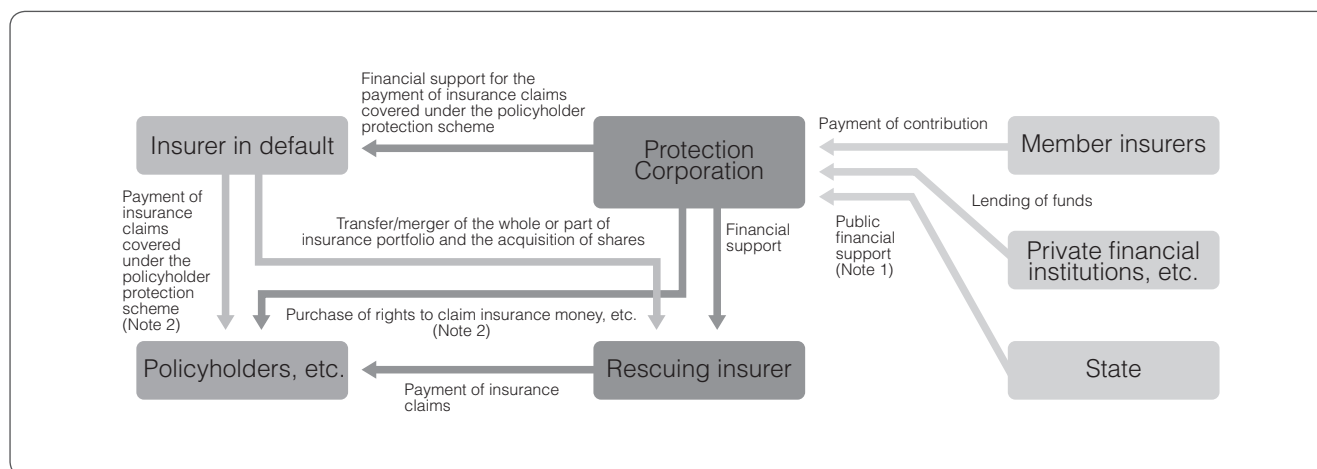
$$\text{Indemnity ratio in the high assumed interest rate policies} = 90\% - \frac{\text{[aggregate of (assumed interest rate less basic interest rate in each year in the past 5 years)]}}{2}$$

Notes: 1. The basic interest rate shall be determined by the Commissioner of the Financial Services Agency and the Minister of Finance, based on the average rate of investment returns in the past five years at life insurance companies. Information about the current basic interest rate is provided on our website.

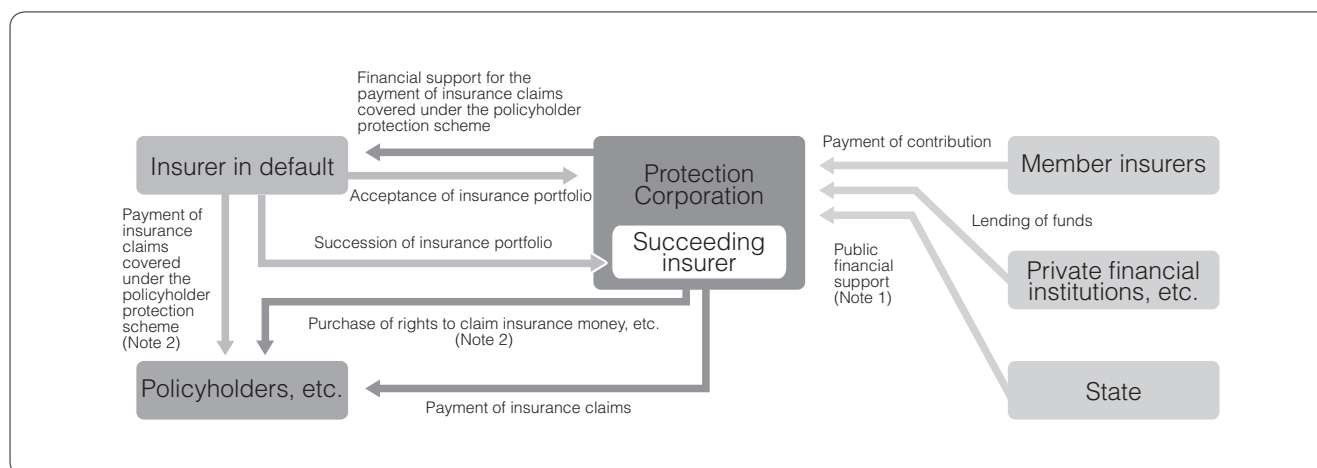
2. In the case where different assumed interest rates apply to the basic coverage and riders under one policy, each such basic coverage and rider applied by a different assumed interest rate shall be regarded as an independent insurance policy, and subject to the evaluation to determine whether it constitutes a high assumed interest rate policy. Meanwhile, in the case of a collective insurance policy such as a group insurance policy where a premium is paid by each insured individual to whom a different assumed interest rate applies, each such insured individual is considered to have taken out an independent insurance policy individually, and is subject to the evaluation regarding whether or not such independent individual policy constitutes a high assumed interest rate policy. However, in the case of defined contribution plan products, each insured individual is subject to the evaluation regarding whether or not he/she is a holder of a high assumed interest rate policy, regardless of whether he/she pays the premium.

● Illustrated Outline of the Scheme

In the case where a rescuing insurer appears



In the case where no rescuing insurer appears



Notes: 1. The aforementioned "public financial support" is provided in the form of a government measure against the default of a life insurance company in the period up to the end of March 2022, approved through deliberation in the Diet, in the case where contributions by the member insurers fail to cover the cost for the financial support.

2. This refers to the payment of insurance claims, covered under the policyholder protection scheme based on insurable events during the default proceedings, as well as the Protection Corporation's purchase of rights to claim insurance money, etc. associated with the insurance policies covered under the policyholder protection scheme. In such instances, the payment ratio and purchase ratio are the same as the ratio of the limit of indemnity for policy reserve, etc. (The ratios in the case of high assumed interest rate policies are as described in (*).)

* All descriptions of the scheme, including the scope and the limit of indemnity of the policies covered under the policyholder protection scheme, are based on current laws and regulations, and could be subject to change in the future in accordance with revisions of relevant laws and regulations.

[Reference] Government guarantee for the Postal Life Insurance Policies

The administration for the Postal Life Insurance Policies taken out before the privatization will be succeeded and managed by the Management Organization until expiry. The government guarantee for the payment of insurance claims associated with them will continue until those policies expire.

Unlike the Postal Life Insurance Policies, the life insurance policies of Japan Post Insurance do not involve a government guarantee for the payment of insurance claims. The policyholders' protection scheme applies to the life insurance policies in the same way as other life insurance companies.

Customer-first Business Operations

Following our Management Philosophy “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” we currently provide customers with simple and easy-to-understand life insurance products with smaller coverage amounts through the nationwide post office network. We believe that our daily striving to gain the trust and confidence of our customers by “delivering reliable insurance services to customers over the nation, protecting the livelihood of each and every one of our customers with our products, and supporting regional communities going forward” is linked to our achieving “customer-first business operations.”

Our basic policies to achieve “customer-first business operations” are stated below.

Basic Policies for Customer-first Business Operations

http://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html (in Japanese)

Customer Satisfaction

Japan Post Insurance recognizes that the “voices of our customers” are valuable “assets.” We value dialogue with customers, and will strive to develop a structure for the ceaseless creation of new convenience for customers and pursuit of quality services. In addition, reviewing our services daily based on customer input in order to increase our customers’ satisfaction is fundamental to improving our business.

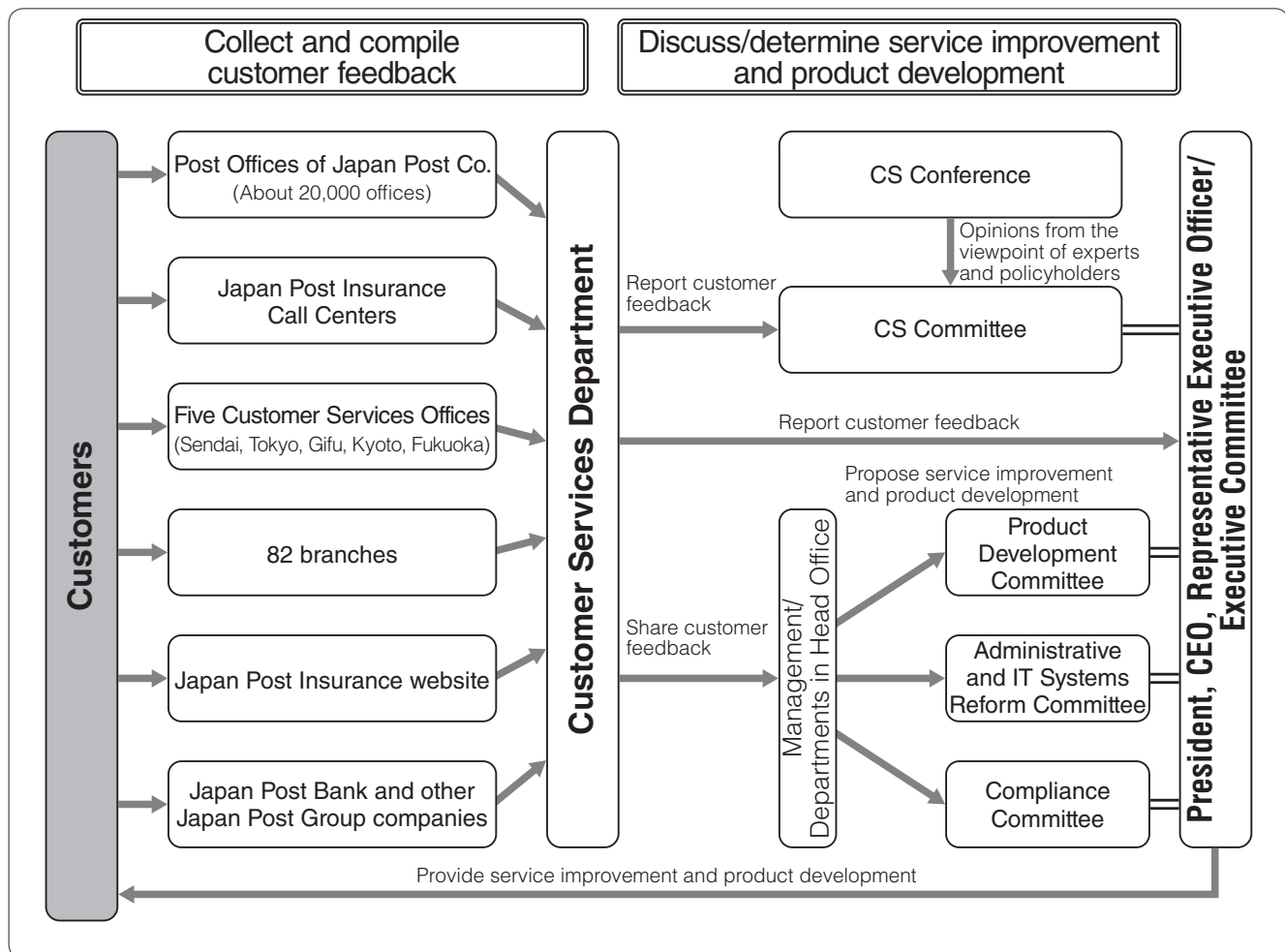
In addition to developing and improving products and services based on customer feedback, our Directors and Executive Officers, as well as our employees, give careful consideration to and act on customer feedback to ensure customer-first business operations.

● Using Feedback from Each Customer to Increase Customer Satisfaction

Customer feedback is compiled and centrally managed by our Customer Services Department. We analyze the feedback, identify management issues and devise solutions to improve our services and develop superior products. Through this process, we aim to provide services that bring satisfaction to our customers.

We have also held the “CS Conference” with external experts and representatives of policyholders as members to receive opinions for improving customer satisfaction.

Structure for Product and Service Improvements Using Customer Feedback



Our efforts to improve management from the standpoint of our customers are announced on our website as our Declaration on Customer-Oriented Services.

“Declaration on Customer-Oriented Services” on the Japan Post Insurance website

http://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_csmorientation.html (in Japanese)

Quantity and Content of Customer Feedback

The number of complaints received from customers during the period from April 1, 2017 to March 31, 2018 was as follows.

Content	April 2017 to March 2018	
		%
Enrollment in insurance policies	37,311	30.0%
Payments of premiums, etc.	10,063	8.1%
Procedures, dividends and other issues following enrollment in a policy	22,484	18.1%
Payments of insurance benefits	41,509	33.4%
Deduction for insurance premiums	2,564	2.1%
Other issues	10,487	8.4%
Total	124,418	100.0%

Note: We define all expressions of customer dissatisfaction as "complaints."

Customer Satisfaction Survey

We conduct customer satisfaction surveys to seek feedback directly from customers enrolled in our coverage and utilize such customer input to provide better insurance services in the future.

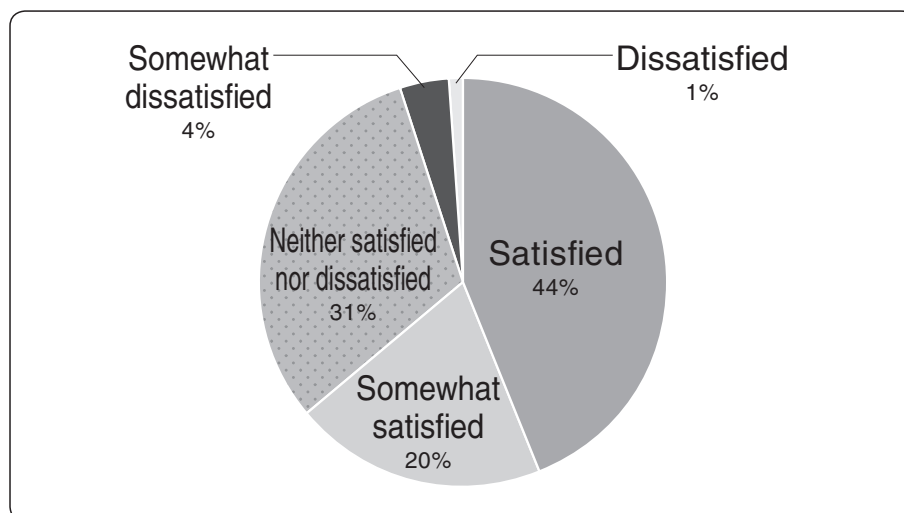
Overview of Customer Satisfaction Survey Conducted in the Year Ended March 31, 2018

- Period of survey: September-October 2017
- Survey targets: Customers who enrolled in our products for the first time and those who filed claims for maturity, death, hospitalization and other benefits
- Number of questionnaires sent: 33,000
- Number of questionnaires returned: 8,605

Survey Results

The general satisfaction level was rated "Satisfied" (total of "somewhat satisfied" and "satisfied") by approximately 60% of respondents. We will continue to undertake efforts to improve our customer service to receive high points from more customers.

Overall satisfaction levels for Japan Post Insurance



Compliments and Positive Comments

During the period from April 1, 2017 to March 31, 2018, we received a total of 26,395 compliments and positive comments from our customers.

Sample of customer comments

- When my aged mother was buying an insurance policy, the post office clerk asked for family members to participate in the explanation session so I was able to learn about the policy along with my mother. I was reassured that I was able to check if it was the type of insurance my mother needed.
- A post office clerk came to my house as part of Feel Secure with Kampo and explained about designating the bank account for insurance and I carried out the procedures. It is convenient now that pure endowment insurance is automatically deposited into my bank account.

Examples of Improvement Based on Our Customers' Comments

Customer Comment	Improvement
Both my spouse and I are healthy now, but we don't know what will happen in the future as we are both already old. I would like my family members to be notified when I am unable to be reached.	We implemented the "Family Registration Scheme" on March 26, 2018 so that our policyholders and their families can continue to hold our policies with a peace of mind. By registering the family members of policyholders, once the policyholder's family confirms the policy details, and once the individual has been verified, the same policy content can be disclosed as it would be to the policyholder, and thus make maintenance and management of insurance policies much easier as a family.
As I am old, I would like to specify a designated proxy for a payment claim, but I do not have a spouse or children, and my parents, grandparents, and siblings have all passed away. I have nieces and nephews, but I cannot specify them as designated proxies for payment claim as we do not live together. Can't the designation scope be expanded?	Due to the progression of the aging population, and the increase in single or elderly households, we have revised and expanded the specifiable range of designated proxies for payment claim. Previously, a family member of an insured person within the third degree of kinship was allowed to be designated if they live with the insured person or make a living with the insured person. This condition has been abolished in the revision, so now, even if the family member does not live with the insured person, if that person is within the third degree of kinship, he/she can be designated as a proxy for payment claims. Furthermore, now persons who are in a domestic partnership with the insured person are permitted by the Company (for postal life insurance, the Management Organization for Postal Savings and Postal Life Insurance) to be designated if it is deemed that they are in a relationship worthy of claiming the insurance, etc. for the insured person.
Recently, I was hospitalized after being in an accident and requested an insurance claim for my hospitalization, but it was extremely tedious as I was asked to write an "accident report" and was even interrogated about the accident by a post office clerk. I would like the process to be simplified.	We abolished the process of interrogations by our clerk, and simplified the process. Also, filling out the "accident report" has become much less burdensome by changing long-hand answer sections to check boxes and by separating the report format by the type of case ("for traffic accidents" and "others").
It is inconvenient to have to fill out multiple "notices of change to payment method" when wanting to change more than four insurance policies to in-person payment types. I would appreciate changes so that all can be handled at once.	We changed the procedure so that if more than four insurance policies are applied for at the same time, by submitting the "details of the notice of change for payment method" along with the "notice of change for payment method," all applications can be received at the same time.