



We are determined to reform the corporate culture of Japan Post Insurance in order for us to be reborn in the true sense of the word.

SENDA Tetsuya Director and President, CEO,
Representative Executive Officer

Strong determination to regain trust

We sincerely apologize for causing a great deal of concern to our customers and many stakeholders. It is my great mission to regain the trust of each and every customer and other stakeholders of Japan Post Insurance as soon as possible, and to restore the credibility and brand power of post offices, our important partners.

When I was appointed as President, CEO and Representative Executive Officer on January 6, 2020, I conveyed three desires to all our employees in my New Year's address. The first was the need for a strong commitment by all employees to complete our investigations and response to customers while working together to overcome the situation we face. The second was the need to formulate a solid revitalization plan as a vision for our future after overcoming this crisis. The third was the importance of reviewing our corporate culture, implementing reform and improving governance. I reaffirmed my determination to rebuild Japan Post Insurance in the truest sense of the word through these three desires.

Commitment of striving to protect the well-being of all people

Over a century has passed since the predecessor of Japan Post Insurance, the Postal Life Insurance Service, was created in Japan in 1916. Our ability to provide simple life insurance for small coverage amounts to a large number of people through the familiar nationwide network of post offices, along with the fact that we have gained the people's patronage, are the assets and strength that sets us apart from other life insurance companies.

When we celebrated our 100th anniversary in

2016, I was an officer in charge of areas including corporate planning and public relations. I led the revision of our management philosophy to rethink what we should be and how to move forward over the next 100 years. The short phrase that was developed at that time —“Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.”— is the current management philosophy of Japan Post Insurance.

Although I held the impression that this was a bit of a stretch at first, as I came across this phrase over and over, I realized that it really was true.

Japan Post Insurance has relationships with not only more than 20 million insurance policyholders and insured persons but also their families and relatives, making up a significant number of people throughout Japan. It is not an exaggeration to say that we are here for all people, and I believe that our social role is significant as we are involved with so many individuals.

We protect and closely support many customers across Japan through our grassroots activities. At 76 of our 82 branches nationwide, excluding six branches that specialize in corporate sales, we have Agency Relations Divisions to support post offices as a system in place to provide sales/operational support and guidance. We have also been engaged in projects to strengthen management capabilities of post offices. However, reconsidering the matter at hand, I sometimes wonder if we have failed to make the meaning of our management philosophy fully understood. If we had become a company that was truly in line with our management philosophy, we would not have encountered the recent issues associated with improper solicitation.

Putting customer-first business operations into practice by reforming corporate culture

It is necessary for us to go back to the origins of our management philosophy and reconsider all aspects of our operations and communication, including customer service. I strongly feel that we need to promulgate the true meaning of our management philosophy throughout the Company again and actually implement our philosophy, using it as a compass to guide us in our efforts.

As stated in the investigation report received on December 18, 2019 from the Special Investigation Committee into the Insurance Policy Situation at Japan Post Insurance, the biggest factor in the selection of Japan Post Insurance is the trust that many of our policyholders have in our post offices, which are an important elements of society's infrastructure that is indispensable to people's lives. There is no prospect of revitalization unless we repair and restore that trust.

We received administrative dispositions from the Financial Services Agency of Japan pursuant to the Insurance Business Act on December 27, 2019. In response, we submitted a business improvement plan on January 31, 2020. We have taken seriously the comments and criticisms about sales targets that were not sufficiently achievable

or reasonable, insufficient awareness of compliance and customer protection, weak solicitation management systems and a lack of risk sensitivity. Furthermore, the plan covered core concrete measures to prevent improper solicitation, together with a progress report on the investigation of specified rewriting cases.

While it is important that we prevent improper solicitation by putting the check function to work, the possibility of similar cases in the future cannot be denied unless we also reform the underlying culture, including employee awareness and the corporate culture.

For this reason, I believe that we must first change the way we work and think. It is important that each and every employee, including members of management, has the power of imagination based on self-reflection as we ask ourselves questions such as: "Have we been managing our business from the perspective of the post office employees who are on the front lines of insurance product sales?" "Have the people at Japan Post Insurance and post offices been truly communicating with each other?" and "Have the post office employees been putting their trust in us in the first place?" If our management team does not self-reflect in this manner, the post office employees who are working hard on the front lines of insurance sales will not pay attention to Japan Post



Insurance. I believe that deepening the relationship between management and front-line employees will change the processes in our work, and will naturally lead to a true customer-first response as an organization.

Promoting the standardization of information to improve the speed of management

The key to reforming the corporate culture in cooperation with post offices on the front lines that come in contact with customers is the standardization of information. This includes two types of relationships, that between the management team and front-line employees at Japan Post Insurance, and that between Japan Post Insurance and Japan Post Co.

We are focusing in particular on two aspects of sharing information. The first is always disseminating information quickly. To this end, we have changed the frequency and size of meetings, and switched to a web and video conferencing system to increase opportunities for departments involved to communicate information and disseminate it widely to the front lines. If current problems and difficulties are shared, and people in the front lines understand the actions of the management team, the front lines should be able to think and act on their own.

The second thing is to give adequate answers in response to questions and suggestions from the front lines that arise in meetings. I am keenly aware that we might have neglected to respond with concrete answers in the past. Under such circumstances, a suggestion system would not function even if there was one in place. The culture will not change as long as there is a sense of resignation on the front lines, and people believe that management will not listen no matter what they say.

That is why I have created Direct Suggestions to the President as a new system at Japan Post Insurance that directly connects to me. I have begun to utilize this system while reading through the opinions of various employees and consulting with the departments in charge. The management team must consistently maintain the attitude that they are watching and will properly act when they need to act. We have to take responsibility for our response until the very end of all matters, and get the people in the front lines to really feel the changes we are making by repeating this process. Through such a process, I think a sense of unity will finally be created and generate positive feedback.

Meanwhile, I think it is important to restructure the relationship with Japan Post Co. and take it

one step further, so that it is possible to say what needs to be said and do what needs to be done with a certain sense of urgency. Formal dialogue among members of management used to take place about once a month, but we now hold discussions once or twice a week with a group of about five people, including top management. Important management issues are decided on an individual basis, including conditions and details thereof, by members of top management. The speed of management has been steadily increasing.

Aiming to establish new business models

For Japan Post Insurance, relationship of trust with post offices speaks volumes about the size of our customer base and gives us a significance that no other life insurance company can match. However, we must address two issues when considering our revitalization plan.

The first is our ability to support our customers. Insurance product enrollments encompass long periods of time. Moreover, in order to pay out claims in the event of an emergency, careful follow-up services and a thorough knowledge of the products are required. We need to build up the quality and number of employees capable of supporting customers.

The second is the content of our products. In addition to the long-term situation of an aging society and a shrinking population that Japan is facing, we must be sensitive to the changing needs of our customers as their working styles and their views on life change and become more diverse.

In dealing with these two issues, we must seriously consider what we can do to help customers. It is important to think of ways to complement and integrate with other companies, if it is in the best interest of our customers.

Providing steady support for customers in the face of uncertain times

The spread of COVID-19 is having a significant impact on Japanese society. We would like to extend our deepest sympathies and condolences to those who have been affected by the outbreak.

Japan Post Insurance places the highest priority on a swift response in line with its social mission as an insurance company. In addition to implementing special measures such that include omission of some necessary documents and other emergency measures, extension of the grace period for

premium payments and reduction or exemption of interest rates applicable to policy loans excluding premium loans. We have decided to pay out additional insurance benefits in the event of death due to COVID-19 on top of the death benefit (the “double payment of insurance benefits”).

I also sent a message to our employees to ensure that we protect ourselves, the Company, and society at large at the same time, from the perspective of putting lifesaving first. As an insurance company, it is our responsibility to continue business, which in turn leads to the protection of society.

I believe that society itself will change dramatically after COVID-19 is contained.

In recent years, not only infectious diseases but also large-scale natural disasters associated with climate change have become more prominent. This has shaken people’s perceptions and feelings about life and health. We must ask ourselves how we can best support and respond to such feelings. This is another important mission of Japan Post Insurance.

Our business itself is closely connected to the sustainable growth of society

As a life insurance company, we have a highly public nature and are inextricably linked to the sustainable growth of society. In addition to providing fundamental protection for people’s livelihoods, the business of Japan Post Insurance encompasses elements such as social contribution activities, health promotion activities and asset management as an institutional investor. We also recognize that helping to bring about a sustainable society through our business is a top management priority.

We are also strengthening our implementation system for the Sustainable Development Goals (SDGs), which were adopted by the United Nations in 2015, and for the environment, society and governance (ESG).

With the SDGs serving as a guidepost, we are further implementing measures to address individual priority issues such as risk management through health promotion and other measures, climate change adaptation and environmental protection, promotion of diversity and workstyle reforms.

Japan Post Insurance worked to promote the spread of the Radio Exercise Program established by Japan Post Insurance’s predecessor, Postal Life Insurance Bureau of the Ministry of Communications in 1928. As Japanese society transitions to a super-aging society, the importance of promoting good health not only has remained unchanged but

also has increased even further from the perspective of extending healthy life expectancy. To support our customers’ efforts to stay healthy, in January 2019, we began offering a new health support app, *Sukoyakanpo*, which provides content to motivate customers to stay healthy and continue enjoying their daily activities for health.

In asset management, we consider various factors of ESG in making investment decisions, in order to realize a sustainable society, improve investment results and reduce risks in the long-term. We invest in various projects including those responding to global warming as well as bonds to fight against COVID-19.

In any case, because our business is closely linked to the sustainable growth of society, it is clear that our fundamental stance on how to understand and incorporate the SDGs and ESGs in the core of our management is being questioned. From this standpoint, we must be sensitive to the changes of the times ahead, and at the same time, we must take a fresh look at our products and services in our core business and link them to the sustainable growth of society.

Increasing fundamental corporate value

We have many stakeholders, ranging from customers and investors to employees and partner companies. It is my responsibility to all of them to ensure their satisfaction as a representative of the Company.

To achieve this, it is important to listen carefully to and reflect on the thoughts and opinions of each stakeholder. I will continue to carefully build on this communication and present our plan for the revitalization and growth of Japan Post Insurance for the future.

While our top priority is to restore the trust of our customers, we view the fiscal year ending March 31, 2021 as the year in which we will formulate our future revitalization plan and our next Medium-term Management Plan. We will disclose information and operate transparently with regard to these efforts to enhance our essential corporate value.

I would like to ask for your continued support for Japan Post Insurance, as the entire Company, including Group companies, work together to rebuild as one.

Measures Amid the COVID-19 Pandemic

We would like to extend our deepest sympathies and condolences to those who have been affected by the outbreak of COVID-19.

As the spread of COVID-19 has become the dominant issue worldwide, we will continue to fulfill our social mission and functions as a life insurance company in this emergency, which is significantly impacting people's lives and business operations in Japan.

Actions to be implemented	Overview
Initiatives to support customers	<ul style="list-style-type: none"> ● Emergency treatment such as extending the grace period for premium payments, reducing or exempting interest rates applicable to policy loans excluding premium loans (rate of 0% applied during the loan period), and the omission of some necessary documents ● Payment of additional insurance benefits* in the event of death due to COVID-19 on top of the death benefit (the "double payment of insurance benefits") ● Payment of hospitalization benefits for the period of time that hospitalization was originally required, even in the following cases where medical institutions did not allow hospitalization due to the effects of COVID-19, upon submission of a doctor's certificate or other documentation <ul style="list-style-type: none"> - In the case of medical treatment in lodging or other facilities provided by the local government, or in the case of treatment at home - If the insured person is unable to be admitted to the hospital due to COVID-19 or other illness or injury that requires hospitalization for treatment, or if the insured person has to be discharged earlier than originally planned ● Videos related to Radio Exercise are available on YouTube for those forced to stay home due to the voluntary restraint on outings, to help them get exercise and improve their health
Ensuring appropriate business operations in this emergency	<ul style="list-style-type: none"> ● Carry out our important ongoing initiatives such as insurance claim surveys as well as premium payments appropriately, with due consideration for the safety and health of our employees ● With regard to asset management, we intend to secure a profit margin while monitoring trends in financial markets closely and maintaining financial soundness
Responding to lifestyle changes	<ul style="list-style-type: none"> ● In light of the increasing use of non-face-to-face services, we intend to make further use of digital technologies to improve the environment in which our insurance services including various claim procedures can be provided without any restrictions on time or location place
Initiatives as a responsible institutional investor	<ul style="list-style-type: none"> ● Purchase of bonds issued by international organizations in response to the COVID-19 (Please refer to page 51 for details)
Support for medical professionals	<ul style="list-style-type: none"> ● Four Japan Post Group companies contributed a total of ¥100 million to the Japanese Red Cross Society to support medical workers and activities to prevent the spread of infection

* Depending on the type of insurance policy, the double payment of insurance benefits might not apply. The double payment of insurance benefits does not apply if the insured person passes away before one year and six months has elapsed since the enrollment date (contract date).