

Medium-term Management Plan

Initiatives in the Final Year of the Medium-term Management Plan 2020

In order to realize our management philosophy, we are committed to supporting each and every one of our customers and protecting their lives. We have set “pursue customer-first business operations,” “achieve sustainable growth” and “maintain sound business operations” as our fundamental management approach in an effort to achieve this goal.

In the fiscal year ending March 31, 2021, in response to the issue of improper solicitation of Japan Post Insurance products, we will continue to work to compensate customers for disadvantages they experienced by conducting policy investigations. We will furthermore implement and instill improvement measures based on the business improvement plan to ensure customer-first business operations.

Through these efforts, we will restructure our business base in preparation for the next Medium-term Management Plan starting in the fiscal year ending March 31, 2022, as we aim to become the insurance company that customers continue to select by ensuring improvement of our corporate value.

As a response to the spread of COVID-19, which has become a major social issue, we have worked to further support customers through means such as conducting double payment of insurance benefits, reducing or exempting interest rates applicable to policy loans excluding premium loans, and extending the grace period for premium payments.

We will steadily fulfill our social mission and functions as a life insurance company to support our customers by their side, even as we face these social issues in the future.

Management Philosophy

**Be a trustful partner for people,
always being close at hand
and endeavoring to protect their well-being.**

Fundamental Management Approach

- Pursue customer-first business operations
- Achieve sustainable growth
- Maintain sound business operations

Initiatives in the final year of the Medium-term Management Plan 2020

Pillars of Initiatives

Steady execution of policy investigations aimed at regaining the trust of customers

Implementation and instilling of improvement measures based on the business improvement plan

Restructuring of business base and improvement of corporate value

Work promptly, reliably and carefully to compensate customers for disadvantages experienced as a top priority through policy investigations and customer service

Prioritize the allocation of management resources to improvement measures based on the business improvement plan, and implement various improvement measures based on appropriate progress management

Restructure the business base for the next Medium-term Management Plan by regaining the trust of customers and ensuring customer-first business operations

Response to the Pressing Issue

Fulfill our social mission and functions as a life insurance company in response to the COVID-19 Pandemic

Numerical Targets

The key numerical targets of the Medium-term Management Plan 2020 (FY2019/3–FY2021/3) and results for each fiscal year are as follows:

	FY2020/3 results	FY2021/3 targets
Earnings per share (consolidated)	¥267.40	¥155
Dividend per share	¥76.00	¥76

We recognize that we are presently facing difficulties with regard to achieving the target for annualized premiums for policies in force for the fiscal year ending March 31, 2021 (approximately ¥4.9 trillion), which is one of the key quantitative targets of the Medium-term Management Plan 2020. This is due to the fact that we have not set any sales targets for the fiscal year ending March 31, 2021, and due to our intention to create an environment that will lead to future sales by working to regain customers' trust as our top priority, along with a significant decrease in new policy acquisitions due to increases in premiums and our refraining from making proactive sales efforts regarding our products in response to solicitation quality issues.

Key Strategies

Sales and Product Strategies

Recognition of the environment and basic strategy

In the fiscal year ended March 31, 2020, in response to the issue of inappropriate solicitation of Japan Post Insurance products, we worked promptly, reliably and carefully to compensate customers for disadvantages experienced as our top priority through policy investigations and customer service.

In the fiscal year ending March 31, 2021, we will continue to place the highest priority on policy investigations and customer service given our aim of regaining the trust of customers and ensuring customer-first business operations, while at the same time establishing an appropriate sales promotion scheme.

Key initiatives

Initiatives aimed at regaining the trust of customers

- We will continue to investigate policies and respond to customers with a top priority on compensating customers for disadvantages they experienced, while listening to the opinions and requests of customers besides those covered in investigations in a careful manner through visits to customers in order to regain their trust and confirm the details of their policies. We will work in good faith to resolve any disadvantages that are not in line with customers' intentions.
- We will continue to listen to customer feedback in various ways, such as through continuous policy confirmation activities and improvement of the "Notice of Policy Details" sent to customers once a year, and we will continue to conduct follow-up activities in line with customer intentions.
- When a customer requests a Japan Post Insurance product, we will carefully explain the details of the product to the customer based on an accurate understanding of the customer's needs, including the customer's concerns about the future and insurance coverage. We will then accept the application for the Japan Post Insurance product that meets the intentions of the customer.

Establishing an appropriate sales promotion scheme

- In order to thoroughly implement basic actions based on the principle of providing insurance coverage founded on high ethical standards in line with the original roles and mission of life insurance we revised our Solicitation Policy to reflect the customer-first philosophy on April 1, 2020.

Furthermore, we have formulated the Standard of Japan Post Insurance Sales that embodies our sales action principles, based on the aforementioned Solicitation Policy. We will conduct in-house training to instill the Standard of Japan Post Insurance Sales.

Moreover, to prevent the occurrence of policies that are not in line with the intentions of customers, customers' intentions are confirmed in a multi-layered manner by post office managers as well as the dedicated call center of Japan Post Insurance, along with confirmation by our service centers at the time of the underwriting process, in addition to expanding the pre-checking function for underwriting that detects applications for which there are doubts about solicitation quality.

- While we will not set sales targets for the fiscal year ending March 31, 2021, as we prioritize activities to regain customers' trust, when setting sales targets for the fiscal year ending March 31, 2022 and beyond, we will review the system of sales targets based on the assumption of good solicitation quality and with an emphasis on policies in force (on a stock basis).
- In order to improve the system for reviewing insurance policies, we have introduced a conditional cancellation system that ensures provision of continuous coverage without interruption. We are also proceeding with the introduction of a policy conversion system to enable transitions to new policies without cancellation of existing policies.

Solicitation Policy of Japan Post Insurance

Basic Policy

Under the management philosophy of "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," we will always put ourselves in the position of customers and provide easy-to-understand products and high-quality services in order to provide customers with the peace of mind that comes with insurance, and continue to support and protect the livelihood of each and every one of our customers with our products.

In addition, **in order to live up to the trust of our customers, life insurance sales activities will abide by laws and regulations as well as social norms, and we will always act based on principles in line with high ethical standards.**

1. We will make appropriate proposals based on a thorough understanding of the customer's needs and intentions, and provide explanations that are comprehensible to customers.

We will gain a thorough understanding of the customer's needs and intentions, and make a proposal based on their status of income, assets and insurance policies held as well as life plans, so that it is in the customer's best interest and is satisfactory.

When explaining product details and other information, we will provide customers with the "Contract Outline," "Information Calling for Attention" and other documents, and explain them in a careful and easy-to-understand manner, taking into account the customer's age, knowledge and experience.

At the time of application, we will reconfirm that product, premiums, coverage and other details meet the customer's needs and intentions, so that the customer will be able to enroll in an insurance product that is in line with their ultimate intentions.

We will not make any proposals that are not in the best interest of customers, even if they are intended by customers.

2. We will operate the insurance system soundly to reassure customers

In order to maintain fairness between policyholders and the sound operation of the insurance system, we will ask for correct declarations as well as consent of the insured. Even in the case of life insurance policies with minors as the insured, especially those under 15 years of age, we will conduct appropriate solicitation, including setting an appropriate insurance coverage amount.

3. We will conduct appropriate solicitation from the customers' point of view

When we visit or contact our customers by phone, we put the customers first and will act from the perspective of customers, and give due consideration to the method, place and time of sales.

We will also take into account the age, knowledge and experience of the customer to ensure that the customer has a thorough understanding, and we will conduct appropriate solicitation from the customer's point of view through means such as providing explanations to family members and setting aside a period of time for their careful consideration.

4. We will conduct education and training designed to improve customer service

We will work to enhance education and training systems, improve product knowledge and consulting skills of all executives and employees, and provide heartfelt services by constantly improving ourselves to provide the most appropriate coverage plans.

5. We will handle customer information appropriately

We will appropriately handle customer information obtained upon providing products under a rigorous management structure.

Development of IT System Platforms

Since October 2019, we have been developing IT system platforms to support appropriate solicitation activities by adding a new function to the mobile devices used for sales activities that allow us to propose optimal coverage for customer's needs while confirming with them their future life events and funds required for them.

In addition, we are building a system that allows us to record and store solicitation activities to visualize the status of solicitation and to confirm whether we have made proposals in line with the customer's intentions in the event of subsequent inquiries from the customer.



New Product Development

The changing lifestyles of our customers, especially young and middle-aged customers, have led to increasingly diverse coverage needs.

In recognition of this environment, in April 2019, we launched sales of: (1) non-participating advanced medical care riders that cover technical fees for advanced medical treatment to further enhance medical coverage and (2) products with relaxed underwriting criteria for endowment insurance, whole life insurance and non-participating general medical care riders added to these basic insurance policies that are accessible to those with health concerns to enroll in.

先進医療特約

Non-participating advanced medical care rider



Products with relaxed underwriting criteria

Administrative Services Strategy

Recognition of the environment and basic strategy

We provide insurance services to a large number of customers throughout Japan through a nationwide network of post offices, and we have positioned the provision of administrative services that meet the needs of each and every customer and the establishment of an office structure that continuously generates corporate value as our basic strategy for insurance administrative services. In addition, we have been working to further improve customer service and enhance efficiency in back-office administration, mainly through the use of digital technology.

We will continue to focus on these two points, and in light of the recent issues in solicitation quality, we will place the highest priority on strengthening an appropriate solicitation quality control scheme by conducting multi-layered checks from application to conclusion of policies to prevent policies that are not in line with our customers' intentions, as we strive to restore the trust of our customers and all other stakeholders.

Key initiatives

Simple, easy-to-understand claim procedures, anywhere, anytime

We have conducted procedures for customers in person through local post offices nationwide to provide careful and easy-to-understand services to customers throughout Japan. However, the current COVID-19 pandemic is expected to bring about a variety of lifestyle changes, including the widespread use of non-face-to-face services.

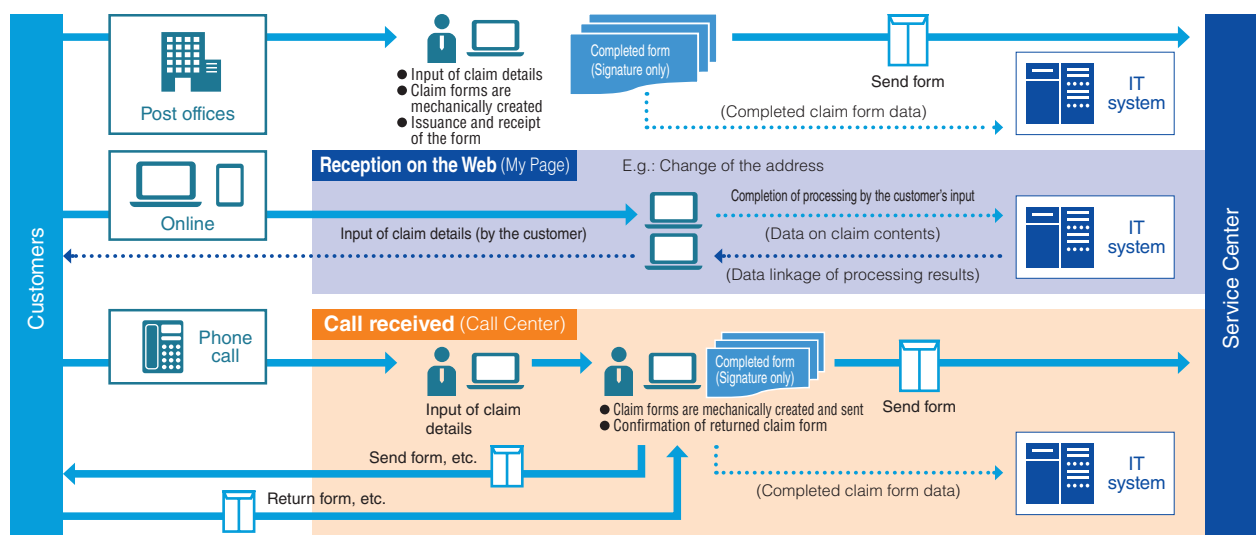


To further enhance customer convenience, we introduced the My Page web service in April 2019 that enables policyholders to confirm policy coverage, change their address and/or phone number, and issue Certificate of Premium Payment, from a familiar environment such as a home PC or smartphone without restrictions on time or location.

This service enables customers who normally cannot take the time to visit a post office to complete various claim procedures online.

In addition to expanding the claim procedures available on My Page, we will continue to diversify the various claim procedure methods through the use of digital technology and promote services that aim to offer "simple, easy-to-understand claim procedures, anywhere, anytime."

Diversification of claim procedures (outline)



Building a competitive management base by streamlining insurance administration

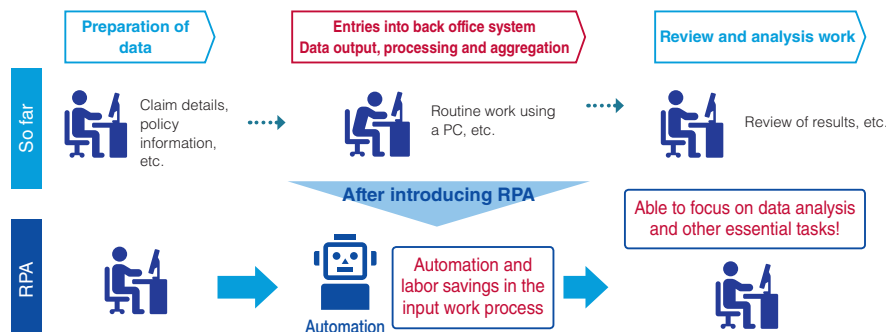
With the aim of building a competitive management base by improving the efficiency of insurance administration, in April 2019, the Company converted approximately 32 million paper-based forms at the Company's Service Centers, that handle processing after the receipt of various claims into electronic forms to reduce the cost of printing and mailing to post offices.

In addition, we have been gradually introducing RPA, which uses robots to automate a series of tasks previously performed by employees, resulting in a reduction in work hours of approximately 300,000 hours in the fiscal year ended March 31, 2020. Going forward, we will continue to promote automation and labor savings in data input operations to improve administrative efficiency.

In addition to promoting the full-scale introduction of RPA company-wide, we will promote the digitalization of various insurance administrative procedures and use AI technology to respond to inquiries from post offices regarding administrative procedures and improve the efficiency of insurance administration through the use of digital technology.

Note: RPA (Robotic Process Automation): Automation of operations using robotics.

Utilizing RPA (outline)

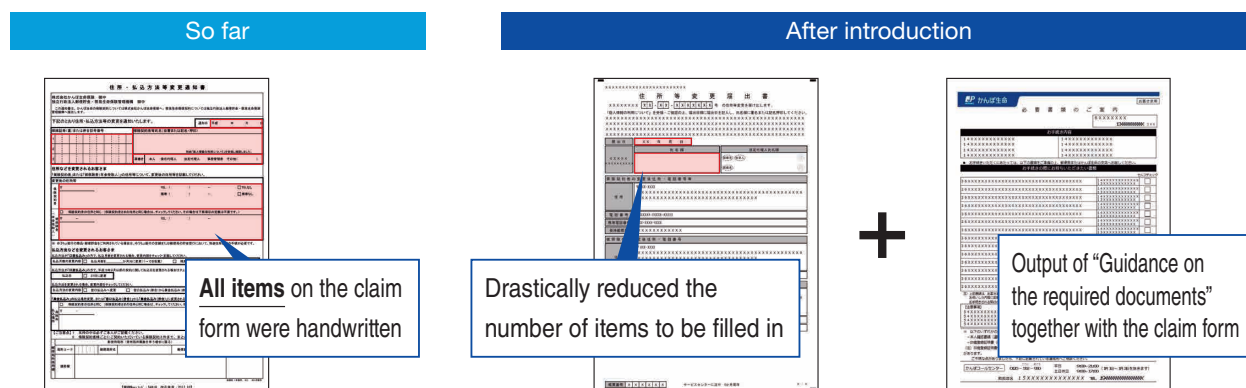


Simplification of claim procedures

We are making improvements to simplify information to be filled out by customers and to reduce the documents to be submitted in order to enhance customer convenience. Specifically, we are accepting paperless applications for policies using mobile devices for sales, eliminating the need to affix a seal on various payment claims including insurance claims, and simplifying the documents submitted in inheritance procedures.

In addition, in October 2018, we introduced an "insurance procedure support system" at post offices across Japan, which prints the necessary information for claim documents in advance, automatically determines the documents needed at the time of a claim, and presents a list of them to the customer when the post office receives various claim requests from the customer. This reduces the burden on customers filling out forms and the hassle of checking the documents required for a claim.

In October 2019, we expanded the scope of claims covered by the insurance procedure support system to include hospitalization benefits and death benefits as well, and improved it so that customers only need to fill in the date of the claim and a signature as a general rule. Going forward, we will continue to expand the number of claims covered by the system in order to improve customer convenience, as well as the quality of solicitation through IT system support.



Asset Management Strategy

Recognition of the environment and basic strategy

The asset management environment during the fiscal year ended March 31, 2020 was unstable, with stock prices declining as economic activity was expected to slow down due to the spread of COVID-19 toward the end of the fiscal year. In the fiscal year ending March 31, 2021, we expect the real economy to be severely impacted by sluggish economic activity and transition to a recession on a global level. We furthermore recognize that there is rising uncertainty about the future.

Under the Enterprise Risk Management (ERM) framework, we will continue to invest in return-seeking assets¹ under appropriate risk management in an aim to secure stable income in the low interest rate environment, while implementing ALM²-based asset management through asset-liability matching, to ensure the payment of insurance claims to customers.

Key initiatives

In order to ensure the yields promised to customers, we have promoted the diversification of asset management in response to the prolonged low interest rate environment.

While we have been diversifying asset management centered on those externally managed, with the aim of improving stable earnings in the low interest rate environment, we have started in-house management of U.S. corporate bonds and Japanese equities in phases, steadily promoting the diversification of asset management.

In the fiscal year ended March 31, 2020, we continued to make steady progress in diversifying asset management, including in-house management of Japanese equities, alternative investments³, and expansion of target currencies in foreign bond investments.

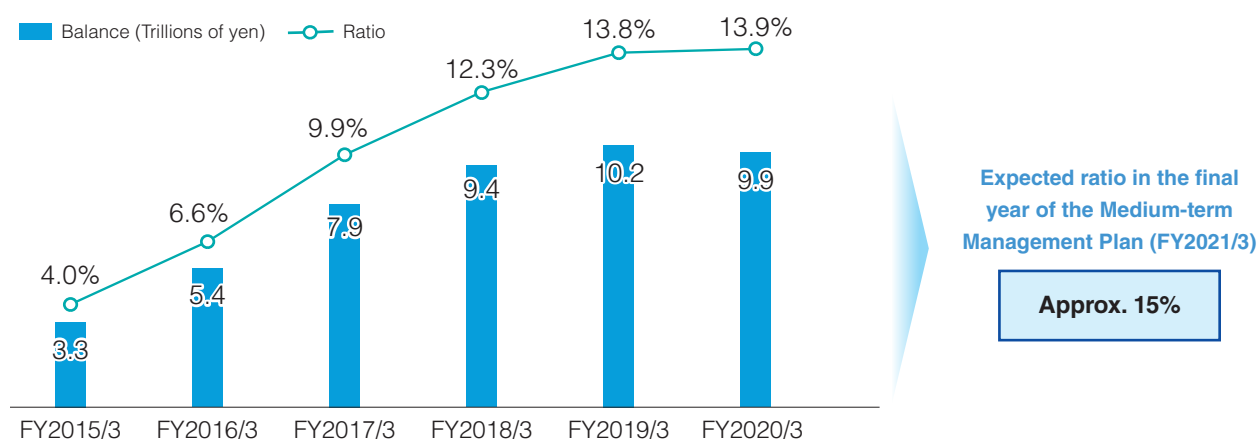
As a result of promoting the diversification of asset management to increase profitability of our ALM-based asset management, the ratio of return-seeking assets to total assets as of March 31, 2020 increased to 13.9%.

Notes: 1. Of assets recorded under "money held in trust" and "securities" on the balance sheets, Japanese and foreign equities, foreign currency-denominated bonds, investment trusts, etc. held for asset management purposes.

2. Asset Liability Management: Integrated management of assets and liabilities

3. A general term for new investment options or methods other than financial instruments that have a relatively long history such as bonds or listed stocks (traditional assets).

Return-seeking assets



Ongoing initiatives

With regard to asset management in the fiscal year ending March 31, 2021, we believe we will need to monitor the market situation more closely and take a more prudent approach to risk-taking than ever before, given increased uncertainty about the future of financial markets.

Going forward, we will continue to diversify asset management based on appropriate risk management, aiming to secure stable income in a low interest rate environment.

In the fiscal year ending March 31, 2021, we will enhance the quality of our asset management that we have diversified so far, including strengthening our structure for direct investment in alternative investments.

Key ongoing initiatives

- Enhancement of the quality of the diversified range of asset management (such as strengthening the structure for direct investment in alternative investments)
- Expansion of in-house management (U.S. corporate bonds, Japanese equities)
- Further promotion of ESG investment
- Sophistication of ALM and risk management

Reinforcement of asset management framework

As measures for the asset management framework, we are strengthening human resources and the organizational framework.

As for strengthening human resources, the number of employees engaged in asset management was 181 as of April 1, 2020 and has increased by 34 over the last three years. While continuing efforts to secure human resources, we will strengthen expert human resources from a long-term perspective.

We have also expanded our organizational framework, including the establishment of the Alternative Investment Office, with the aim of bolstering alternative investment. We will continue to enhance our organizational framework to promote the diversification of asset management.

Strengthening the Management Base

Digitalization Strategy

Recognition of the environment and basic strategy

As customers' lifestyles and needs diversify with the evolution of technology, the rapid progress of digitalization and demographic changes such as the aging of society with declining birthrate, it is essential for Japan Post Insurance to adapt to the evolution of technology and the progress of digitalization in order to improve our customer services and strengthen our ICT* platforms.

The Company has an enormous IT system that manages policy information and handles payment of insurance claims and other activity for approximately 24.68 million customers. It serves as the infrastructure supporting a range of customer services provided mainly through some 20,000 post offices.

We will optimize our entire IT system platform by improving and consolidating our IT system structure and utilizing new technologies such as the cloud, in order to adapt to the changing environment and ensure our competitiveness.

We will also improve the quality of our customer service and processing efficiency through the use of new technologies such as AI, and promote the expansion of new digital contact points with customers through our health support app, website and other means. We will continue to improve our customer service by leveraging data and knowledge gathered through these efforts for the development and improvement of new products and services.

* ICT (Information and Communication Technology): A general term for technologies related to information and communications.

Key initiatives

Investing in ICT

The Company has been working on various measures to reduce costs. For example, by upgrading our core system in January 2017, we have realized a 40% reduction in hardware costs compared to the previous system, and expect a 36% reduction of software (development) costs in the five years following the upgrade.

Going forward, we will continue to strengthen our IT system development framework and improve development productivity to further reduce costs, while optimizing investment allocation by prioritizing investment in projects such as measures for the business improvement plan that are necessary from a management perspective.

IT system support in line with the business improvement plan

- In order to prevent the occurrence of policies not in line with customer intentions, we have set up a "sales pre-checking system" that detects policy applications with concerns over solicitation quality, and are working to significantly expand its functions.
- We will set up a framework that will enable us to easily confirm customers' past policy enrollment and cancellation history on our IT systems when accepting policy applications from customers at branches of Japan Post Insurance and post offices, and will develop a structure for utilizing such customer information for solicitation quality control. As part of these efforts, in April 2020, we expanded the scope of checking customers' contract cancellation history at post offices and elsewhere, from the past three months to the past 24 months.
- By recording and keeping a voice record of the solicitation process on mobile devices for sales held by offsite sales personnel at the time of solicitation to ensure transparency of the solicitation process, we will develop a system that can verify whether the sales personnel proposals meet the customer's intentions in the case of a customer complaint.
- In order to improve the system for reviewing insurance coverage, we have introduced a conditional cancellation system that ensures provision of continuous coverage without interruption. We are also proceeding with the introduction of a policy conversion system that does not involve the cancellation of existing policies.

Enhancing ICT personnel

Japan Post Insurance is working to improve the quality and development productivity of IT systems by augmenting and training personnel, including at its IT systems subsidiaries.

To promote further ICT utilization and digitalization by strengthening technology and adapting to the development of digitalization, we formed the “Digital Services Acceleration Department” in April 2018 in addition to the existing IT system departments to develop a system for leveraging the latest technologies. We are also striving to train our employees to become familiar with the latest technologies such as by hiring mid-career recruits and actively dispatching them to various training programs.

Leveraging digital technologies

The key initiatives in recent years include the following:

- (1) Introduction of AI-based operations that support functions for insurance claim payment and assessment, etc. (from March 2017)
- (2) Provision of the *Sukoyakanpo* health support app for smartphones (from January 2019)
- (3) Rolled out introduction of RPA, mainly in administrative departments (from April 2019)
- (4) Introduction of My Page, a web service for policyholders (from April 2019)
- (5) Introduction of a chatbot on the Company's website for responding to inquiries (from May 2020)

Going forward, we will continue to draw on the latest digital technologies to improve customer service and convenience.

Chatbot for responding to inquiries (chat support)

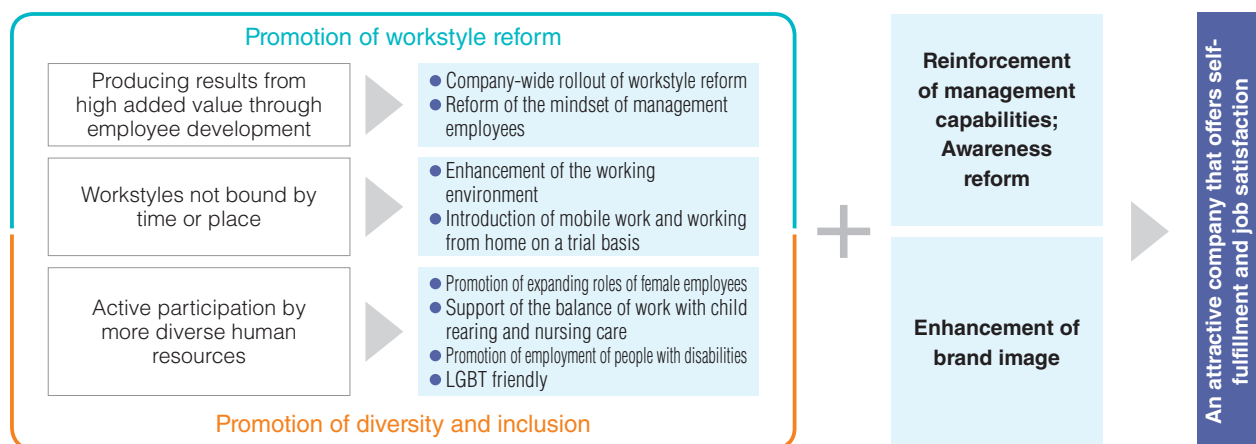


Human Resources Strategy

Recognition of the environment and basic strategy

Securing a labor force, improving productivity and creating an environment where diverse human resources can work comfortably are among the most important management issues in Japan, where the aging of society, the decline of the birthrate and the decrease in population are ongoing problems. Japan Post Insurance also recognizes these as issues that must be resolved.

We aim to regain the trust of customers and be an insurance company selected by stakeholders. Our employees are the basis of our endeavors to achieve this. Meanwhile, our human resources management is aligned with our aim of becoming an attractive company that can contribute to society where each and every employee experiences job satisfaction and motivation, and thus achieves self-fulfillment.



Key initiatives

Promotion of workstyle reform

We are taking various initiatives during the period covered by the Medium-term Management Plan 2020, which encompasses a phase for expansion and company-wide rollout of workstyle reform, to develop human resources who can produce results with high added value through the participation of more diverse human resources and workstyles not bound by time or place. Based on the know-how we have accumulated thus far, we are rolling out workstyle reforms throughout the Company to create a corporate culture where all employees find self-fulfillment and job satisfaction.

Health and productivity management

Under the Management Policy stating “We create a working environment in which all employees can develop their talents and work with energy and vitality,” we are working to maintain and promote the health of our employees and are certified as a “Health and Productivity Management Outstanding Organization 2020 (large enterprise category)” by the Ministry of Economy, Trade and Industry.

Our initiatives to promote health and productivity management include those that involve enriching health guidance based on the results of periodic health checkups, conducting Radio Exercise at all offices, and the establishing of the Kampo Non-Smoking Day (22nd of every month).

Going forward, we will promote various initiatives to enhance employees’ vitality and productivity, which will eventually lead to improved performance.

Human resources management

We are focused on the recruitment and development of human resources mindful of the importance of designing the human resources portfolio and human resources systems linked to our management philosophy and management strategy.

In order to promote the creation of inclusive workplaces where every employee is motivated, we have introduced an IT system that functions to gather and store employee data that provide the basis for our initiatives to enhance operational efficiency in each organization.

The ongoing personnel exchange between the front lines and head office will continue, and we will deepen mutual understanding and trust by increasing the number of employees with experience in both the front lines and head office in each position.

Promotion of diversity and inclusion

We strive to realize the policy “create a working environment in which all employees can develop their talents and work with energy and vitality” set forth under the Management Policy, and to practice the guideline “We respect human rights and create a diverse and inclusive working environment” in the Code of Conduct. To such ends, we promote diversity mainly in the following four fields.

●Expanding roles of female employees

In support of the careers of female employees in the medium to long term, we make every effort to “expand the appointment of female employees to management positions” and “foster the careers of female employees.”



▲Career design seminar

●Promoting employment of people with disabilities

We actively promote employment of persons with disabilities, recognizing that fairly evaluating and providing work opportunities for a diverse population is a part of our corporate social responsibility.



▲Challenged employees at work

●Support for the balance of work with child rearing, nursing care, etc.

In addition to the establishment and enhancement of systems to support employees who are engaged in childrearing and nursing care while working, we have introduced e-learning, hold seminars, and provide on-site after-school childcare services to support employees in balancing work with child rearing, nursing care and other such responsibilities. We have received the “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare in recognition of these efforts.



▲On-site after-school childcare services

●LGBT-friendly

We promote measures to foster appropriate understanding and knowledge sharing about the LGBT community (those who are identified as “sexual minorities”) as well as their recognition and acceptance. The Company continues to create a working environment in which all employees can develop their talents regardless of their sexual orientation or gender identity, so that they can work with energy and vitality. (We were awarded a gold rating in the PRIDE INDEX for the third year in a row.)



▲Participation in the “Tokyo Rainbow Pride 2019” parade

Helping to build a diverse society through the support for wheelchair tennis

We have been supporting wheelchair tennis as a top partner of the Japan Wheelchair Tennis Association since April 2018.

In the fiscal year ended March 31, 2020, we supported wheelchair tennis player OHTANI as a member of our team. We also hired her as a full-time employee of the Company in the fiscal year ending March 31, 2021, and continue to provide additional support.

We will continue to promote wheelchair tennis by supporting the sport and its players as we work to build a diverse society.



▲Tennis player OHTANI Momoko

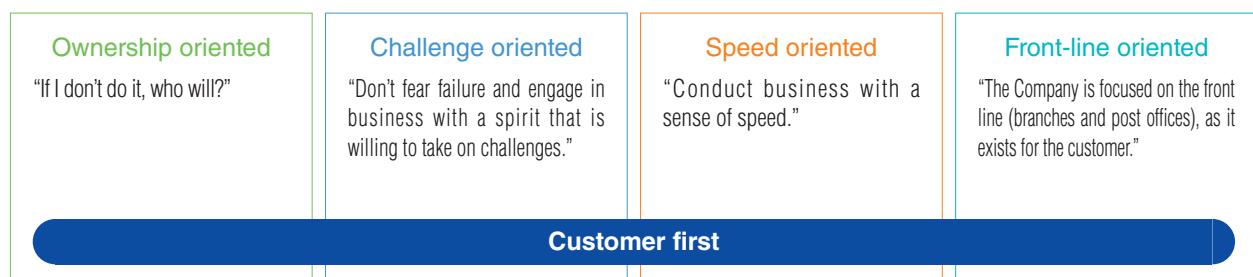
Human resources development

Our aim is to create an environment where every employee can make full use of his or her capabilities in order to offer customers superior services and to enhance corporate value. Our Human Resources Development Basic Policies emphasize development of people who put the customer first. We are vigorously supporting our employees so that they are motivated to bring their capabilities into full play with self-fulfillment, while always mindful of corporate social responsibility.

In addition to mass training according to employees' positions, such as training for new employees, we also make voluntary training programs available in order to develop their capabilities. We also have measures in place to support employees' self-development, including a program encouraging employees to acquire qualifications and certifications.

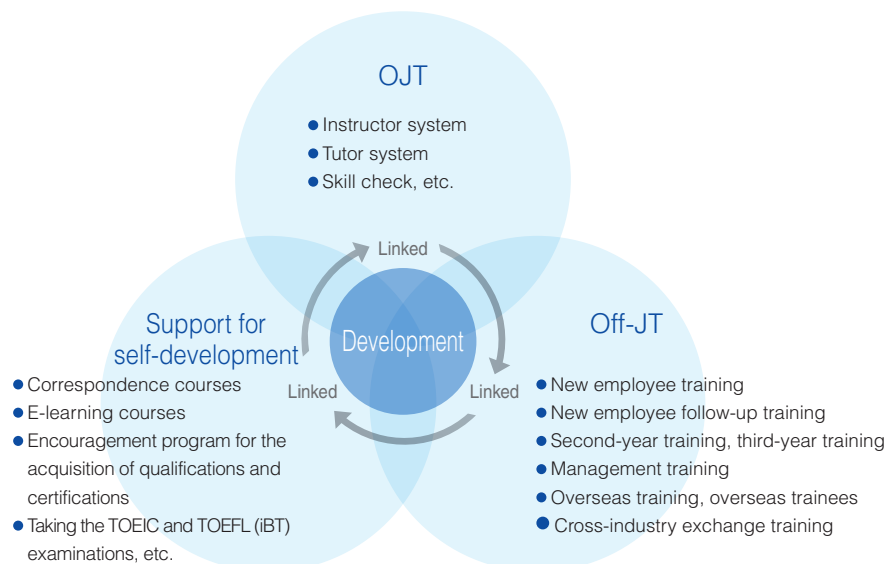
Through the linkage of these measures with practical training at each workplace, we promote effective human resources development so that "all employees can develop their talents and work with energy and vitality."

► Who we aspire to be: four orientations under the "customer first" concept



► Human Resources Development Basic Policies

- We shall cultivate human resources who have self-awareness of corporate social responsibility and who place the customer first.
- We shall cultivate human resources who have expert capabilities and a well-rounded character.
- We shall cultivate human resources who are imbued with a spirit of challenge for addressing new issues and who have the ability to get things done.



In order to motivate each and every employee for personal development and foster them to become human resources capable of taking action expressing the four orientations based on the customer-first concept while implementing the PDCA cycle on a daily basis, we have a system in which OJT¹, support for self-development and Off-JT² are linked under the Human Resources Development Basic Policies.

Notes: 1. OJT: On-the-job training. OJT is personalized training. A superior provides the knowledge and skill set his/her subordinates need in order to do the job in the course of the daily performance of tasks.

2. Off-JT: Off-the-job training. For off-JT, away from daily tasks, personnel participate in a training program conducted by the in-house human resources development section or an external training institution and acquire the knowledge and skill set required for doing the job.

Comprehensive Risk Management (Enterprise Risk Management (ERM))

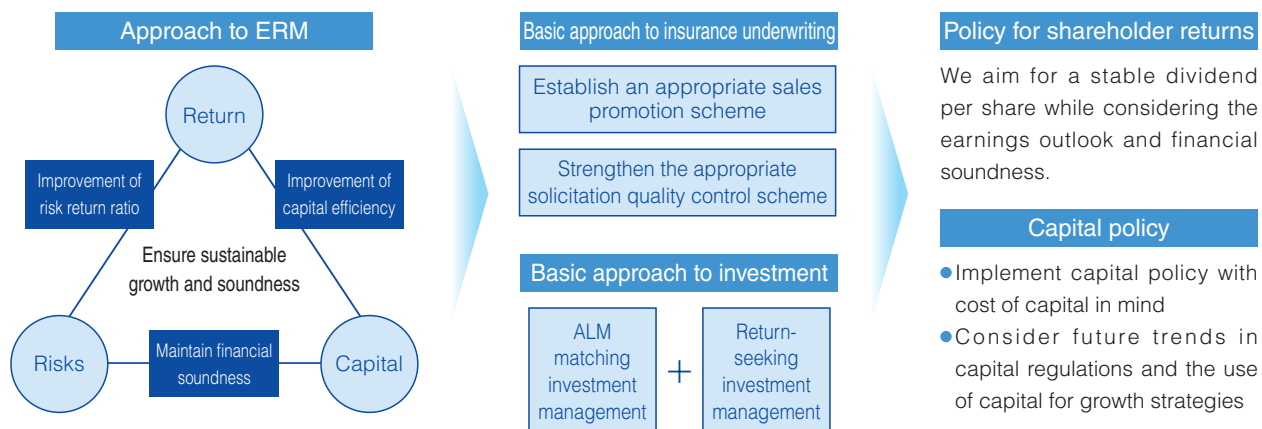
Recognition of the environment and basic strategy

Japan Post Insurance ascertains risk on an overall basis, which encompasses latent significant risks, for any risk we face, and compares and contrasts various risks with our capital and other areas in managing risk for our overall business.

As our basic principle, based on the characteristics of the life insurance business, we manage Company-wide risks by comparing the risk amount with the capital amount on an economic-value basis, in compliance with current solvency margin regulations applicable to insurance companies. In addition, the Company's risk-taking policy is organized as a "Risk Appetite Statement."

Key initiatives

We aim to achieve a higher risk return ratio with a view to improving capital efficiency while maintaining financial soundness under the ERM framework.



Risk Appetite Statement

The Risk Appetite Statement stipulates our risk-taking policies in terms of which risks to take and how much to take in order to achieve our goals.

We categorize our risk appetite into qualitative risk appetite and quantitative risk appetite.

- **Qualitative risk appetite:** Documenting medium- to long-term and qualitative views on which management is based, by overall policy and risk categories

Risk Category	Statement
Overall Policy	<ul style="list-style-type: none"> ● Play a part in universal services through the post office network while pursuing thorough customer-first business operations. ● Achieve sustainable growth while maintaining sound business operations based on ERM.
Insurance Underwriting Risk	<ul style="list-style-type: none"> ● Actively underwrite insurance products and respond to the diversification of insurance needs.
Investment Risk	<ul style="list-style-type: none"> ● The basic approach is to promote asset-liability matching while taking into account surrender risk and profitability. ● Seek to improve investment income by promoting diversification of asset management within the scope of risk tolerance while taking into account market constraints, serving as one of Japan's largest institutional investors.
Operational Risk	<ul style="list-style-type: none"> ● Prevent operational risk from materializing by strengthening internal control systems and establishing a system to perform all operations from underwriting to claim payment in a simple, prompt and accurate manner.

- **Quantitative risk appetite:** Clarifying the level of soundness required for risk-taking

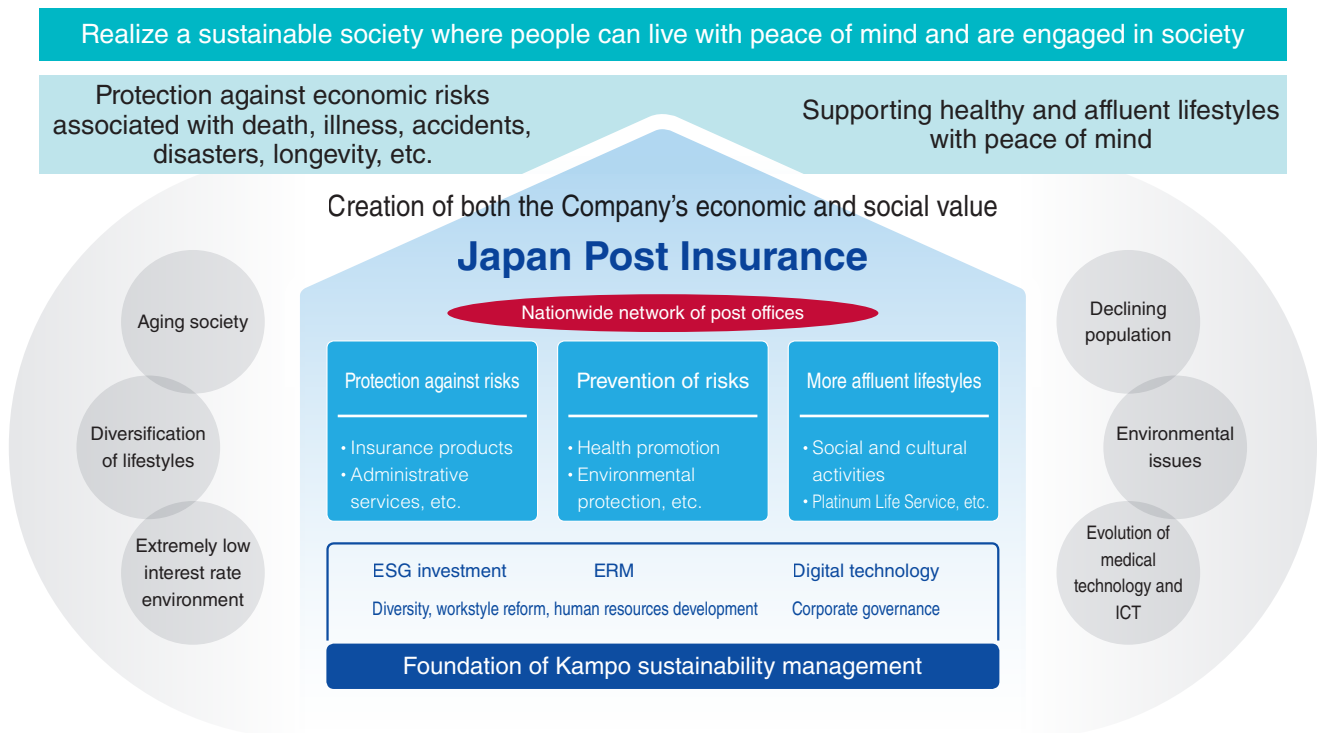
Realizing a Sustainable Society

Japan Post Insurance will put “Kampo sustainability management” in practice to realize a sustainable society where people can live with peace of mind and are engaged in society.

Kampo sustainability management

In order to deliver peace of mind and contribute to the realization of a sustainable society through our business, we will not only enhance our economic value, but also create social value by strengthening governance and by actively addressing social responsibility, environmental concerns and other issues related to the SDGs.

Outline of Kampo sustainability management

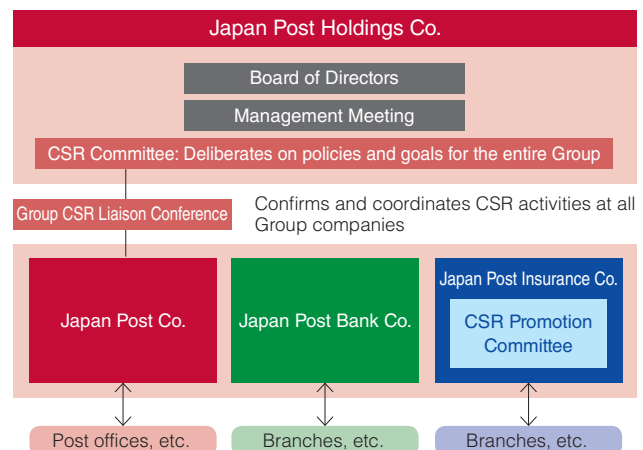


CSR of the Japan Post Group

The Japan Post Group promotes CSR initiatives in accordance with the Japan Post Group CSR Basic Policy and the Japan Post Group CSR priority issues.

Japan Post Insurance has also established the CSR Promotion Committee chaired by the Executive Officer in charge of Public Relations, which discusses material topics (materiality) and initiatives on sustainability management, and is working to realize a sustainable society as a member of the Group.











Group CSR promotion structure



Initiatives to achieve the SDGs

Japan Post Insurance has selected material topics (materiality) to be addressed and is promoting activities linked to each of the SDGs in order to realize the Management Philosophy and contribute to the creation of a sustainable society.

Material topics to be addressed

	Society	Environment	Employees	Governance	
Material topics	<ul style="list-style-type: none">● Provision of fundamental insurance services throughout Japan	<ul style="list-style-type: none">● Prevention of risks through health promotion, etc.	<ul style="list-style-type: none">● Adapting to climate change and environmental protection	<ul style="list-style-type: none">● Promotion of diversity and inclusion, workstyle reform, human resources development	<ul style="list-style-type: none">● Corporate governance
Vision	<ul style="list-style-type: none">● Delivering reliable insurance services to customers nationwide and supporting the future of regional communities	<ul style="list-style-type: none">● Supporting healthy and fulfilling lifestyles	<ul style="list-style-type: none">● Passing on a sound global environment and resources to the next generation	<ul style="list-style-type: none">● Diverse and energetic organizations	<ul style="list-style-type: none">● Management base for creation of sustainable value
Relevant SDGs	<div><div><div></div><div></div><div></div><div></div><div></div><div></div></div><div><div></div><div></div><div></div><div></div></div></div>				
Specific initiatives	<ul style="list-style-type: none">● Provision of universal service products including endowment insurance and whole life insurance● Special treatment in the event of disaster● Provision of information on financial trends, etc. to local governments through financing	<ul style="list-style-type: none">● Popularization and promotion of Radio Exercise● Provision of services utilizing a health support app● Promotion of Kampo Platinum Life Service	<ul style="list-style-type: none">● Response to TCFD● Reduction of CO₂ emissions and paper use● Contributing to environmental conservation through the online provision of Contract Guidelines and Policy Conditions● ESG investment	<ul style="list-style-type: none">● Promotion of workstyle reform● Promotion of diversity and inclusion● Human resources development	<ul style="list-style-type: none">● Corporate governance● Thorough compliance● Elimination of relationships with antisocial forces
	P50	P49	P48・P51	P42	P53

Environment

Passing on a sound global environment and resources to the next generation



Response to Task Force on Climate-related Financial Disclosures (TCFD)

In April 2019, Japan Post Insurance expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Going forward, we will continue to deepen our analysis regarding the impact of climate change on

our business and further promote information disclosure, as we work to reduce our environmental impact and adapt to climate change through our business activities.

Reduction of CO₂ emissions and paper use

Based primarily on the results of an energy-saving diagnosis, our entire organization is working to improve the operation of lighting and air-conditioning facilities, cut back on energy consumption mainly by installing energy-saving equipment, and reduce CO₂ emissions by introducing hybrid and eco-friendly cars. In addition, we encourage all employees to take energy-saving action by creating a guidebook that summarizes details of energy-saving initiatives

to promote basic energy-saving activities company-wide.

As a result of these initiatives, we achieved a 38% reduction in CO₂ emissions in the fiscal year ended March 31, 2019 compared with the base year (fiscal year ended March 31, 2014).

We are working to reduce paper consumption by encouraging the reduction of copy paper use and converting various office forms to digital forms.

Contributing to environmental conservation through the online provision of Contract Guidelines and Policy Conditions

In addition to conventional brochures, we provide the Contract Guidelines and Policy Conditions online on our website in PDF format. We have reduced the amount of paper used by providing online access to Contract Guidelines and Policy Conditions to customers who request this option at the time of enrollment. In support of the cause, we also support initiatives such as making donations to forestation activities in order to revitalize forests and increase greenery.

In July 2019, we donated a total of ¥34.0 million to 34 environmental groups working on forestation.



Employees participating in a tree-planting activity organized by a donee organization

Social

Delivering reliable insurance services to customers nationwide
and supporting the future of regional communities
Supporting healthy and fulfilling lifestyles



Popularization and promotion of Radio Exercise

Radio Exercise is a popular exercise routine that anyone can participate in anywhere, anytime. Japan Post Insurance will continue its efforts to popularize and promote Radio Exercise in cooperation with NHK and the NPO Japan Radio-taiso Federation, and will hold Radio Exercise-related events and other activities to help improve people's health and revitalize local communities, as well as to contribute to the insurance business in the long-term by promoting good health.



Radio Exercise calendar in the *Sukoyakanpo* health support app



We hold Radio Exercise-related events throughout Japan.

Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone")

As one of our major Radio Exercise events, we hold the Festival of 10 Million People's Radio Exercise and *Minna no Taiso* every year, aiming to get 10 million people around the country to participate together in Radio Exercise through TV and radio channels.

Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") Summer Tour and Special Tour

We conduct an annual Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") Summer Tour during the 43-day school summer vacation period from July 20 to August 31, visiting venues around Japan (including the day for the Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone")). Participating in Radio Exercise during the summer vacation is a typical summertime sight in Japan. In addition, we run a Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") Special Tour every year from April to the end of October, stopping at venues across the country mainly on Sundays and public holidays.

All-Japan Elementary School Radio Exercise Competition

We hold the competition with the aim of increasing opportunities for many elementary schoolchildren to energetically enjoy Radio Exercise and to contribute to health promotion and the development of children.

For the sixth contest held in the fiscal year ended March 31, 2020, we had applications for about 570 teams from elementary schools throughout Japan.



The gold winner team in the sixth contest of the All-Japan Elementary School Radio Exercise Competition

Provision of services utilizing a health support app

In line with the advent of a super-aging society, the role expected of the life insurance business is shifting from the provision of conventional services, that is, insurance payment in cases such as hospitalization due to illness or injury, to the provision of services for prevention of illness and injury, and for promoting and maintaining health. To fulfill such a role, we are vigorously supporting healthy and affluent lifestyles, and as a measure for such support, we have launched the *Sukoyakanpo* health support app that helps people pursue health with ease. The app is available free of charge, and it features the Standard menu for everyone from January 2019, and the Premium menu mainly for policyholders from April 2019.

Promotion of Kampo Platinum Life Service

Japan Post Insurance is conducting a Company-wide initiative called “Kampo Platinum Life Service” to win the favor of its growing number of elderly customers by offering age-friendly services based

on a sense of security and trust that has been enabled by improving contacts with all customers from the perspective of our elderly customers.

Provision of health and medical information	Provision of information contributing to enhancement of customers' QOL	Establishment of systems friendly to elderly customers/training of employees
<ul style="list-style-type: none"> ● Free telephone consultation service for policyholders <ul style="list-style-type: none"> • Consultation on health, medicine, nursing care and childcare • “Taxes in life” consultation ● <i>Oshiete! Karada Navi!</i> (information website on health) ● Video offering tips on nursing care 	<ul style="list-style-type: none"> ● Publication of “Kampo Platinum Life Service,” an information magazine for elderly customers ● Free training sessions for the elderly (on tablets and smartphones) 	<ul style="list-style-type: none"> ● Establishment of a dedicated call center for elderly customers ● Efforts for simpler, easy-to-read and easy-to-understand notifications ● Encouraging employees to acquire qualifications <ul style="list-style-type: none"> • Carefitter • Dementia Supporter

Special treatment in the event of disaster

In the event of disaster, Japan Post Insurance applies special treatment (emergency treatment) to disaster-stricken customers who face urgent needs.

Notification of the details and period of the special treatment, whenever applied, is furnished at

our branches and post offices to which we consign operations.

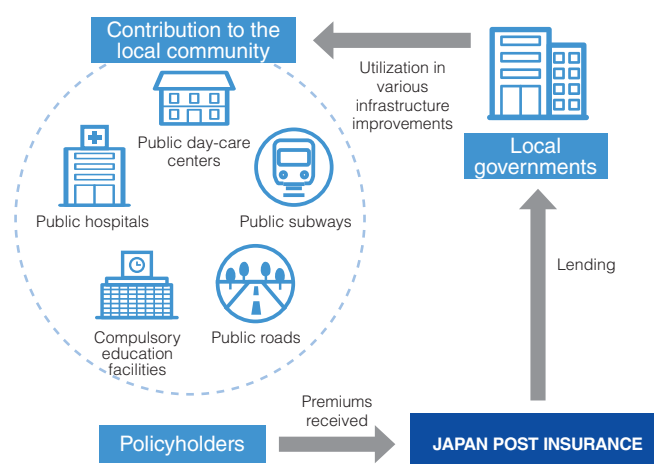
We will promptly provide special treatment (emergency treatment) in the event that the Disaster Relief Act takes effect in afflicted areas in the future.

[Specific treatment]

- **Extension of the grace period for premium payments**
Extension of the grace period for premium payments for customers who have difficulty paying premiums due to a disaster
- **Emergency treatment for claim payments, etc.**
Implementation of special treatment including the partial omission of the necessary documents for procedures, claim payments and refunds of advance payment of premiums for customers who have difficulty in preparing documents to be submitted due to a disaster

Providing information such as financial market trends to local governments in the process of lending

By lending to local governments, we satisfy their funding needs for improvement of infrastructure and other public services. In the course of lending, we visit local governments to create opportunities for communication and provide them with information on recent financial and economic trends and exchange views and opinions.



ESG investment

From the perspective of fulfilling our social responsibilities to all stakeholders, Japan Post Insurance is promoting initiatives to solve ESG issues facing society, and actively taking on challenges toward the sustainable growth of corporate value and social development.

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.

ESG Investment Policy

As an institutional investor managing assets over the long term, we manage assets in accordance with the ESG Investment Policy. The ESG Investment Policy was established in view of the United Nations Principles for Responsible Investment (PRI), in order to clarify our basic policies on ESG investment.

For details of Japan Post Insurance's ESG Investment Policy, please refer to the Company's website.

https://www.jp-life.japanpost.jp/english/aboutus/csr/en_abt_csr_esg.html

Integration of ESG factors into the investment process















Initiatives in internal domestic equity investments

We manage the following two domestic equity funds in consideration of ESG factors.

- Fund investing in high-dividend companies whose corporate value is expected to increase over the medium- to long-term, based on comprehensive evaluation of companies' initiatives on ESG issues and financial information.
- Fund investing in companies that view ESG issues as a growth opportunity, based on evaluation of "contribution to performance" and "growth potential" of companies' technological capabilities and business base which contribute to the achievement of SDGs and resolution of issues related to them, while taking financial information into consideration.

Initiatives in internal bond investments, etc.

We invest in ESG themed bonds. We select themes that can widely contribute to the achievement of SDGs and the resolution of issues related to them, and invest in projects beneficial to the resolution of ESG issues.

Major ESG-themed investment examples			Major ESG-themed investment examples		
Investment in a Climate Awareness Bond			Investment in a Sustainable Development Bond to Raise Awareness of Health and Nutrition of Women, Children, and Adolescents		
© European Investment Bank			© World Bank		
Investment in a Sustainable Development Bond in response to the COVID-19			Investment in a Thematic Bond promoting gender equality		
© Inter-American Development Bank			© Asian Development Bank		
Investment in a Sustainability Awareness Bond to fight against COVID-19			Investment in a Social Bond themed Feed Africa to increase food production on the African continent		
© Community of Madrid European Investment Bank			© African Development Bank		
			Investment in solar power generation projects (project finance)		

Initiatives in externally managed assets

In our external manager selection, appointment and monitoring processes, we review ESG initiatives such as the following items. (Examples of items reviewed)

- PRI signature and annual PRI assessment
- ESG investment policies, ESG investment methods, issuer selection processes, engagement activities and voting activities.

Stewardship activities

Japan Post Insurance has accepted Japan's Stewardship Code (the "Code") and has established Company policies in accordance with it.

In our equity investment, we conduct constructive engagement in accordance with these policies. We strive to build strong relationships with investee companies, and encourage them to increase disclosure not only of financial information but also non-financial information, including ESG factors. We also monitor their initiatives concerning environmental (E), social (S), and governance (G) issues in order to review their status. Our voting activities are based on our Policies on the Exercise of Shareholders' Voting Rights. In our voting activities, we take into consideration non-financial information, including ESG factors, and information earned from dialogues with companies.

In our domestic corporate bonds investment, we conduct constructive engagement with investee companies based on the purpose of the Code.

 For details of Japan Post Insurance's stewardship activities, please refer to the Company's website.

https://www.jp-life.japanpost.jp/aboutus/csr/responsible_investment/stewardship/ (in Japanese)

Collaboration with industry groups

Through our participation in the Stewardship Activities Working Group and the ESG Investment Working Group of The Life Insurance Association of Japan, we share information with other participants. As a member of the Stewardship Activities Working Group, we participate in collaborative engagement with a view to vitalizing the stock market and realizing a sustainable society.

Initiatives as signatory to the Principles for Responsible Investment (PRI)

We signed the PRI in October 2017 to promote ESG investment and to contribute to the realization of a sustainable society. In accordance with the PRI, we are fulfilling our social responsibility as an institutional investor and will report our initiatives in our RI Transparency Report, which will be made available on the PRI website.

Signatory of:



Governance structure of responsible investment

We are working to promote responsible investment, including ESG investment and stewardship activities, under the following governance structure.

