



We will devote ourselves to our new Medium-Term Management Plan, endeavoring to achieve the transformation of Japan Post Insurance.

SENDA Tetsuya

Director and President, CEO,
Representative Executive Officer

Regaining trust is the mission I must achieve.

Let me begin by extending my deepest sympathies to those who have been affected by COVID-19, as well as my sincerest gratitude to those who remain engaged in treating patients and preventing infection on the medical front lines, and those who bolster the lifeline infrastructure.

The Postal Life Insurance Service, the Company's predecessor, was created in 1916 with the social mission of "protecting the means of fundamental livelihood of the public through simple procedures." Even after becoming a private sector company, we remain firmly committed to this social mission, and continue pursuing our management philosophy, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being." During the COVID-19 pandemic, we have provided emergency measures such as the extension of the grace period for premium payments and the reduction or exemption of interest rates on loans, as well as the payment of insurance claims. We are resolved to continue fulfilling our social mission as a life insurance company.

Since assuming the position of President, CEO and Representative Executive Officer on January 6, 2020, I have made every effort to regain the trust of customers, which I believe is my mission. I would like to reiterate my deepest apologies for the trouble and concern experienced by many people due to the Company's solicitation quality issues. We have conducted and completed insurance claim surveys for all customers, with the exception of cases in which surveys could not be completed due to reasons attributable to customers. Furthermore, personnel involved in customer solicitation activities that violated laws and regulations have been disciplined. Going forward, we will continue to confirm the policy coverage of customers and compensate customers for any disadvantages caused.

On top of this, as President and CEO, I am taking the lead in devoting the Company to customer-first business operations to avoid the occurrence of similar incidents, and working to reform our corporate culture so that every employee acts autonomously and proactively to support and serve our customers.

Medium-Term Management Plan based on thinking from scratch and returning to our roots (p. 20)

I believe that the Company is currently facing the most challenging business environment that it has encountered since inception. We have entered into an era in which conventional values are rapidly changing, triggered by the ongoing global COVID-19 pandemic. Successful experiences and business models of the past are no longer useful or helpful for industries, including life insurance. Under such circumstances, we have formulated a new Medium-Term Management Plan (FY2021–FY2025), based not upon an extension of the conventional business model, but rather, a radical reconsideration of how the Company should be reborn.

The new Medium-Term Management Plan returns to the root of our management philosophy –“Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being”–and clearly demonstrates our social mission that “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product.” Moreover, as the basic policy of the plan, we have set out the following themes: “reconstruction” of Japan Post Insurance to transform us into a company truly trusted by customers through continuous efforts to regain trust and enhancement of the business foundation; “sustainable growth,” which we will pursue by improving customer experience value (CX¹) and contributing to the resolution of social issues; and, as the foundation for achieving these, corporate culture and workstyle reforms as well as enhanced governance and capital policy.

Note 1: CX, an abbreviation for customer experience, refers to everything experienced by customers, not only functional items such as prices and performance of products and services, but also emotional and psychological values, like satisfaction, generated throughout the entire process from before buying insurance to after-sales support and insurance claim payment.

Reconstruction aimed at being a company truly trusted by customers (p. 22)

Since July 2019, the Company has placed the highest priority on regaining trust from customers, and refrained from proactively making proposals. We resumed proposal activities for customers in April 2021. In order to “revitalize” the Company and carry out sales activities while ensuring quality, the proper condition of a life insurance company, we will drastically change our sales

process and ensure that the customers using our products and services are well-informed and satisfied.

Supporting customers nationwide with the new Japan Post Insurance sales system (p. 24)

For our “reconstruction,” we need to strengthen our business foundation on top of continuing efforts aimed at regaining trust.

To respond to customers’ increasingly diverse insurance needs, it is essential to tailor our services to the life plans and family lives of our customers, along with meticulous and careful after-sales services. To do this, we will establish a new Japan Post Insurance sales system by accepting a total of approximately 13,000 consultants (employees mainly engaged in visiting customer homes, etc.) and other staff from Japan Post Co.

Under the new sales system, the roles of the consultants and post office counters will be clearly defined. The consultants will be devoted to making proposals for life insurance products and after-sales services as life insurance professionals, using their specialist knowledge and mobility. In addition, the introduction of a customer assignment system will allow them to provide high-quality and attentive after-sales follow up for customers. On the other hand, post office counters will respond to a variety of customer needs by proposing a wide range of financial products. Moreover, through the collaboration between these consultants and post office counters, we will achieve comprehensive consulting services provided by the Japan Post Group as a whole, featuring both specialization and breadth.

The establishment of this new Japan Post Insurance sales system is a project on which the future of the Company rests. We will make company-wide efforts under the resolution that top management, including the President and CEO, will take the lead in the challenge, see to its success, and achieve customer satisfaction.

Enhancing insurance services to provide support the age of the 100-year life (p. 26)

In addition to establishing the new Japan Post Insurance sales system, developing products that meet customers’ needs is crucial to strengthening our business foundation. As society enters the age of the 100-year life, we must develop products that thoroughly meet the insurance needs of customers

of all generations. We will improve the coverage of medical care riders to be added to basic insurance policies so that we can accurately meet customers' insurance needs, such as receiving generous protection at low premiums. We will also promote the development of our insurance services, including the expansion of products that meet the protection needs of the elderly and middle- to senior-aged population, and the research and development of products that contribute to extending a healthy life expectancy.

The Company, which is subject to additional restrictions under the Postal Service Privatization Act on top of general regulations based on the Insurance Business Act, conducted acquisition of its treasury shares in May 2021, and the ratio of voting rights of Japan Post Holdings in the Company decreased to around 49.9% in June 2021. Accordingly, the additional restrictions on new operations will be relaxed from a license system to an advance notification system. Going forward, we will develop products that meet customers' requirements with a sense of speed.

“Sustainable growth” that enhances our competitiveness (p. 30)

Along with the abovementioned “reconstruction,” “sustainable growth” is set as another pillar of the Medium-Term Management Plan. To achieve “sustainable growth,” we are working to “improve customer experience value (CX)” and “contribute to resolving social issues.”

We believe that “improving customer experience value (CX)” is a key to how we, as a life insurance company, can enhance our competitiveness in the life insurance market. We should be able to expand opportunities to connect with potential customers if, by enhancing customer convenience and services through measures such as through swift insurance benefits payments and the provision of simpler and more diverse services, we can ensure that our customers feel glad they chose Japan Post Insurance, and share their experience or even recommend the quality services of Japan Post Insurance to others.

As specific initiatives, we plan to transform our business model into one where insurance procedures can be mostly completed when we come in contact with customers. For example, when customers apply for a new policy, sales employees will be accompanied online by customer service center staff in charge of customer support, who will check the application

items for on-the-spot confirmation that the application procedures can be completed correctly. Moreover, we will enable the family of customers to be present online, even if they live in distant places, so that customers can feel safe and comfortable.

Additional focus will be placed on setting up a customer database. As quickly as possible, we will create a common platform that will enable us, not individually but as a team, to support customers by grasping information on each customer through all channels, including consultants, post office counters and customer service centers, in the same way.

Furthermore, when examining “improvement of customer experience value (CX),” emphasis will be placed on combining “physical” measures, or direct communications with customers and “digital” measures, which include using Web services and ICT. By increasing contact points with customers through DX² and adding personalized, heartfelt support, we will improve customer satisfaction. By integrating the “physical” channel of post offices, a strength of the Japan Post Group, and the new digital capabilities, we will make the customer experience (CX) better, or experiences that move customers.

Note 2: DX, an abbreviation for digital transformation, is a process where companies transform their products, services, and business models based on customer and societal needs, by leveraging data and digital technologies to respond to drastic changes in the business environment. This includes transformation of the operation itself, organization, processes, and corporate culture, which will lead to a competitive advantage.

Contribution to resolving social issues related to sustainability (p. 36)

Another key point for achieving “sustainable growth” is “our contribution to resolving social issues related to sustainability.”

The Postal Life Insurance Service was born more than a century ago when it was difficult for people, with only a handful of exceptions, to purchase life insurance. Behind this initiative was a commitment to popularizing basic coverage through the familiar network of post offices, by offering insurance for small coverage amounts through simple procedures. Inheriting this commitment to the goal of “contribution to resolving social issues,” the Company will proactively help to resolve the social issues of the present, including the “declining birthrate and aging population,” “extension of healthy life expectancy,” and “environmental issues.”

Specifically, in light of the SDGs (Sustainable Development Goals), we have laid out such material topics as heartfelt and friendly services for the elderly, extension of healthy life expectancy, enhancement of well being,³ initiatives for carbon neutrality⁴ and the promotion of diversity. By addressing these challenges as priorities, we will work to resolve various social issues.

For health promotion, in particular, the Company has long worked to popularize the Radio Exercise Program. Looking ahead, we would like to spread the word on how great the Radio Exercise Program is, while enhancing the value of our insurance services by, for example, studying the effects of the program on health, and accumulating and using the data to develop new products.

What is more, the Company is also a large institutional investor, having an asset portfolio of approximately 70 trillion yen. As a life insurance company that can make long-term investments, we have conducted ESG (environment, social, and governance) investments aimed at resolving social issues, including renewable energy, support for COVID-19 countermeasures, and the promotion of expanding roles for female employees. Starting in the current fiscal year, we are applying the ESG investment strategy to all assets in our portfolio. By carrying out investments that give a sense of

“warmth” typical of the Company, we would like to exert our leadership to achieve a sustainable society.

Note 3: Well-being is a state where one is physically, mentally, and socially fulfilled.

Note 4: Carbon neutrality refers to the idea of achieving “net-zero greenhouse gas emissions,” by subtracting the amount of greenhouse gasses including carbon dioxide absorbed by trees, etc. from the amount emitted.

Aiming to enhance corporate value in a sustainable way

I believe that customers will trust us and keep choosing us only if we squarely face the issues of the era and region, and act to resolve them. The next five years covered by the new Medium-Term Management Plan represent an extremely important period for the Company's rebirth. As we aim to improve our corporate value in a sustainable way, we will listen carefully to and reflect on the thoughts and opinions of each of our stakeholders, including customers, shareholders, employees and local community members. I would like to ask for your continued support for Japan Post Insurance, as we endeavor to achieve “reconstruction” and “sustainable growth” for a better future.

