

Medium-Term Management Plan

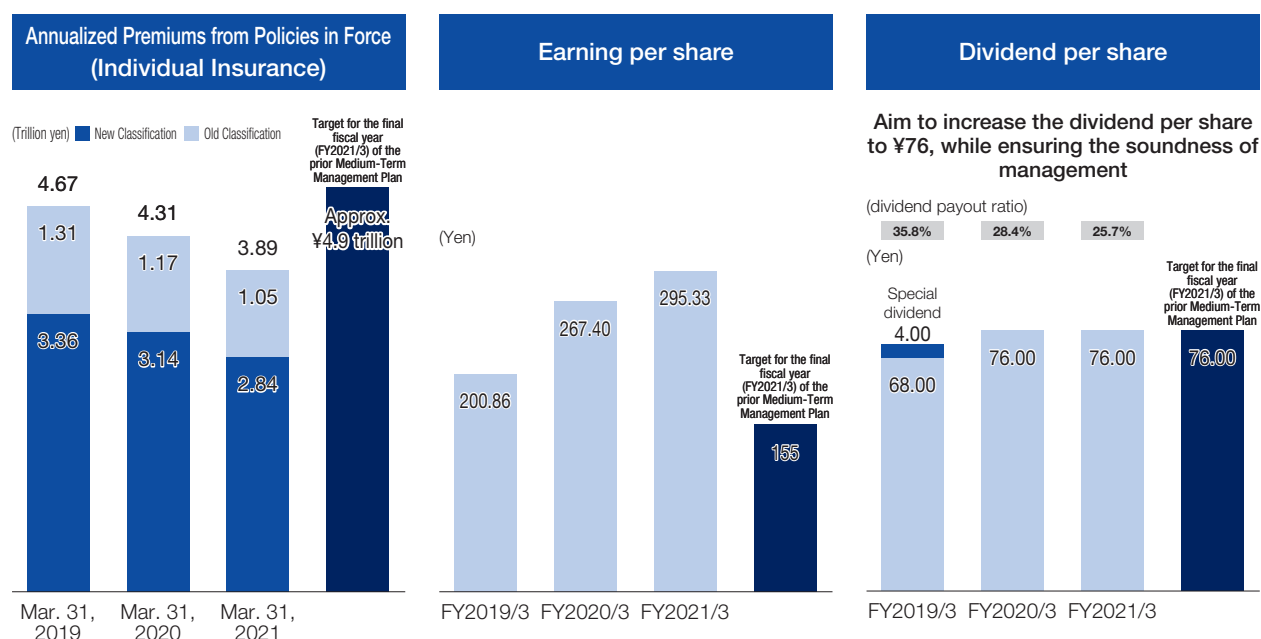
► Overview of Medium-Term Management Plan (FY2021–FY2025)

- In May 2021, Japan Post Insurance announced “Medium-Term Management Plan (FY2021–FY2025),” a new Medium-Term Management plan covering the period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026.
- Going back to our management philosophy, “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” we formulated our Medium-Term Management Plan positioning “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product” as our social mission.
- In response to the solicitation quality issues surfaced in 2019 and changes in the external environment, we will aim to achieve sustainable growth by reconstructing into a company truly trusted by customers and providing insurance services that will impress our customers.
- To achieve these goals, we will reform into a corporate culture that allows every employee feel employee satisfaction (ES) while growing together with the company, and enhance governance.

* Employee Satisfaction

► Reflection on the Medium-Term Management Plan (FY2019/3–FY2021/3)

- In the prior Medium-Term Management Plan (FY2019/3–FY2021/3), we positioned “pursue customer-first business operations,” “achieve sustainable growth,” and “maintain sound business operations” as the foundation of management, and have been proceeding with these initiatives.
- However, regarding the solicitation quality issues that arose in and after July 2019, we take the findings for improving business by the regulatory agency, etc. very seriously, and have formulated various improvement measures under a business improvement plan as a mechanism to ensure that a similar incident does not occur in the future. We could not achieve our target for the annualized premiums from policies in force due to the preferential allocation of company-wide management resources to the promotion of various improvement measures to recover trust from customers.
- We exceeded our target for earning per share (EPS) due to a decrease in operating expenses as a result of refraining from making proactive sales efforts in response to solicitation quality issues, in addition to a steady increase in investment income. However, we recognize that challenging conditions will continue over the medium to long term.
- We achieved the dividend per share (DPS) target ahead of schedule.



► Basic Policy of Medium-Term Management Plan (FY2021-FY2025) Targets

We will reconstruct into a company that is truly trusted by its customers and shift to a business model that positions customer experience value as its top priority to ensure sustainable growth.

		Basic policy	Main initiatives
Reconstruction	Continue efforts to regain trust	<ul style="list-style-type: none"> Thoroughly implement customer-oriented business operations and regain customers' trust 	<ul style="list-style-type: none"> Based on appropriate solicitation processes, deploy activities for customers to understand and be satisfied with our insurance services Rebuild relationships of trust through careful after-sales follow-ups of customers
	Reinforce business foundations	<ul style="list-style-type: none"> Improve profitability by responding to the protection needs of customers in all age groups and through efficient business operations 	<ul style="list-style-type: none"> Build new Japan Post Insurance sales system with the aim of strengthening initiatives, etc. for the protection-centered insurance market Enhance insurance services to meet the coverage needs of customers of all generations Improving efficiency of business operations by DX¹ promotion Achieve greater depth and sophistication of asset management in anticipation of a new capital regulation
Sustainable Growth	Improve customer experience value	<ul style="list-style-type: none"> Build systems for provision of services that position customer experience value (CX²) as our top priority 	<ul style="list-style-type: none"> Transition to business model that positions customer experience value (CX) as our top priority while promoting DX through expanding our customer with services that impress them as the core
	Promote ESG management (Contribute to solutions to social issues)	<ul style="list-style-type: none"> Contribute to solutions to social issues around sustainability and achieve SDGs and sustainable growth 	<ul style="list-style-type: none"> Contribute to the resolution of social issues through the achievement of the Company's social mission Provide services that are closely connected to social issues including health promotion, nursing care, inheritance, etc.
Foundations for Reconstruction and Sustainable Growth			
Corporate culture and work-style reform		<ul style="list-style-type: none"> Reform into a corporate culture that allows every employee, feel employee satisfaction (ES) while growing together with the company 	<ul style="list-style-type: none"> Reinvigorate communication between management and employees and share future vision Support diverse career formation, reinforce management capabilities Achieve more flexible and diverse work styles
Reinforcement of governance, solvency policy		<ul style="list-style-type: none"> Through more sophisticated risk sensitivity, ensure soundness in business operations and realize sustainable growth 	<ul style="list-style-type: none"> Reinforce corporate governance Reinforce to prevent money laundering and criminal activity, etc. Based on ERM³, maintain the financial soundness while secure revenue and appropriately return to shareholders

Notes: 1. DX is an abbreviation for Digital Transformation
 2. CX is an abbreviation for Customer Experience
 3. ERM is an abbreviation for Enterprise Risk Management

► Primary targets of Medium-Term Management Plan (FY2021-FY2025)

The main targets for the Medium-Term Management Plan mentioned above are as follows.

Specifically, we will aim to improve "customer satisfaction" and "Net Promoter Score (NPS)" with customers' appraisals as the primary target, as well as achieve various targets such as the "number of policies in force" as a stock-based target focusing on the continuation of policies.

Financial Targets, etc.		ESG Targets	
	FY2025	CO ₂ emissions	
Customer satisfaction ¹ NPS ^{®2}	Customer satisfaction Aim for 90% or more NPS [®] Aim for One of the highest in the industry	FY2030 (compared to FY2019) Reduce 46% ^{4,5}	
Number of policies in force	20 million or more policies	Aim to achieve carbon neutrality by 2050 ⁵	
Net income	¥91.0 bn (FY2023 ¥78.0 bn)	Ratio of female managers	
Dividend-per-share (DPS)	In principle aim not to decrease but to increase dividend per share for the period of the Medium-Term Management Plan	FY2030 the ratio of female managers at the head offices of 30% ⁶	
EV growth (RoEV)	Aim for 6% to 8% growth ³	Strive to establish an adequate environment, raise awareness and develop human resources with a view to increasing employees who wish to become managers and executives, in an effort to increase female managers outside the head office as well	

Notes: 1. The total percentage of customers who responded as "satisfied" and "somewhat satisfied" with a 5-level rating of customer satisfaction.
 2. NPS[®] is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.
 3. Calculated by excluding economic variance factors.
 4. Subject to Scope 1 (direct emissions from the company) and Scope 2 (emissions associated with the use of electricity, etc. supplied by other companies) of the four main companies of Japan Post Group. Increases due to new businesses such as the real estate business have been excluded.
 5. In order to achieve the targets, the carbon neutralization is necessary, including the popularization of renewable energy in Japan. Japan Post Group will also support the carbon neutralization of Japan and the world. We will support the Paris Agreement and promote efforts to achieve carbon neutrality.
 6. Ratio of female managers at the head offices of the four main companies of Japan Post Group. The Group aims to achieve the ratio above as of April 1, 2031, a date when the effect of the initiatives up to FY2030 will have become apparent.

Continued Efforts to Regain Trust

Business improvement plan

We received orders from the Financial Services Agency (FSA) of Japan to suspend business (from January 1, 2020 to March 31, 2020) and improve business operations based on Article 132, Paragraph 1 of the Insurance Business Act on December 27, 2019. We submitted a business improvement plan to FSA on January 31, 2020, and have since been making regular reports on our progress. Based on the findings in the order to improve business, recommendations from the Special Investigation Committee, etc., we thoroughly implemented the preventive countermeasures listed in the business improvement plan (creation of a healthy corporate culture, establishing an appropriate sales promotion plan, strengthening solicitation quality control and strengthening governance by the Board of Directors, etc.) and completed most of the measures.

We will continue to verify the effectiveness of these measures and improve operations, including by making the necessary changes based on the results.

Pledge to Regain Customers' Trust

Since July 2019, we have refrained from making proactive sales efforts at post offices and our directly-managed offices, including during the period of the business suspension order from January to March 2020. However, the JP Reform Execution Committee assessed that the minimum necessary conditions for resuming sales activities have been met, and it has been confirmed that the purpose of operations for regaining customers' trust is shared and ensured by employees. Accordingly, on October 5, 2020, we conducted operations aimed at regaining customers' trust, placing top priority on apologizing to our customers. We apologized for causing customers concern, explained "Pledge to Regain Customers' Trust," and performed policy confirmation activities.

Pledge to Regain Customers' Trust

Pledge for our vision

We pledge to remain close beside each and every one of our customers, giving top priority to customer satisfaction and peace of mind, and to be a company that they can trust.

Pledge for our activities

- We are committed to customer-oriented business operations and providing satisfying and courteous services for customers.
- We will carefully listen to feedback from customers in order to reflect it in the improvement of our services.
- We will enhance the expertise of our employees so that they can provide accurate and easy-to-understand explanations to satisfy our customers.
- We will comply with laws and regulations and provide high-quality services that our customers can use with a peace of mind.
- We will provide products and services that will bring joy to our customers based on their needs.

Through these activities, we also received words of appreciation from customers, such as "Thank you for contacting me again and again," "It is a tough job to visit each customer, but it is a unique strength of post offices," and "Thank you for notifying me that I'm able to apply for hospitalization benefits."

After that, we resumed explanations and proposals of insurance products and services to customers who we previously visited or to those who requested explanations, etc. at our directly-managed offices on February 10, 2021, and then expanded these activities to include all customers on April 1 of the same year. In addition, on the same day, post offices started to provide information and make proposals on insurance products and services that meet customer needs. These actions marked a shift to a new sales style, one that builds a relationship of trust through sales activities.

New in-house system to respond to customers' requests

In the event that we detect any possibility of a problem with solicitation quality through reports by customers, we not only handle this as an individual problem but also analyze the possibility of an occurrence of similar problems, and expand active investigations. We grasp the depth of the problem in question and take preventive countermeasures.

Continuation of the initiatives during the Medium-Term Management Plan

In the best interests of every customer, we announced our vision for customer-first business operations, along with the measures needed to ensure its realization in terms of our framework and business operations, as our “Basic Policies for Customer-first Business Operations.”

The entire Company will work as one in an effort to further improve and develop customer-first business operations based on the “Basic Policies for Customer-first Business Operations.”

Basic Policy for Customer-first Business Operations

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

Under the current Medium-Term Management Plan, we will radically shift from the previous “proposal-first” sales approach based on products to a new sales approach and thoroughly conduct activities to ensure that “our customers can use our products and services based on their satisfaction and understanding.”

Solicitation Policy of Japan Post Insurance Co., Ltd.

https://www.jp-life.japanpost.jp/policy/pcy_sol_index.html (in Japanese)

Old sales approach	New sales approach
<ul style="list-style-type: none"> ● “Proposal-first” activities based on products ● Solicitation flow based on an approach of “assuming customers’ intentions” ● Insufficient checking systems ● Management based on excessive focus on new sales amounts 	<ul style="list-style-type: none"> ● Activities based on the solicitation policy¹, “standard model of Japan Post Insurance products (such as customer-first proposals)”² ● Solicitation flow based on an approach of “understanding customers’ intentions in advance” ● Multi-layered check systems to protect both customers and employees ● Management that appreciates policies in force and the process of sales activities

Notes: 1. The solicitation policy that reflects the customer-first philosophy, based on the principle of providing insurance coverage founded on high ethical standards which take the original roles and mission of life insurance into account.

2. “Standard of Japan Post Insurance sales” based on a solicitation policy that reflects the customer-first philosophy.

In addition, while keeping and fulfilling “Pledge to Regain Customers’ Trust,” throughout the insurance period, we will be engaged in careful follow-up services for strengthening ties with our customers, based on the concept of “providing services in the form of life insurance,” thereby rebuilding relationship with them.

First, we will work to enhance customers’ understanding of the necessity of their insurance protection in force, through “policy coverage confirmation activities” utilizing the “Notification of Policy Coverage” sent to each customer in the month prior to his/her birthday.

In addition, for initiatives to regain trust, we will thoroughly implement the PDCA cycle and strengthen checking systems and control to enhance risk sensitivity, verify and review the effectiveness of the improvement measures, and construct a scheme to prevent policies that are not in line with customers’ intentions, and ensure the effectiveness of these initiatives.

JP Reform Execution Committee

Four Japan Post Group companies, Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. established the JP Reform Execution Committee on April 2, 2020, to seek advice from external experts from a fair and neutral standpoint, in order to restore public confidence in the Japan Post Group.

Meetings of this Committee have been held 10 times as of April 30, 2021. In the meetings, the progress of the business improvement plan, conditions for resuming sales activities, the whistleblowing contact point of the Japan Post Group, etc. were verified, and opinions and recommendations about the growth strategy of the Japan Post Group and other matters were presented from various viewpoints.

Strengthening the Sales and Service Systems

Take effective actions to ensure that customers using our products and services are well-informed and satisfied

For individual customers, we will provide stable and sustainable security under the new sales system.

For corporate clients, we will perform activities in line with their management thinking.



SAKAMOTO
Hidekazu

Managing Executive
Officer
Responsible for Sales
Planning Department
and Agency Support
Training Department



FUJIMORI
Norihiro

Managing Executive
Officer
Responsible for Whole
Sales Promotion Training
Department and Whole
Sales Department

Recognition of the environment and basic strategy

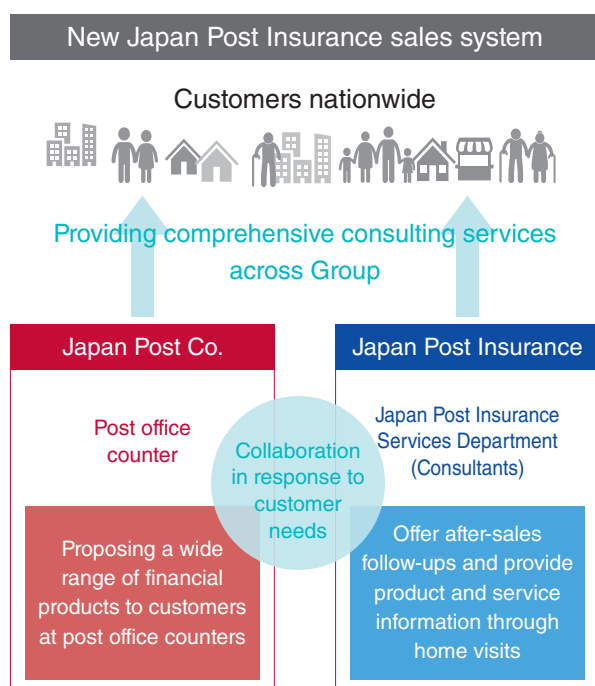
During the period of the prior Medium-Term Management Plan, to address the issues related to the quality of solicitations by the Company and our agents that occurred during the fiscal year ended March 31, 2020, we have made company-wide efforts to investigate insurance policies and take other measures to compensate affected customers for any disadvantages experienced, as well as to implement preventive countermeasures.

Going forward, we will radically shift to a new sales approach and thoroughly conduct activities to ensure that “our customers can use our products and services based on their satisfaction and understanding.”

Establishment of new Japan Post Insurance sales system

To offer insurance services that will meet the diverse coverage needs of our customers, we will build a new Japan Post Insurance sales system with specialty and extensiveness of which we will start operation from April 2022 and realize a comprehensive consulting service across the entire Group.

Consultants will be dedicated to proposing life insurance and providing after-sales follow-ups. Further, with the introduction of a customer assignment system, they will also give customers high-quality, attentive after-sales follow-ups.



Features of the “new Japan Post Insurance sales system”

1 Establishing consultants as insurance specialists

- Consultants will be dedicated to proposing life insurance and providing after-sales follow-ups. They will engage in high quality sales activities by ensuring proper solicitation quality
- Japan post Insurance will create a new system allowing it to hold direct responsibility for the management of consultants

2 Introduction of a customer assignment system

- A customer assignment system will be introduced, and consultants will take responsibility for providing attentive customer service to each customer with a view to building long-term, continuous relationships of trust

3 Consolidating consultant operation bases

- Consultant operation bases will be consolidated in line with market potential including the number of policies in force and population

Strengthening the service provision system for corporate clients

We will contribute to sustainable growth of companies through close communication with managers, with the trust of corporate clients as the cornerstone of our activities.

We will also improve customer experience values based on reliable solicitation quality, by revising products to meet customer needs and improving business processes and systems.

Main initiatives

1 Enhancing human resource development and improving management capabilities

- We aim to provide useful help to managers through close communication with corporate clients, by strengthening our framework and offering better services. To this end, we will conduct employee training to further improve the expertise applicable to corporate management as well as manager training designed to enhance management capabilities of the organization.

2 Improving administration and systems

- We will improve customer services through DX promotion and support the activities of sales personnel, to provide optimal solutions for customers.

3 Expanding products for corporate clients

- We will revise current products to make them more useful, and enhance products and services in order to meet the diverse needs of managers. This will help companies in their efforts to boost benefits for employees and prepare funds for retirement allowances, among other efforts.

4 Sales activities based on market analysis

- We will provide beneficial information to customers through market analysis using database marketing, and perform sales activities with the aim of constantly providing optimal solutions.

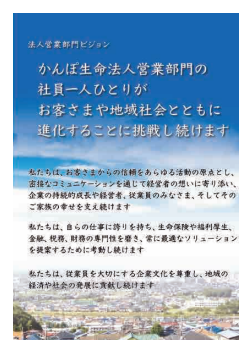


Vision of the Whole Sales Divisions

We have established the “Vision of the Whole Sales Divisions” as a foundation for the above activities. This vision sets the goals of the Whole Sales Divisions to be achieved in about three to five years, to fulfill our management philosophy.

All employees engaged in corporate sales are committed to customer-first activities and tackling various issues to realize this vision.

Poster displayed in our offices



Every employee
of the Whole Sales Divisions
of Japan Post Insurance
will continue the challenge
of growing with customers
and local communities

With the trust of customers as the foundation for all our activities, we will stay close to the intentions of managers through close communication, and continue to support sustainable growth of companies and the happiness of managers, employees, and their families.

We will take pride in our work, hone our expertise in life insurance, benefits, banking, tax affairs, and finance, and continue making every effort to consistently propose optimal solutions.

We will respect the corporate culture of valuing employees and keep contributing to the development of local economies and societies.

Enhancing Insurance Services

Provide secure coverage and new services to support customers of all generations, and radically strengthen our capabilities to deliver insurance services in an age of the 100-year life

We will aim to provide new experience values to customers by offering insurance products which appropriately meet the coverage needs of all generations such as healthcare and nursing care, as well as by taking care of customers' issues and offering new services to support their healthy and secure lives without being constrained by the boundaries of an insurance company.



ONISHI Toru

Managing Executive
Officer
Responsible for
Product Planning
Department

Recognition of the environment and basic strategy

We will develop products mainly from the perspective of improving security and convenience, reflecting the conditions of social and economic environments and changes in customer needs.

For environmental changes, the average life expectancy is expected to keep extending, so we believe that the needs will increase for healthy and rich post-retirement lives while preparing for the longevity risks. The low-interest-rate environment is also expected to continue.

Considering these circumstances, we will enhance the coverage of medical care riders in order to provide well-balanced coverage with low insurance premiums. In addition, in response to the advent of an age of the 100-year life, we will expand the range of coverage to meet varied needs, such as nursing care, inheritance, and preparation for longevity risks. We will also aim to develop more attractive products by researching products that contribute to the extension of healthy life expectancy using health data.

We will develop insurance services which meet the coverage needs of all generations and various scenes and provide insurance services connecting generations and services tailored to the lives of customers.

Past activities

To meet customers' needs, we started offering the following products and services in the previous Medium-Term Management Plan period.

Products and services	Start time	Overview
Products with relaxed underwriting criteria	April 2019	Started to sell whole life insurance, endowment insurance, and comprehensive medical care riders with lower underwriting criteria/standards than those then available in order to meet the needs for insurance of those who have concerns about their health due to a chronic disease or preexisting condition
Advanced medical care rider	April 2019	Started to sell a non-participating advanced medical care rider (no cash value term insurance) to cover technical fees for advanced medical treatment, which have a heavy economic burden, as a wider range of treatment options become available with the advancement of medical technologies
Ordinary term insurance and special endowment insurance with extended insurance periods	April 2021	Started to sell ordinary term insurance and special endowment insurance with longer insurance periods than before in order to more appropriately meet the coverage needs of young and middle-aged customers
Policy conversion system	April 2021	Started to make available a policy conversion system, so that customers could change coverage without cancelling their existing policies

Priority initiatives of the Medium-Term Management Plan (FY2021–FY2025)

- We will enhance insurance services to meet the coverage needs of customers of all generations

Insurance coverage needs of all generations and various scenes



Want to prepare against risk with low premiums

- Needs for generous protection at low insurance premiums in the young and middle-aged population, etc.

Want to prepare against economic uncertainty

- Traditional insurance needs to prepare for unexpected injury and illness, risk of nursing care needs, corporate welfare and benefits, and other events

Want to live a secure and healthy post-retirement life

- Needs for living a secure and healthy post-retirement life while preparing for longevity risks, promoting health, and improving well-being*

Want to prepare for inheritance and asset succession

- Needs among the elderly population for inheritance and asset succession to children and grandchildren

* State of being satisfied physically, mentally and socially.

Insurance services that meet customers' protection needs

Future direction of product development

- Provide balanced protection at low premiums (revisions such as enhancing the coverage of medical care riders)
- Expanding products that meet the needs for coverage of the middle- to senior-aged and elderly population, etc. in view of the age of the 100-year life (expanding the coverage scope, etc.)
- Research into products that contribute to extending healthy life expectancy (accumulating and using health promotion data)

"Connecting" to the young and middle-aged population with educational endowment insurance as the starting point



Parents' generation



Children's and grandchildren's generation

"Connecting" by strengthening the contact points with the young and middle-aged population with nursing care, inheritance issues, etc. as the starting point



Services that support the lives of our customers

- Provide services to support not only major life events of customers but also their concerns in everyday life, so that we can become their trusted partner

We would like to provide health and security to customers through insurance products

The Product Planning Department is in charge of a wide range of operations related to insurance products, such as the development of insurance products and the maintenance of existing products. As the Company aims to provide services to customers of all generations, we accurately grasp requirements and develop products needed by many customers.

I mainly research the relationships between lifestyles and diseases using health data. Using the findings from this research, and leveraging our knowledge of mitigating disease risks through effective prevention measures, we aim to develop products that deliver to customers a sense of healthiness and safety. We are working to contribute to the extension of healthy life expectancies so that our customers can fully benefit from the services we offer.



AIHARA Ryohei
Product Planning Department

Achieving Greater Depth and Sophistication of Asset Management

For Japan Post Insurance to become a “world-leading institutional investor”

We secure stable investment income under effective risk management to pay insurance claims and other obligations to customers without fail, and aim to become a “world-leading institutional investor” by achieving greater depth and sophistication of asset management for both portfolio development and investment in each field, including alternative investments.



HARUNA Takayuki

Managing Executive Officer

Responsible for Investment
Operation Department,
Alternative Investment
Department and Global Credit
Investment Department

Recognition of the environment and basic strategy

During the fiscal year ended March 31, 2021, the global economy rapidly deteriorated at the beginning of the fiscal year due to the implementation of countermeasures against the spread of COVID-19, which was followed by a recovery trend due to large-scale fiscal and monetary policy packages and gradual easing of movement restrictions in many countries. However, the recovery was moderate due primarily to the intermittent resurgence of COVID-19. During the fiscal year ending March 31, 2022, the global economy is expected to recover gradually thanks to the continuation of large-scale fiscal and monetary policy packages in various countries and the gradual normalization of economic activities associated with the propagation of vaccines.

Under the enterprise risk management (ERM) framework, we will continue to invest in return-seeking assets using rigorous risk management to secure stable income in the low-interest-rate environment, while implementing ALM-based asset management through asset-liability matching, to ensure the payment of insurance claims to customers.

Past activities

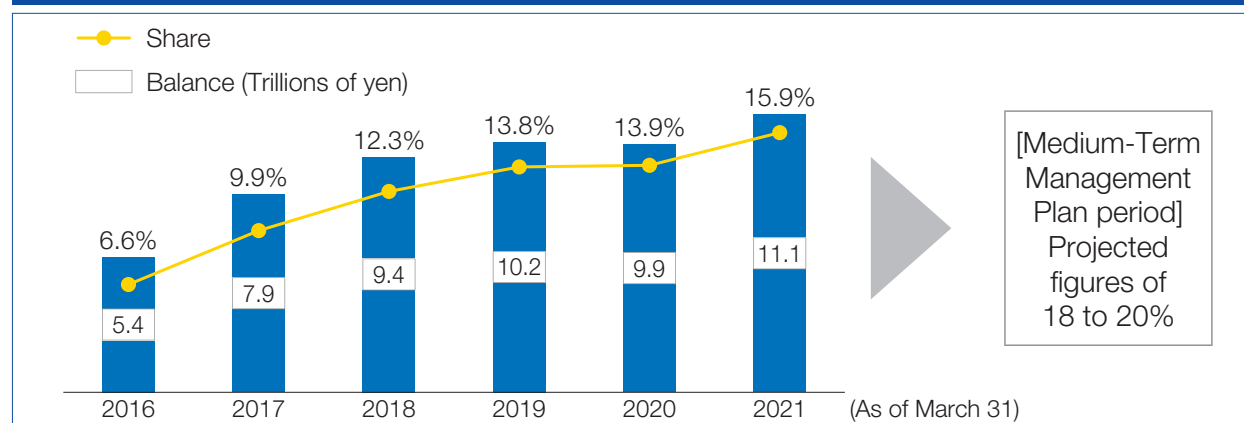
To ensure the yields promised to customers, we have promoted the diversification of assets in response to the prolonged low-interest-rate environment.

While we have diversified assets centered on assets that are externally managed, with the aim of achieving stable profit improvement 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 our assets.

We consider various factors of ESG when making investment decisions, in order to realize a sustainable society, improve investment results, and reduce risks in the long term.

As a result of promoting the diversification of assets to increase the profitability of our ALM-based asset management, the ratio of return-seeking assets to total assets as of March 31, 2021 increased to 15.9%.

Return-seeking assets



Priority initiatives of the Medium-Term Management Plan (FY2021–FY2025)

- Under the ERM framework, we aim to secure stable asset management earnings based on ALM management.
- We will achieve greater depth and sophistication of asset management in terms of both portfolio building and each investment field such as alternative investment, while responding appropriately to the introduction of the new solvency regulation.
- We will promote ESG investments that create a sense of warmth unique to Japan Post Insurance.

Deepening and sophisticating asset management

- Set up specialized departments, e.g., Alternative and Global Credit Investment Departments, and reinforce management for each investment field
- More sophisticated portfolio building based on the use of highly elaborate risk analysis
- Recruit and cultivate sophisticated management personnel with the introduction of a specialist profession personnel system
- Reinforce risk management readiness through the establishment of various risk scenarios and impact analysis, etc.

Responses to new solvency regulations

- Implement asset allocation processes in anticipation of the introduction of a new economic value-based solvency regulation
- Aim to improve and stabilize ESR while reducing interest rate risk, etc.
- Diversification of portfolio management methods in preparation for the introduction of the new solvency regulation

Promotion of ESG investments

Aiming for investments that create a feeling of warmth unique to Japan Post Insurance



- Promoting theme-based investment and financing focusing on priority areas of well-being* improvement, regional and social development, and environmental conservation including climate change based on our ESG investment approach
- More proactive investment and financing that contributes to the achievement of a carbon-neutral society
- Start and improve ESG integration on all investments
- Measure, analyze, and disclose carbon footprint of investment portfolio



* State of being satisfied physically, mentally and socially

Investment in solar power generation business

I would like to contribute to the realization of a sustainable society through investments and loans with warmth unique to Japan Post Insurance

I am in charge of investments and loans to local governments. We have a long history of loans to local governments, spanning more than 100 years, including the period of the Ministry of Communications. So far, we have contributed to many initiatives with awareness of the environment and society through investments and loans such as the construction and maintenance of compulsory education facilities and sewerage systems. For the next 100 years, we will work to realize a sustainable society by making investments and loans with warmth unique to Japan Post Insurance.



TANAKA Daisuke
Global Credit Investment
Department

Improving Customer Experience Value (CX)

Creating experience values which leads to the total satisfaction of our customers in their choice of insurance company

We will pursue ways to impress our customers and radically reform all services including insurance proposals, support and procedures from the viewpoint of improving the “customer experience value.”

We will improve the “customer experience value” by providing “warmth” and “convenience” by combining physical and digital measures.



HIRONAKA
Yasuaki
Senior Managing
Executive Officer
Responsible for Customer
Experience Department

Recognition of the environment and basic strategy

The life insurance industry is going through a structural change, owing to factors such as the reformation of the life insurance market associated with the rapid progress of the falling birthrate and the aging population in Japan, as well as the entry of companies from other industries. In line with these changes, the business model of life insurance itself is undergoing transformation, with the propagation of smartphones, social media, etc. and the diversification of communication methods, as well as the advancement of digital technologies, changes and diversification of lifestyles of customers, and rapid advances in medical technologies.

From 2020 onward in particular, due in part to the impact of COVID-19, the daily lives and awareness of customers have changed, and the transformation of digital technologies in company activities has accelerated. In the age of living with and post COVID-19, it is our responsibility to fulfill our social mission and role as a life insurance company without fail, adapting to customer needs in this turbulent environment.

In addition, governments are also promoting the use of digital technologies in corporate settings based on the concept of Society 5.0, and proceeding with the digitalization of their own operations, including a plan to establish the Digital Agency.

Companies are rapidly proceeding with the digital transformation (DX) of their business models in order to create new services and business approaches and to secure competitive advantages. On the other hand, we see a gap between customers who can use these digital technologies, etc. and those who cannot when we provide them with services.

Under these circumstances, we recognize it is essential to promote DX in a way that customers of diverse ages and values will feel warmth, by making use of physical contact points with customers, like post offices and consultants.

Given this environment, we plan to radically reform all services, including insurance proposals and other procedures, from the viewpoint of improving the customer experience value (CX). Our goal is to provide convenience to customers and support customers anywhere at any time. To do this, we will construct IT system platforms to underpin improved experience values and provide services combining physical means of contact that convey warmth with convenient digital systems.

We intend to enhance the customer experience by providing quality services that ensure customers feel truly glad they chose Japan Post Insurance, and aim to expand the customer base through family and friends, to communities and societies.

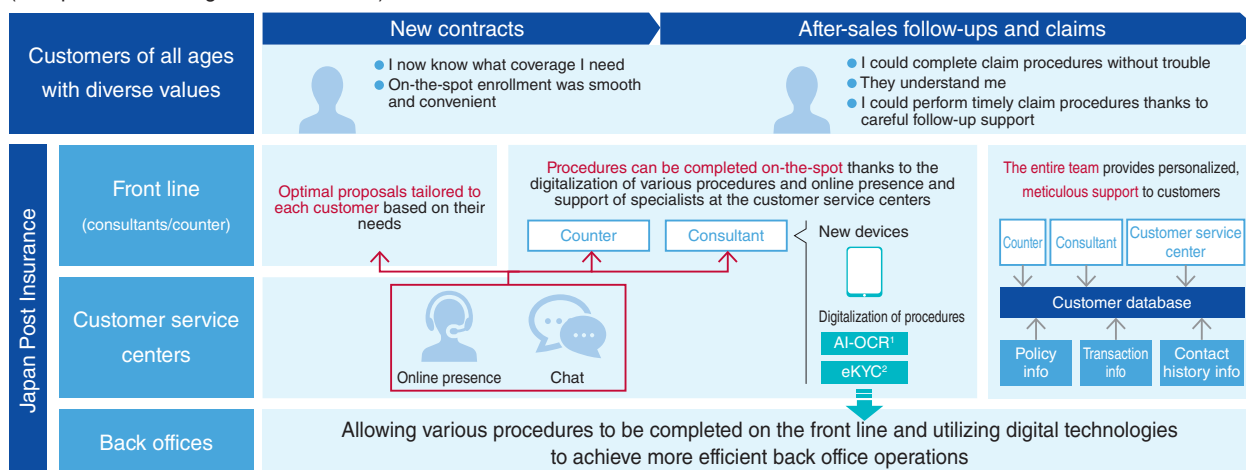
Past activities

We are responding to various changes in lifestyles, including the rising number of non-face-to-face service users due to the COVID-19 outbreak. We are also working to improve customer convenience by expanding the functions of “My Page,” a Web service for policyholders, accessed using familiar devices, such as home PCs and smartphones.

Priority initiatives of the Medium-Term Management Plan (FY2021–FY2025)

- Transition to business model that positions customer experience value (CX) as our top priority while promoting DX through expanding our customer with services that impress them as the core.

(Comprehensive image after realization)



Notes: 1. OCR (Optical Character Recognition) that uses AI for improved rate of recognition of handwritten text, etc.
2. Identification procedure by electronic means

(Investment in systems infrastructure)

Investment in systems infrastructure that help enhance customer experience value

Establish a customer database to centralize and share information

- Establish a database that integrates policy and inquiry information, etc. for each customer
- Support activities of consultants by introducing applications, thereby further enhancing solicitation quality

System infrastructure for customer service centers

- Develop system infrastructure for communicating with customers using various methods such as on-line attendance

Develop systems that support customers' application and claim-filing procedures

- Develop digital-based systems for procedures with new devices (AI-OCR, eKYC, etc.)
- Expand the scope of online-based procedures accessible at night and on holidays

Next-generation system infrastructure

- Develop next-generation system (utilization of cloud services, zero trust security, etc.) infrastructure enabling flexible and speedy system development with a view to realizing the aforementioned

Develop system infrastructure for enhancing customer support

Strategic IT investments: Approx. **¥100.0 billion** over **5 years**³

Note 3: In addition to "investments" in financial accounting, this includes expenses related to strategic IT.

Providing all customers with experiences and services that ensure they feel glad they chose Japan Post Insurance

I belong to the CX Promotion Department, which is in charge of the Customer Satisfaction Survey conducted once a year and has evaluations of Japan Post Insurance from customers to improve products and services. In the fiscal year ended March 31, 2021, we started a trial of a survey conducted immediately after procedures in order to gather evaluations, etc. for each important contact point with customers in real-time. We will continue to speedily collect evaluations and feedback from customers, and swiftly proceed along the PDCA cycle from the customer-first viewpoint to help support those providing experiences and services that impress all our customers.



KANDA Akiyo
Customer Experience
Department

Corporate Culture Reform

Reform personnel to reform the culture

The most important factor in the promotion of corporate culture reform is personnel reform. We will create a culture that can reliably respond to the expectations of customers by ensuring that all employees understand our social mission and engage in their duties with job satisfaction.



**TACHIBANA
Atsushi**

Senior Managing
Executive Officer

Responsible for Human
Resources Department
and Human Resources
Development Department

Recognition of the environment (Recognition of the issues)

The issues surrounding solicitations for our products revealed the unreasonable nature and irrationality of our sales targets and our poor awareness of compliance and customer protection. We now recognize that the underlying causes of the issues were poor communication between the head office and front-line personnel and the low risk sensitivity, which were rooted in our organization itself, including the awareness of employees and the corporate culture.

We consider it necessary to work hard to recover the trust of customers and promote initiatives to reformation of our corporate culture by going back to the Company's management philosophy, in order to promote reconstruction and achieve sustainable growth.

► Vision

The reformation of our corporate culture is a major pillar of our reconstruction. In the fiscal year ended March 31, 2021, we set up a dedicated team specially assigned by the President to improve the issues noted above, namely communication and risk sensitivity, as a company-wide effort. In addition, to identify the issues existing in every organization, we conducted an ES (employee satisfaction) survey for all employees, and have been working to solve the identified company-wide issues and issues unique to each organization.

Through these activities, we aim to achieve these goals:

- All officers and employees across the Company work together to make the Company grow by facilitating internal communication and mutual understanding
- Share the challenges of the Company among all organizational units
- All officers and employees share the management vision, etc. of the Company and act autonomously and independently based on the customer-first principle.

► Improving communication

The causes of poor in-house communication are the lack of sharing information between the head office and front-line personnel and limited information dissemination from management. To solve these issues, we have gone ahead with communication measures, such as the introduction of "Direct Suggestions to the President of Japan Post Insurance" for employees to directly present opinions and proposals to the President, periodic distribution of messages from the President to all employees, and opinion exchange meetings between officers and employees. As with feedback from customers, management and related departments focuses on the effectiveness and feasibility of implementing opinions and proposals received from employees through "Direct Suggestions to the President of Japan Post Insurance" to improve operations. In addition, they function to detect risks.

We will continue these communication programs, strengthen collaboration not only between the head office and front-line personnel but also with organizations and departments, and aim to become a company that strives to respond to customers' expectations with company-wide togetherness.

► Support for diverse career formation

We are constructing a mechanism to support every employee to set up their own career plan, gain professional experience, and improve their skills for the realization of that plans, in order to promote the independent growth of employees. Specifically, we will proceed with such measures as the acquisition and accumulation of information about the future hopes of employees through career interviews, the clarification of personnel, skills, etc. necessary for each department going forward, personnel allocation that contributes to the growth of employees, and the establishment of a personnel system in which employees can select from diverse work styles.

► Initiatives to strengthen management capabilities

For our reconstruction and sustainable growth, all employees must fulfill their roles to the maximum extent. In particular, managers, who are the core of each organization, must perform operations and fulfill their duties from the viewpoint of management beyond the boundaries of the benefits of their own organizations, as well as construct an environment where their subordinates can exercise their capabilities to the maximum level. For that purpose, we will aim to transform the behavior of managers by more clearly showing the image of managers we desire and then evaluating not only their performance but also their everyday behavior in the conduct of duties.

► Enhance the personnel evaluation system

We are working to realize “personnel evaluations for the development of human resources” through which all employees can find their “strengths” and “weaknesses” and improve their capabilities. Specifically, we will introduce a mechanism for organizations to evaluate and cultivate every employee, in addition to revising the personnel evaluation standards.

► 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 grow together with the Company with job satisfaction, while always being mindful of corporate social responsibility.

In addition to training by job level 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 provide programs to support employees’ self-development, including a program encouraging employees to acquire qualifications and certifications.

Through the linkage of these programs 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.”

► Human Resources Development Basic Policies

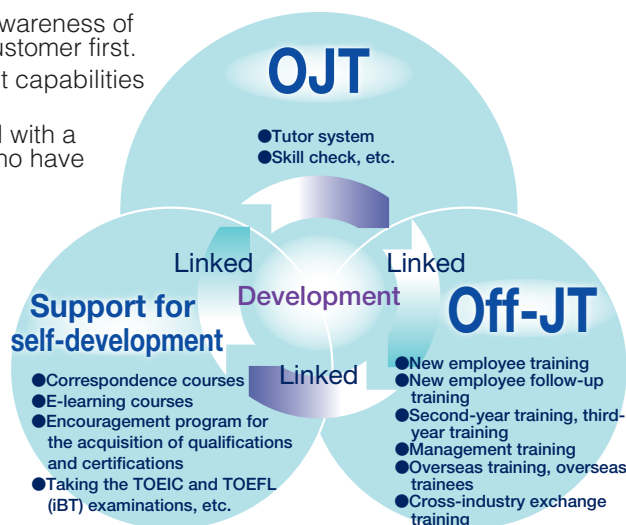
- We shall cultivate human resources who have self-awareness of corporate social responsibility and who place the customer first.
- We shall cultivate human resources who have expert capabilities and a well-rounded character.
- We shall cultivate human resources who are imbued with a spirit of challenge 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 ^(Note 1) based on the customer-first concept while implementing the PDCA cycle on a daily basis, we have a system in which OJT ^(Note 2), support for self-development and Off-JT ^(Note 3) are linked under the “Human Resources Development Basic Policies”.

Notes: 1. “Four orientations” refer to “Ownership oriented,” “Challenge oriented,” “Speed oriented,” and “Customer oriented,” which are listed as elements of our desired image of human resources.

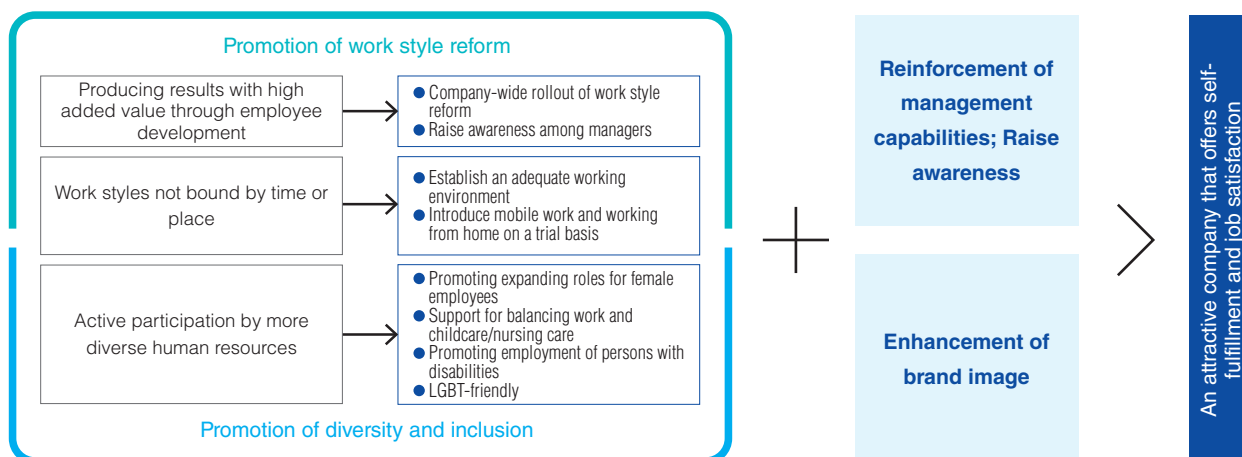
2. OJT: On-the-job training. OJT is personalized training. A superior provides the knowledge and skill set his/her subordinates need in order to do the job in the course of the daily performance of tasks.

3. Off-JT: Off-the-job training. For off-JT, away from daily tasks, personnel participate in a training program, etc. 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.



Work Style Reform

We are taking various initiatives during the period covered by the Medium-Term Management Plan, which includes a phase for development and reconstruction of work style reform, to develop human resources who can produce results with high added value through the participation of more diverse human resources and work styles not bound by time or place. Based on the know-how we have accumulated up to now, we are rolling out work style reforms throughout the Company to create a corporate culture where all employees find self-fulfillment and job satisfaction.



Initiatives in each organization



Improving the work environment

We will improve the work environment using the ES survey.

We will clarify "images of the ideal company and workplace for employees" through this survey to identify the issues and problems of each base and make continual improvements.

We will also make innovations happen as advanced initiatives with new ideas in each base and roll them out company-wide.

Promoting remote working

We are working to improve operations and productivity by allowing remote working. In the fiscal year ending March 31, 2022, we will further promote telework by allowing employees to work remotely about twice a week. We will also promote the shift to paperless work as part of our shift away from operation flows based on physical attendance. In the fiscal year ending March 31, 2022, we plan to go paperless, except for processes that have legal constraints or revised work flows on a company-wide basis.

Promoting Diversity and Inclusion

Promoting expanding roles of female employees

To support medium- to long-term career development for female employees and to stably produce female managers, we are proactively promoting expansion of roles for female employees including through training by job level, network formulation among employees, and measures for unconscious bias involving all employees. We will continue to promote further initiatives to achieve a ratio of female managers of 30% by April 1, 2031.

Support for balancing work and childcare/nursing care, etc.

To support employees who are engaged in childcare and nursing care while working, we are engaged in setting up and improving systems, introducing e-learning, providing online seminars, and cooperation with company-led childcare facilities, among other initiatives. In addition, we have been promoting flexible work styles by introducing remote working since the fiscal year ended March 31, 2021.

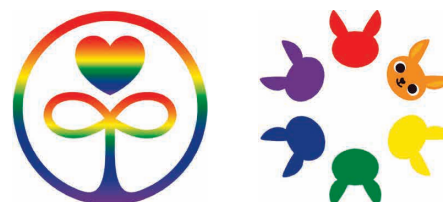
We received “Platinum Kurumin” certification from the Ministry of Health, Labour and Welfare in recognition of these initiatives in the fiscal year ended March 31, 2019.



Virtuous cycle under workstyle reforms

LGBT-friendly

We are conducting training to deepen the understanding of polymorphous sexuality and promoting the expansion of allies who understand and support LGBT, aiming to become a LGBT-friendly company. We continue to create a working environment in which all employees can develop their talents, so that they can work with energy and vitality. (We were awarded a gold rating in the PRIDE INDEX for the fourth year in a row.)



Our trademarked LGBT ALLY logo mark

Promoting employment for people with disabilities

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

Helping to build a diverse society by supporting 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 OHTANI Momoko, one of the world's top wheelchair tennis players, as a member of our team. She became a full-time employee of the Company in the following year, and we continue to provide her with support. In the fiscal year ended March 31, 2021, she achieved brilliant results including becoming the runner-up at the French Open, one of the four major tournaments.



Wheelchair Tennis player
OHTANI Momoko