

## Value Creation History

## 1885 Ministry of Communications

## 1949 Ministry of Posts and Telecommunications

2001 Postal Service Agency  
2003 Japan Post

## 1885-1949

## 1916

- Commenced postal life insurance business



## 1926

- Commenced postal annuity business

## 1928

- National Health Exercise Program (precursor of "Radio-Taiso") began



## 1949-2001

## 1949

- Ministry of Posts and Telecommunications was established
- Implemented double payment of insurance benefits

## 1951

- NHK started broadcasting the Radio-Taiso No. 1 Program



## 1953

- "Radio-Taiso" Summer Tour commenced



## 1962

- Festival of 10 Million People's "Radio-Taiso" launched

## 1999

- Established special endowment insurance maturing at a specified age
- Minna no Taiso ("Exercise for Everyone") Program began

## 2001-2007

## 2001

- Postal Service Agency was established

## 2003

- Japan Post was established

## 2006

- Kampo Co., Ltd. was established



### ■ From the Ministry of Communications to Japan Post (before privatization)

The Postal Life Insurance Service, the predecessor of Japan Post Insurance, was founded in 1916. Created with the social mission of "protecting the means of fundamental livelihood of the public through simple procedures," the Postal Life Insurance Service fulfilled its role of ensuring the stability of people's lives by providing an insurance system available at relatively affordable fees with simple enrollment procedures and no medical examination.

► Amount of coverage for customers <Postal Life Insurance Policies in force (insurance)>

¥24.5 million

FY1917/3  
Founded

¥10 billion

FY1942/3

¥1 trillion

FY1955/3

¥100 trillion

FY1988/3

## 2007 Japan Post Insurance

### 2007-2022

#### 2007

- Japan Post Group was established
- Obtained approval for new operations (liberalization of investment products)

#### 2008

- Commenced commissioned sales of life insurance products for corporate clients
- Launched *Sono hi kara*, a new hospitalization rider

#### 2011

- JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. (current consolidated subsidiary) became a subsidiary

#### 2014

- Launched *Hajime no Kampo*, an educational endowment insurance



#### 2015

- Launched *Shin Free Plan* (short-term premium payment), an endowment insurance
- Listed on the First Section of the Tokyo Stock Exchange
- Commenced commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)



#### 2016

- 100th anniversary of Postal Life Insurance
- Obtained approval for new operations (underwriting of reinsurance and related services)
- Business alliance with The Dai-ichi Life Insurance Company, Limited\*  
\* Currently Dai-ichi Life Holdings, Inc.

#### 2017

- Launched *Sono hi kara Plus*, a new medical care rider; *Shin Nagaiki Kun Low Cash Value Plan*, a new whole life insurance; and *Choju no Shiawase*, a longevity support insurance



#### 2019

- Began providing *Sukoyakanpo* health support app
- Launched *Kampo ni Omakase*, products with relaxed underwriting criteria; and an advanced medical care rider
- Secondary offering of common stock of the Company



#### 2021

- Announcement of Medium-Term Management Plan (FY2021–FY2025)

#### 2022

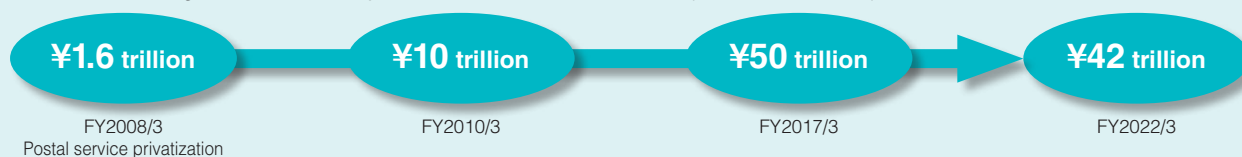
- Launched *Motto sono hi kara Plus*, a new medical care rider
- Moved from the First Section of the Tokyo Stock Exchange to the Prime Market



### ■ Japan Post Insurance (after privatization)

In October 2007, the original Japan Post was privatized and started its life insurance business as Japan Post Insurance Co., Ltd. Although our organization has changed its form from a state-run business to a private company, our mission to support people's lives through insurance has not changed. We will continue to deliver insurance services as a means of security to customers nationwide through the network of post offices rooted in the community, thereby protecting the well-being of each and every customer with the power of insurance.

▶ Amount of coverage for customers <Japan Post Insurance Policies in force (individual insurance)>

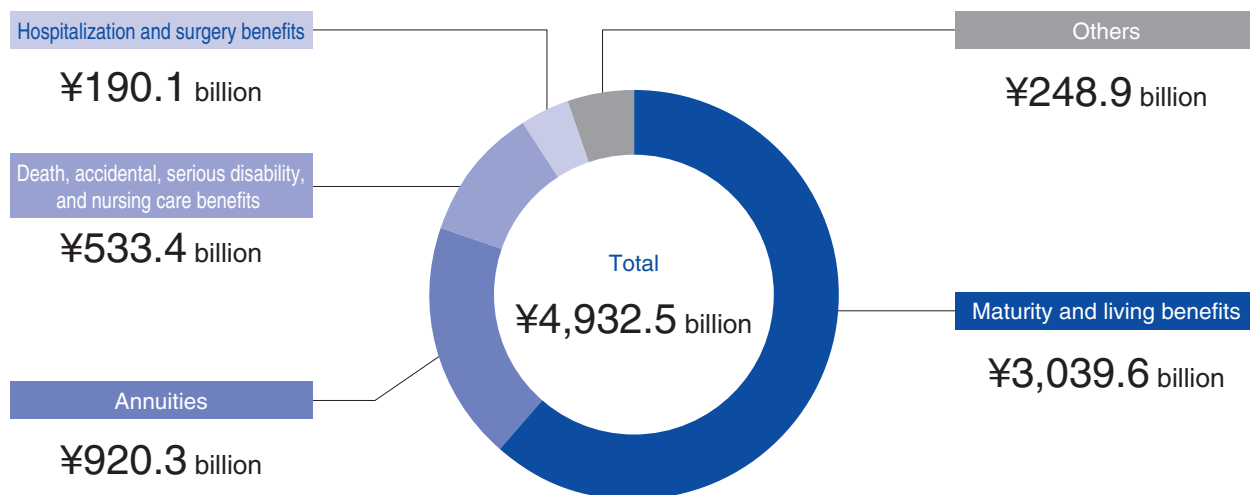


Notes: 1. For Postal Life Insurance Policies enrolled in before September 2007, we are separately commissioned by the Management Network to engage in insurance policy operations. The amount of Postal Life Insurance Policies in force (insurance) as of March 31, 2022 was ¥21 trillion.  
2. The basis for recording the amount of policies in force differs between Postal Life Insurance Policies and Japan Post Insurance Policies.

## Contributing to Society through Life Insurance Business

Through the life insurance business, we protect customers' lives by paying insurance claims to customers throughout

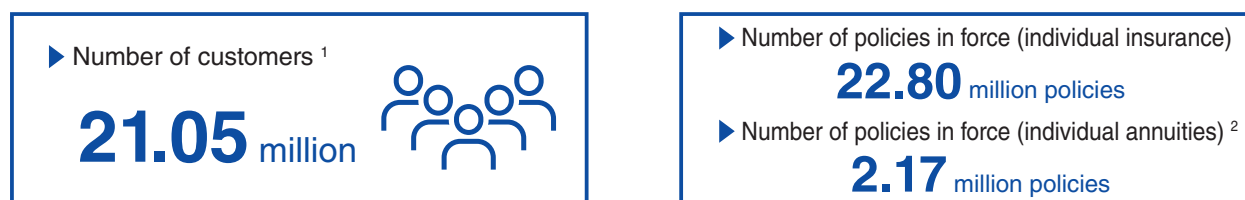
### ► Insurance Claims/Annuities/Benefit Payments (FY2022/3)



Notes: 1. Includes payments for Postal Life Insurance Policies reinsured by us from the Management Network.

2. For convenience, payments under Postal Life Insurance Policies are recorded for each event of payment under the contract with the policyholder as opposed to the classification recorded in the financial statements.

### ► Extremely Large Customer Base



Notes: 1. The number of customers is the sum of policyholders and insured persons (including individual insurance and individual annuities as well as Postal Life Insurance reinsured by us).

2. The number of policies in force includes Postal Life Insurance reinsured by us.

### ► The Post Office Network and Japan Post Insurance Offices across Japan



Notes: 1. "Post offices" indicates the number of post offices undertaking life insurance solicitation, and "Contracted post offices" indicates the number of contracted post offices that have concluded life insurance solicitation consignment contracts.

2. The number of sales personnel represents those serving at the Whole Sales Division at branches, or a specific section in the Head Office Whole Sales Department (referring exclusively to life insurance sales personnel), as well as managers and consultants (employees who mainly visit customers' homes, etc.) serving at the Retail Service Division branches, as of April 1, 2022.



Japan.

## ► Products with Easy Procedures and Smaller Coverage Amounts

The Company provides simple and easy-to-understand products (with easy procedures and smaller coverage amounts) and services, focusing on endowment insurance and whole life insurance, through the nationwide network of post offices.

No examination by physician is required (no medical examination) when applying for enrollment

Customers can enroll by reporting health status (with a declaration form)

No occupational restrictions

## ► Customer Feedback



Twenty years ago, when I was just starting out in the workforce, I consulted with a post office clerk and purchased an insurance policy, which is now approaching maturity. I am looking forward to receiving my maturity benefit.

I had to take time off work after falling ill with COVID-19, and had difficulty living because I had no income. But I was very grateful that Japan Post Insurance enabled me to receive insurance claim payments even though I was recovering from my illness at home.



## ► Initiatives in Response to COVID-19

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

We perform the following initiatives to fulfill our social mission and our role as a life insurance company throughout the COVID-19 pandemic.

- Payment of hospitalization insurance even in cases of recovering at home or at an accommodation facility due to circumstances at medical institutions, etc. resulting from the impact of COVID-19
- Payment of additional insurance benefits in the event of death due to COVID-19 on top of the death benefit (the “double payment of insurance benefits”) <sup>(Note)</sup>
- Omission of some of the necessary documents to enable simple and quick handling

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

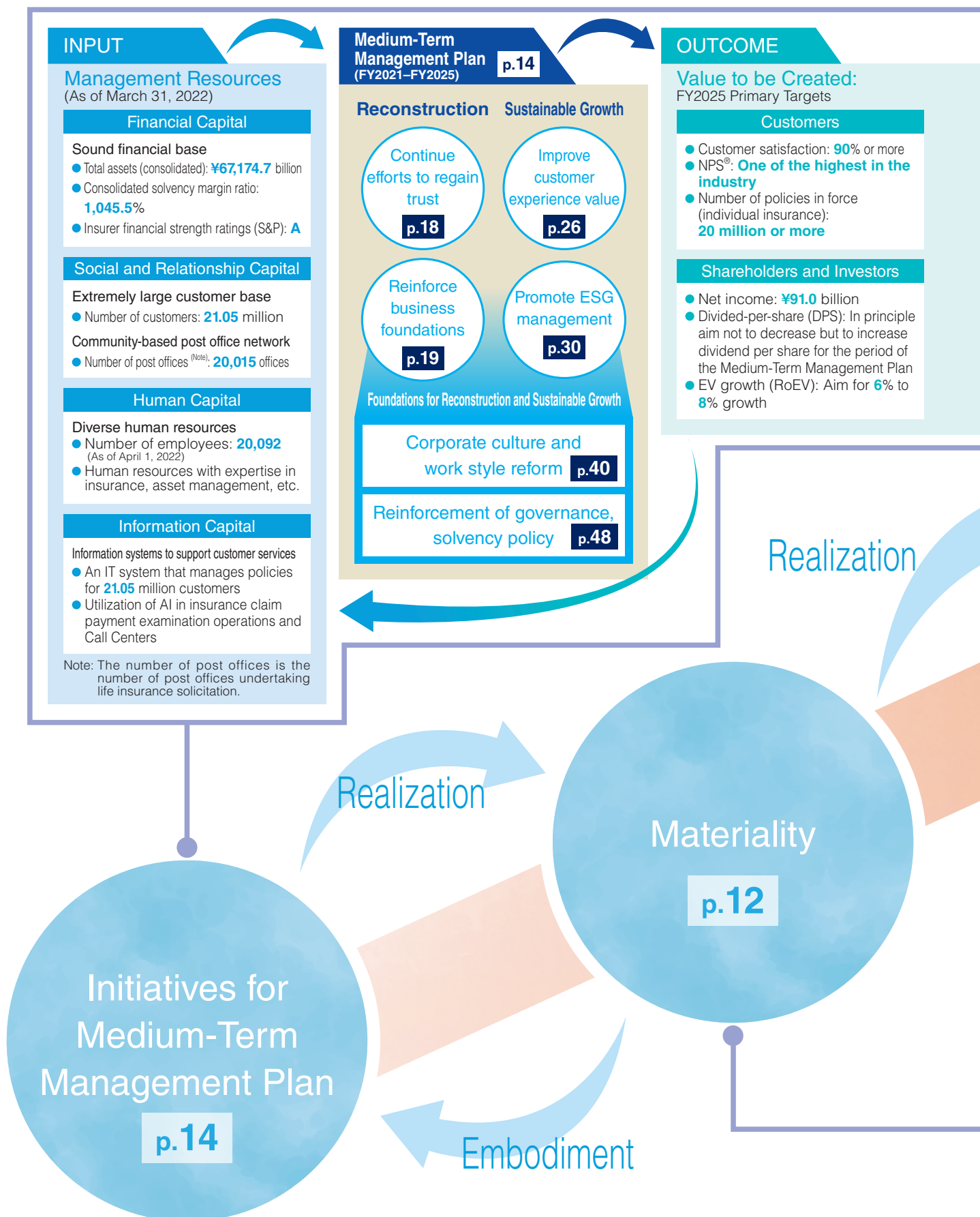
(\*) The up-to-date availability is shown on our website, so please see this before making an application or inquiry.

## ► Payment status for COVID-19

	FY2020/3	FY2021/3	FY2022/3	Cumulative
Death benefit (including the double payment of insurance benefits)	—	¥4,989.81 million (1,456 cases)	¥13,314.57 million (3,807 cases)	¥18,304.38 million (5,263 cases)
Hospitalization insurance	¥0.74 million (15 cases)	¥824.57 million (14,023 cases)	¥5,469.51 million (110,562 cases)	¥6,294.82 million (124,600 cases)

# Value Creation Process

We aim to create sustainable value for our stakeholders through our life insurance business, based on our social mission,



“We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product.”

#### Local Communities and Society

- CO<sub>2</sub> emissions (FY2031/3 compared to FY2020/3): Reduce **46%**
- ESG investment (Total power generation output from renewable energy facilities that we lend money to and invest in): **1.5** million kW during the Med-Term Management Plan period

#### Employees

- Ratio of female managers at the head offices (FY2031/3): **30%**
- Rate of taking childcare leave: **100%** for both male and female employees
- Rate of employees with disabilities: **2.5%**

### Management Philosophy

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

### Social Mission (Purpose)

We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product.

Embodiment

### Our Social Challenges (Materiality) to Address with Priority

1

Provide insurance products and services through the network of post offices, etc.



2

Contribute to the development of communities and society; and environmental conservation



3

Extend healthy life expectancy through health promotion, etc. - Increase well-being



4

Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself



5

Corporate governance supporting the meaning of our business and social mission



# Social Challenges (Materiality) to Address with Priority

To fulfill our social mission through our life insurance business and to contribute to the resolution of sustainability-related social issues, Japan Post Insurance set up five “Social Challenges (Materiality) to Address with Priority.”

In identifying this materiality, we have used SDGs as a basis. In addition, the main initiatives in the Medium-Term Management Plan (FY2021–FY2025) are deeply connected to this materiality, and by proceeding with these initiatives, we aim to achieve SDGs as well as sustainable growth.

## [Identification Process]

### STEP 1

#### Extracting social issues

From the 169 specific targets for achieving the 17 goals of the SDGs, we extracted life insurance business-related social issues for the Company.



### STEP 2

#### Identifying materiality

We identified materiality by prioritizing the extracted social issues using two standards: “expectations from stakeholders” and “importance for us (strategic importance).”

Expectations from stakeholders

Opinions received from stakeholders (customers, investors, employees and local communities, and the international community)

Importance for us (strategic importance)

Relevance to what we aim to achieve (management philosophy, management policy, and social mission (purpose))






## STEP 3

### Verifying and determining important issues

We discussed and determined the details of the identified materiality at the Sustainability Committee and Executive Committee, and reported them to the Board of Directors.

#### [Social Challenges (Materiality) to Address with Priority]

Social Challenges (Materiality) to Address with Priority	Goals of Achieving SDGs	Main Initiatives
Provide insurance products and services through the network of post offices, etc.	  	<ul style="list-style-type: none"> <li>● Provide basic protection and services through the network of community based post offices</li> <li>● Integrate the network of post offices and digital contact points through DX promotion</li> <li>● Develop products that respond to the protection needs of all generations</li> </ul>
Contribute to the development of communities and society; and environmental conservation	   	<ul style="list-style-type: none"> <li>● Initiatives for carbon neutrality</li> <li>● Initiatives in accordance with the TCFD proposal</li> <li>● Promote ESG investment</li> </ul>
Extend healthy life expectancy through health promotion, etc. - Increase well-being	 	<ul style="list-style-type: none"> <li>● Popularize "Radio-Taiso"</li> <li>● Provide services utilizing health promotion app "Sukoyakanpo"</li> <li>● Provide insurance services based on interest in health promotion and social needs</li> <li>● Promote ESG investment</li> <li>● Respond to the spread of COVID-19</li> </ul>
Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself	   	<ul style="list-style-type: none"> <li>● Corporate culture reform/work style reform</li> <li>● Human resources development, strengthening the use of human resources</li> <li>● Promote diversity (promoting expanding roles for female employees, providing support for balancing work and childcare/nursing care, promoting employment of persons with disabilities, and responding to gender diversity)</li> </ul>
Corporate governance supporting the meaning of our business and social mission		<ul style="list-style-type: none"> <li>● Regain customers' trust</li> <li>● Thorough compliance</li> <li>● Strengthen corporate governance</li> </ul>

Note: The 17 color wheel means that the promotion of ESG investment is related to all 17 goals of the SDGs.



# Medium-Term Management Plan (FY2021–FY2025)

## ▶ Basic Policy of Medium-Term Management Plan (FY2021–FY2025)

- In May 2021, Japan Post Insurance announced its Medium-Term Management Plan (FY2021–FY2025), which positions “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product” as our social mission.
- We have the following basic policies: reconstruction aimed at being a company truly trusted by customers; sustainable growth through the provision of insurance services that will impress our customers; and reform into a corporate culture that allows every employee to feel employee satisfaction (ES<sup>1</sup>) in achieving these goals while growing together with the company, and governance reinforcement. We are implementing each initiative in accordance with these basic policies.

Notes: 1. ES is an abbreviation for Employee Satisfaction

		Basic policy	Reference pages
Reconstruction	Continue efforts to regain trust	<ul style="list-style-type: none"> <li>• Thoroughly implement customer-first business operations and regain customers' trust</li> </ul>	p.18
	Reinforce business foundations	<ul style="list-style-type: none"> <li>• Improve profitability by responding to the protection needs of customers in all age groups and through efficient business operations</li> </ul>	p.19–p.25
Sustainable Growth	Improve customer experience value	<ul style="list-style-type: none"> <li>• Build systems for provision of services that position customer experience value (CX<sup>2</sup>) as our top priority</li> </ul>	p.26–p.29
	Promote ESG management (Contribute to solutions to social issues)	<ul style="list-style-type: none"> <li>• Contribute to solutions to social issues around sustainability and achieve SDGs and sustainable growth</li> </ul>	p.30–p.39
Foundations for Reconstruction and Sustainable Growth			
	Corporate culture and work style reform	<ul style="list-style-type: none"> <li>• Reform into a corporate culture that allows every employee to feel employee satisfaction (ES) while growing together with the company</li> </ul>	p.40–p.47
	Reinforcement of governance, solvency policy	<ul style="list-style-type: none"> <li>• Through more sophisticated risk sensitivity, ensure soundness in business operations and realize sustainable growth</li> </ul>	p.48–p.67

Notes: 2. CX is an abbreviation for Customer Experience

## ► Primary Targets of Medium-Term Management Plan (FY2021–FY2025)

We 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 <sub>2</sub> emissions	
Customer satisfaction <sup>1</sup> NPS <sup>®2</sup>	Customer satisfaction Aim for 90% or more NPS <sup>®</sup> Aim for One of the highest in the industry	FY2030 (compared to FY2019) Reduce 46% <sup>4,5</sup> ▼ Aim to achieve carbon neutrality by 2050 <sup>5</sup>	
Number of policies in force (individual insurance)	20 million or more policies	Ratio of female managers	
Net income	¥91.0 billion (FY2023 ¥78.0 billion)	FY2030 the ratio of female managers at the head offices of 30% <sup>6</sup>  〔 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 〕	
Divided-per-share (DPS)	In principle aim not to decrease but to increase dividend per share for the period of the Medium-Term Management Plan		
EV growth (RoEV)	Aim for 6% to 8% growth <sup>3</sup>		

Notes: 1. The total percentage of customers who responded as “satisfied” and “somely satisfied” with a 5-level rating of customer satisfaction.  
 2. NPS<sup>®</sup> 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.








## ► Results for FY2021

The actual results against our key numerical targets in the Medium-Term Management Plan (FY2021–FY2025) are as follows.








	Results for FY2021
Customer satisfaction	78%
Number of policies in force (individual insurance)	22.80 million
Net income	¥158.0 billion
Divided-per-share (DPS)	¥90
EV growth (RoEV)	4.0%

# Relationship between Medium-Term Management Plan (FY2021–FY2025) and Materiality

The Medium-Term Management Plan (FY2021–FY2025) is closely aligned to Japan Post Insurance's Social Challenges (Materiality) to Address

Basic Policy of Medium-Term Management Plan (FY2021–FY2025)		Main Initiatives	Social Challenges (Materiality)	
			Provide insurance products and services through the network of post offices, etc.	Contribute to the development of communities and society; and environmental conservation
			  	   
Reconstruction	Continue efforts to regain trust	Customer-first business operations	●	
		Business improvement plan initiatives	●	
	Reinforce business foundations	Strengthening the service provision system for customers	●	
		Enhancing insurance services	●	
		Achieving greater depth and sophistication of asset management	●	
Sustainable Growth	Improve customer experience value	Improving customer experience value	●	
		Engagement with customers	●	
	Promote ESG management	Promoting sustainability activities	●	●
		ESG investment	●	●
		Environmental conservation		●
		Health promotion and increase well-being		○
Foundations for Reconstruction and Sustainable Growth	Corporate culture and work style reform	Corporate culture reform	○	
		Human resources development	○	
		Work style reform	○	
		Promoting diversity and inclusion	○	
	Reinforcement of governance, solvency policy	Corporate governance		
		ERM and capital policy	○	

with Priority. We aim to achieve our sustainable growth and realize the SDGs by promoting the initiatives of the Medium-Term Management Plan.

to Address with Priority				Reference page
	Extend healthy life expectancy through health promotion, etc. - Increase well-being	Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself	Corporate governance supporting the meaning of our business and social mission	
	 	   		
		○	●	p.18-
		○	●	p.18-
		○	○	p.19-
				p.22-
				p.24-
		○	○	p.26-
		○	○	p.28-
	●	●	●	p.30-
	●			p.31-
				p.34-
	●	○		p.38-
		●	○	p.40-
		●		p.42-
		●		p.46-
		●		p.47-
			●	p.48-
			●	p.64-

Note: ● indicates directly related items and ○ indicates broadly related items.