

We will realize the value our customers seek by providing life insurance products.

I am TANIGAKI Kunio, appointed as President of Japan Post Insurance on June 19, 2023. I will continue to do my utmost to carry out our social mission that “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product,” and hope for your kind support.

The Postal Life Insurance Service, the predecessor of Japan Post Insurance, was founded in 1916 with the social mission of “protecting the means of fundamental livelihood of the public through simple procedures.” Today, over a century later, our life insurance, simple with small coverage amounts, has supported the lives of a great number of customers. Our current management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being” embodies a spirit unchanged since our founding, and is our commitment to the future. I intend to steadfastly carry that mission forward.

In order to realize this mission, I believe that the power of each and every employee is of the essence. To address the various problems related to solicitation quality that arose in FY2019, management took the lead in establishing customer-first business operations by mobilizing the efforts of all employees. I am committed to continue building a corporate culture in which all employees share our vision and mission and each and every employee can take the initiative in achieving this goal.

TANIGAKI Kunio

Director and President, CEO,
Representative Executive Officer

Review of FY2022

Looking at the environment surrounding the Company and life insurance business, the social and economic impacts of the progress toward a super-aging society, coronavirus disease (COVID-19), and the situation in Ukraine are spreading. We believe that our role of providing peace of mind in response to various anxieties and needs that change with the times will continue to grow more than ever.

In such an environment, in order to achieve our social mission and contribute to resolving social issues related to sustainability, we have formulated a Medium-Term Management Plan (FY2021–FY2025) as a milestone. Based on the Plan, we are working on initiatives for reconstruction aimed at being a company truly trusted by customers; and sustainable growth.

In FY2022, we welcomed approximately 13,000 new employees, including Japan Post consultants (employees who mainly visit customers' homes to conduct activities) and launched a new Japan Post Insurance sales system. In addition, we have fundamentally reviewed our insurance services from the perspective of improving customer experience value (CX) and have reformed our business model. In response to the recent COVID-19 pandemic, we have implemented simple and quick handling, such as immediate transfers of hospitalization benefits on the next business day at the earliest, and paid ¥106.9 billion of benefits for approximately 1.5 million cases in FY2022. As a result, we believe that we have fulfilled our social mission as a life insurance company.

In addition, we recognize the improvement of well-being^(Note) as an important social issue, and have particularly worked to encourage the spread of "Radio-Taiso," as an important resource for many years. We hope to enhance the value of our insurance services while promoting the benefits of "Radio-Taiso" such as by developing products that utilize empirical data on the health benefits of "Radio-Taiso."

Furthermore, from the perspective of enterprise risk management (ERM), we also pursue improvements of return on risk and capital efficiency in terms of securing profits while maintaining financial soundness, and aim to provide stable returns to shareholders.

FY2023 is the third year and halfway point of our five-year Medium-Term Management Plan. We

would like to further accelerate the reforms that we have been promoting for our reconstruction and sustainable growth, and further promote the realization of our vision.

Note: State of being satisfied physically, mentally and socially.

The new Japan Post Insurance sales system

As an initiative of our Medium-Term Management Plan for reconstruction, a new Japan Post Insurance sales system was built starting in FY2022, in which consultants leverage their high level of expertise and flexibility as life insurance professionals and concentrate on the proposal and follow-up of life insurance products. We also transitioned to a new system (account manager system) where employees with expertise provide high-quality, attentive after-sales follow-up services to individual customers.

In FY2023, we believe that human resource development will be the most important element in order to develop the fundamental strength of our sales force and grow to further satisfy our customers.

To that end, based on this new sales system, in FY2023, we will go forward with the establishment of an integrated companywide sales promotion system and the reinforcement of functions by preparing for the adoption of common standards and systems in the human resource development of consultants and integrating the front line (the sales division, etc., which handles customers' services) with the head office.

In addition, product development that meets customer needs is essential to strengthening our business foundation. On April 1, 2023, in response to rising educational costs and customer requests, we revised *Hajime no Kampo*, an educational endowment insurance, and designed the product to make it easier for customers to prepare their children's education funds.

Educational endowment insurance is a branded product that represents Japan Post and Japan Post Insurance, which have supported the growth of many children for approximately half a century. We hope to fulfill our social mission to "protect customers' lives by providing life insurance product" for the generation of parents, children, and grandchildren through the sale of educational endowment insurance, which has further enhanced its product appeal due to this revision.

We will continue to offer products that precisely meet the needs of customers who want to have generous coverage at low insurance premiums. We will also expand our range of products that meet the needs for coverage of the middle- to senior-aged and elderly population in the age of the 100-year life, while researching and developing products that help extend healthy life expectancy.

Further improving customer services

Our Medium-Term Management Plan positions “sustainable growth” along with “reconstruction” as major pillars. To achieve this sustainable growth, we are working to improve customer experience value (CX).

We hope to expand our customer base and enhance our competitive edge as a life insurance company by making customers feel glad to be with Japan Post Insurance at every contact point, from enrollment in the insurance policy to after-sales follow-ups and payment.

One of Japan Post Insurance’s strengths is its ability to provide meticulous services to customers through face-to-face and in-person contact points, through its nationwide network with more than 20,000 post offices across Japan. While leveraging the warm face-to-face and in-person interactions at post office counters and with the consultants, we are effectively combining the convenience of non-face-to-face and digital interactions to gradually begin initiatives to improve customer convenience.

Specifically, from July 2022, we have launched initiatives in some areas in which specialist staff from our customer center are present online when customers apply for insurance to confirm their intentions and resolve any uncertainties in real time. We have received favorable feedback from customers, such as, “I liked the careful explanation,” and “It’s easy to understand and I felt assured because confirmation is done on the spot.” In FY2023, we will gradually expand target areas nationwide.

In addition, to meet the needs of customers who want to make various claims and carry out procedures without being restricted by time or location, we are improving our web services, among other initiatives. During FY2022, claims for hospitalization insurance due to COVID-19 became available on web services. We believe that it is our

fundamental mission as an insurance company to stay close to our customers and simply and quickly pay insurance claims, especially in times of need.

The business environment for life insurance companies is changing rapidly, with changes and diversification of customers’ lifestyles and values, and the recent development of digital technologies such as AI. We will continue to improve our CX by responding flexibly and speedily to these changes, and continue to provide services that stay close to every customer, so that customers feel glad to be with Japan Post Insurance.

Realizing human capital management that supports the company

Employees are the foundation for a company’s reconstruction and sustainable growth. It is essential for the growth of a company that each employee fully understands the vision and mission of that company and works independently to realize them.

In order to promote human capital management that maximizes the power of our employees, who are the assets and foundation of our business, we have set three basic principles: establish a corporate culture in which employees act independently, secure human resources in a strategic manner, and promote the active participation of diverse human resources and flexible work styles.

In order to solve various problems facing the company and achieve sustainable growth, we believe that it is necessary for each employee to think and act independently by having the management and employees share and sympathize with the vision of the future and improving employee engagement.

To this end, we have further fleshed out our management philosophy, and have established a common value which employees base their daily decisions and actions on, to be a presence that customers can rely on and say “Thank you for being here.” In order to share this vision with the company as a whole, in addition to continuous messages from the President, we are continuously exchanging opinions between the management and employees. Every opinion exchange increases interest between the management and employees, thereby creating a synergistic effect that increases employees’ confidence in their work.

It is also extremely important to secure human resources that support the sustainable growth of the company. By visualizing the quantity and quality of human resources needed at present and in the future, and by recruiting and training human resources accordingly, we will strengthen our organization and develop employees.

In particular, we believe that it is urgent to secure management personnel who can support and lead the areas of contact between customers and the company, such as retail sales and customer centers. Accordingly, we will engage in efforts including the restructuring of our training system.

It is also important to respect the diversity of these human resources and promote flexible working styles. We will respect employees with diverse backgrounds, regardless of gender, age, nationality, race, and disability, and provide equal opportunities to them. We believe that by respecting diversity, we can incorporate the various perspectives of our employees to promote creativity and innovation.

Through these human capital management initiatives, each employee will achieve self-fulfillment and maximize corporate value. By doing so, we aim to be a company in which all employees work together to receive the words, "Thank you for being here," from our customers.

Finally, a message to our stakeholders

We must seriously consider the expectations of customers, shareholders, employees, members of the local community and all our stakeholders, and achieve sustainable corporate growth by finding solutions to social issues in order to meet their expectations. I believe that these are the responsibilities placed on me as president. To this end, I am determined to move forward with the same enthusiasm and the flexibility to adapt to these times full of changes.

FY2023 will be an extremely important year for Japan Post Insurance's reconstruction and sustainable growth. All of our employees will work together to do our utmost to fulfill our social mission: "We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product."

I would like to ask for your ongoing support and patronage as we strive to meet your expectations for Japan Post Insurance continuing to evolve to a new stage.

