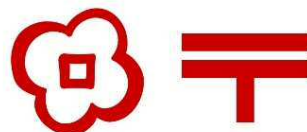


# Medium-Term Management Plan (FY2021 - FY2025)

May, 2021



**JAPAN POST INSURANCE**



郵政創業150年

# Agenda

1. Vision of Japan Post Insurance  
Basic policy and Targets  
for Medium-Term Management Plan(FY2021 - FY2025)
2. Reconstruction
3. Sustainable Growth
4. Foundation of Reconstruction and Sustainable Growth

# 1. Vision of Japan Post Insurance Basic policy and Targets for Medium-Term Management Plan(FY2021 - FY2025)

## 2. Reconstruction

## 3. Sustainable Growth

## 4. Foundation of Reconstruction and Sustainable Growth

# Vision of Japan Post Insurance

## Group Management Philosophy

Stressing the security and confidence of Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible, and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.

## Management Philosophy

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

## Social mission (purposes)

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

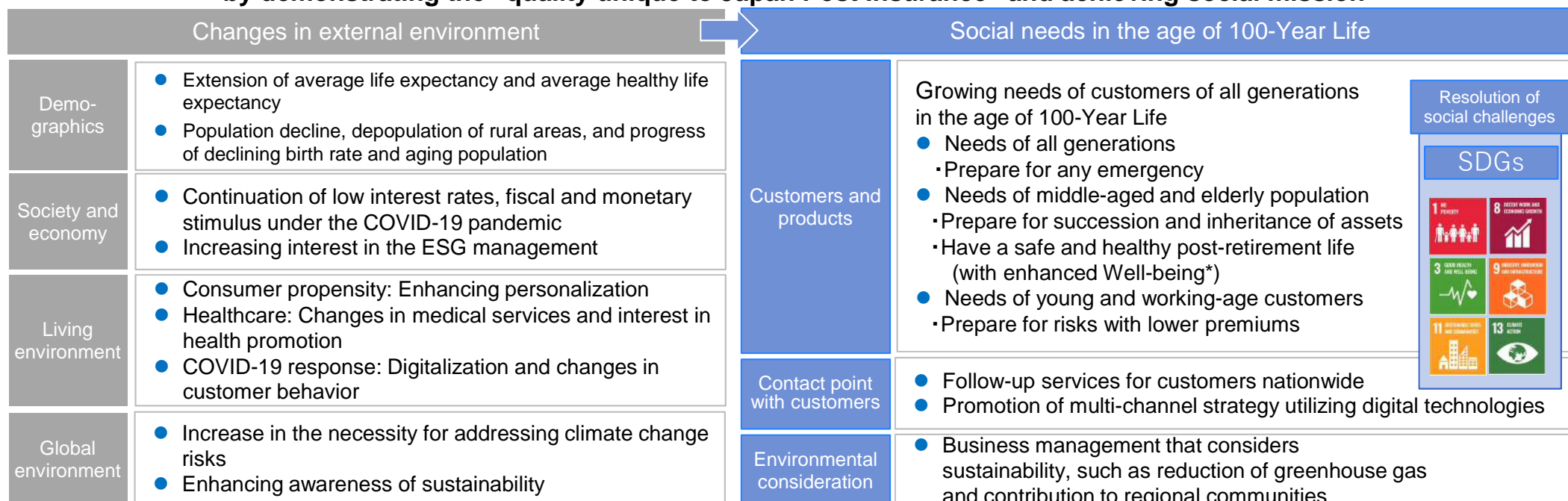
✓ Provide basic protection through our network of community-based post offices with the opportunity of notice about necessity

✓ Respond precisely to the needs of society in the age of 100-Year Life as a life insurance company

✓ Pay insurance claims to customers nationwide as promised in a reliable and smooth manner

**We aim to be an insurance company with a sense of “warmth”**

**by demonstrating the “quality unique to Japan Post Insurance” and achieving social mission**



※Well-being : Everything is fulfilled physically, mentally and socially.

# 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"> <li>Thoroughly implement customer-oriented business operations and regain customers' trust</li> </ul>	<ul style="list-style-type: none"> <li>Based on appropriate solicitation processes, deploy activities for customers to understand and be satisfied with our insurance services</li> <li>Rebuild relationships of trust through careful after-sales follow-ups of customers</li> </ul>
	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>	<ul style="list-style-type: none"> <li>Build new Japan Post Insurance sales system with the aim of strengthening initiatives, etc. for the protection-centered insurance market</li> <li>Enhance insurance services to meet the coverage needs of customers of all generations</li> <li>Improving efficiency of business operations by DX<sup>1</sup> promotion</li> <li>Achieve greater depth and sophistication of asset management in anticipation of a new capital regulation</li> </ul>
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>	<ul style="list-style-type: none"> <li>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</li> </ul>
	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>	<ul style="list-style-type: none"> <li>Contribute to the resolution of social issues through the achievement of the Company's social mission</li> <li>Provide services that are closely connected to social issues including health promotion, nursing care, inheritance, etc.</li> </ul>

## 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, feel employee satisfaction (ES) while growing together with the company</li> </ul>	<ul style="list-style-type: none"> <li>Reinvigorate communication between management and employees and share future vision</li> <li>Support diverse career formation, reinforce management capabilities</li> <li>Achieve more flexible and diverse work styles</li> </ul>
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>	<ul style="list-style-type: none"> <li>Reinforce corporate governance</li> <li>Reinforce prevent money laundering and criminal activity, etc.</li> <li>Based on ERM<sup>3</sup>, maintain the financial soundness while secure revenue and appropriately return to shareholders</li> </ul>

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

## Financial Targets, etc.

	FY2025
<b>Customer satisfaction<sup>1</sup> NPS<sup>®2</sup></b>	Customer satisfaction Aim for 90% or more <b>NPS<sup>®</sup></b> Aim for One of the highest in the industry
<b>Numbers of policies in force</b>	20 million or more policies
<b>Net income</b>	¥ 91.0bn (FY2023 ¥ 78.0bn)
<b>Divided-per-share (DPS)</b>	In principle aim not to decrease but to increase dividend per share for the period of the Medium-term Management Plan
<b>EV growth (RoEV)</b>	Aim for 6% to 8% growth <sup>3</sup>

## ESG Targets

CO <sub>2</sub> emissions
<p><b>FY2030 (compared to FY2019)</b> Reduce 46%<sup>4,5</sup></p> <p>▼</p> <p><b>Aim to achieve carbon neutrality by 2050<sup>5</sup></b></p>
Ratio of female managers
<p><b>FY2030</b> <b>the ratio of female managers at the head offices: 30%<sup>6</sup></b></p> <p>（ 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 ）</p>

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

# Relaxation of Additional Restrictions under the Postal Service Privatization Act

- In Japan Post Group's 'JP Vision 2025', Japan Post Holdings disclosed that they would dispose of their equity interests in the two financial subsidiaries to lower the holding ratio to 50% or less as early as possible and Japan Post Holdings will hold 49.90% of voting rights in the Company after acquisition of treasury stock, etc<sup>1</sup>.
- After acquisition of treasury stock, etc., additional regulatory restrictions relating to new businesses under the Postal Service Privatization Act will be relaxed and the Company will further provide insurance services to meet our customers' needs.
- Although Japan Post Holdings will hold 49.90% of voting rights in the Company after acquisition of treasury stock, Japan Post Holdings will remain a parent company of the Company.

JP Vision 2025 (Excerpt)	Item	Additional Restrictions under the Postal Service Privatization Act
<p>Improvement of the management flexibility through early disposal of shares in the two financial subsidiaries</p> <ul style="list-style-type: none"> <li>■ We will aim to dispose of our equity interests in the two financial subsidiaries to lower the holding ratio to 50% or less as early as possible during the period of JP Vision 2025.</li> <li>■ After that, we will proceed with deliberations on the disposal of our equity interests in the two financial subsidiaries.</li> </ul> <p>[ Shareholdings in two financial subsidiaries ]</p> <div style="text-align: center;"> <p><b>Japan Post Holdings</b></p> <p><b>Japan Post Bank</b> (Approx. 89% Current share → <b>50% or less</b> During JP Vision 2025)</p> <p><b>Japan Post Insurance</b> (Approx. 64.5% Current share → <b>50% or less</b> During JP Vision 2025)</p> </div>	<p><b>New business</b></p>	<p>【Until Japan Post Holdings disposes of 50% or more of all the shares of the Company】</p> <ul style="list-style-type: none"> <li>■ Approval by specified ministers<sup>2</sup> (a hearing at the Postal Service Privatization Committee is required)</li> </ul> <p>【After Japan Post Holdings disposes of a 50% or more of all the shares of the Company until the designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ Notification to competent ministers (obligation to consider competitors, notification to Postal Service Privatization Committee is required)</li> </ul> <p>【After designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ No regulations under Postal Service Privatization Act (regulations under Insurance Business Act will continue)</li> </ul>
<p>Voting rights of Japan Post Holdings in the Company after acquisition of treasury stock and disposal of shares in the Company through a trust for share disposal after May 2021</p> <p style="text-align: right; font-size: 24pt;"><b>49.90%</b></p>	<p><b>Limit on coverage amount</b></p>	<p>【Until the designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ Prescribed in a cabinet order (a hearing at the Postal Service Privatization Committee is required to revise) <ul style="list-style-type: none"> <li>- Limit on coverage amount: in principle, ¥10 mn (total of ¥20 mn after 4 years have elapsed since start of coverage (age 20-55))</li> </ul> </li> </ul> <p>【After designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ No regulations based on Postal Service Privatization Act</li> </ul>
<p><b>Achieve the Postal Service Privatization and relaxation of Additional Restrictions</b></p>	<p><b>Subsidiary</b></p>	<p>【Until the designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ Prohibited from acquiring or holding as a subsidiary or merging with any insurance company <ul style="list-style-type: none"> <li>- no specific statutory rules applicable to our minority investments, which is acquiring voting rights below 50%</li> </ul> </li> </ul> <p>【After designated date<sup>3</sup>】</p> <ul style="list-style-type: none"> <li>■ No regulations based on Postal Service Privatization Act</li> </ul>

1. The Company has resolved matters related to the acquisition of its treasury stock at a meeting of the Board of Directors held on May 14 2021. After acquisition of treasury stock, Japan Post Holdings plans to dispose of shares in the Company through a trust for share disposal
2. Specified ministers: Prime Minister (Commissioner of the Financial Services Agency) and Minister of Internal Affairs and Communications
3. Designated date: The earlier of (i) the disposal of 50% or more of Japan Post Holdings' equity interest in the Company and the determination by the Prime Minister and the Minister for Internal Affairs and Communications that the additional restriction does not apply to the Company and (ii) the disposal of Japan Post Holdings' entire equity interest in the Company

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# Continuous initiatives for regaining customers' trust

- 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.”
- 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.

- Thoroughly implement activities based on the “new sales approach” under the appropriate solicitation process

### Old sales approach

- “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

### New sales approach

- Activities based on the solicitation policy<sup>1</sup>, “standard model of Japan Post Insurance products (such as customer-first proposals)”<sup>2</sup>
- 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

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.

- Faithfully do our utmost to regain customers’ trust
- Rebuild trustful relationships through careful follow-up support of our customers
  - 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



Thorough implementation of the PDCA cycle

Strengthening of checking systems and control

Enhance risk sensitivity, verify and review the effectiveness of improvement measures

Prevent policies that are not in line with customers’ intentions

Thorough implementation of customer-first business operation

Rebuilding trustful relationships with customers

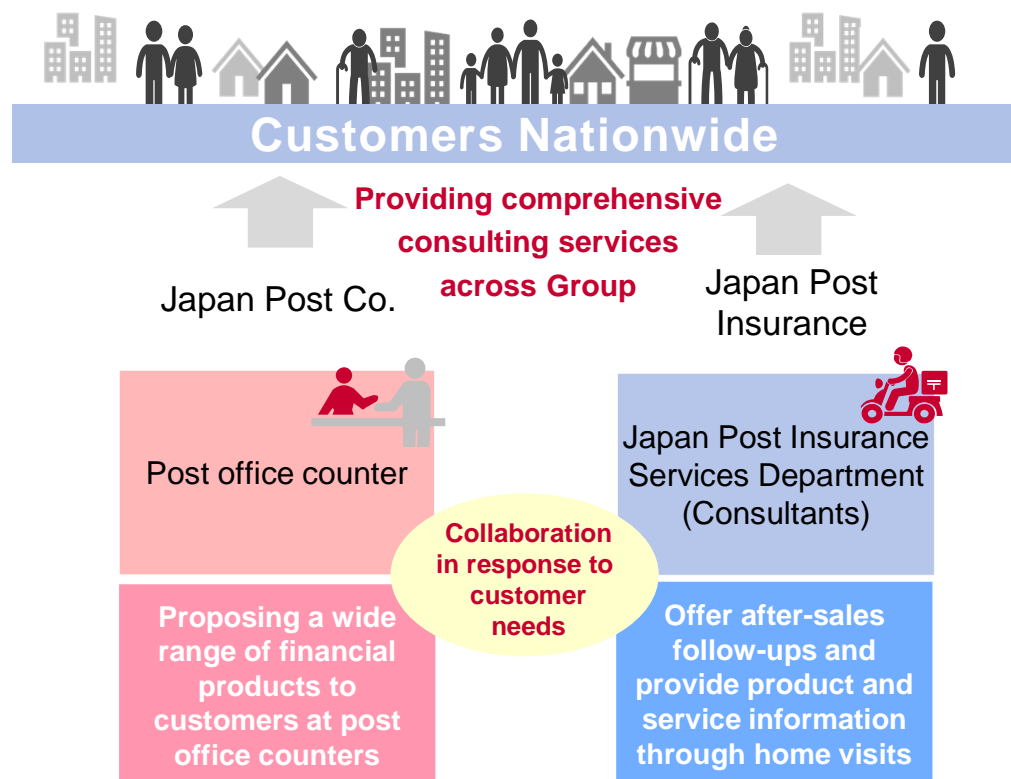
Pledge to Regain Customers' Trust

Scheme to ensure effectiveness

# 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 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.

## New Japan Post Insurance sales system



## Features of the new Japan Post Insurance sales system

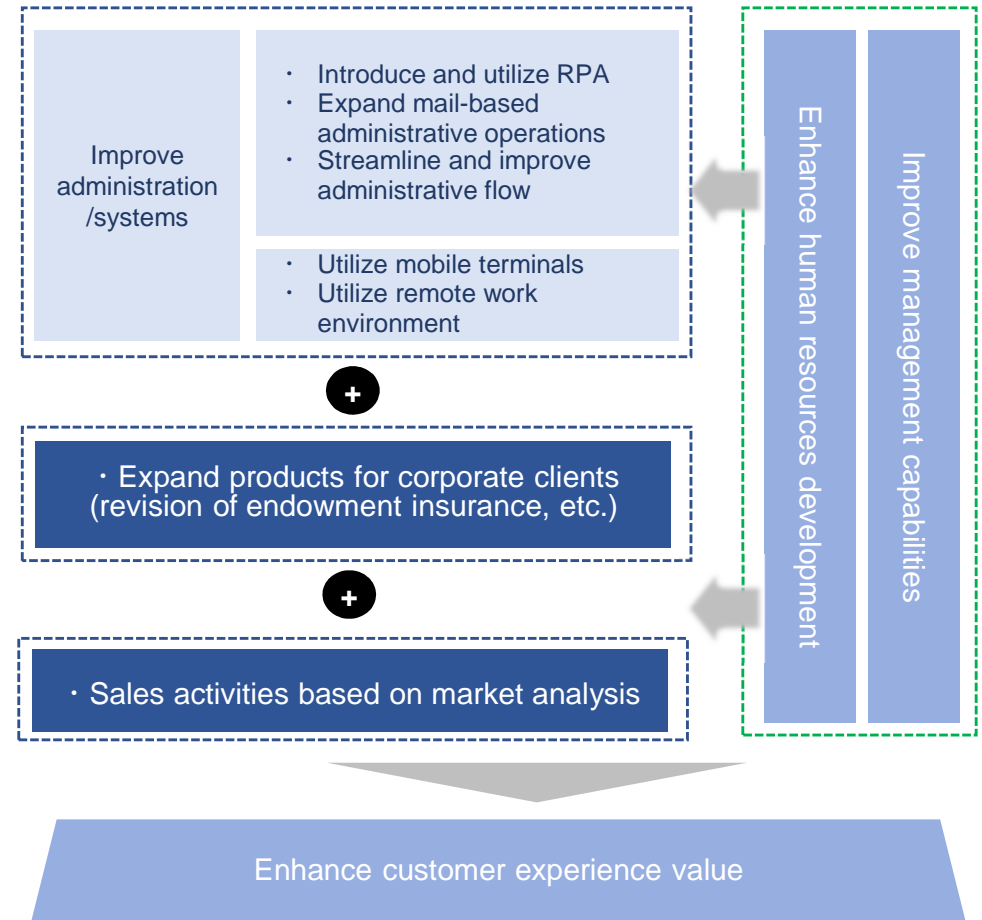
- 1** Establishing consultants as insurance specialists
  - Consultants will be dedicated to proposing life insurance and providing after-sales follow-ups. They will engage in high quality sales activities by ensuring proper solicitation quality
  - Japan Post Insurance will create a new system allowing 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

# Initiatives of the Wholesale Department

- Based on trust from corporate clients, we will contribute to the sustainable growth of the company through close communication with their management.
- We will improve customer experience value based on the good solicitation quality, through needs-based product revisions and administrative/system improvements.

## Main Initiatives

1	Enhance human resources development and improve management capabilities	<ul style="list-style-type: none"> <li>● Strengthen relationship with management through close communication</li> <li>● Multiple training programs designed to further enhance expertise in corporate management</li> <li>● Enhance employee productivity through improvement in management capabilities</li> </ul>
2	Improve administration/systems	<ul style="list-style-type: none"> <li>● Establish an adequate environment surrounding solicitation processes and provide efficient support for activities through promoting digitalization</li> </ul>
3	Expand products for corporate clients	<ul style="list-style-type: none"> <li>● Revisions products facilitating employee benefits (revision of endowment insurance, etc.)</li> <li>● Enhancement of products and services that will meet the diverse management needs</li> </ul>
4	Sales activities based on market analysis	<ul style="list-style-type: none"> <li>● Roll out sales activities utilizing database marketing</li> <li>● Develop a scheme for rolling out sales activities in new markets such as mid-sized corporations, through careful market analysis</li> </ul>



# Enhancement of insurance services

- We will progress the development of insurance services that respond to the protection needs of customers of all generations in an age of 100-year life.
- We will provide insurance products that connect the generations and support the lives of our customers.

## Responding to insurance coverage needs for all age groups and situations



### Want to prepare against risk with low premiums

- Young and middle-aged needs for generous protection at low premiums

### Want to prepare against economic uncertainty

- Traditional insurance needs, such as unexpected injury and illness, risk of nursing care needs, and corporate employee welfare and benefits needs

### Want to live a secure and healthy old age

- Needs for living a secure and healthy old age, striving for health promotion and improved well-being\*, while preparing against the risk of prolonged old age

※Well-being : Everything is fulfilled physically, mentally and socially.

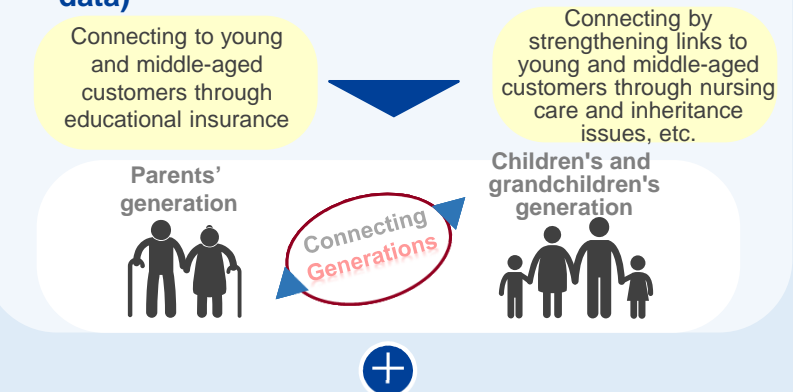
### Want to prepare for inheritance and asset succession

- Senior citizens' needs concerning inheritance and asset succession to children and grandchildren

## Insurance services that meet customers' protection needs

### Future product development directions

- Provide balanced protection at low premiums (revision of enhancement of medical rider coverage, etc.)
- In light of the age of 100-year life, expand products that meet protection needs, etc. for the elderly and middle-aged and senior adults (expand of coverage ,etc.)
- Research products that will contribute to healthy longevity (collection and use of health promotion data)



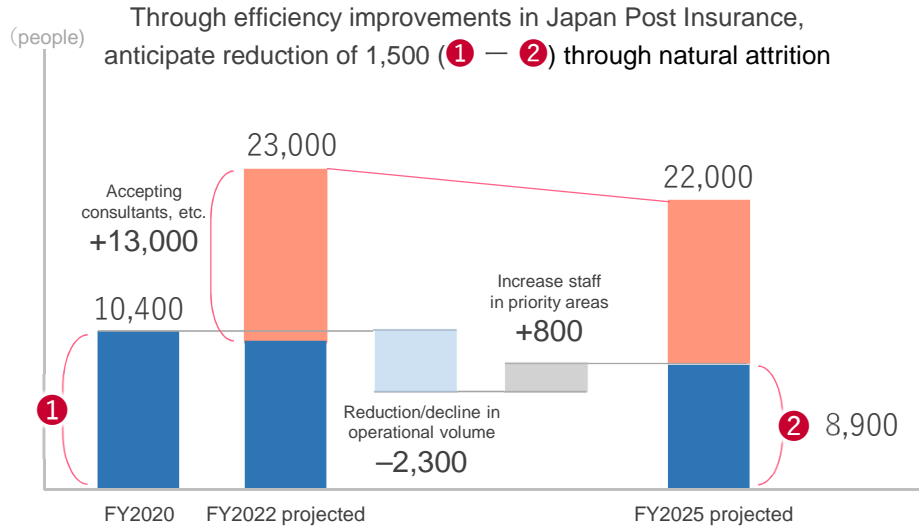
### Services that support the lives of our customers

- Japan Post Insurance will become a trusted part of customers' lifestyles, providing not only services to support major life events but also support for the challenges they face in everyday life.

# Boosting efficiency of business operations

- We will improve customer service, boost the efficiency of operations, and reduce costs by promoting digitalization.
- The management resources freed up by higher efficiency will be shifted to priority areas such as customer support and DX promotion.

## Outlook of Personnel Numbers



\* Premised on accepting 13,000 temporarily assigned consultants, etc. in April 2022  
 \* Anticipate improvements in admin. area due to CX/DX promotion, and concentration of operations in shared divisions

### Major reduction of workload

Workload equivalent to reduction of 2,300 staff, etc.

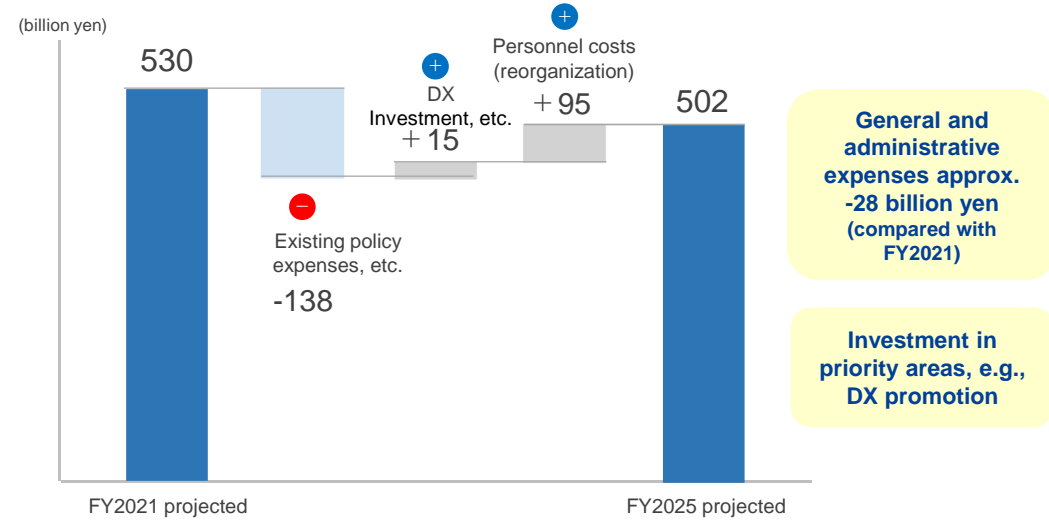
- Efficiency improvements in service centers, etc. through DX promotion

### More personnel in priority areas

+800 staff  
Shift to priority areas (e.g., customer support area)

- Reinforcement of customer support operations (customer service centers, etc.)

## Reduction of Necessary Expenses / Investment in Priority Areas



General and administrative expenses approx. -28 billion yen (compared with FY2021)

Investment in priority areas, e.g., DX promotion

### Reduction in expenses

- Productivity improvements in system development, etc.
- Reduction of various policy expenses, decline in depreciation and amortization, decline in commission fees, etc.

### Investment in priority areas

- Investment in systems for DX promotion, etc.

[Reference] Scale of strategic IT investment during the Medium-term Management Plan: 100 billion yen in five years

# Achieving greater depth and sophistication of asset management

- 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 progress ESG investment that create a sense of warmth unique to Japan Post Insurance.

## Deepening 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 method responses to the introduction of the new solvency regulation

## Promotion of ESG investment

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



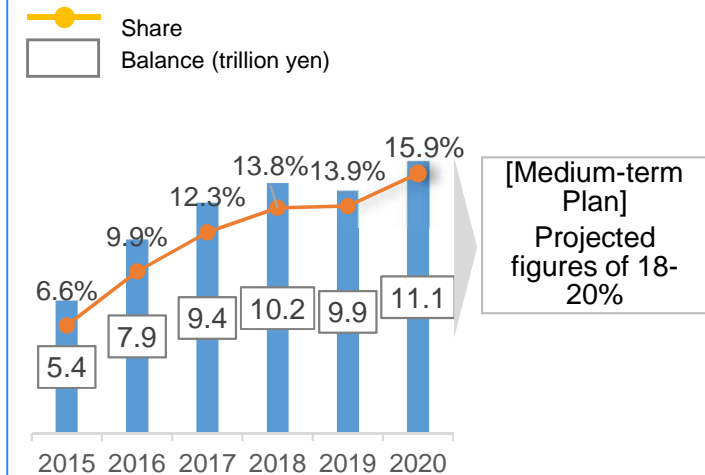
- Promoting theme-based investment and financing focusing on priority areas of well-being\* improvement, regional and social development, and environmental conservation including climate change based on our ESG investment approach.
- More proactive investment and financing that contributes to the achievement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



Investment in solar power generation business

※Well-being : Everything is fulfilled physically, mentally and socially.  
 [Reference] ESG Investment Policy (URL): [https://www.jp-life.japanpost.jp/aboutus/csr/responsible\\_investment/esg.html](https://www.jp-life.japanpost.jp/aboutus/csr/responsible_investment/esg.html)

## Return Seeking Assets



## ESG Investment

Total power generation output from renewable energy facilities that we lend money to and invest in

March 31, 2021		Output*
Domestic	equity	18.8
	debt	14.0
Overseas	equity	19.7
	debt	8.2
Total		60.7

Target of 1.5 million kW under the Medium-term Plan

\* Unit: 10,000 kW, after calculating the Company's holdings



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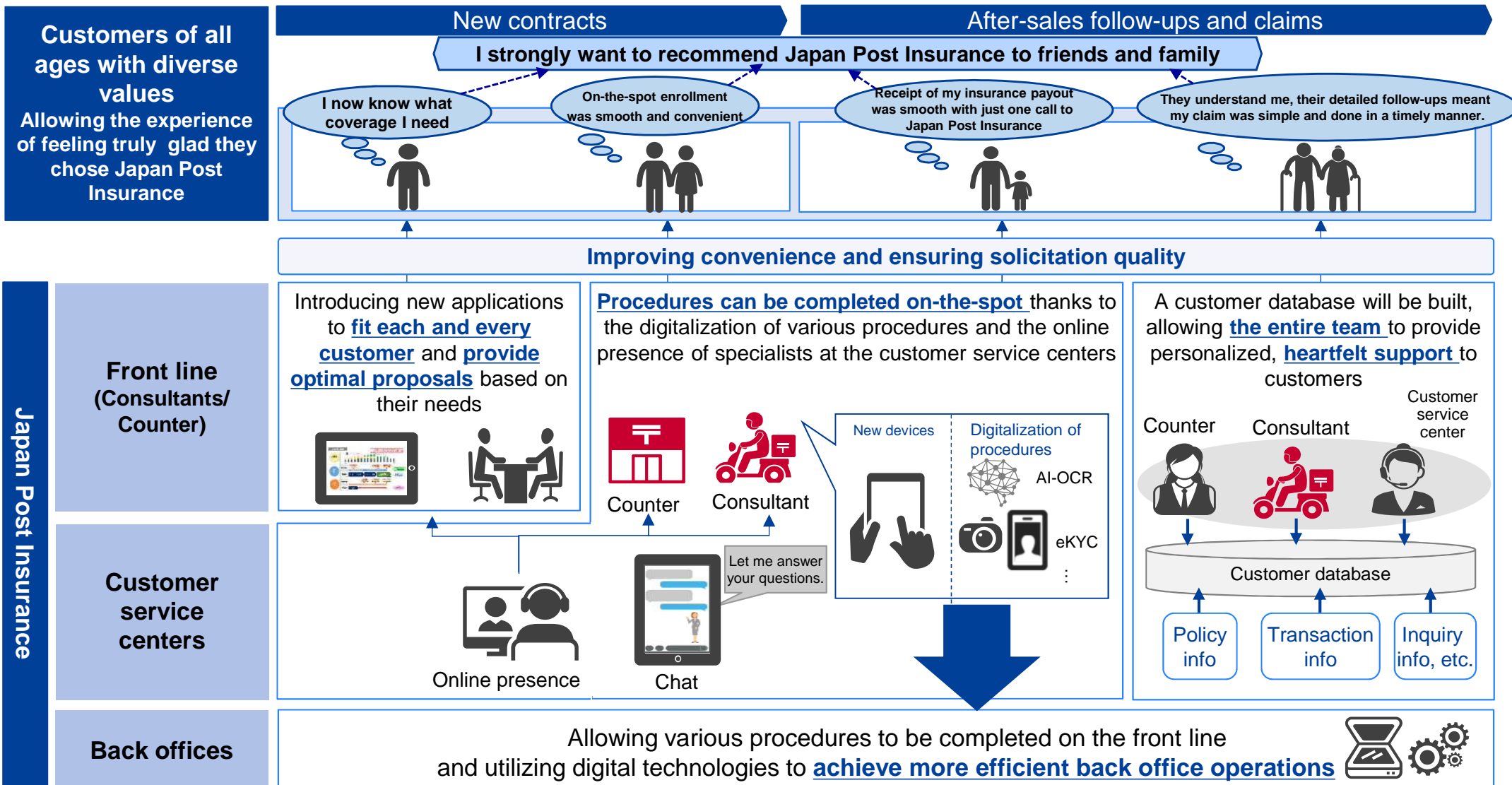
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# Improving customer experience value (CX)

- We will implement a sweeping review of insurance services from the perspective of boosting customer experience value and improve customer convenience and solicitation quality to ensure customers feel truly glad they chose Japan Post Insurance.
- Customers who are satisfied with the customer experience value will communicate the experience to their family members, friends, regions and society as a whole, expanding our customer base.





# Investment in Systems Infrastructure and Necessary Initiatives for Enhancing Customer Experience Value

- We will integrate physical and digital processes to create a business model that allows customers to complete procedures on the spot. That will make our services more convenient and improve customer experience value while streamlining business operations and improving productivity.
- We will create system infrastructure compatible with the latest technologies for driving those initiatives.

## 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

**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

**System infrastructure for customer service centers**

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

**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



## Provide Services Combining Physical and Digital Processes

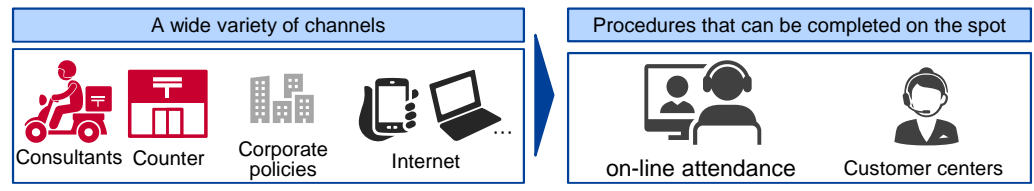
Enhancement of convenience

**Provide simple procedures that can be completed on the spot, with a wide range of channels**

- Select online or face-to-face channel, etc., depending on customer needs
- Reduce burden of claim-filing procedures to enable elderly customers to receive insurance claims with peace of mind, without fail

**Enhance after follow that focus on the relationship with customers**

- create frequent contact points with customers to meet their needs by utilizing digital technologies

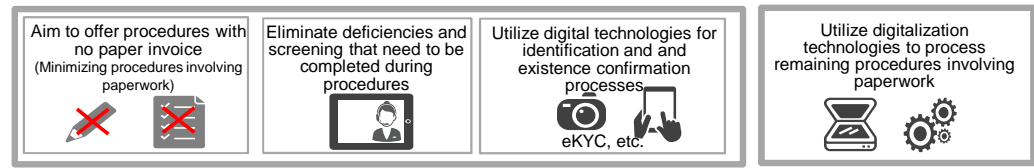


Promote streamlining and improving productivity

**Leverage digital technologies to offer procedures that can be completed at the frontline**

- Introduce application and claim-filing procedures that can be completed at the frontline by utilizing digital technologies, thereby streamlining back office administrative operations requiring manpower
- Management resources generated by the streamlining will be shifted to focus areas such as customer support operations

[Application and claim-filing procedures]



### Develop system infrastructure for enhancing customer support

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

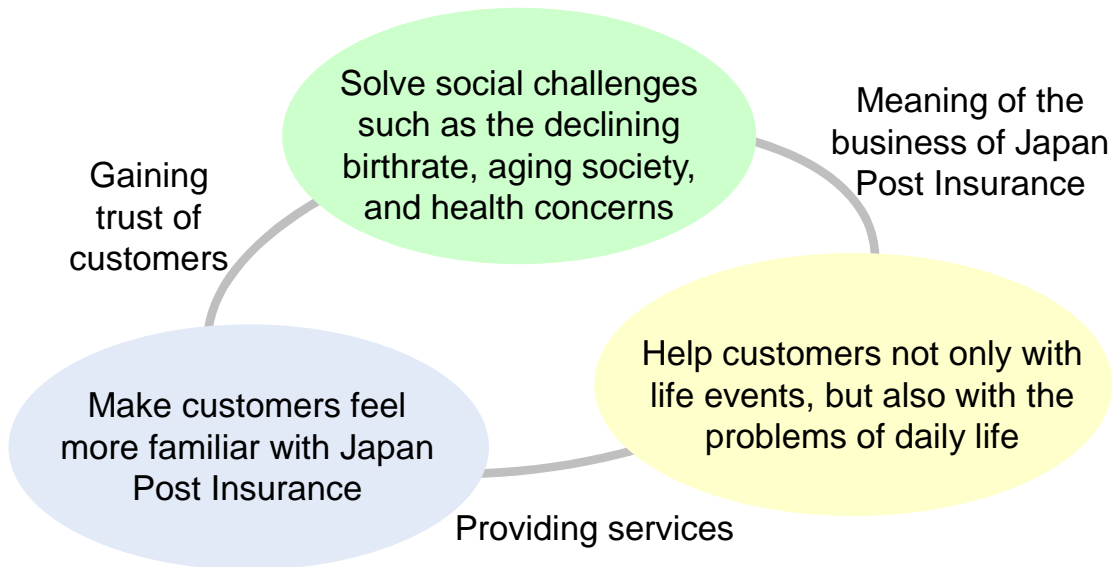
※In addition to "investments" in financial accounting, this includes expenses related to strategic IT.

# Providing services that are close to the daily lives of customers

- By demonstrating the meaning of our business and providing services that are close to the daily lives of customers, we aim to solve the social challenges facing our customers, such as the declining birthrate, aging society and health concerns.
- We will consider how we can provide services that make customers feel more familiar with Japan Post Insurance, thereby gaining their trust.

## Our Vision

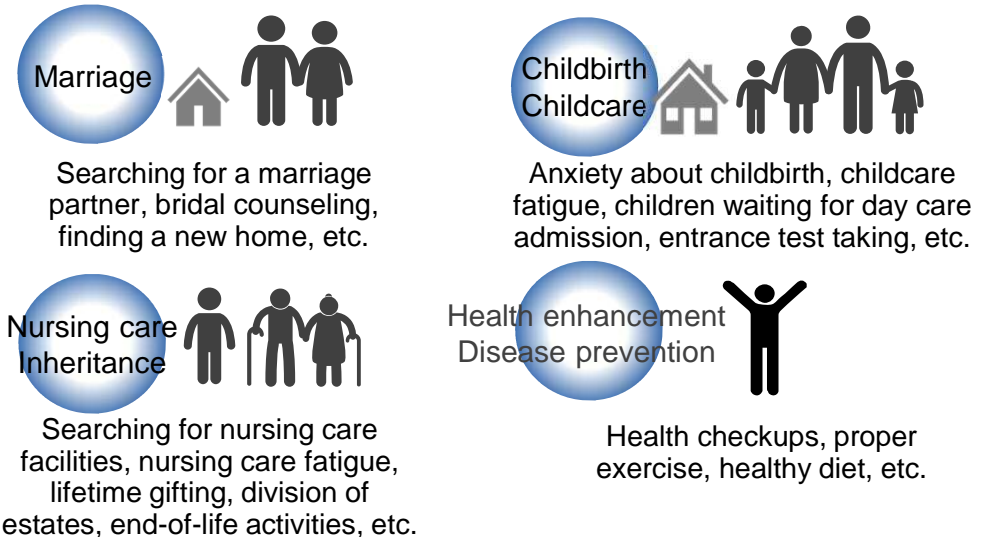
Further build relationships of trust with customers through the resolution of social challenges



## Make Japan Post Insurance more familiar to customers

Aim to provide services that respond to the diverse concerns of customers

[Examples of worries and concerns that customers have]








### Services to support life events

(Considering the provision of new services rooted in daily life, including food, clothing, and housing as well)

# Promote ESG Management (Contribute to Resolving Social Challenges)

- Contribute to resolving social challenges by performing our social mission. Aim at achieving SDGs by working on five prioritized challenges (materiality).

Social Mission	Social Challenges (Materiality) to Address with Priority	Main Initiatives
Provide basic protection and promote understanding of protection	<p>Provide insurance products and services through our network of post offices, etc.</p> 	<ul style="list-style-type: none"> <li>Provide basic protection and services through our network of community-based post offices</li> <li>Integrate our 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>
Respond to social needs	<p>Contribute to the development of communities and society and environmental conservation</p> 	<ul style="list-style-type: none"> <li>Initiatives for carbon neutrality<sup>2</sup></li> <li>Initiatives in accordance with the TCFD proposal</li> <li>Promote ESG investment</li> </ul>
Reliable and smooth payout of insurance claims	<p>Extend healthy life expectancy through health promotion, etc. - Increase well-being<sup>4</sup></p> 	<ul style="list-style-type: none"> <li>Popularize radio exercise</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>
Sustainable business foundation	<p>Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself</p> 	<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>
	<p>Corporate governance supporting the meaning of our business and social mission</p> 	<ul style="list-style-type: none"> <li>Regain customers' trust</li> <li>Thorough compliance</li> <li>Strengthen corporate governance</li> </ul>

CO2 emissions  
FY2030 (compared to  
FY2019)  
Reduce 46%<sup>1,2</sup>

Aim to achieve  
carbon neutrality by 2050<sup>2</sup>

FY2030  
the ratio of female  
managers at the head  
offices: 30%<sup>3</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

ESG investment (Total power generation output from renewable energy facilities that we lend money to and invest in)  
Aim for 1.5 million kW during the Med-Term Management Plan period

Make improvements in the employee satisfaction surveys every year

Rate of taking childcare leave:  
100% for both male and female employees

Rate of employees with disabilities:  
2.5%

- 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.
- 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.
- 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.
- Everything is fulfilled physically, mentally and socially.

1. Vision of Japan Post Insurance  
Basic policy and Targets  
for Medium-Term Management Plan(FY2021 - FY2025)

2. Reconstruction

3. Sustainable Growth

4. Foundation of Reconstruction and Sustainable Growth

# Reformation of Corporate Culture and Work Style

- We aim to be a company where employees and management share the future vision, and each and everyone grows together with the Company while feeling employee satisfaction (ES).
- We will strive to establish an environment that allows diversified human resources to choose various work styles.

## Reformation of corporate culture

Revitalizing communication between the management and employees

- Conduct regular dialogues between the management and employees
- Continue to conduct the employee proposal system, and utilize it for business improvement

Support for diverse career formation

- Create systems for each employee to set up his or her career plan
- Show career path to synchronize growth of company and growth of each employee

Initiatives to strengthen management capabilities

- Achieve management reform to enhance human resource development
- Rebuild human resources development and training systems for managers

Enhance the personnel evaluation system

- Establish an evaluation system that allows each employee to work on improvement
- Reform to an objective evaluation system by introducing a mechanism to evaluate as an organization

## Work style reform

Autonomous improvement activities

- Promote autonomous improvement activities at each organizational unit, based on the results of the employee satisfaction survey
- Realize diversified and flexible work styles, including remote work and mobile work

Diversity

- Help active participation of female employees in all areas
- Provide support for balancing work and childcare/nursing care, etc.
- Promote employment of persons with disabilities and help them work on a long-term basis
- Expand LGBT Ally and permeate its understanding

## Targeted Goals

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

# Strengthening of Governance

- We will conduct strengthening of governance and thoroughly implement customer-first business operation.
- We will take customer's voice, employee voice as a valuable property and improve customer service , business operation.

## Corporate governance

- Create an environment for the Board of Directors to fulfill its functions including appropriate responses to revisions to the Corporate Governance Code
- Continue efforts to strengthening of governance through evaluation of the effectiveness of the Board of Directors, etc.

## Internal audits

- Promote audits using the risk-based approach and management audits from a medium- to long-term perspective
- Promote early detection of risks focusing on offsite monitoring and internal audits on important issues regarding internal control
- Secure and develop highly professional audit personnel and build a human resources portfolio

## Measures to prevent money laundering and other financial crimes

- Reinforce efforts against money laundering and financing of terrorism by building systems to detect and respond to risks. We also establish an organization dedicated to countermeasures
- Further promote cashless operations to prevent financial crimes, as well as continuing and thoroughly implementing employee education
- Fostering and instilling compliance and risk awareness so that all employees can act risk-sensitively and autonomously

## Personal information protection and information security

- Provide responses and support based on increasing information security risk in line with the DX promotion
- Comply with the amended Act on the Protection of Personal Information
- Reinforce the cybersecurity management system (improvement in IT technology and development of systems assuming more sophisticated cyberattacks)



# ERM and Capital Policy

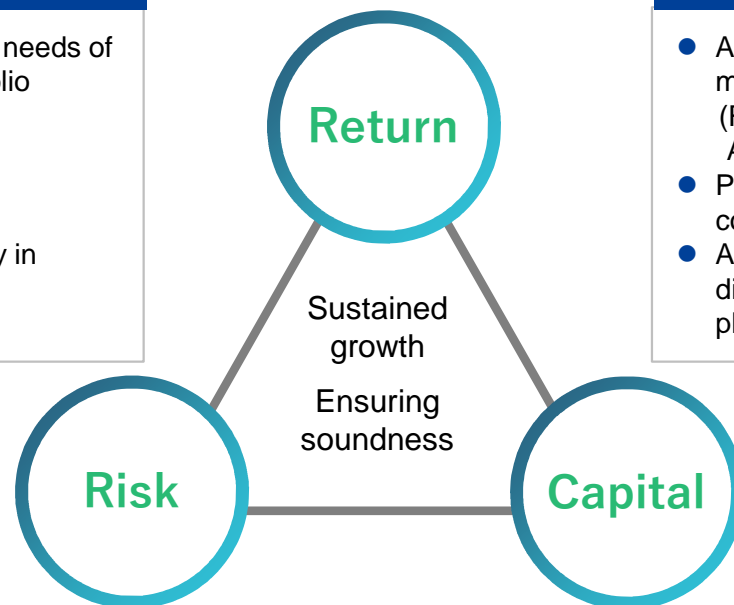
- Based on ERM under our Risk Appetite Statement, we will ensure soundness in business operation while achieving sustained growth and the medium- to long-term enhancement of corporate value.
- We will aim to secure revenue and give due consideration to efficiency in terms of capital and risk while ensuring financial soundness.
- Recognize that the distribution of profit to shareholders is an important policy of management, we aim to secure profits while maintaining financial soundness and return them to shareholders stably based on ERM.

## Improvement of return against risk

- Develop insurance services to satisfy protection needs of customers of all generations and shift to a portfolio centering on protection-type products
- Engage in deeper and more sophisticated asset management to maximize return against risk (Return seeking assets: approx. 18% to 20%)
- Invest in DX while promoting improved efficiency in business operation (Reduce necessary costs by ¥28.0bn)

## Improvement of capital efficiency

- Aim for growth exceeding estimated capital costs in the medium- to long-term (RoEV of 6% to 8%<sup>1</sup>)  
Assumed capital cost ratio: around 6%)
- Pay due consideration to costs and quality in the capital composition and maintain soundness of the financial base
- Aim for an increase in per-share dividends and never reduce dividends, in principle, during the medium-term management plan



1. A value obtained by excluding the "difference between the economic assumption and actual results" from the EV variance factors.

## Maintaining financial soundness

- Establish and maintain the minimum financial soundness and the assessment criteria (Maintain financial soundness: The minimum solvency margin ratio of 400%, the standard solvency margin ratio of 600%, and ESR (economic solvency ratio) of 100%)
- Aim for the medium- to long-term stability of ESR while refining measurement methods in anticipation of the introduction of new capital regulations
- Commence responses to the introduction of new capital regulations, including reduction of interest rate risks

# Reference



# (Reference) Achievement in Pervious Medium-Term Management Plan

- We have been focusing on regaining customers' trust as a response the solicitation quality issues since FY2019. thus the target of annualized premiums from policies in force was not achieved.
- We exceeded EPS target mainly due to less than expected operating expenses as a result of refraining from proactive sales activities.
- We achieved DPS target ahead of schedule.

	Items	Target(FY2020)	Actual result(FY2020)
Top Line	Annualized premiums from policies in force	Approximately ¥ 4.9tn	¥ 3.89tn
Bottom Line	Earning per Share (EPS)	¥ 155 (reference) Net Income ¥ 93.0bn	¥ 295 (reference) Net Income ¥ 166.1bn
Shareholder Return	Dividend per Share (DPS)	¥ 76	¥ 76
Asset Management	Return Seeking Assets	Approximately 15%	15.9%
Efficiency	Reduction of administrative workload	Equivalent to 1,000 staff	<b>Equivalent to 1,050 staff</b> <small>Reduction of usual administrative workload equivalent to 850 staff                      +                      New administrative workload (regaining customers' trust etc.)                      200 staff</small>

<Disclaimer>

Forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of this document's disclosure. Please note that actual results may differ materially from such forward-looking statements herein due to various factors including changes in the operating environment, interest rates or general economic conditions or other future events and circumstances.