

About Japan Post Insurance

1. Basic Principles of Management	8
2. Management Tasks	8
3. Business Profile	13
4. Initiatives Related to Corporate Social Responsibility (CSR) Priority Issues	16

1. Basic Principles of Management

Since the start of our operations in October 2007, utilizing the combined strength of the Japan Post Group through our integrated operations with Japan Post, our Company is dedicating itself to management tasks such as strengthening our sound manage-

ment base. To that end we have been guided by our management philosophy of aiming to become "Japan's most familiar and trusted insurance company."

2. Management Tasks

As a member of the Japan Post Group, we aim to become the "No. 1 Japanese insurance company selected by customers". In doing so, we will focus on the following management tasks, while keeping in mind that ensuring the quality of our product solicitation and achieving thorough compliance form the foundation of our operations.

1. Strengthen our sound management base

While promoting initiatives to incorporate customer feedback in our operations, we will strive to ensure the quality of our product solicitation and achieve thorough compliance, which form the foundation of our operations.

Through enterprise risk management (ERM), we intend to achieve the optimum balance between maintaining financial soundness and improving capital efficiency (profitability). At the same time, we will work to attain stable and sustainable profit and enhance our corporate value.

2. Establish systems for simply, quickly and accurately performing functions ranging from underwriting to claims payments

We will review all our business processes from the customer's perspective and implement "Comprehensive and Heartfelt Services" at every point of customer contact.

To reinforce our insurance policies management structure and provide high quality services, we will build administrative operations and IT systems for simply, quickly and accurately performing functions ranging from underwriting to claims payments.

3. Strengthen sales capabilities of our sales channels

In order for our solicitation activities to provide a sense of security for elderly customers, we need to ensure the quality of our product solicitation. While doing so, we aim to build a 20,000-people network of post office external sales personnel by making joint efforts with Japan Post to hire, train and develop excellent sales staff.

The Wholesale Divisions in our directly managed sales offices will bolster their sales capabilities by offering our own products and those of other life insurance companies to corporate customers.

Becoming the No. 1 Japanese insurance company selected by customers

Moving onto a growth path and improving corporate value

1

Strengthen our sound management base

2

Establish systems for simply, quickly and accurately performing functions ranging from underwriting to claims payments

3

Strengthen sales capabilities of our sales channels

Launched Sales of *Hajime no Kanpo* Educational Endowment Insurance

Our educational endowment insurance products, originally launched in September 1971 by the then Ministry of Posts and Telecommunications, have been used by a large number of customers. To respond to their diverse, ever-changing needs, we updated these products and commenced sales of *Hajime no Kanpo* (official names: Educational Endowment Insurance (H24) and Educational Endowment Insurance (H24) (without Premium Protection Agreement)) in April 2014.



(1) Revised Point

Responding to customers' main requirement for accumulating funds for children's future education, we have reduced child death benefits and consequently lowered insurance premiums.

(2) Product Features

●Feature 1: Highly savings based

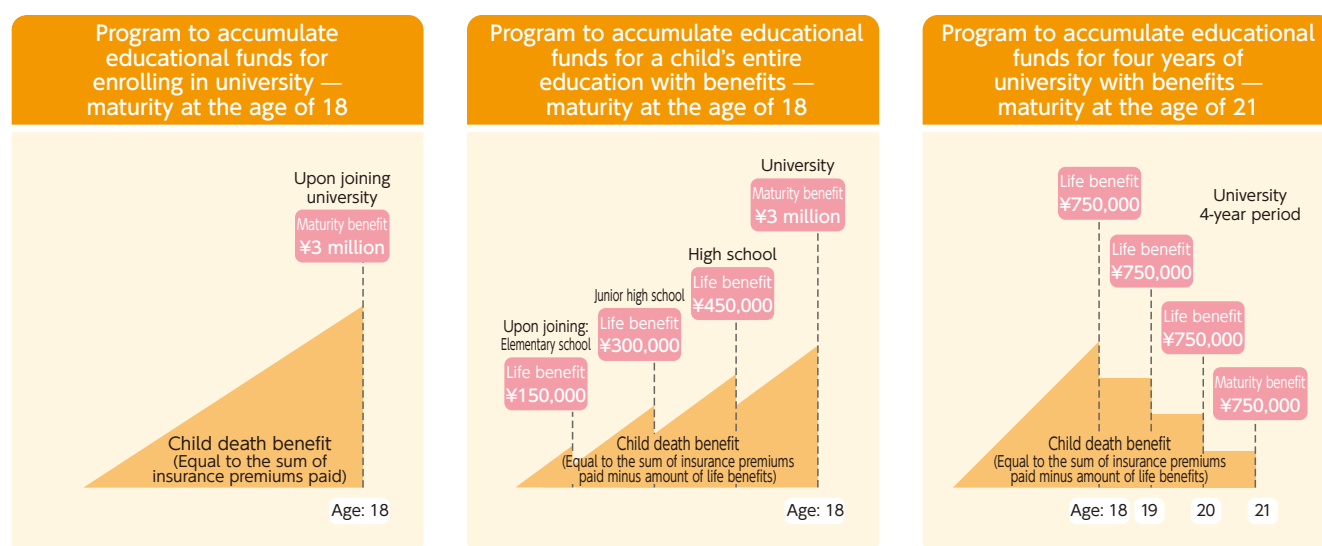
These new products yield higher return (sum of benefits received / sum of premiums paid) compared with our conventional products, enabling customers to efficiently accumulate educational funds.

●Feature 2: Allowing application for insurance before birth

Our educational endowment insurance is available for purchase as early as 140 days prior to the estimated delivery date.

●Feature 3: Three insurance programs to choose from

We offer three programs from which customers can choose the one best suited for the purpose of their respective educational funds.



We will continue to further promote the development of products in order to provide products that are readily available and useful for our customers.

(3) Held “*Hajime no Kanpo* Campaign”

We held the “*Hajime no Kanpo* Campaign” from April 2 through to May 30, 2014 to promote sales of our revised educational endowment insurance, *Hajime no Kanpo*.

During the campaign, we encouraged customers to participate in a quiz and a drawing. Various prizes, including water ovens, fan heaters and other home electric appliances, were given to a total of 50 winners.

For customers who asked for a case design [policy summary] (excluding insurance proposals and annuities) we offered original “baby chick” goods and other items as a giveaway.

In addition, policy holders who asked for a case design (excluding insurance proposals and annuities) were also encouraged to participate in a drawing. A total of 1,500 winners received a gift catalog from which they could choose a desired item.



(4) *Hajime no Kanpo* TV Commercials

Upon the launch of sales of *Hajime no Kanpo* educational endowment insurance, we started broadcasting the 12th series of TV commercials featuring Yoshihiko Inohara as *Kanpo-san* (Mr. *Kanpo*) on March 21, 2014.

In this new “Magic Trick” series, *Kanpo-san* visits a family with a newborn baby and explains our new educational endowment insurance while performing magic tricks. The parents and the baby

enjoy his magic tricks tremendously, watching as a plate showing the illustration of a baby chick appears out of nowhere on the table, which then turns into a big stuffed baby chick.

Through the heartwarming conversation between friendly *Kanpo-san* and the parents wishing to support the baby's future dream, this TV commercial announces the sales of *Hajime no Kanpo* and describes its features in an easy-to-understand manner.

“Comprehensive and Heartfelt Services” (Activities for Following Up on the Contents of Policies)

In October 2010, we rolled out a joint effort with post offices to provide “Comprehensive and Heartfelt Services” to customers across the country at the postal counter and through home visits.

Through these activities, we will endeavor to bring even greater satisfaction and confidence to our customers.



(1) Aim and Intent of “Comprehensive and Heartfelt Services”

These services are designed to enhance our customer services. Activities, which are undertaken at the counter or through home visits, include verifying with policyholders the details of coverage provided by their respective insurance contracts and identifying

any missed claims, as well as explaining procedures for receiving benefits, applying for cashless transactions and using an option that allows a designated third party to request insurance benefits.

(2) Major Activities

● We use leaflets shown on the right as a tool to notify the following to customers

● Procedures for receiving benefits (early notification)

We provide notification in advance to explain to customers the procedures for receiving maturity or living benefits to ensure that they receive payments on the day on which these benefits become payable.

● Additional or missed claims

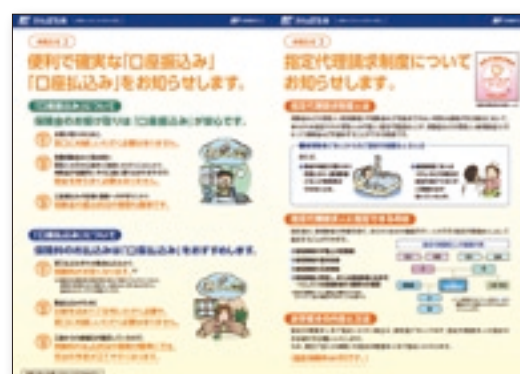
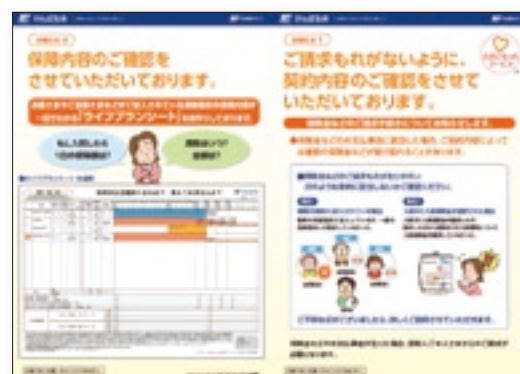
We check to identify any additional benefits, such as hospitalization benefits, other than those filed by policyholders, and when customers hold multiple policies, make sure that they have made every insurance claim to which they are entitled.

● Various services

We notify customers of various services that provide greater convenience to them, including direct deposit of benefits to and payment of premiums from bank accounts as well as an option to designate a third party to request insurance benefits.

● Coverage details

We prepare a life plan sheet (easily comprehensive policy summary) for each customer to help them check the coverage details and assist them in reviewing and revising their insurance coverage.



We have received favorable feedback from our customers for these activities, with many finding these services useful in identifying missed insurance claims and reconfirming their coverage details.

Currently, our home visit activities focus on policyholders who will soon be receiving maturity or living benefits. We plan to ex-

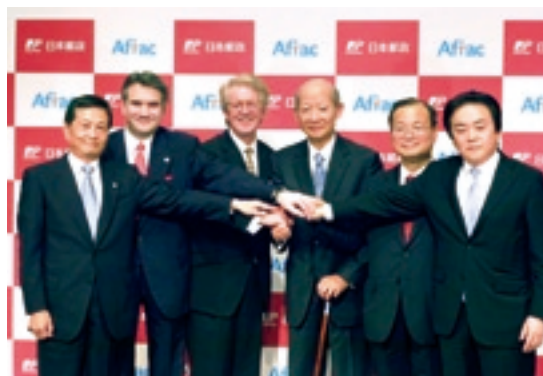
tend the scope of our activities in the future to include other opportunities and other policyholders.

We will continue to provide “Comprehensive and Heartfelt Services” to customers at the counter and through home visits, with a view to bringing even greater satisfaction to them.

Japan Post Holdings and Aflac to Form a Business Alliance

On July 26, 2013, Japan Post Holdings and American Family Life Assurance Company of Columbus (Aflac) reached a basic agreement concerning the formation of a business alliance.

Japan Post Holdings, receiving trust from customers throughout the country via its nationwide network of post offices, and Aflac, a leading company in the field of cancer insurance, have agreed to form an additional alliance to improve customer satisfaction and raise the corporate value of each company by offering higher quality products and services. The formation of this alliance is based on the recognition that further strengthening the existing cooperative relationship between the two companies will serve to maximize synergies in the field of insurance business.



Details of the Business Alliance

1) Increasing the number of post offices of Japan Post Co., Ltd. (Japan Post) handling cancer insurance

Japan Post plans to gradually increase the number of post offices selling Aflac's cancer insurance products from 2,980 (as of March 3, 2014) to eventually 20,000 post offices nationwide.

2) Starting new businesses at Japan Post Insurance in relation with Aflac's cancer insurance products

After obtaining approval from the relevant authorities and concluding an agency agreement with Aflac, the 79 directly managed sales offices (branches) of Japan Post Insurance intends to start selling cancer insurance products of Aflac and provide training and guidance to Japan Post in relation with sales of cancer insurance.

3) Development of insurance products exclusively handled by the Japan Post Group

Through discussion with the Japan Post Group, Aflac will consider the development of cancer insurance products which will be exclusively handled by Japan Post and Japan Post Insurance.

New Business concerning Cancer Insurance

Pursuant to Article 138 (3) of the Postal Service Privatization Act, Japan Post Insurance submitted new business applications to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications on April 16, 2014. These applications are related to sales of cancer insurance products of Aflac and the provision of training and guidance on cancer insur-

ance to Japan Post. We received approval of these businesses on June 27, 2014.

We started operation of these businesses in July 2014 and believe they contribute to providing better convenience to customers and ensure the stability of our operations.

3. Business Profile

Business Operations Framework

Japan Post Insurance aims to provide services that meet customers' needs with a high degree of customer satisfaction through an extensive nationwide network of post offices serving as a base for sales of our products and handling related procedures.

(1) Supply Network for Products and Services

Japan Post Insurance uses both agencies (the post offices of our business partner Japan Post and its contracted post offices) and directly managed sales offices (branches of Japan Post Insurance) as its sales channels.

1) Agency sales channel

Japan Post sells insurance services through its post offices, which can be found in every corner of the country. Japan Post makes use of these post offices as a nationwide supply network for simple and easy-to-understand products sold in small amounts using easy procedures, as well as the supply of associated services, primarily targeting households and individuals.

We have set up an agency support organization (Agency Relations Division) in our 79 directly managed sales offices (as of March 31, 2014) to support sales promotion, training and development, and administrative affairs. Furthermore, leveraging our unique strengths, we work with Japan Post in developing insurance products that meet customers' needs, in developing new

markets and service channels, and in upgrading sales processes.

As of March 31, 2014, a total of 20,101 post offices sell our life insurance policies.*

Like post offices, contracted post offices provide customers with our simple and easy-to-understand products and services.

As of March 31, 2014, there are 623 contracted post offices with which Japan Post Insurance has life insurance sales agency agreements.

* Some contracted post offices do not sell insurance services, but will refer prospective customers to a post office that does.

2) Directly managed sales offices

Japan Post Insurance has Wholesale Divisions in its 79 (as of March 31, 2014) directly managed sales offices, which serve all major Japanese cities. These divisions are responsible for selling policies and services primarily to companies and workplaces, mostly at

small-and mid-size companies and other entities. In addition to our own products and services, the divisions also sell products of other life insurance companies to corporate customers.

(2) Bases for Life Insurance Procedures

We use the nationwide network of post offices for a range of common procedures including the collection of premiums and the payment of benefits.

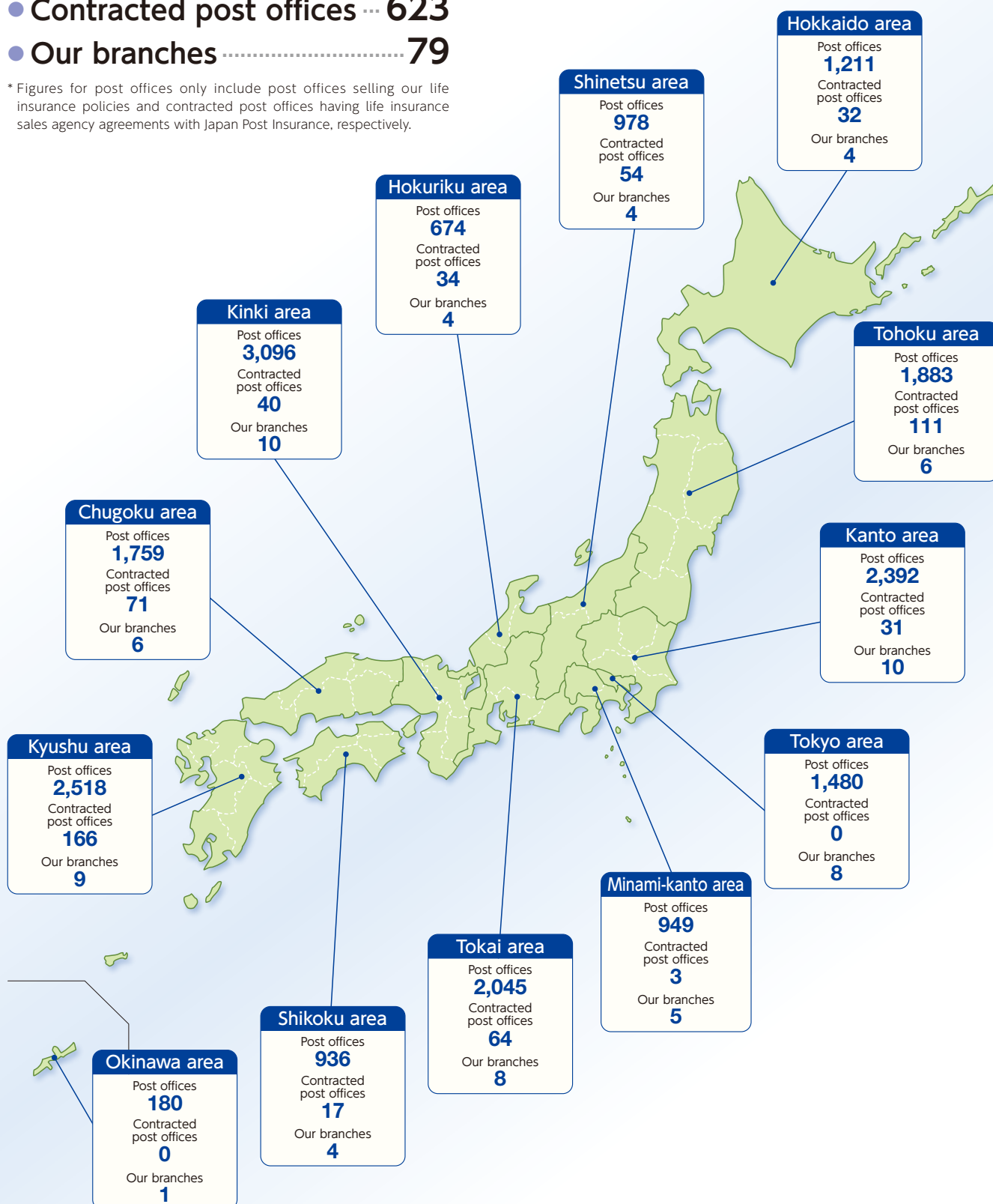
Upon privatization, the administration of postal life insurance policies was transferred to the Management Organization for Postal Savings and Postal Life Insurance, which consigned desig-

nated operations to Japan Post Insurance. We then sub-consigned certain operations to Japan Post, including the collection of premiums and the payment of benefits. This means that customers can access insurance services at post offices just as they did prior to privatization.

Nationwide Post Office Network and Number of Japan Post Insurance Business Bases (As of March 31, 2014)

- Post offices 20,101
- Contracted post offices ... 623
- Our branches 79

* Figures for post offices only include post offices selling our life insurance policies and contracted post offices having life insurance sales agency agreements with Japan Post Insurance, respectively.



Business Initiatives after Privatization

1) Consignment sales of corporate insurance products of other insurance companies and revisions of coverage of hospitalization riders

Japan Post Insurance submitted new business applications to the Commissioner of the Financial Services Agency and the Minister of Internal Affairs and Communications on November 26, 2007 pursuant to paragraphs (1) and (3) of Article 138 of the Postal Service Privatization Act. We received approval for consignment

sales and new hospitalization riders on April 18, 2008.

We believe these business operations contribute to making our services more convenient for customers and stabilizing our operations.

2) Deregulation of investment instruments (including derivatives)

We submitted applications pursuant to Article 138 (2) of the Postal Service Privatization Act to the Commissioner of the Financial Services Agency and the Minister of Internal Affairs and Communications on October 4, 2007, requesting the deregulation of the investment instruments available for its portfolio management. On December 19, 2007, we received permission to begin investing in syndicated loans (participation type), trust beneficiary

rights and certain other assets.

Having completed setting up investment systems for syndicated loans (participation type) and other deregulated portfolio investments, we are now progressively using these investment products with a careful eye to market conditions. Our goals are to diversify risk and improve profitability and other performance factors through the diversification of our investment methods.

3) Approval for revisions of educational endowment insurance

We submitted an application to the Commissioner of the Financial Services Agency and the Minister of Internal Affairs and Communications on September 3, 2012 pursuant to Article 138 (1) of the Postal Service Privatization Act, requesting approval for revisions to our educational endowment insurance products. We received approval subject to conditions on November 30, 2012 and received further approval regarding these conditions

on January 24, 2014.

Compared with our conventional products, revised *Hajime no Kanpo* educational endowment insurance products are more savings based and offer greater efficiency in accumulating funds for children's future education. It is our belief that sales of these products will serve to provide increased convenience for customers and further stabilize our operations.

4. Initiatives Related to Corporate Social Responsibility (CSR) Priority Issues

Being engaged in the life insurance business, which entails a strong community role, Japan Post Insurance works to uphold its customers' trust and provide them with peace of mind by actively seeking ways to contribute to society. Our activities in this field are centered on the three strategic pillars of "encouraging social and community contribution," "creating a people-friendly business environment" and "promoting environmental conservation activities."

Encouraging Social and Community Contribution

Among the initiatives to encourage social and community contribution, we have been assisting people in promoting their health through such efforts as the Radio Exercise program, which has a history of 85 years.

(1) Radio Exercise and Japan Post Insurance

The Postal Life Insurance Bureau of the Ministry of Communications created the Radio Exercise program in 1928 in an effort to maintain and improve people's health. The Ministry introduced the program in celebration of the enthronement ceremony of the Showa Emperor.

Japan Post Insurance, which was created as a result of the privatization and split-up of the original Japan Post, has assumed the role of promoting the exercise program, first undertaken by the Ministry of Communications and then by its successors, namely the Ministry of Posts and Telecommunications, Postal Service Agency and Japan Post prior to privatization. We have been

working together with NHK (Japan Broadcasting Corporation) and the non-profit organization (NPO) Japan Radio-taiso Federation for its popularization and promotion.



Poster for the initial Radio Exercise program (1929)



2014 Radio Exercise Attendance Card

Milestones

1928	Radio Exercise (then National Health Exercise) program began
May 1951	NHK started broadcasting the Radio Exercise No. 1 program on its Radio 1 channel
Around 1952	Distribution of Radio Exercise Attendance Cards started
July 1953	Summertime Radio Exercises Tour commenced
Oct. 1962	Festival of 10 Million People's Radio Exercise launched
Sept. 1999	<i>Minna no Taiso</i> ("Exercise for Everyone") program began

(2) Popularization and Promotion of Radio Exercise Program through Various Events

● Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone")

As one of our major Radio Exercise events, we hold the Festival of 10 Million People's Radio Exercise and *Minna no Taiso* every summer, aiming to get 10 million people around the country to participate together in Radio Exercise and *Minna no Taiso*. This event is broadcast live nationwide over NHK's Radio 1 and on its General TV channel and is also broadcast through its international broadcasting service to overseas viewers.

In the fiscal year ending March 31, 2015, the 53rd Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") was held on Sunday morning, August 3, 2014, at Kobe Universiade Memorial Stadium in Kobe City, Hyogo Prefecture.

The early start did not deter some 8,000 people from taking part. Radio Exercise fans from around the country were joined on the day by local elementary school students and their parents and teachers.



At the 53rd Festival of 10 Million People's Radio Exercise and *Minna no Taiso* (on August 3, 2014, Kobe City, Hyogo Prefecture)



●Summertime and Special Radio Exercise Tours and *Minna no Taiso* (“Exercise for Everyone”)

We conduct an annual Summertime Radio Exercise Tour and *Minna no Taiso* during the 43-day school summer vacation period from July 20 to August 31, visiting 43 venues around Japan (including one venue for the Festival of 10 Million People’s Radio Exercise and *Minna no Taiso*).

We get great turnouts for every one of these events, as the program has become a tradition during the school summer vacation period in Japan.

In addition, we run a Special Radio Exercise Tour and *Minna no Taiso* every year from April to the end of October (excluding the summer tour period), stopping at about 10 venues across the country mainly on Sundays or public holidays.

These events are broadcast nationwide on NHK’s Radio 1.

Note: Details of the schedule and venues for the Summertime and Special Radio Exercise Tours and *Minna no Taiso* in the fiscal year ending March 31, 2015 are available on our website (<http://www.jp-life-japanpost.jp/> (written in Japanese)). We hope to see you all there.



Summertime Radio Exercise Tour and *Minna no Taiso* event (on July 23, 2013, Echizen City, Fukui Prefecture)



Summertime Radio Exercise Tour and *Minna no Taiso* event (on August 12, 2013, Miyazaki City, Miyazaki Prefecture)

(3) Radio Exercise Sessions at Elementary Schools

With the aim of fostering the sound growth of children through the Radio Exercise program and popularizing and promoting the program further, we dispatch NHK (Japan Broadcasting Corporation) Television and Radio Exercise instructors and assistants to provide Radio Exercise sessions at elementary schools.

During the fiscal year ended March 31, 2014, we held Radio Exercise sessions at 18 elementary schools across the country. Children from each school discovered the joy of physical exercise and using their muscles while having a fun time.



Radio Exercise session (on September 5, 2013 at Osawano Public Elementary School, Toyama City, Toyama Prefecture)

(4) Radio Exercise ☆ Delivery of One Point Lessons

Our Radio Exercise ☆ Delivery of One Point Lessons is a workplace exercise session “delivered” to companies and other organizations, in which Radio Exercise instructors and assistants teach the audience body movements key points and their effects included in the exercise program.

During the fiscal year ended March 31, 2014, we held sessions at 18 companies. Participants learned the right movements in the Radio Exercise program, with many promising to continue to exercise through the appropriate and effective program. Through this service, we are helping people build and improve their health.



Eyecandy Co., Ltd.



Takinodai Denki Kogyo Co., Ltd.

(5) Hosting a Public Talk on People's Health

We held the "Japan Post Insurance Public Talk on People's Health 2014" in Kobe City, Hyogo Prefecture on Saturday, March 1, 2014.

Under the theme of "Keep Your Spirit of Challenge and Tackle the Future," the event started off with a speech by wrestling coach Kazuhito Sakae of Shigakkan University, the wrestling club of which is famous for turning out a number of Olympic gold medalists, and moved on to a talk session on the topic of promoting physical and mental health with Saori Yoshida, a gold medalist in the women's wrestling event at the London 2012 Summer Olympics.



Public Talk on People's Health (on March 1, 2014, Kobe City)

(6) Local Community Contribution Activities by Business and Service Bases

Employees of our business and service bases nationwide volunteer for local community activities such as local cleanup projects and blood donation drives.

[Examples of Our Activities]

●Business and Service Bases' Neighborhood Cleanup Projects

As a voluntary initiative, our business and service bases regularly conduct activities to clean up their respective neighborhoods. These bases also participated in "Clean Up the City" events, working with fellow residents to beautify their neighborhoods. In the year ended March 31, 2014, employees from 68 bases conducted cleanup activities 101 times in total.

●Cooperation for Blood Donation Drives

During the year ended March 31, 2014, a total of 61 business and service bases cooperated in blood donation drives.

●Participation in Volunteer Walks

In the year ended March 31, 2014, employees and their families from 20 business and service bases took part in "Ashinaga P-Walks" in aid of orphaned children.

●Volunteering in Recycling Activities

In the year ended March 31, 2014, PET bottle caps, used postage stamps and other similar items were collected at 55 business and service bases and donated to social welfare councils and other relevant organizations.



Cleanup activities (Sendai Branch, Tohoku Area Headquarters)



Cleanup activities (Nara Branch)



Cleanup activities (Head Office)

Creating a People-Friendly Business Environment

(1) Holding a Child Care Support Event

Wishing to aid child rearing in a fun way and foster the sound growth of children and to support the victims of the Great East Japan Earthquake and recovery of the disaster-stricken areas, we held "Kanpo Kids Smile World® 2013" in the three prefectures of Iwate, Miyagi and Fukushima.

The event provided various programs that are fun for both parents and children. They enjoyed a Radio Exercise session, a stage show by local children and a workshop to make pinwheels, and took home many delightful memories of the day.



At "Kanpo Kids Smile World® 2013"

(2) Opening of Kanpo Healthy Café

Under the theme of promoting health through food, we held a recipe contest jointly with COOKPAD, a Japanese recipe website providing a collection of user-posted recipes. The award-winning recipes were on the food menu at the Kanpo Healthy Café, which opened for a limited four-day period from January 23 to 26, 2014 within the Royal Garden Cafe Aoyama in Kita Aoyama, Tokyo. The event drew much public attention as a new initiative to promote health through food.



Promoting Environmental Conservation Activities

(1) Energy Saving Efforts

As one countermeasure against global warming, we work to reduce carbon dioxide (CO₂) emissions through energy saving efforts at facilities owned by Japan Post Insurance. According to the results of an energy saving diagnosis and other surveys, we constantly renovate facilities and equipment and improve their operations to achieve greater energy savings.

With the aim of facilitating basic energy saving activities company-wide, we have developed a guidebook compiling specific examples of energy saving actions. Every employee takes part in energy saving efforts based on this guidebook to reduce CO₂ emissions and the use of copying paper.

(2) Japan Post Forest Program

The Japan Post Group has operated its Japan Post Forest program since the fiscal year ended March 31, 2009. Under this program, in collaboration with NPOs, local governments and similar organizations, the Japan Post Group allows its nationwide network of post offices to serve as a base for a wide range of activities, from reforestation to environmental education, for nurturing sustainable forests.

As part of the Japan Post Forest program, in cooperation with the NPO *Donguri-no-Kai*, the Group has designated an area in Kimitsu City, Chiba Prefecture, as the Japan Post Forest (*Kururi Donguri-no-Mori*) for its volunteer reforestation and forest-care activities (for hardwood trees).



Activities at the Japan Post Forest (*Kururi Donguri-no-Mori*)
(Kimitsu City, Chiba Prefecture)