



Special Feature

Dialogue between President, CEO, Representative Executive Officer and Outside Director

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Staying close to our customers 10, 20 years from now, and beyond

Since President TANIGAKI took office in June 2023, Japan Post Insurance has undergone a series of reforms. The question facing the Company now is how to increase corporate value while upholding the Japan Post Insurance brand.

The President spoke with SUZUKI Masako, an Outside Director, about where Japan Post Insurance is today and its future.

Looking back on a year when steady efforts began to bear fruit

——President TANIGAKI took office last year, marking the start of a new journey for Japan Post Insurance. Please look back on this past year and give your own honest assessment of how things have gone.

SUZUKI: I feel that, under the new system led by President TANIGAKI, the Company has sped up efforts to strengthen the sales force. The new Japan Post Insurance sales system is also in the second year, and the consultants who joined from Japan Post seem to have gradually settled into their roles at Japan Post Insurance. Also, with the introduction of a new personnel

training system, the Kampo GD System, and the launch of new products, the entire company, particularly the front line, seems to have been revitalized. Over the year, the various initiatives we have undertaken so far have interlinked and I feel that it was a year in which we saw comprehensive changes, which I evaluate highly.

TANIGAKI: When I assumed my role as President, I felt a profound sense of urgency about the dwindling motivation of the front-line employees for sales activities and the relentless decline in the number of policies in force. That's why we have been steadily promoting initiatives over the past year to build a medium- to long-term sales force with the aim of revitalizing Japan Post

Insurance. These efforts have resulted in a year of positive signs for further growth. We have seen a significant increase in new policies and other positive results from our company-wide efforts to regain our customers' trust. These actions have also led to an improvement in our employee satisfaction survey (ES survey). While we still have a long way to go on the road toward revitalizing Japan Post Insurance, I feel that we have taken a step forward as a company thanks to the hard work of each and every one of our employees.

——In May 2024, you conducted a revision of your Medium-Term Management Plan (FY2021-FY2025), which had been in effect for three years. What discussions took place at the Board of Directors during this review process?

SUZUKI: One major theme we addressed at the Board of Directors was how to strengthen our sales force to tackle the decline in the number of policies in force. Over several meetings, we actively discussed how to expand our customer base and whether the Company is aligning closely with customers.

TANIGAKI: During our discussions at the Board of Directors on strengthening our sales force, I also asked the Directors for their opinions on personnel matters. Covering topics like recruitment activities and career paths, we had intensive discussions from a long-term perspective beyond the fiscal year ending March 31, 2026, the final year of our current Medium-Term Management Plan. As part of that, I received suggestions that there should be more emphasis placed on the Japan Post Insurance brand or the Japan Post Group brand. This is in line with my own thinking. By linking the Japan Post Insurance brand and the Japan Post Group brand to sales activities and employee motivation, we will create an environment where each of our employees feels a connection to the Company and can work with confidence, pride, and dignity while aiming to become the most trusted and approachable life insurance company in Japan.

SUZUKI: Japan Post Insurance is carrying out a range of worthwhile initiatives, and properly communicating them to the world will lead to more topics of conversation with customers during sales activities, which will in turn boost employee confidence. This is something I'd definitely like to see the Company approach strategically. In addition, in terms of improving corporate value, the Company is focusing on adjusted ROE (return on equity) as an indicator of our management goals.

TANIGAKI: In line with our review of the current Medium-Term Management Plan, we have set financial targets of "adjusted profit," which is an indicator that partially adjusts for the effect unique to life insurance companies, where an increase in new policies lowers net income in the short term, and "adjusted ROE" based on this, to ensure that we provide stable shareholder returns using the adjusted profit as the source of funds. We will continue to strive for management with an awareness of the cost of capital and the stock price to improve capital efficiency and increase corporate value, all while maintaining financial soundness.

——In terms of strengthening the sales force, what are your views on the current status and your thoughts on the tasks ahead?

SUZUKI: I feel that the reform of the sales system in the fiscal year ended March 31, 2023, has ushered in a change in the overall atmosphere of the company. In particular, the direct management of consultants by Japan Post Insurance has allowed for a more thorough identification of issues in our sales activities, which has led to quicker improvements and solutions. In addition to this, by adopting an account manager system, I believe that the Company has succeeded in giving consultants and post office workers a greater sense of responsibility than ever before. This has made it possible to provide high-quality and detailed responses that stay close to every customer. That is why I am looking forward to seeing enhancements in after-sales follow-up services and improvements in customer contact points more than ever before. Even if our customers understand the details of their policies at the time of issuance, there are many who find that there are unclear points or may consider reviewing their policies when going through procedures and requests arising from changes in life stages. I believe these occasions are opportunities for us to build long-term relationships of trust with customers and their families, by sincerely addressing the problems faced by our customers, staying close to them at all times, and delivering peace of mind.

TANIGAKI: I think that Ms. SUZUKI has touched on a very important point here that goes to the heart of life insurance. Japan Post Insurance delivers the life insurance services that post office customers need in an easy-to-understand and meticulous way. Even after the policy is issued, we provide our after-sales follow-up services, which we are continuing to enhance in terms of both quality and quantity. For this, we are using a combination of face-to-face channels, such as our nationwide post office network and digital channels, which offer better convenience to customers. We will continue to strengthen our system more than ever before by establishing a new management organization at the head office. As I often remind our employees, no matter the changes in our business environment, we must never forget what life insurance is fundamentally about: bringing peace of mind to customers.

SUZUKI: Thank you. In order to strengthen our sales force, in addition to human resource development, new products that meet customer needs are also important.

TANIGAKI: Following the new medical care riders in April 2022 and revisions to educational endowment insurance in April 2023, we launched sales of lump-sum payment whole life insurance in January 2024, which has boosted our sales activities as this has allowed us to respond to more diverse customer needs than ever before. Going forward, we will make comprehended changes in the external environment, such as rising interest rates, and continue to enhance our product lineup that can respond more thoroughly to the diverse needs of each life stage and generation to give our customers peace of mind as we work to improve the appeal of savings-type products.

——One of the pillars of the Medium-Term Management Plan is “Grow into a sustainable and ‘strong company.’” The following have been set out as Japan Post Insurance initiatives: achieving greater depth and evolution of asset management; diversification of revenue sources and creation of new growth opportunities; and boosting the efficiency of business operations. Please tell us what you expect from these initiatives.

SUZUKI: Japan Post Insurance is an institutional investor with an asset portfolio worth around ¥60 trillion. The impact that the Company can have on the economy and society through its investments and loans is enormous, and by fulfilling out responsibilities as an investor, the Company has an opportunity to change society for the better. Japan Post Insurance is promoting the Impact “K” Project, its unique certification framework for impact investments, and pursuing industry-academia collaboration with universities. I expect that through these and other initiatives, the Company will help bring about a brighter future and a better society. In terms of diversification of revenue

sources, the Company has formed strategic business alliances with KKR, one of the world’s leading U.S.-based asset management firms, and its subsidiary Global Atlantic Financial Group; and capital and business alliances with Mitsui & Co., Ltd. and Daiwa Securities Group. I feel that through these initiatives the Company is steadily steering into new areas. I have high hopes that by strengthening cooperation with other companies with infrastructure that Japan Post Insurance itself lacks, the Company will be able to secure new profits and create opportunities for growth.

TANIGAKI: Thank you. Our domestic life insurance business is still our mainstay. But as Ms. SUZUKI has explained, by participating in overseas business and asset management operations through partnerships with other companies, we intend to expand the scope of our business, diversify our revenue sources and create new growth opportunities. In addition, we are promoting industry-academia collaborations to encourage investment in innovative technological development and businesses from academia. Through initiatives such as the establishment of impact funds, we aim not only to solve social issues and drive innovation, but also to develop the next generation of financial talent.

Advancing corporate reforms to revitalize the Japan Post Insurance brand

——As a foundation to support these initiatives, the Company is promoting initiatives for human capital management and corporate culture reform. What is your assessment of the current situation at Japan Post Insurance and the tasks ahead?

SUZUKI: The strengths of Japan Post Insurance derive in large part from its nationwide network of post offices and branches and the power of roughly 20,000 employees. The challenge is to promote initiatives for maximizing the power of these human resources. We have introduced the Kampo GD System and other measures as a system for developing our sales personnel, but human resource development cannot be achieved overnight. Change will happen gradually, so I think it is important to first ensure that these systems have taken hold properly. In corporate culture reform, it seems that there were some aspects where opinions were difficult to convey due to the relationship between supervisors and subordinates, or between the head office and the front line. However, in reality, each and every employee in the front line carries out activities that are closely connected to the actual situations and demands of the local community, and Japan Post Insurance has a unique culture and assets that other companies cannot imitate. During the investigation into the issue of improper solicitation activities, poor communication within the company was identified, but we have seen solid improvements in that regard. In addition to regular messages to all employees from top

management through the President’s Message, video content, etc., corporate culture reform is progressing steadily through such measures as Front-line Meetings, in which executives and other management visit locations nationwide and directly interact with employees, and the operation of Direct Suggestions to the President, where employees can submit various proposals directly to the President of Japan Post Insurance. For employees, knowing that their opinions are heard has a big impact on job satisfaction. This was clearly evident in the improvement in the employee satisfaction survey (ES survey) results. If dialogue with the executives and the President leads to improvements in the system and other areas, I hope that employee satisfaction will increase further, making our company an even better place to work.

TANIGAKI: We are tackling corporate culture reform from three angles. First, as Ms. SUZUKI said, is the people, which is the Company’s strength and the most important asset for a life insurance company. Employee communication was the point I placed the most emphasis on after I took office as President. Mutual respect among employees is vital. I believe that relationships of trust cannot be built unless colleagues, supervisors, and subordinates respect and acknowledge each other. The second is the connection between our employees with the company. Since they spend so much of their precious life at work, I want them to feel connected to each of their fellow workers, the workplace, and their jobs. Developing that connection to the company and workplace is a key factor in generating motivation to make even the smallest



improvements in customer service and the workplace. I think that if we can foster a corporate culture where each employee has a deep connection to the company and work with confidence and pride, we will become a truly strong company. The third is to evaluate people and work output from a positive perspective. I think a major point of our corporate culture reform is to create a culture where people can try again even if they fail, rather than looking at things negatively and saying, “This is no good” or “That is no good either,” and instead looking at things positively and saying, “We were able to do this much” and “This was good.”

SUZUKI: Having worked in sales in the past, when I visit various companies, I can tell the state of the company from the atmosphere for the employees. A company where employees work enthusiastically and greet each other cheerfully is a sign of a company that is easy to work in. At Japan Post Insurance, everyone greets me cheerfully when I walk down the corridor, so I think that it is a company where one can feel at ease.

TANIGAKI: I think those cheerful greetings say a lot about the atmosphere in the company. Work can be hard sometimes. It often doesn’t go the way you want it to. However, with the right kind of support from those around you and a good environment in the workplace, it can also be genuinely interesting and rewarding. We will continue to work towards fostering a workplace and corporate culture where each and every employee can respect each other as individuals, feel a connection to Japan Post Insurance, and work with confidence, pride, and a sense of purpose.

——**Ms. SUZUKI, as an Outside Director, what do you value and what do you perceive as your role?**

SUZUKI: Outside Directors have no executive role and can’t be directly involved in the running of the company. So, as I make comments, I take care to ensure that there are no gaps in my understanding. I also put importance on verifying whether my advice is being put into practice and whether my opinion was appropriate

decision. There is no point in just making a statement; I see it as part of my responsibilities to confirm whether the company has improved as a result of my input.

TANIGAKI: In evaluating the Company, Outside Directors refer not to the common sense of the Japan Post Group, but to the standards of society. We are incredibly grateful for all you do in checking the course of our management. I hope we can continue to receive your frank input going forward.

——**The Medium-Term Management Plan will end in 2025. What is the vision for Japan Post Insurance in ten or twenty years from now?**

SUZUKI: Whether it is in 10 years, 20 years, and 30 years from now, I believe Japan Post Insurance can become a long-running company that continues to earn the support of customers over the long term. Japan Post Insurance already has the infrastructure in place to achieve this and I feel that the rest comes down to how the Company takes the first action. If each employee acts positively and with confidence and pride, the Company will continue to gain the support of many people. I also hope that by utilizing the post office network, we will be able to achieve sustainable growth.

TANIGAKI: Thank you. Since its founding more than a century ago, Japan Post Insurance has been thoroughly responding to customer concerns about their lifestyles and their health, contributing to society, supporting Japan’s economic growth and creating the culture and market for life insurance. We believe this makes us the leading life insurance company in Japan. Our social mission of “protecting the means of fundamental livelihood of the public through simple procedures” has been passed down unchanged since our establishment and is clearly expressed in our current management philosophy: “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” Our focus is never ad hoc, short-term numbers or work. Through roughly 20,000 post offices and branches all over the country, we do not simply sell life insurance products. We provide our customers with peace of mind. The trust that we receive from our customers is the source of our corporate value, and with the brand image we have built up over the years as an asset, we will work hard together with all our employees so that we can continue to be close to, trusted and loved by our customers 10, 20 years from now, and beyond.