

## Overview of Business Strategy: Medium-Term Management Plan

### Reviewed Medium-Term Management Plan (FY2021-FY2025)

As three years have passed since the formulation of the Medium-Term Management Plan, we have reviewed the Plan based on changes in the internal and external environment and the progress of the Plan while maintaining basic policies such as thoroughly implementing customer-oriented business operations.

Changes in business environment		Main Points of the Reviewed Medium-Term Management Plan	
<b>External environment</b>	<ul style="list-style-type: none"> <li>From a world without interest rates to a world with interest rates</li> <li>Changes in customer contact points due to accelerated digitalization</li> </ul>	<b>1</b>	Through a post office network, etc., we maintain connections with customers as “a trusted partner easy to consult with”. <ul style="list-style-type: none"> <li>Expand product lineup that includes both savings- and protection-oriented features</li> <li>Enhance after-sales follow-up services via physical and digital means</li> </ul>
<b>Internal environment</b>	<ul style="list-style-type: none"> <li>Resumption of senior-citizen solicitation based on customer-oriented business operations</li> <li>Decrease in the number of sales employees amid a tougher hiring environment</li> </ul>		<b>2</b>
<b>Basic policy</b>		<b>3</b>	Promote human capital management/corporate culture reform
<b>Major progress</b>			<b>4</b>
<b>Reconstruction</b>	(i) Continue efforts to regain trust	Also, we will steadily progress with the other initiatives such as asset management and streamlining business operations	
	(ii) Reinforce business foundations		
<b>Sustainable growth</b>	(iii) Improve customer experience value		
	(iv) Promote ESG management (contribute solutions to social issues)		
(v) Corporate culture and work-style reform			
(vi) Reinforcement of governance, solvency policy			

Notes: 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

### Progress and Review of Primary Targets

Based on the progress of the Medium-Term Management Plan and changes in the business environment, we reviewed the primary targets as follows. We aim to achieve the bottoming out and upturn of the number of policies in force by continuing to focus on customer-oriented business operations and to achieve sustainable growth by introducing adjusted profit and adjusted ROE and implementing stable shareholder returns using adjusted profit as their source.

#### Progress and review of FY2025 financial targets, etc.

	Before Review	After Review	FY2023 Results		
<b>Reviewed</b>	<b>Number of policies in force (individual insurance)</b>	20 million or more policies	18.5 million or more policies	19.7 million policies Compared to end of FY2023/3: (6.1%)	Revise targets and continue efforts to retain and expand customer base in light of the decline in the number of policies in force
<b>New</b>	<b>Adjusted profit [Ref.: Net income]</b>	- [¥91.0 billion]	¥97.0 billion [¥80.0 billion]	Net income [¥87.0 billion] Change from FY2022: (10.8%)	Introduce adjusted profit to adjust for the effect of an increase in new policies leading to a reduction of short-term net income
	<b>Adjusted ROE</b>	-	Approx. 6%	-	Aim for stable growth exceeding the cost of shareholders' equity (approx. 6%)
<b>Unchanged</b>	<b>EV growth (RoEV<sup>1</sup>)</b>	Aim for 6% to 8% growth	7.6% (Ref.) FY2022: 3.1%		<b>[Forecast of number of policies in force]</b> 
	<b>Dividend 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	¥94 Compared to FY2022: +¥2		
	<b>Customer satisfaction<sup>2</sup> NPS<sup>3</sup></b>	Customer satisfaction: Aim for 90% or more NPS <sup>3</sup> : Aim for one of the highest in the industry	Customer satisfaction: 83% NPS <sup>3</sup> : Lower rank in the industry		

Notes: 1. Calculated by excluding economic variance factors  
 2. The total percentage of customers who responded as “satisfied” and “somewhat satisfied” in a 5-level rating of customer satisfaction  
 3. NPS<sup>3</sup> is an abbreviation for “Net Promoter Score” and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. (currently NICE Systems, Inc.)

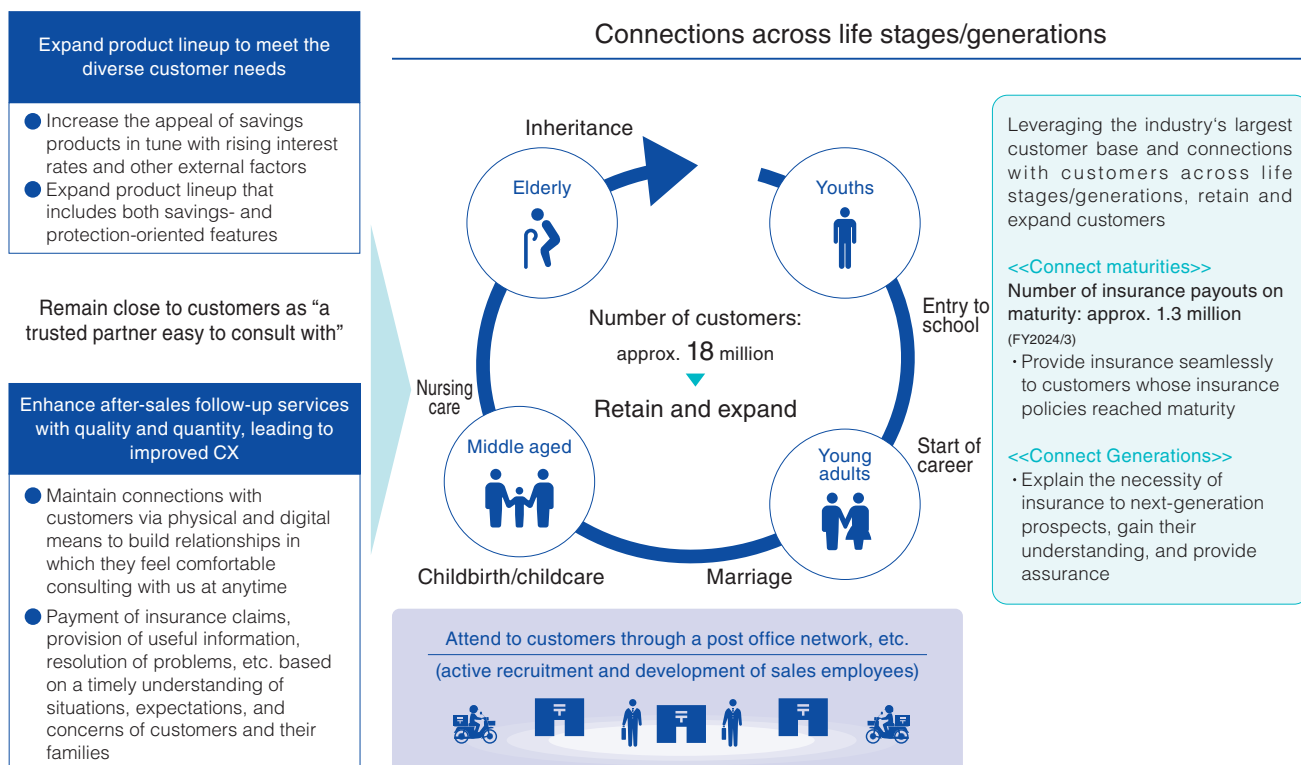
## Overall Picture of the Growth Strategies

While thoroughly implementing customer-oriented business operations, we aim to retain and expand customer base based on connections across life stages/generations, and grow into a sustainable and “strong company” that can secure a stable income.

“Unchanged” Value we offer	We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product.	
Retain and expand our customer base based on connections across life stages/generations	<ul style="list-style-type: none"> <li>● Increase the appeal of savings products in tune with rising interest rates and other external factors; expand product lineup to meet diverse customer needs</li> <li>● Enhance after-sales follow-up services with quality and quantity, leading to improved CX</li> </ul>	
	<ul style="list-style-type: none"> <li>● Along with a sense of familiarity as “post office insurance,” maintain connections with customers as “a trusted partner easy to consult with” and provide assurance across life stages/generations, aiming to retain and expand our customer base</li> </ul>	
Grow into a sustainable and “strong company”	Achieving greater depth and evolution of asset management	<ul style="list-style-type: none"> <li>● Secure and increase stable asset management earnings under appropriate risk management</li> <li>● Achieve greater depth and evolution of asset management that also contributes to promoting Japan as a “Leading Asset Management Center,” such as embarking on a new stage of sustainable investment focused on impact investments (Innovation 3.0).</li> </ul>
	Diversify sources of revenue/Create new opportunities for growth	<ul style="list-style-type: none"> <li>● Expand collaborations based on various alliances both in Japan and abroad; continue exploration to create new opportunities for growth</li> </ul>
	Streamline business operations	<ul style="list-style-type: none"> <li>● Proceed with personnel shift to production divisions and promote reduction of necessary expenses by streamlining front line/back-office operations</li> <li>● Reduce necessary expenses to ¥502.0 billion (FY 2026/3), while responding to inflation beyond expectations and strengthening investment in human capital.</li> </ul>

## Retain and Expand Our Customer Base Based on Connections across Life Stages/Generations

We will maintain connections with customers as “a trusted partner easy to consult with” and continue providing assurance across life stages/generations. To this end, we will work to expand our product lineup to meet diverse customer needs and further enhance after-sales follow-up services with quality and quantity.



## Strengthening the Sales System

### Message from the officer in charge

Become a reliable and casual advisor for each customer, and become a company that grows with customers

**SAKAMOTO Hidekazu**  
Senior Managing Executive Officer



Under the Company's sales strategy, our consultants (employees who work mainly by visiting customers' homes) and post office counter sales personnel endeavor to become a reliable and casual advisor for each customer and continue to provide peace of mind across life stages and generations, as we aim to become a company selected by customers and retain and expand the number of policies in force. Specifically, we will enhance after-sales follow-up services that deliver on both quality and quantity to understand diverse customer needs and expand our product lineup to meet those needs.

In expanding the product lineup, we will meet customer expectations by offering attractive savings-type products that can appeal to a wide range of customers, taking into account current changes in the interest rate environment, while proposing the necessary coverage to prepare for the unexpected, tailored to each customer's needs. [p.31](#) In enhancing after-sales follow-up services, we will improve customer experience value by enhancing after-sales support tailored to the customer's situation and convenience. To that end, we will promote DX and work on providing after-sales support that combines physical and digital means as a company-wide team. [p.33](#) In addition, we will work to actively develop and recruit consultants to enhance the people that underpin these initiatives. [p.28](#)

Through these initiatives, we aim to retain and expand our customer base by providing protection according to their life stage and passing on peace of mind that extends to the next generation.

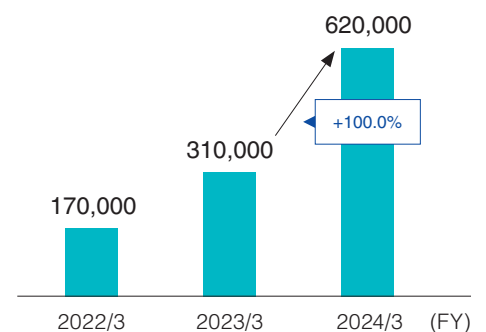
## Recognition of the Environment and Basic Strategy

As the population shrinks due to declining birthrate and the super-aging society progresses, we believe that our role in providing peace of mind in response to various anxieties and needs that change with the times will become even more important.

In order to provide insurance services that meet the diverse coverage needs of customers, in April 2022, we accepted more than 10,000 consultants and other employees seconded from Japan Post Co., Ltd. in April 2022 to be managed directly and responsibly by the Company. Through this, we have built a new Japan Post Insurance sales system that combines our expertise and the breadth of post office counters to realize comprehensive consulting services provided by Japan Post Group as a whole.

In addition, the reporting obligation based on the order to improve business operations received from the Financial Services Agency in December 2019 ended in December 2023, and we started sales of lump-sum payment whole life insurance in January 2024 and resumed proposals to customers aged 70 years and older. With the return of positive interest rates, we were able to offer attractive products that meet the needs of our customers, and our employees can now confidently make proposals, leading to increased activity and sales volume.

Number of new policies (individual insurance)



## Developing Sales Personnel (Enhancing Quality)

### New Human Resource Development System “Kampo GD System”

In July 2023, to develop the abilities of each consultant from a medium- to long-term perspective, we introduced the Kampo GD System as a new system to comprehensively and quantitatively evaluate not only sales performance but also the ability to build relationships of trust with our customers and the degree of growth in that ability through the solicitation process and after-sales follow-up services.

#### Overview and Design of the System

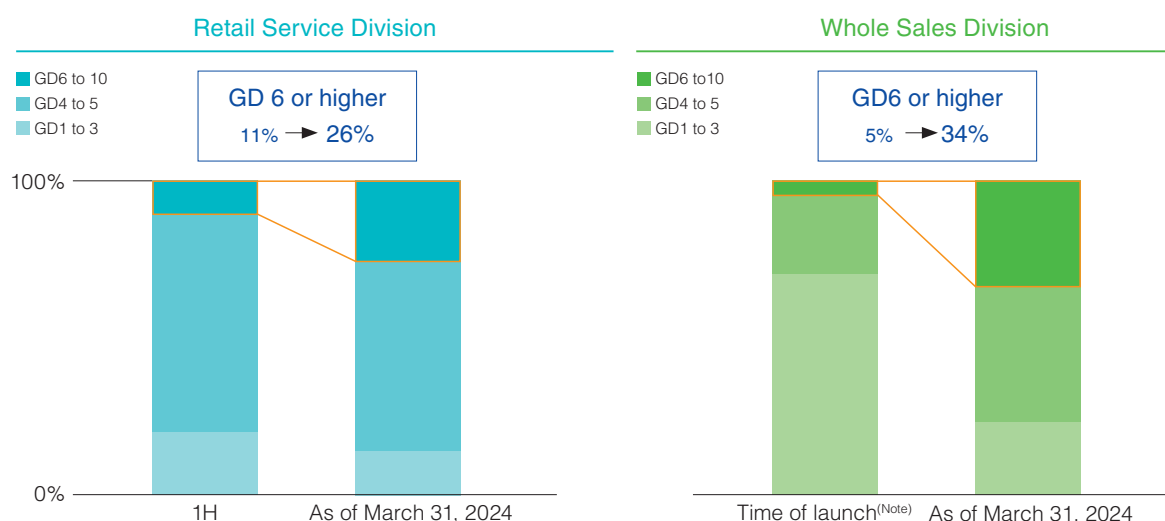
- Mechanism to comprehensively and quantitatively evaluate the performance of sales performance
- The evaluation is conducted on 15-level (GD1~GD15) for the retail service division and on 10-level (GD1~GD10) for the Whole Sales Division, based on total points for each evaluation indicators

	Retail Service Division	Whole Sales Division
Evaluation Indicators	<b>Solicitation quality</b> To reach the top GD, one must have a certain policy retention rate.	<b>Activities to expand customers</b> In addition to new results, we will comprehensively evaluate: <b>Operational quality</b> • Activities to expand customers (e.g., visits and proposals to new corporate customers) <b>Relationship building power</b> • Efforts to strengthen customer loyalty (Acquisition of knowledge and skills, improving solicitation quality, etc. to contribute to solving the problems faced by corporate customers) <b>Solicitation quality</b> <b>New policy performance</b>
	<b>Ability development</b> In addition to new results, we will comprehensively evaluate:	
	<b>Improve customer loyalty</b>	
	<b>Activity process</b>	
	<b>Number of new policies</b>	
	<b>New policy performance</b>	
Evaluation frequency	<b>Compatibility with company strategy</b>	<b>Operational quality</b>
	Evaluated every half year	Evaluated every fiscal year

The percentage of upper and middle tiers seen in the evaluation by the Kampo GD System is rising steadily in both the Retail Service Division and the Whole Sales Division.

Positive evaluation of high-level customer services under the Kampo GD System, together with training dialogues conducted at each office based on the system, is creating a virtuous cycle that promotes employees' motivation for growth.

#### Changes in the percentage of employees by GD in FY2024/3



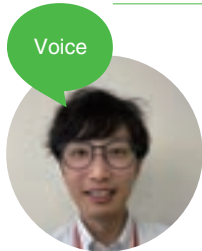
Note: The number for “time of launch” for the Whole Sales Division was evaluated at the time of system introduction, based on the situation from April 2023 to November 2023.

In the fiscal year ending March 31, 2025, we are reviewing the system so as to better evaluate approaches to the young to middle-aged segment and the quality of after-sales follow-up services, and continue system improvements so that we can evaluate and develop activities that our customers expect.

### Other Human Resource Development Initiatives

We are enhancing the sales management skills of management employees by repeatedly providing practical training, such as developing sales strategies suited to each team.

In addition, sales leaders responsible for improving the sales skills of consultants receive training to enhance their teaching methods so that they can then provide focused accompanying support and skill improvement training to less-experienced consultants.



Voice

**I train employees with the aim of becoming the branch that cares most seriously about customers in Japan.**

I train consultants as a consulting advisor. In order to put customer-first sales activities into practice, I believe it is important to carefully listen to the thoughts, feelings, and concerns of our customers, and I always tell our consultants that "listening carefully to what our customers have to say is the starting point of our activities." I will continue to train consultants who will make our customers want to say, "I'm glad you're my consultant."

FUJISAWA Ryoma, Retail Service Control Division, Morioka Branch

**We carry out our sales activities every day to let more customers know about the benefits of Japan Post Insurance.**

Fujisawa CAD (Consulting Advisor) accompanied me on customer visits and supported me throughout the process, from the first visit to grasping the customer's wishes. I try to keep in mind the lessons I was taught: "Listen carefully to the customer's thoughts" and "First, share the customer's issues with them and their families, and then help them solve the problems, so that they understand the need for protection." I would like to continue meeting many customers and convey the benefits of Japan Post Insurance.



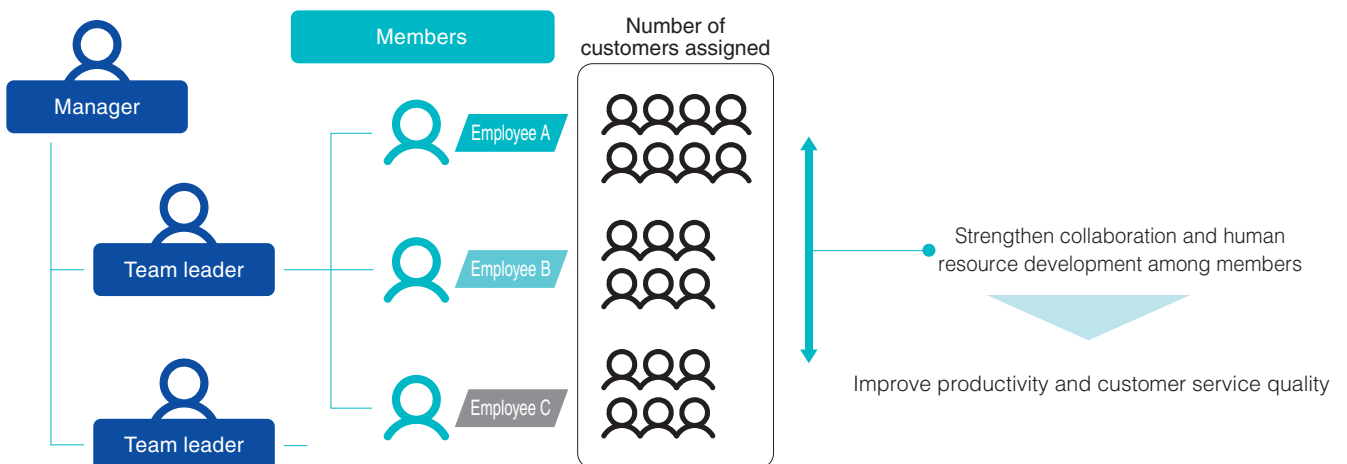
KAWAKAMI Yusuke, Retail Service Division, Miyako Post Office, Morioka Branch

### Recruitment of Consultants (Enhancing Quantity)

We are actively hiring consultants to support face-to-face channels, such as our nationwide post office network. We are striving to secure consultants by improving our public relations activities, such as by providing internships when hiring new graduates, and utilizing recruitment agencies for year-round hiring of experienced personnel. Moreover, we will proceed with securing consultants from a wide range of backgrounds by strengthening mid-career recruitment through referrals from employees and creating an environment in which senior employees can play an active role.

### Enhanced Account Manager System (Customer Service on Team Unit)

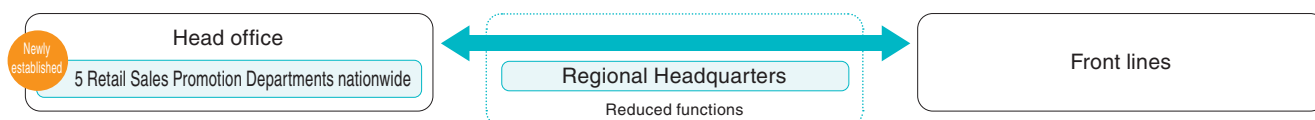
We have revised the account manager system introduced in the fiscal year ended March 31, 2023. Our employees take individual responsibility for customers while small teams, each headed by a team leader, work together to enhance customer service. Team leaders are responsible for improving the team's overall customer service level and developing the talents of each team member.



## Sales Organization Restructuring

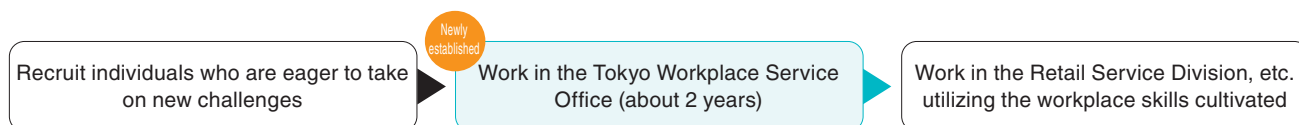
### Strengthening Our Retail Sales Organization

In July 2023, we reorganized the Regional Headquarters, an intermediate organization, and established a head office organization directly responsible for sales promotion in each of the five divided regions across the country. This has secured a system in which the head office directly presents activity policies to the front line, the real voice of the frontline is reflected in sales measures, and the head office and the front line can work together as one to promote sales.



### Trial Start of Workplace-Dedicated Channels

In order to approach the uninsured and the young and middle-aged generation, we positioned workplace sales as a growth area in the future, and established the Tokyo Workplace Service Department in April 2024. The Tokyo Workplace Service Department functions as a base for developing workplace sales personnel and mainly is composed of young employees. We will work to expand and revitalize workplace sales through human resource development at this base.



### Strengthening Customer Contact Points

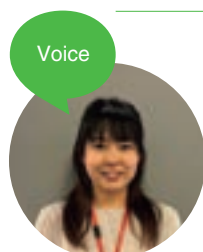
The Customer Relations Department was established in July 2024 to strengthen customer contact points by promoting after-sales follow-up services company-wide (people & digital), such as confirmation of policy details and filed claims. In addition to serving as a PMO to improve the quantity and quality of after-sales follow-up services, this department will also develop tools and systems to promote these services and engage in marketing using digital technology, with the aim of improving the customer experience value and retaining and expanding our customer base.

## Initiatives in the Whole Sales Sector

Based on the Vision of the Whole Sales Divisions that “Every employee of the Whole Sales Divisions of Japan Post Insurance will continue the challenge of growing with customers and local communities,” we are working to build and deepen true relationships of trust with customers by working closely with corporate managers and providing higher quality services tailored to their intentions.

At the same time, in April 2023, we newly established the RM<sup>(Note)</sup> Promotion Department within the Whole Sales Department at our head office to explore new markets in both whole sales and workplace sales while building good relationships with companies involved with the Japan Post Group and large corporations.

Note: RM stands for “relationship management,” and refers to efforts to maintain and build relationships with large companies, companies with existing contracts, and related organizations with which the Company has close relationships.



Voice

**Aiming to be a presence that is close to local companies and makes them want to say, “I’m glad to have consulted with you.”**

As I meet with presidents of companies in various industries, I often hear about the hardships and concerns that come with being a business leader, and I work every day with the desire to help solve them. Building relationships through interviews enables me to have more consultations with presidents, and I find it very rewarding to be able to play a part in resolving their problems. As a Japan Post Insurance employee, I would like to work hard to have as many presidents as possible say, “I’m glad to have consulted with you.”

YAMADA Rina, Whole Sales Division I, Saitama Branch

# Enhancing Products and Services

## Recognition of the Environment and Basic Strategy

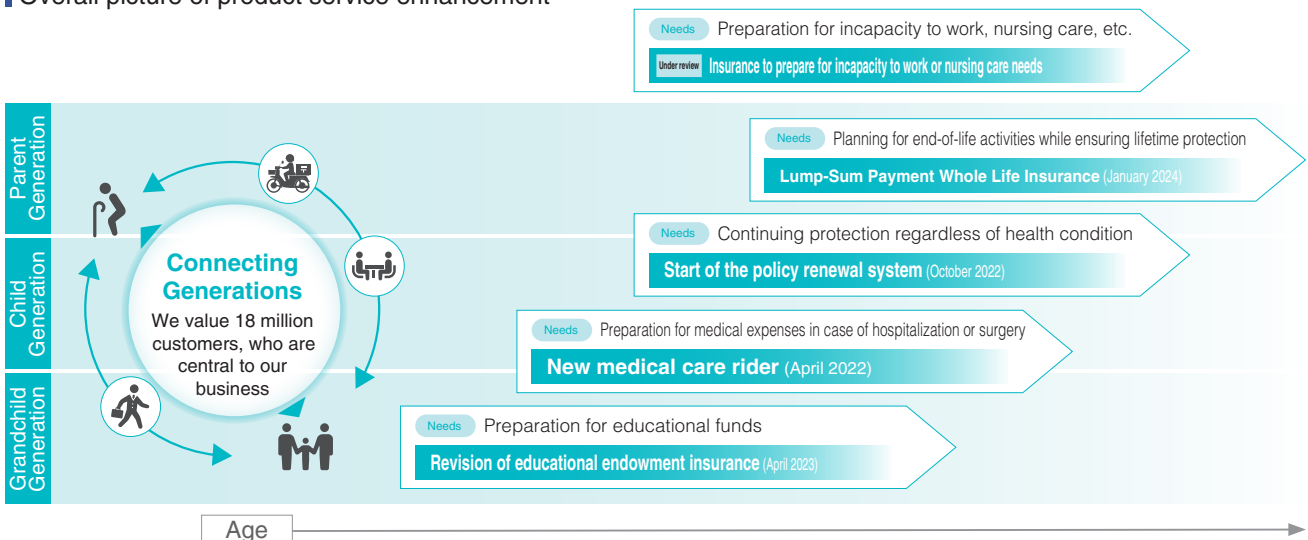
We are expanding our product lineup to meet various customer needs, taking into account the current social and economic conditions.

In response to the low interest rate environment, we have previously launched *Motto sono hi kara Plus* medical rider, which offers generous medical coverage at a low premium, in April 2022. In addition, in October 2022, we introduced a policy renewal system that provides continuous coverage regardless of health conditions at the time of maturity of the policy term, thereby meeting the protection needs of our customers.

In April 2023, we changed the insurance premium rates of *Hajime no Kampo* (educational endowment insurance (H24)) and devised a plan with a return rate exceeding 100%. In addition, in light of rising interest rates, we began selling lump-sum payment whole life insurance in January 2024 that can provide death benefits equal to or exceeding the premium paid in lump-sum for the lifetime protection needs of middle-aged and elderly customers.

Going forward, we will continue to take advantage of external factors, including rising interest rates, to improve the appeal of our savings-type products, and will work to expand our range of products that blend savings and protection features.

### Overall picture of product service enhancement



## Revision of *Hajime no Kampo* (Educational Endowment Insurance (H24))

In April 2023, we revised *Hajime no Kampo* (educational endowment insurance (H24)).

In response to the recent increase in educational expenses and customer demand, we changed the insurance premium rates and devised a plan with a return rate<sup>1</sup> exceeding 100%, to make it easier for parents to prepare for their children's education funds.

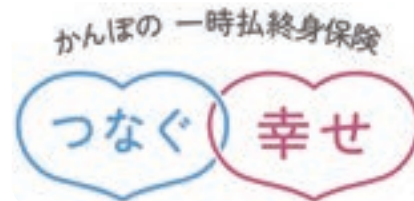
Furthermore, in light of the current situation where many children go to prep schools as an after-school activity and the tendency<sup>2</sup> for prep school costs to start increasing after a child turns 10, policyholders can now choose plans in which they can finish their premium payments by the time the child turns this age.



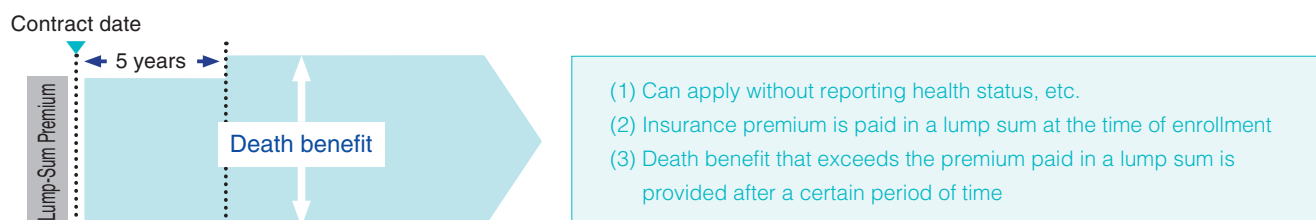
Notes: 1. The ratio of education funds that may be received to the total amount of insurance premiums paid  
 2. Source: Ministry of Education, Culture, Sports, Science and Technology, "Survey on Educational Expenditures of Children 2021"

## Launch of *Tsunagu Shiawase* (Lump-Sum Payment Whole Life Insurance)

In January 2024, we launched lump-sum payment whole life insurance to meet the needs of elderly and middle-aged customers for lifetime death benefits and to promptly secure funeral expenses and living funds for surviving family members in the event of their own death. This insurance can be applied for without reporting their health status, etc., and provides a death benefit that exceeds the premium paid in lump-sum after a certain period of time.



### Lump-Sum Payment Whole Life Insurance Product Image



This product was eagerly awaited, with consultants who work with customers on a daily basis reporting high customer demand for it. In the three months since its launch in January 2024, approximately 160,000 policies have been sold, and the product has been well received by many customers.

## Holding “Product Working Groups”

In order to realize the development and provision of products that contribute to customer-first business operations, we have established a “Product Working Group” to consider products and ancillary services in collaboration with the head office and the front line, which is closer to the customer. In the fiscal year ended March 31, 2024, we held seven such meetings to discuss the marketability and handling of products to be introduced, and product development is being advanced while drawing on insights from the front-line employees.



### Voice



#### Delivering customer requests and needs regarding products

In my daily sales activities, I often receive requests from customers for products, such as “I wish there was a product like this,” and I also think to myself “It would be perfect if we had such a product for this customer.” At the Product Working Group, we make requests for such products and discuss the marketability and handling of products that are under consideration. As a member of the group, I would like to continue contributing to the development of products that can meet the needs of customers.

ISHIZUKA Wataru, Retail Service Division, Shinjukukita Post Office, Tokyo Shintoshin Branch

#### Valuing opinions from the front-line employees and developing products that delight customers

The Product Working Group is a valuable place where we can hear the opinions of front-line employees who interact with customers every day. We received a great deal of opinions when developing “*Tsunagu Shiawase*” lump-sum payment whole life insurance, which we started selling in January 2024. I would like to continue to work on the development of products that will please customers through the collection and exchange of opinions, including customer requests from front-line employees.



KAWASAKI Riku, Product Planning Department



# Promoting DX to Improve CX

## Message from the officer in charge

### Making customers feel

### “glad to be with Japan Post Insurance”

**HIRONAKA Yasuaki**  
Senior Managing Executive Officer



With the spread of smartphones and social media, means of communication have diversified. The impact of COVID-19 has also brought significant changes in our customers' lifestyles, behaviors, and values. As we respond to these shifts, we will continue to focus on valuing our contact with customers, and stay close to their lives so that they will feel comfortable reaching out to Japan Post Insurance at any time over the long life insurance coverage period.

As part of that effort, we combine warm, face-to-face service with highly convenient digital services to offer not only products and services, but also work to improve customer experience value (CX) so that our customers will feel glad to be with Japan Post Insurance. Through these efforts, we will fulfill our social mission and function as a life insurance company, improving customer experience value to maintain and expand our customer base as we pursue sustainable growth.

## Customer Satisfaction Survey

We conduct a Customer Satisfaction Survey on an annual basis to directly receive opinions from customers and use them to improve our services. The total satisfaction with our services in the fiscal year ended March 31, 2024, improved by 4 percentage points compared to the previous fiscal year, and 83% of customers showed satisfaction (total of “Satisfied” and “Somewhat satisfied”).

In addition to the customer satisfaction survey, we also conduct surveys for each important contact point with customers, such as maintenance procedures including address or name changes, and insurance claims, in order to measure the results of various initiatives in more detail. We will continue to actively obtain evaluations of our services and customer feedback to improve various procedures through the PDCA cycle.

## Promote After-sales Follow-up Services Using Digital Tools

In addition to in-person and telephone communication with customers, we will aim to create more contact points by using digital tools such as emails. Furthermore, by linking optimal information tailored to each of our customers to our business smartphones and allowing consultants to use this information when communicating with customers, both the quantity and quality of after-sales follow-up services can be improved, thereby improving CX<sup>(Note)</sup>.

Note: CX is an abbreviation for Customer Experience

### Main initiatives

<p>Initiatives to provide information to customers using email, etc.</p>	<p>Use emails, etc., to provide customers with useful information (advance notices for various procedures, sales of new products, notices of special handling in the event of a disaster, etc.), and have consultants carefully follow up with customers when they make inquiries about the information provided (in progress from January 2022)</p>
<p>Initiatives to provide timely information from consultants to customers</p>	<p>Provide consultants with information on the results of customer procedures and guidance based on customers' life events in a timely manner, and provide careful after-sales follow-up to customers based on that information (implemented nationwide from February 2024).</p>

## Initiatives to Improve Customer Convenience

We are gradually increasing the range of procedures that can be completed via My Page or online and have begun offering the Japan Post Insurance Digital Procedure System, which enables sales personnel to complete simple claim procedures using a clear and easy-to-understand screen when visiting customers' homes so that our customers can complete procedures anytime, anywhere. By doing so, we work to improve convenience for our customers by shortening the time taken to complete procedures and the time between application and payment of insurance benefits.

### Main initiatives

Expanding My Page features that allow customers to complete procedures anytime, anywhere	<p>Gradually expand various procedures that can be completed simply on My Page or online</p> <p>Added the following features to My Page in FY2023</p> <ul style="list-style-type: none"> <li>· Expanded the scope of insurance policies for which loan requests can be used (May 2023)</li> <li>· Added features to My Page allowing policyholders to check notices and updates, and their family members to view policy details (September 2023)</li> </ul>
Initiatives to enable customers to complete procedures without burden	<p>Introduced a mechanism to reduce the time required for procedures and eliminate the burden on customers to prepare documents by making various procedures paperless</p> <ul style="list-style-type: none"> <li>· Started implementation of systems that allow paperless claim filing procedures including designation and change of beneficiary of insurance benefits (October 2023)</li> <li>· Expanded the scope to include receiving claims for hospitalization and surgery benefits, etc. (March 2024)</li> </ul>

## Introduction of New Terminals for Sales Personnel

In the fiscal year ending March 31, 2025, we will gradually introduce new terminals for sales personnel nationwide who use them to sell insurance.

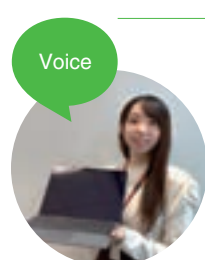
In order to enhance customer convenience and service quality, we will further promote DX<sup>(Note)</sup> by improving the convenience of the terminals themselves and promoting paperless operations, as well as by making the terminals capable of quickly introducing and using new services.

Note: DX is an abbreviation for Digital Transformation



### Key Improvements

Improving convenience of terminals	By making the screen that customers see larger and detachable, we have improved visibility, enabling clearer explanation of products and services to customers.
Promoting paperless procedures	In addition to our existing paperless application procedures, we have digitized various documents that were previously given to customers as paper copies at the time of enrolment in their policies. This makes it possible for customers to receive the digitized documents on a dedicated website (My Page). Customers can now check their documents anytime, anywhere, and no longer have to worry about losing them. Reduce paperless procedures also cuts down on paper use and helps protect forests and reduce CO <sub>2</sub> emissions, lessening our impact on the environment.



### Making a device that is easy for anyone to use

I am responsible for application development for new terminals. Most recently, leveraging my previous experience as a sales person, I have been involved in developing a tool that enables sales personnel to undergo training in advance on system operation, which helps them smoothly respond to customers. Developing this tool was challenging to some extent, as I had to make countless adjustments together with the system development department to make it more practical. But when I finally saw the completed tool, I felt a sense of joy at having accomplished the task, and at the same time, my hopes grew that I could be of help to everyone. I would like to continue to ensure development focused on convenience for both our customers and sales person.

URAKAWA Kayano, Sales IT Systems Planning Office, Sales Promotion Department

## Engagement with Customers

Japan Post Insurance recognizes that the voices of our customers are valuable assets. We value dialogue with customers, and will strive to develop a structure for the ceaseless creation of new convenience for customers and to pursue quality services. In addition, reviewing our services daily based on customer input in order to increase our customers' satisfaction is fundamental to improving our business.

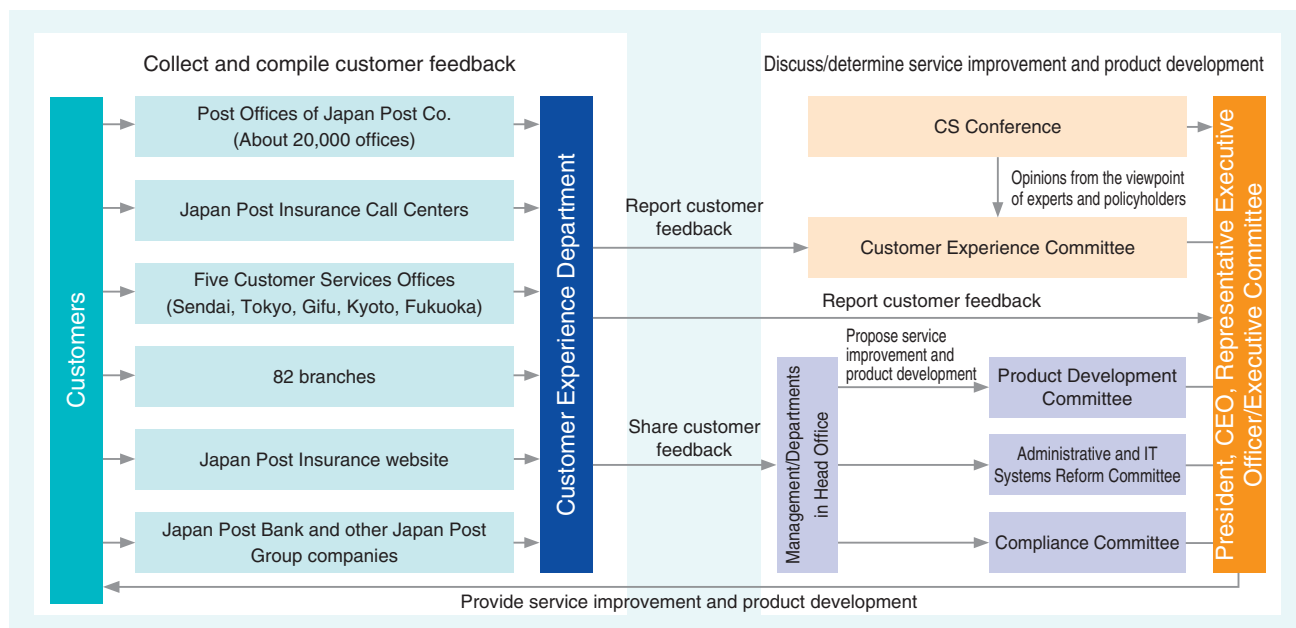
### Initiatives to Utilize “Customer Feedback” in Management

In addition to developing and improving products and services based on customer feedback, our Directors and Executive Officers, as well as our employees, give careful consideration to and act on customer feedback to ensure customer-first business operations.

In the fiscal year ended March 31, 2024, we received approximately 1.1 million feedback comments from our customers through our post offices and Japan Post Insurance Call Centers. The customer feedback is compiled and centrally managed by our Customer Experience Department and is analyzed to improve our services and develop superior products with the aim of providing services that bring satisfaction to our customers.

We also held the “CS Conference” with external experts to receive opinions for improving customer satisfaction.

### Structure for Product and Service Improvements Using Customer Feedback



### Quantity and Content of Customer Feedback (Complaints)

The number of complaints received from customers during the period from April 1, 2023 to March 31, 2024 was as follows.

Note: We define all expressions of customer dissatisfaction as “complaints.” The number of complaints includes complaints related to Postal Life Insurance management operations.

Content	FY2023		Key examples
	Number of complains	%	
New policies (Enrollment in insurance policies)	20,932	28.6%	• Dissatisfaction with an explanation at the time of enrollment • Dissatisfaction with the underwriting examination
Collection of premiums (Payments of premiums, etc.)	3,244	4.4%	• Dissatisfaction with bank account transfers and deposits
Policy maintenance (Procedures, dividends and other issues following enrollment in a policy)	15,264	20.9%	• Dissatisfaction with surrender procedures • Dissatisfaction with change of name or address
Insurance benefits (Payments of insurance benefits)	23,212	31.8%	• Dissatisfaction with benefit payment procedures • Dissatisfaction with payment procedures for maturity benefits
Other (Attitude and manners)	10,417	14.3%	• Dissatisfaction with the attitude and manners of sales personnel • Dissatisfaction with after-sales followup services
Total	73,069	100.0%	

## Cases of Product and Service Improvements Using Customer Feedback



### Customer feedback

I tried to file an insurance claim online, but it didn't work.



#### Improvements

There were some conditions (times of day and riders) that made it impossible to submit claims for hospitalization, surgery, and radiation therapy online (through Japan Post Insurance My Page and Insurance Claim Web Service) but as of March 18, 2024, we have expanded the conditions under which claims can be submitted online.

(1) Even with new registrations made on My Page on weekends, holidays, and weekday evenings (after 7:00 p.m.), it is now possible to apply for insurance payments for hospitalization, surgery, and radiation therapy immediately.

(2) Online claims are now also available for customers enrolled in the following riders:

(Note) Some payment claims may require a "request by mail (request for paper-based documents for payment claims)."

<Examples of riders available for payment claims online from March 2024>

- Accident hospitalization rider
- Illness hospitalization rider
- Illness hospitalization rider with health benefit
- Non-participating accident hospitalization rider, etc.



### Customer feedback

It's a hassle to fill out documents for insurance-related procedures, so I'd be glad if it was easier.



#### Improvements

In October 2023, we began accepting paperless applications for some procedures. In addition, from March 18, 2024, we expanded the scope of application procedures that can be completed paperless. This greatly reduces the amount of time that customers need to fill out paper invoices, etc., and makes it easier to complete the procedures.

<Target Procedures>

- Designation/change of beneficiary of insurance benefits
- Designation/change of designated proxy for a payment claim
- Registration/change of registered family members
- Change of address and phone number (from March 2024)
- Name change (from March 2024)
- Hospitalization and surgery benefit claims (from March 2024)



### Customer feedback

I wish logging in to My Page was easier.



#### Improvements

Starting in May 2024, by linking the Post Office App released in October 2023 with the Japan Post Insurance My Page, it is now possible to log in to My Page from the App using biometric authentication.

In addition, since April 2022, by linking the Sukoyakanpo app with the Japan Post Insurance My Page, it is possible to log in to My Page from the Sukoyakanpo app using biometric authentication.

## Quantity and Content of Customer Feedback (Gratitude and Compliments)

The total number of customer feedback (gratitude/compliments) that we received from customers between April 1, 2023, and March 31, 2024, was 663,260.

<Customer feedback>

- When my father passed away and I consulted about the claim procedure, you came right away to complete the procedure, which was very helpful. I felt reassured by the employees' careful and polite handling of the situation when something happened. Looking ahead, I would like to consider taking out whole life insurance myself as my father did.
- When my mother got sick, I was worried about what would happen next, but I was relieved to hear that she would be covered by the insurance policy she had had taken out. I am also grateful to those who have recommended insurance to my mother.

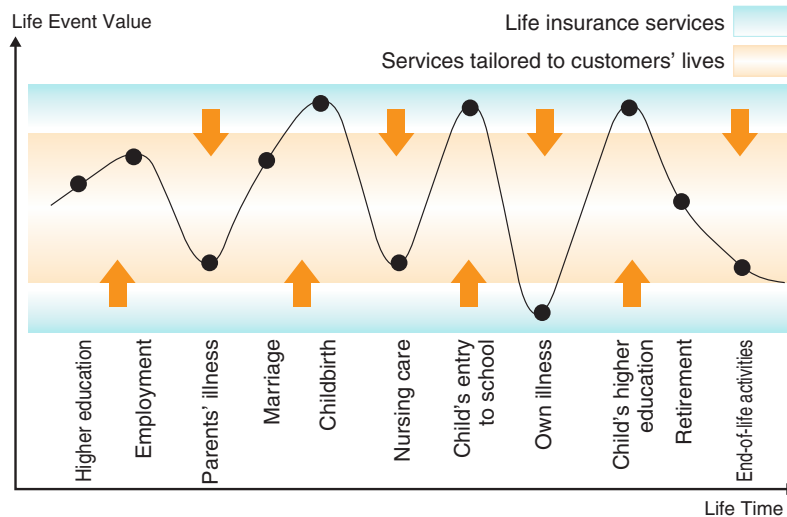
Special Feature

## Initiatives Aimed at Creating New Services

Japan Post Insurance aims to build a relationship of trust with customers and grow its insurance business by providing new services tailored to the daily lives of our customers, as well as life insurance services. In addition to services related to solving social issues, such as health promotion, nursing care, and inheritance, we are also considering those related to support for various life events, including daily necessities such as food, clothing, and housing.

### Connection between the Customers' Lifetimes and Japan Post Insurance (from Points to Lines)

We would like to help resolve any problems our customers may have at any given time by providing daily after-sales follow-up services, etc. as a reliable and casual advisor. We will build a lasting connection with our customers in all aspects of their lives (lines), as opposed to our conventional connection with customers in limited aspects of their lives (points).



### Collaboration with Venture Companies "Acceleration Program"

In collaboration with Aflac Life Insurance Japan Ltd., we have been implementing the "Acceleration Program" since the fiscal year ended March 31, 2023, which aims to create new businesses by collaborating with venture companies.

In the fiscal year ended March 31, 2024, more than 100 applications were submitted with the themes of "Healthcare/Nursing Care" and "Insurance," and Japan Post Insurance selected seven companies, including the joint adoption with Aflac. As of April 2024, we are conducting or planning to conduct business alliances and joint research with four companies.

In the fiscal year ending March 31, 2025, Japan Post will join us, and the three companies will co-host the "Japan Post Insurance - Aflac - Japan Post Acceleration Program 2024," aiming to evolve existing businesses and create new businesses through cooperation with venture companies with various ideas and technologies.



July 2023: Presidents of both Japan Post Insurance and Aflac, together with some of the selected companies

## Establishment of JP LIFE NEXT Fund

In August 2023, we launched the JP LIFE NEXT Fund in collaboration with JAPAN POST INSURANCE NEXT PARTNERS Co.,Ltd.

a subsidiary of the Company, and started investing in venture companies. The fund invests in venture companies that have the potential for a business alliance with the Company and aim for creating new technologies, business models, and markets expected to grow. By March 2024, we have invested a total of about ¥1.5 billion in eight venture companies.



## Example of New Service Introduced: Home Nursing Care Related Services “Living and Care Support”

As part of our efforts in home nursing care related services, in which we have begun a business alliance with Aflac Life Insurance Japan Ltd., we have started distributing our Living and Care Support services, developed in collaboration with Hatch Healthcare K.K., an Aflac group company, at all branches from April 2024.

Living and Care Support is a one-stop concierge service that provides support to alleviate or resolve any worries and problems related to the daily lives and nursing care of elderly people, and our consultants act as liaisons between customers and the concierge.

In the future, we plan to offer this service through post office counters in addition to branches.

### Voice

### Creating a society where everyone across the nation can live life with a smile, true to themselves, forever



Japan Post Insurance Development Team Members (Sales Promotion Department, Corporate Planning Department (including the Affiliated Business Office))

The problem of nursing care comes suddenly to everyone. That's why, just like with life insurance, I feel it is very important to communicate the significance of “preparing” for nursing care through all contact points with customers. We strive to provide services that will make customers, including those who face the responsibility of nursing care, feel “glad to be with Japan Post Insurance” by listening to their concerns and helping to resolve them through Living and Care Support.

ITO Yosuke, Sales Promotion Department (lower center of photo)

### Developing services together with our consultants

Our services are run by a team of qualified and experienced professionals, including care managers, social workers, and nurses. We have developed our services by incorporating the opinions of Japan Post Insurance consultants who have the best understanding of customers' lifestyles and nursing care. We will continue to evolve our services on a daily basis.

OSUMI Takahiro, Hatch Healthcare K.K. (upper row, second from left in the photo)



Development team members of Hatch Healthcare K.K. (including concierges)

## Internal Proposal System “Kampo Tsunagu Challenge! (KaNAe!)”

We have implemented our internal proposal system “KaNAe!” which aims to collect ideas for new services from within the Company since the fiscal year ended March 31, 2023. With the theme of “new services tailored to the daily lives of our customers” in the fiscal year ended March 31, 2024, we selected one from a large number of proposals received from employees across the country for the top prize, and as of April 2024, two proposals have actually been realized.

# Achieving Greater Depth and Evolution of Asset Management

## Message from the officer in charge

Aiming to be a leading global institutional investor, we will deepen and evolve our asset portfolio

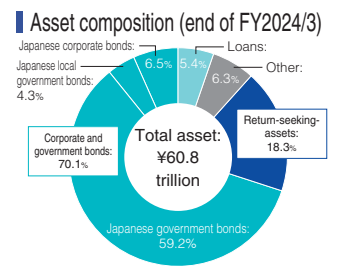
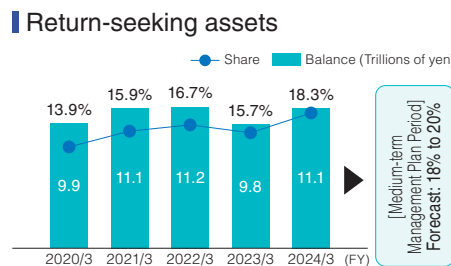
**HARUNA Takayuki**  
Senior Managing Executive Officer



Japan Post Insurance is entering a new phase of challenge in asset management. As an asset owner managing over 60 trillion yen in long-term investments, our goal has been to ensure stable returns and improve investment earnings. Since the fiscal year ended March 31, 2014, we have been promoting the diversification and sophistication of asset management to expand investment in return-seeking assets, and, since the fiscal year ended March 31, 2022, the deepening and sophistication of asset management to achieve further increase in returns. From the fiscal year ending March 31, 2025, in light of the market shift to a world with interest rates, we will focus on strengthening our asset portfolio under the new strategy of achieving greater depth and evolution of asset management. In addition, we will strengthen our partnerships with companies including Mitsui & Co. and Daiwa Securities Group as we focus on expanding revenue opportunities and on people development. In the area of impact investing, we will evolve our sustainable investments using our unique investment framework Impact “K” Project, alongside industry-academia collaboration. Our goal as a universal owner is to pursue economic returns and a more sustainable society. We will continue these efforts to become a leading global institutional investor, as we embark on our next stage of achieving greater depth and evolution of asset management.

## Review of FY2023

In the fiscal year ended March 31, 2024, we flexibly allocated assets according to the market environment, such as shrinking the balance of hedged foreign bonds due to high foreign exchange hedging costs and reducing the balance of unhedged foreign bonds in anticipation of future yen appreciation, while shifting funds to domestic bonds, where interest rates were on an upward trend. We are also steadily strengthening our asset management base by focusing on economic value-based return on risk in anticipation of the new capital regulations to be introduced in 2025, and by collaborating with Mitsui & Co., Ltd. in the asset management business in real estate, etc.



We are expanding our return-seeking assets incrementally, with 18.3% of total assets being return-seeking assets as of March 31, 2024. In addition, mainly due to the diversification of asset management, including the expansion of return-seeking assets, we secured a positive spread of ¥91.8 billion in the fiscal year ended March 31, 2024.

### Policy for entrusting investment management to emerging asset managers to contribute to the realization of Japan as a leading asset management center

As one of Japan's leading asset owners, Japan Post Insurance has decided to proceed with outsourcing investment management more proactively than ever before by setting aside ¥300 billion over the next five years to be managed by the so-called “emerging managers (EM),” up-and-coming asset managers with limited track records, in order to contribute to the realization of Japan as a leading asset management center. In addition, of the funds to be entrusted, approximately ¥10 billion will be managed externally after conducting due diligence, with the EM Showcase<sup>(Note)</sup> introduced by The Organization of Global Financial City Tokyo as the investment universe. Going forward, we will use these frameworks to contribute to the establishment of Japan as a leading asset management center.

Note: A measure to introduce emerging asset managers that merit attention, with the aim of promoting market entry of emerging asset managers and promoting diversification and sophistication of the domestic asset management business

## Key Initiatives Based on the Review of the Medium-term Management Plan

### —Achieving Greater Depth and Evolution of Asset Management—

In order to secure stable investment income and aim for its further enhancement, we will work towards greater depth and evolution of asset management as Innovation 3.0, following the diversification and sophistication of asset management in FY2013-FY2020 (Innovation 1.0) and achievement of greater depth and sophistication of asset management in FY2021-FY2023 (Innovation 2.0).

FY2013-FY2020	FY2021-FY2023	FY2024-
Innovation 1.0 Diversification and sophistication of asset management	Innovation 2.0 Achieving greater depth and sophistication of asset management	Innovation 3.0 Achieving greater depth and evolution of asset management
<b>Investment field</b>		
<ul style="list-style-type: none"> <li>● Building up return-seeking assets through diversification of asset management in response to the low interest rate environment</li> </ul>	<ul style="list-style-type: none"> <li>● Building up the amount of alternative assets, while reducing the amount of foreign bonds in light of rising hedging costs, etc.</li> <li>● Implemented asset allocation process in anticipation of the introduction of new capital regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● Restructuring of asset portfolio in light of the Japanese economy's shift toward inflation.</li> <li>● Establishment of investment framework with emphasis on economic value-based return on risk, in anticipation of the introduction of new capital regulations.</li> </ul>
<b>New businesses and organizational restructuring</b>		
<ul style="list-style-type: none"> <li>● Joint investments with The Dai-ichi Life Insurance through an alliance and sharing of asset management operations infrastructure of Trust &amp; Custody Services Bank.</li> <li>● Restructure organizations to support the diversification of asset management.</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening asset management capabilities in each area through the development of a specialized department for alternatives and credit, etc.</li> <li>● Expansion of the scale of investment targets through an alliance with MITSUI &amp; CO., LTD. (participation in real estate AM business)</li> </ul>	<ul style="list-style-type: none"> <li>● Seizing revenue and creating synergetic effects through collaborations, etc. with other companies, such as the expansion of asset management business through an alliance with Daiwa Securities Group.</li> <li>● Developing specialists well versed in diversified asset classes and strengthen measures to foster personnel engaged in specialist jobs.</li> </ul>
<b>Sustainability investment</b>		
<ul style="list-style-type: none"> <li>● Developing a responsible investment structure (accept Japan's Stewardship Code, signatory to PRI, announce the ESG Investment Policy, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>● Implementing ESG integration in all assets under management and setting GHG emission reduction targets for investees</li> <li>● Starting/promoting impact investments and industry-academia collaboration</li> </ul>	<ul style="list-style-type: none"> <li>● Strengthening initiatives considering factors such as climate change, natural capital, human rights, and human capital</li> <li>● Establishment of a specialized organization, further promotion of impact investment and industry-academia collaboration</li> </ul>

## Improving Organizational Structure and Fostering Asset Management Specialists

In April 2024, we established a Real Estate Investment Office in the Alternative Investment Department to strengthen our real estate management capabilities, and a Responsible Investment Office in the Investment Planning Department to promote sustainable investment.

In order to foster asset management specialists, our investment divisions actively dispatch employees to overseas MBA programs and trainees to overseas investment managers, etc. In the future, we will continue to develop human resources with the aim of becoming an institutional investor with even higher investment capabilities.

### Voice



**HAYASHI Takaaki**  
Investment Planning  
Department

### Studying in an MBA Program Abroad

I participated in an MBA program in the U.S. for two years, cultivating a global perspective while working with participants from around the world, and learning the latest theories in finance and economics. Using this experience, I am working to expand our business areas and capture revenue opportunities in the asset management departments.

### Voice



**MIYAGAWA Momoka**  
Global Credit Investment  
Department

### Overseas Trainee Program

I participated in a one-month trainee program at a U.S. asset management firm, where I gained a better understanding of the firm's management process through corporate analysis with credit analysts and conversations with fund managers. I will use this experience to help improve investment revenue.



## Sustainable Investment

### Taking on a New Stage of Sustainable Investment

“Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” Based on this management philosophy, we aim to fulfill our social responsibilities to all stakeholders by contributing to the resolution of social issues surrounding sustainability (medium- to long-term sustainability, including ESG (environmental, social, and governance) elements), while also achieving sustainable growth and the SDGs.

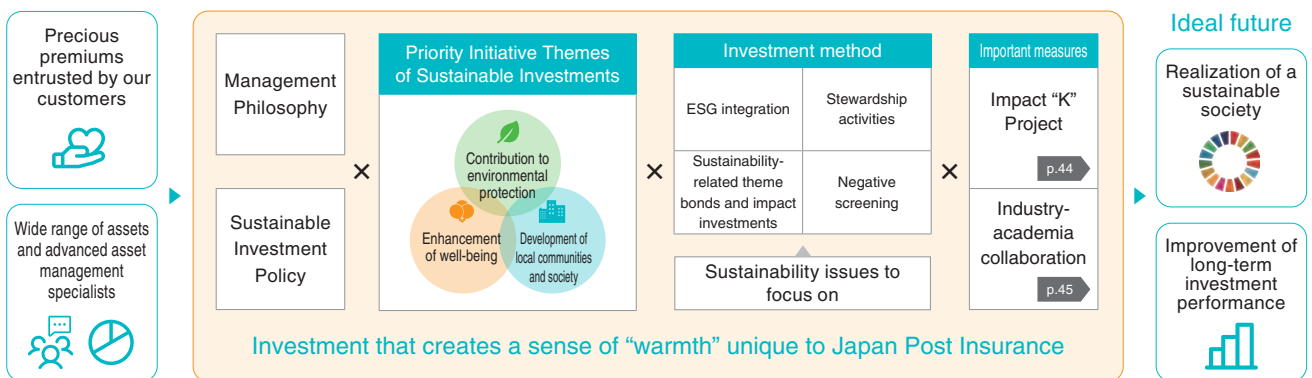
As a universal owner<sup>(Note)</sup>, we will take the lead in the financial industry and take on a new stage of sustainable investment, by expanding impact-oriented investment and financing and working on investment and financing that will generate innovation centered on industry-academia collaboration.

Note: An institutional investor managing large amounts of money diversified widely across capital markets.

### Investment that Creates a Sense of “Warmth” Unique to Japan Post Insurance

In order to ensure the payment of insurance claims to customers in the future, and to realize a better society in the future, based on our sustainable investment policy, we consider various elements of sustainability in our entire asset portfolio and make investments and loans that can widely contribute to achieving the goals of the SDGs and solving social issues.

Specifically, our key initiative themes are “enhancement of well-being,” “development of local communities and society,” and “contribution to environmental protection.” We promote sustainable investments with the warmth that is unique to Japan Post Insurance through stewardship activities that encourage our portfolio companies to increase corporate value, the Impact “K” Project that promotes impact investment based on our own framework, and industry-academia collaboration through asset management.

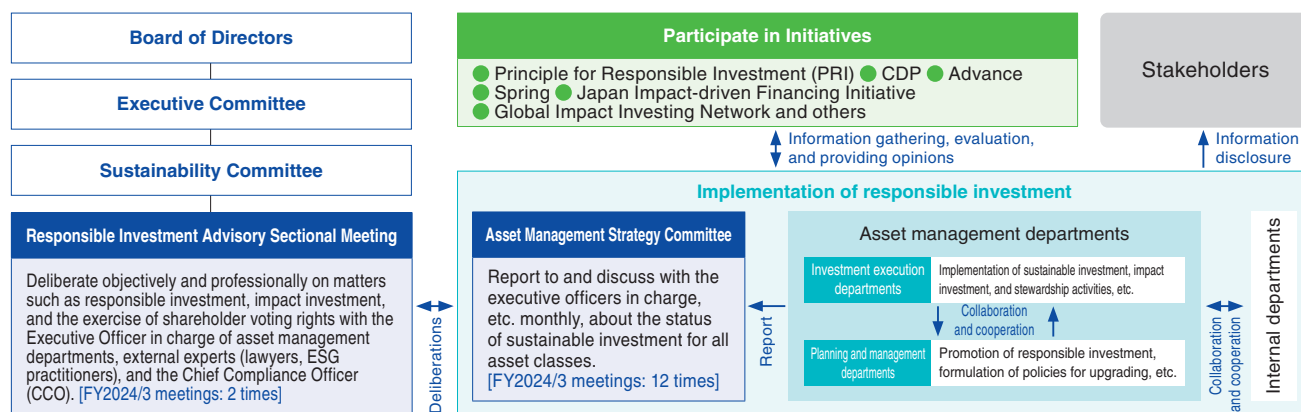


Investment Example	We invest in sustainability themes with consideration for sustainability factors. After checking the use and effectiveness of funds, we invest in projects that can broadly contribute to the achievement of SDGs and the resolution of issues.		
<p><b>Enhancement of well-being</b></p> <ul style="list-style-type: none"> <li>Facilities and companies that contribute to health promotion</li> <li>Constructing environments where children, elderly people, and people with disabilities can live safely with a sense of security</li> </ul> <p>Investment in PE funds to achieve wellness equity</p> <p>Aim for a society where everyone can take the initiative in activities and lifestyles that bring holistic health. Plan to improve wellness literacy and enhance social capital.</p>	<p><b>Development of local communities and society</b></p> <ul style="list-style-type: none"> <li>Encouraging local businesses and attracting new enterprises</li> <li>Formation of local communities</li> </ul> <p>Investment in SDGs bonds issued by local governments</p> <p>Invest in bonds issued by local governments for the purpose of sustainable community development. The funds will be allocated to projects aimed at solving social issues.</p>	<p><b>Contribution to environmental protection</b></p> <ul style="list-style-type: none"> <li>Renewable energy</li> <li>Business and technologies that reduce greenhouse gas emissions</li> </ul> <p>Investment in renewable energy businesses such as solar power generation and wind power generation</p> <p>Promote investments that contribute to the stable supply of electricity using renewable energy that is not depleted, and support the transition to a low carbon society.</p>	

## Governance Structure for Promoting Responsible Investments

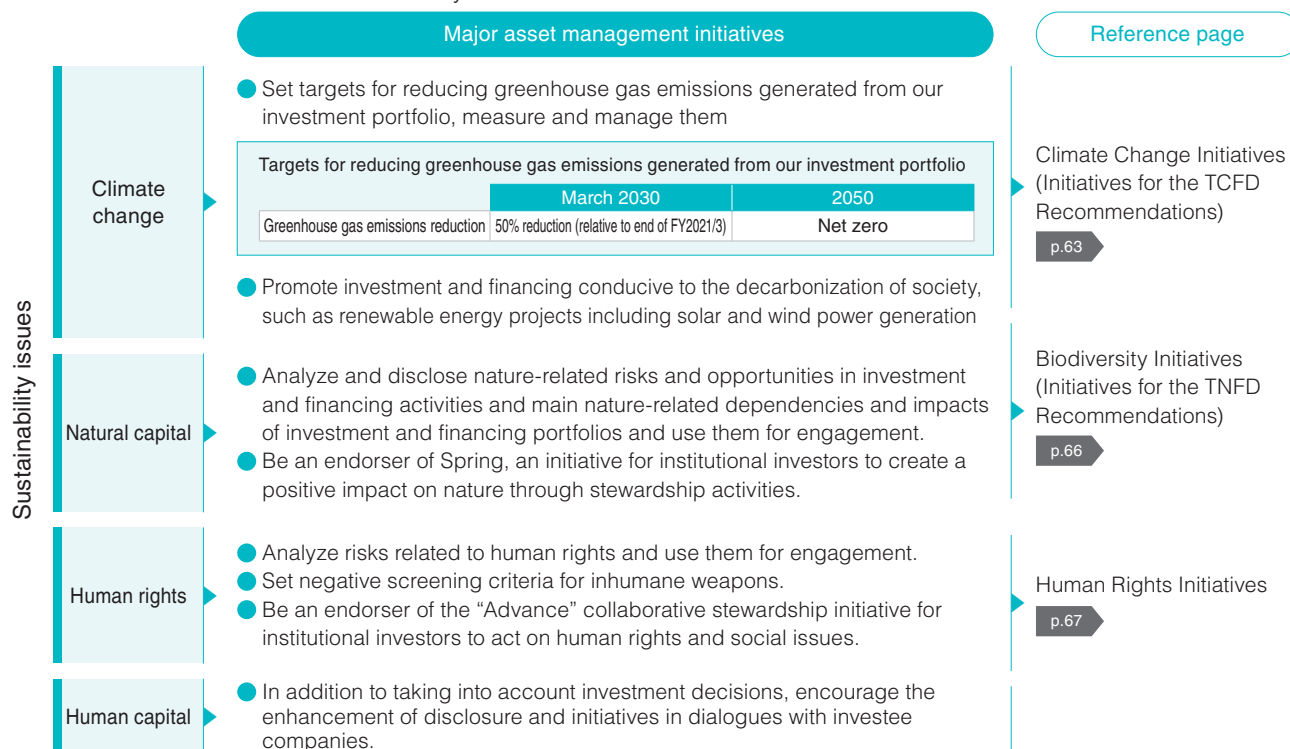
At Japan Post Insurance, we work to promote responsible investment, including sustainable investment and stewardship activities, under the following governance structure.

Through participation in the Responsible Investment Advisory Sectional Meeting, which includes outside experts, as well as other initiatives, we fully utilize outside perspectives and continue to promote and advance responsible investment.



## Addressing Sustainability Issues as an Institutional Investor

As a responsible institutional investor, the Company is working to solve important sustainability issues through investments to realize a sustainable society.



## Participation in Initiatives

In addition to participating in initiatives in Japan and abroad that share the purpose and awareness of issues related to sustainable investment, such as climate change response and impact investment, we strive to improve our efforts based on the knowledge gained from these initiatives.

Signatory of:



インパクト志向金融宣言  
Japan Impact-driven Financing Initiative

## Stewardship Activities

As a responsible institutional investor, Japan Post Insurance responds to social demands such as complying with Japan's Stewardship Code. At the same time, we are promoting stewardship activities according to the characteristics of each asset, including stocks and bonds, in order to increase medium- to long-term investment returns by promoting the value enhancement and sustainable growth of investee companies.



We will promote the improvement of the value of investee companies by asking them to enhance the disclosure of non-financial information and to contribute to the realization of a sustainable society through their business activities, through continuous engagement and the exercise of shareholder voting rights, thereby fulfilling our stewardship responsibilities. In 2023, we set natural capital, human rights, and human capital in addition to climate change as sustainability themes that we emphasize in our stewardship activities, taking into account recent social demands and trends.

In addition, we participate in initiatives in Japan and abroad and work on collaborative engagement with investment managers, and at the same time, actively disseminate opinions and encourage policy authorities through initiatives, etc., on important matters and requests to promote sustainable investment.

### Dialogue Examples

We request investee companies to enhance the disclosure of non-financial information, including matters related to sustainability, and continue to engage in constructive, purposeful dialogue with them to promote the improvement of their medium- to long-term corporate value.

#### Example 1: Medium- to long-term management strategy

We recognized that an investee company faced the issue of some businesses with low ROIC and poor profitability, although it has conducted M&As to grow sales. We requested the company to disclose cost-effectiveness and impact on performance for each M&A project, through dialogue. We exchanged views with its management team on the medium- to long-term management policy, set the ROIC for each business as KPIs, and confirmed that the company will proceed with the business restructuring as necessary.

#### Example 2: Initiatives for human rights

An investee company has formulated a human rights policy, but the contents were unclear due to non-disclosure. Through dialogue, we confirmed that the policy and human rights due diligence will be disclosed as soon as they are ready, and that specific efforts are being made regarding the system in the overseas supply chain. Since the establishment of a system for human rights is still underway, we will continue to exchange opinions with the company while sharing cases.

### Voice



### Engagement that values mutual understanding

We place great importance on deeper mutual understanding with companies in our engagement. By conducting in-depth preliminary research and ongoing engagement, we have strived to understand the goals and current challenges of companies, and to ensure that they understand our stance and efforts. In addition, we want more people to know about the efforts of companies, so we are committed to engaging with them to devise and expand disclosure methods. I intend to continue to value the attitude of mutual understanding and help more companies to improve their value and achieve sustainable growth.

ITADANI Naoko, in charge of domestic credit investment, Global Credit Investment Department

For more information on our policy and implementation status for fulfilling our stewardship responsibilities, please visit our website. Sustainable investment: <https://www.jp-life.japanpost.jp/english/aboutus/sustainability/esg/index.html>

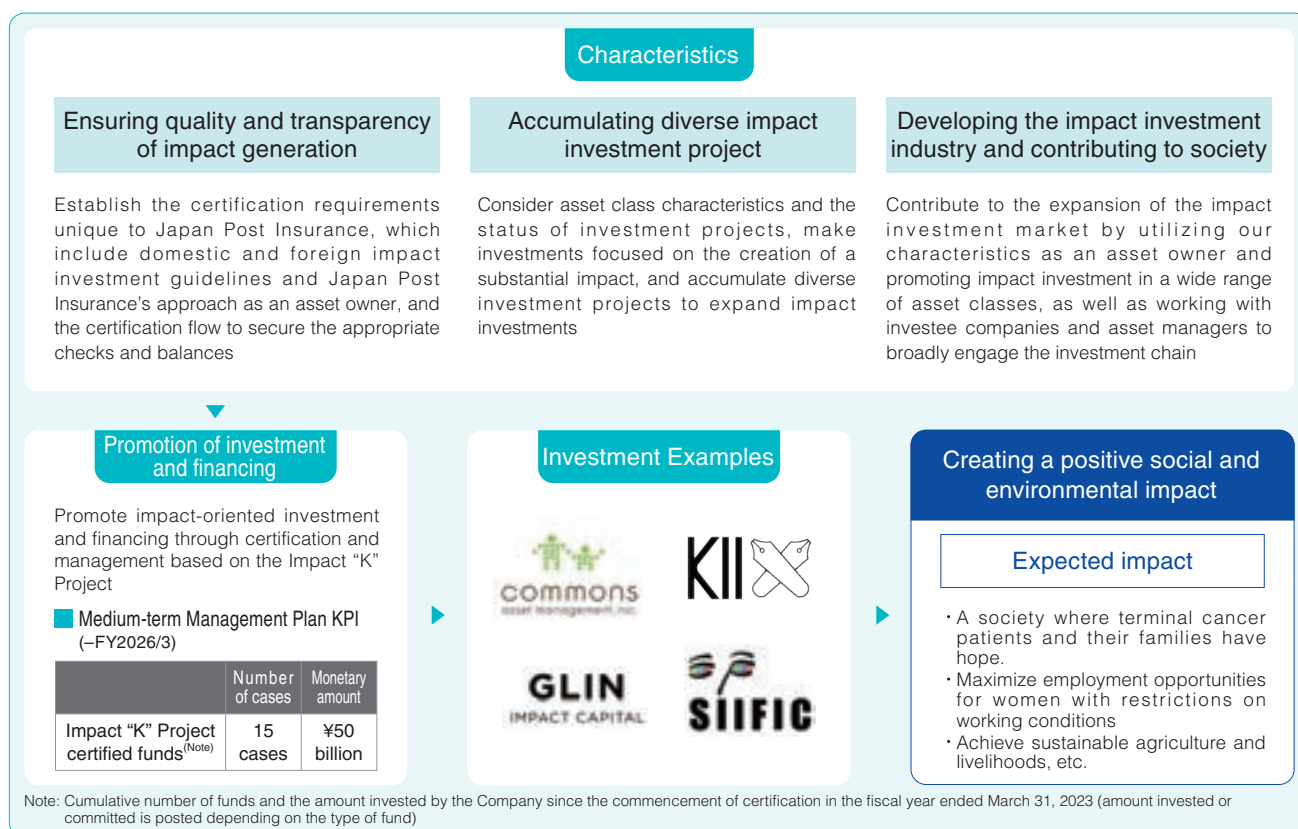
## Impact “K” Project

To expand impact-oriented investment and financing to solve social issues, Japan Post Insurance has launched its own impact investment framework, the Impact “K” Project.

インパクト“K”プロジェクト

We believe that impact investment aimed at solving medium- to long-term social issues has a high affinity with the investment style of life insurance companies seeking for stable long-term profits, and will also contribute to the improvement of corporate value in the future. Based on this idea, we are aiming for impact-oriented investment and financing that will truly contribute to the resolution of social issues by structurally solving them and promoting system transformation. The Impact “K” Project focuses on creating substantial impact, and we internally certify and manage impact investment projects that meet our own requirements.

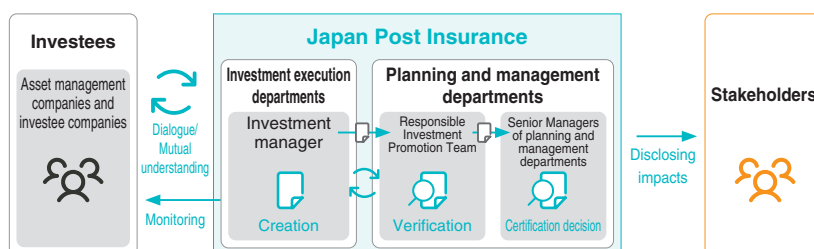
### Promotion of impact-oriented investment and financing based on our own framework Impact “K” Project



### Certification Process

The certification process is carried out through the Confirmation Sheet created by the investment executive departments. The Confirmation Sheet clarifies the characteristics of each investment project and the issues involved in approval, allowing for a shared understanding among departments.

In addition, final decisions on certification are made by the senior managers of the planning and management departments, ensuring checks and balances.



### Investment Example

#### Investment in an impact fund that invests in domestic listed equity

We invested in the “Commons Impact Fund—Co-Creation—,” an impact fund that aims to achieve both social and economic returns.

This fund focuses on the impact-creating capabilities of listed companies and their impact on society, and from a long-term perspective, invests in listed companies in Japan that are actively engaged in creating social impact.



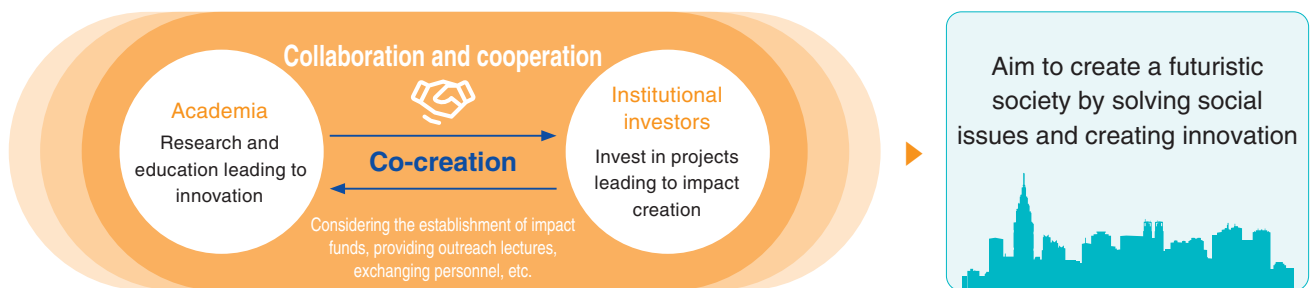
Special Feature

# Industry-Academia Collaboration through Asset Management

## Finance and education working together towards the future

Educational institutions play an important role in creating innovation by providing advanced and innovative education and training to young people who will lead the next generation, bringing together cutting-edge knowledge and technology. In particular, research in academia, such as at universities, is essential to Japan's economic growth, and is expected to lead to technological developments that can contribute to solving various social issues.

Japan Post Insurance aims to improve medium- to long-term investment outcomes and realize a sustainable society through funding for academic research at universities and other institutions. Furthermore, rather than being merely a provider of funds, we are working to create multifaceted connections with educational institutions and academia, thereby narrowing the gap between financial institutions and the education industry, which was previously distant, and working to promote co-creative industry-academia collaboration to move together toward the future.



### Establishment of a framework for collaboration and cooperation with universities

- We have signed memorandums of understanding with three educational corporations to collaborate and cooperate in promoting investment in innovative technological development and businesses in academia.
- We are making full use of our assets, human resources, and knowledge as one of Japan's leading life insurance companies to consider the provision of funds to research fields, as well as to promote cooperation and collaboration in a wide range of fields, including accompanying support for the social implementation of research results, providing outreach lectures, and personnel exchanges.

- ▶ Keio University  
Concluded in January 2022
- ▶ Osaka University  
Concluded in January 2023
- ▶ The Ritsumeikan Trust  
Concluded in March 2023



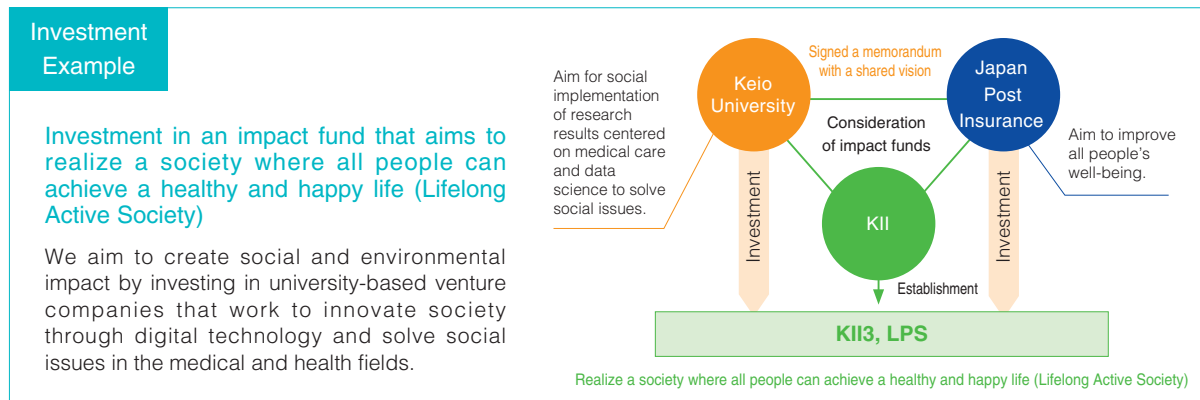
Keio University Collaboration Event

### Consideration of the establishment of an impact fund aimed at solving social issues

- We have established an impact fund aimed at solving social issues with the three educational corporations with which we signed memorandums of understanding. As part of this effort, we established and invested in an impact fund with Keio University in 2023 and with Osaka University and the Ritsumeikan Trust in 2024.
- When establishing an impact fund, we hold a series of discussions between the three parties of a general partner (GP), which is responsible for the execution of the fund's operations, educational corporations, and Japan Post Insurance, from the stage of developing the fund concept. We share mutual philosophies and visions for the future, including the fields of investment, social issues we aim to solve, and funding startups utilize academic research results.

## Investments in industry-academia collaboration funds

- In October 2023, we invested in the impact fund KII3, LPS, which was established by Keio University's official venture capital, KII (Keio Innovation Initiative, Inc.). This fund will be the first impact fund to be a university-based venture capital.



### Voice



### Promotion of industry-academia collaboration through support for the development of university-based startups

Based on the philosophy of contributing to “the achievement of a healthy and happy life for all,” Keio University has established the first impact fund launched by a university VC in cooperation with Japan Post Insurance, and has launched a Keio Startup Incubation Program to nurture deep tech companies capable of solving global issues based on the research results of the university. We will work together with Japan Post Insurance to solve social issues and create innovation.

SHINDO Nobuaki, Director of Startup Division and Project Professor, Office of Innovation and Entrepreneurship, Keio University

### Promoting Impact Investment as a pioneer in deep tech investment

KII has consistently invested in deep tech startups focused on solving social issues. In this journey, we established the first impact fund launched by a university VC. After more than a year of discussions with Japan Post Insurance, we obtained the “Impact K Project” certification. We are committed to promoting impact investing with the goal of realizing a society where everyone can achieve a healthy and fulfilling life (“Lifelong Active Society”).

GIBO Yuriko, Principal, Keio Innovation Initiative, Inc.



## Multifaceted collaboration and cooperation with educational institutions

- As a universal owner who contributes to sustainable growth in the economy and society as a whole, we actively engage in financial education for students and children who will be responsible for the future and exchange personnel with an eye toward recruitment activities.

### Outreach lectures at universities and other educational institutions



We provide outreach lectures to inform students about the roles and responsibilities that life insurance companies and institutional investors have in society, the concept of asset management, and the significance of investments such as impact investment.

### Financial education for upper elementary school students



With the aim of improving financial literacy as a skill for life necessary for children who will lead the next generation, we provided outreach lessons for upper elementary school students.

### Personnel exchange



For university and graduate students, we have implemented initiatives for personnel exchange, such as on-the-job training to learn about asset management in practice at the Japan Post Insurance headquarters and internships for the recruitment of specialized human resources (digital, quant, etc.).

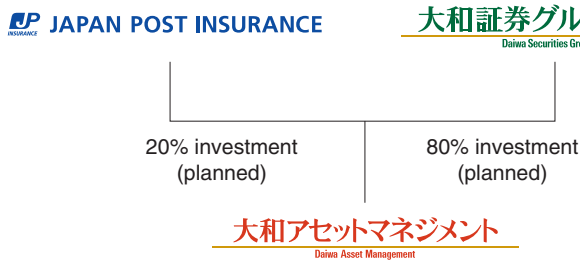
## Diversifying Revenue Sources and Creating New Growth Opportunities

In our Medium-term Management Plan, we set the goal of diversifying our revenue sources and creating new growth opportunities. We will work to expand collaboration based on various domestic and overseas alliances, and to deepen and evolve our asset management, which will also contribute to the promotion of Japan as a leading asset management center.

### Capital and Business Alliance with Daiwa Securities Group in the Field of Asset Management

In May 2024, we agreed to enter into a capital and business alliance with Daiwa Securities Group Inc. and Daiwa Asset Management Co., Ltd. (hereinafter, “Daiwa Asset Management”) in the asset management field, and will acquire 20% of Daiwa Asset Management’s shares after a capital increase.

The Company aims to acquire a new revenue source by entering the asset management business through Daiwa Asset Management, strengthen asset management capabilities through the use of specialist personnel in Daiwa Asset Management and its overseas bases, and enhance specialist personnel through mutual personnel exchange. In addition, by enhancing our corporate value through this alliance, we will meet the expectations of our stakeholders and contribute to the promotion of Japan as a leading asset management center.

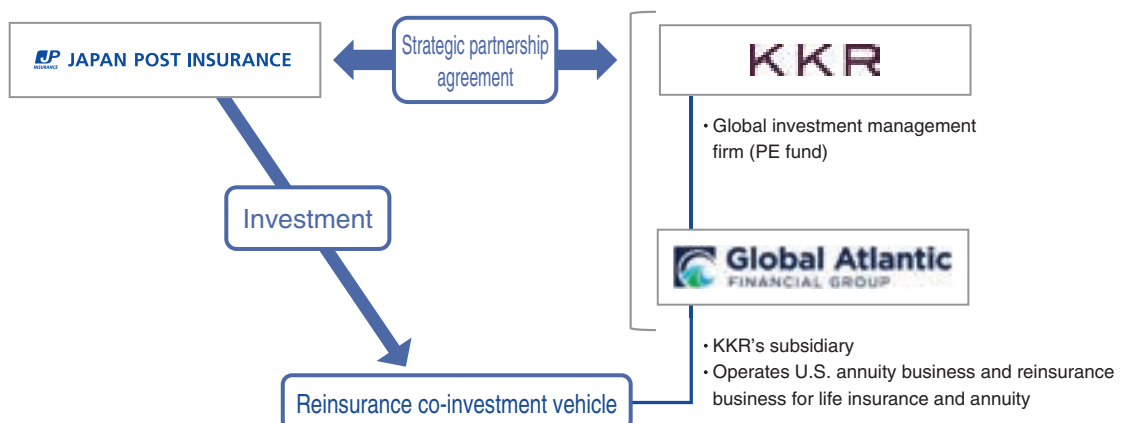


### Strategic Partnerships with KKR and GA

In June 2023, as our first overseas partnership project, we entered into a strategic partnership agreement with KKR & Co. Inc. (hereinafter, “KKR”), one of the world’s leading asset management companies and its subsidiary, Global Atlantic Financial Group (hereinafter, “Global Atlantic”), which conducts extensive reinsurance<sup>1</sup> operations for life insurance and annuities. In addition to signing the agreement, we have also made a considerable investment in the reinsurance co-investment vehicle<sup>2</sup> sponsored by Global Atlantic.

We have begun discussions to expand our collaboration through regular meetings and other means, and by leveraging the business foundation of KKR and Global Atlantic, we aim to capture overseas revenue, strengthen growth potential and diversify our business portfolio.

Notes: 1. Reinsurance is an insurance contract that life insurance companies enter into with a domestic or foreign reinsurance company to diversify the financial risks of the insurance policies they underwrite.  
2. A reinsurance co-investment vehicle is an entity established by a reinsurance company as a means of raising capital from investors in order to capture large reinsurance transaction opportunities.

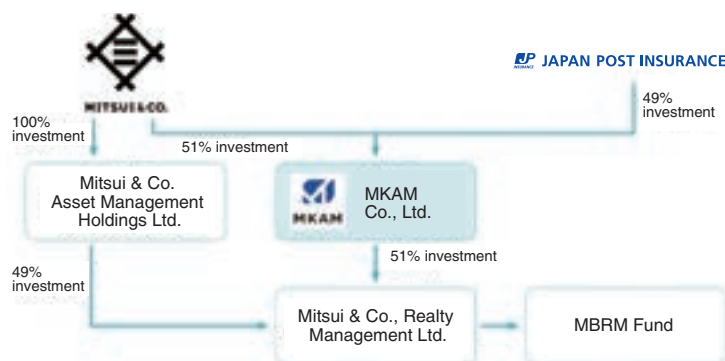


## Business and Capital Alliance with Mitsui & Co., Ltd.

In August 2022, we established MKAM Co., Ltd. (MKAM) as an intermediate holding company of Mitsui & Co., Realty Management Ltd. (MBRM) for the purpose of cooperation between both Mitsui & Co. and Japan Post Insurance.

MBRM has established a flagship fund in which we invests as a limited partner, and is striving to create new investment opportunities by expanding the scale of investment targets and the range of investment management strategies. Currently, we are steadily accumulating assets under management and aiming for an asset size of several hundred billion yen in the future.

We are also actively discussing further cooperation strategies with Mitsui & Co. through capital participation in MKAM, such as the joint establishment of new management companies, including those related to ESG investment, and existing management companies.



### MBRM Fund Investment Examples

The MBRM Fund is a private fund exclusively for our company that invests in real estate, including development properties, which are expected to operate stably in the medium to long term. Specifically, we are investing in industrial facilities including logistics facilities, offices, residential properties, commercial facilities, hotels, etc.

As a sustainability investment for the MBRM fund, we are promoting the acquisition of environmental certifications, such as CASBEE for real estate and the DBJ Green Building certification. In addition, we measure greenhouse gas emissions (GHG emissions) on a property-by-property basis as part of our efforts to combat climate change.

As a management company, MBRM has strengthened its sustainability investment efforts, signed the Principles for Responsible Investment (PRI) through MAH (Mitsui & Co. Asset Management Holdings Ltd.), and endorsed the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



A commercial facility (in the Tokyo metropolitan area)

### Voice



Japan Post Insurance Real Estate Investment Office / MBRM employees

### Real estate investment that utilizes the asset management know-how of Japan Post Insurance and MBRM

Based on our priorities of enhancement of well-being, development of local communities and society, and contribution to environmental protection, we are expanding our investments in a variety of real estate, including office buildings and logistics facilities, by integrating our knowledge as an institutional investor with MBRM's experience and network in real estate investment. While there are differences in the culture of life insurance and trading companies, working with members from diverse backgrounds every day is inspiring, and I work excitedly toward our shared dream.

YOSHIDA Akihiro, Real Estate Investment Office, Alternative Investment Department (Lower right of photo)

### Using the sourcing power of MBRM and the strengths and knowledge of Japan Post Insurance to promote it as a part of Japan Post Insurance's real estate investment.

As I was in charge of the first investment property after Japan Post Insurance and Mitsui & Co. made an alliance, I had the opportunity to work in the Alternative Investment Department of Japan Post Insurance for one month last year as part of the personnel exchange program. At the beginning, I was confused by the differences in corporate culture, but by sitting together at the same table, I was able to get a first-hand understanding of Japan Post Insurance's way of thinking as an investor, their expectations for MBRM, and their efforts toward the SDGs. I hope to continue to help develop alliances across the boundaries of life insurance and trading companies.

HONDA Ayumi, Mitsui & Co., Realty Management Ltd. (Lower row, second from left in the photo)



# ERM and Capital Policy



## Message from the officer in charge

Aim to be a “strong company” that can grow sustainably

**ONISHI Toru**

Deputy President, Representative Executive Officer

We aim to achieve sustainable growth and long-term enhancement of corporate value while ensuring the soundness of business management based on ERM, under the framework of our Risk Appetite Statement. We will aim to secure revenues considering efficiency with respect to capital and risks, while securing financial soundness. On top of that, we will position returning profits to shareholders as an important measure for management effectiveness. We will secure revenues while maintaining financial soundness based on ERM, aiming to steadily return profits to shareholders.

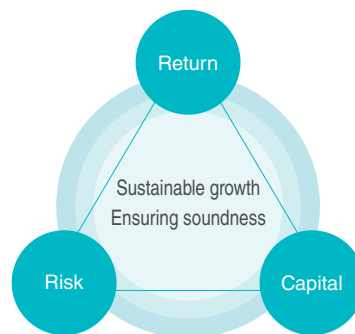
In March 2024, we implemented ceding by utilizing retrocession for whole life annuities in the old classification, which have high risk levels. We will continue to consider initiatives to enhance our liability management in order to improve future profits and capital efficiency. In May 2024, in line with the review of the Medium-term Management Plan, we replaced the “net income” previously set as a financial target with “adjusted profit,” which is partially adjusted to account 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 the adjusted profit. From the fiscal year ending March 31, 2025, we will implement stable shareholder returns funded by this “adjusted profit,” and aim to achieve an EV growth rate (RoEV) and adjusted ROE that exceeds the assumed cost of capital (approx. 6%). While the RoEV was 7.6% as of March 31, 2024, we have recognized that the PBR was below 1, a low level compared to industry peers, and the Company’s market valuation is not yet sufficiently high.

In order to improve market valuation, we believe that it is most important to continue to thoroughly engage in customer-first sales activities, provide our customers with peace of mind (protection) across life stages and generations, and aim to bottom out and upturn the number of policies in force by retaining and expanding customer base. At the same time, we will endeavor to achieve further growth by boosting the efficiency of business operations, deepening and evolving our asset management, and diversifying our revenue sources, thereby striving to become a “strong company” that can secure stable income and grow sustainably.

## Basic ERM Strategy

### Improvement of return on risk

- Build a well-balanced product portfolio between savings and protection-type products
- Achieve greater depth and evolution of asset management to maximize return on risk (Return seeking assets: approx. 18% to 20%)
- Invest in DX while promoting improved efficiency in business operations



### Improvement of capital efficiency

- Aim for growth exceeding assumed capital costs in the medium to long term, at adjusted ROE and RoEV<sup>(Note)</sup> (approx. 6%)
- Pay due consideration to costs and quality in capital composition and maintain soundness of financial base
- During the Medium-term Management Plan, average total payout ratio in the medium term is set at 40% to 50%. Adjusted profit was introduced in an effort to define sources of shareholder returns while taking their stability into consideration.

Note: Obtained by excluding “difference between economic assumption and actual results” from EV variance factors

### Maintaining financial soundness

- Establish and maintain various levels of financial soundness  
ESR: appropriate standards (target range) of 150% to 220%/warning standard of 110%; SM ratio: standard ratio of 600% / minimum ratio of 400%
- Implementation of improvement measures aimed at stable achievement of the ESR target range (debt financing, ceded reinsurance, etc.)
- Smooth introduction of the new capital regulations

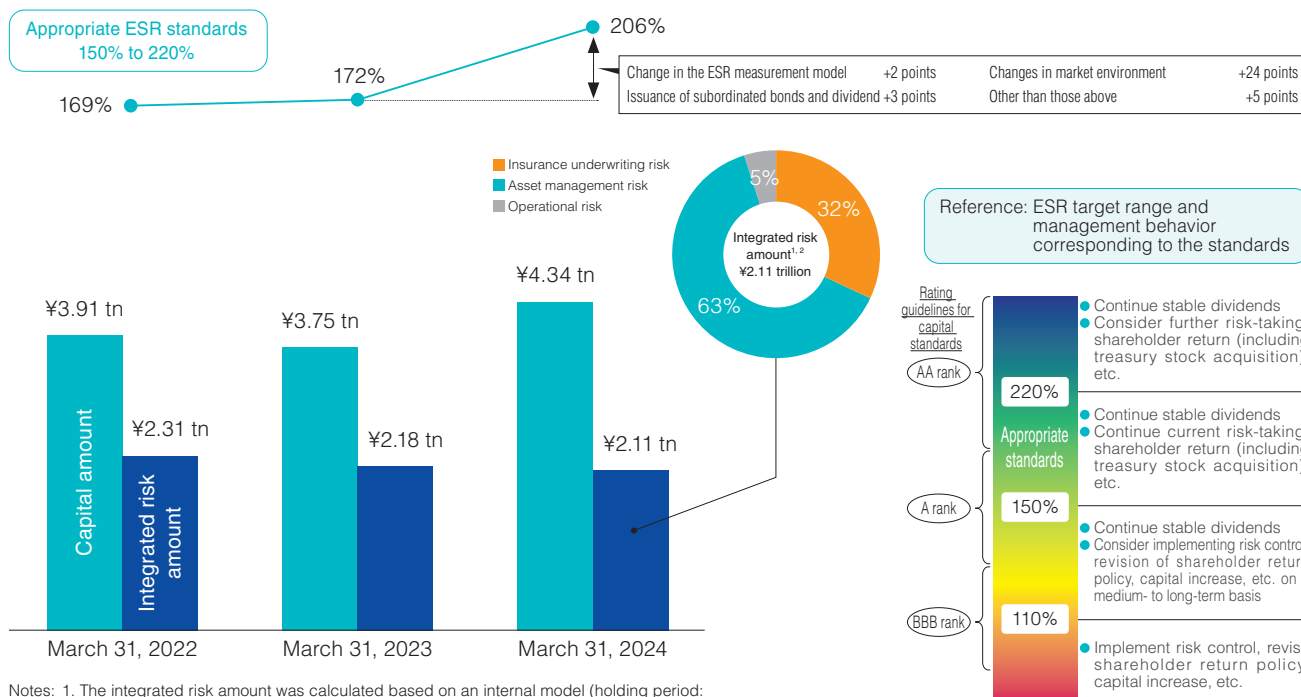
## Risk Appetite Statement

The Risk Appetite Statement stipulates our risk-taking policies in terms of which risks to take in order to achieve our goals. We categorize our risk appetite into “qualitative risk appetite” and “quantitative risk appetite.”

	Risk Category	Statement
Qualitative	Overall Policy	<ul style="list-style-type: none"> <li>Be active in universal services through the post office network while cultivating a corporate culture where every employee can grow with job satisfaction as the base for sustainable growth of the Company and pursue effective customer-first business operations.</li> <li>Achieve sustainable growth while maintaining sound business operations based on ERM. Aim to stabilize ESR in the medium to long term.</li> </ul>
	Insurance Underwriting Risk	<ul style="list-style-type: none"> <li>Underwrite insurance products based on sales activities with solicitation quality and respond to the diversification of insurance needs.</li> </ul>
	Investment Risk	<ul style="list-style-type: none"> <li>The basic approach is to promote asset-liability matching while taking into account surrender risk and profitability.</li> <li>Seek to improve investment income by promoting the achievement of greater depth and sophistication of asset management while taking into account market constraints and soundness, serving as one of Japan's largest institutional investors.</li> </ul>
	Operational Risk	<ul style="list-style-type: none"> <li>Prevent operational risk from materializing by strengthening internal control systems and establishing a system to perform all operations from underwriting to claim payment in a simple, prompt, and accurate manner.</li> <li>Prevent actualization of human risks by improving communication between management and employees, supporting diverse career development, and strengthening management capabilities.</li> <li>Prevent actualization of compliance risks by detecting risk using high risk sensitivity as well as embedding behavior to respond to the expectations of society in every employee.</li> </ul>
Quantitative		<ul style="list-style-type: none"> <li>Secure sound business management, set the minimum level for financial soundness that the Company should observe, and establish a management system to keep the indicators above that level.               <ul style="list-style-type: none"> <li>Minimum level solvency margin ratio of 400%</li> </ul> </li> <li>Manage the balance between risks and capital, and aim to secure profitability by maintaining the minimum level for financial soundness.</li> </ul>

## ESR

The ESR as of March 31, 2024 increased to 206% due to the slight decrease in the amount of integrated risk from March 31, 2023, while the capital amount increased due to an increase in unrealized gains of domestic stock holdings resulting from the domestic stock price increase, and the issuance of subordinated bonds, etc.



Notes: 1. The integrated risk amount was calculated based on an internal model (holding period: 1 year, confidence level: 99.5%), recognizing fluctuations in the capital amount as risk.  
2. The share of the pie chart in the integrated risk amount did not take into account the diversification effect between risks, etc.

## Ensure Appropriate ESR with Good Stability (Maintain Financial Soundness)

In preparation for the introduction of the new economic basis solvency regulations in the fiscal year ending March 31, 2026, we are gradually changing a part of our ESR measurement model to the specifications based on new capital regulations (the new economic basis solvency regulations). We expect no significant difference in ESR levels between our ESR measurement model as of March 31, 2024 and the new economic basis solvency regulation, and will continue our efforts to ensure appropriate ESR with good stability.

The major difference in ESR levels between the ESR measurement model as of March 31, 2024 and the new economic basis solvency regulations<sup>1</sup>

<b>Capital amount</b>	<ul style="list-style-type: none"> <li>The discount rate for insurance liabilities is the risk-free rate and no addition (adjusted spread) is applied [+].</li> <li>Differences were noticed in risk margin (MOCE) in terms of risks covered and measurement methods [-].</li> </ul>
<b>Life insurance risk<sup>2</sup></b>	<ul style="list-style-type: none"> <li>Internal model (coefficients based on in-house actual results) used [-]<sup>3</sup>.</li> </ul>
<b>Massive catastrophe risk</b>	<ul style="list-style-type: none"> <li>Takes into account the risk of large earthquakes that are not included in the new economic value-based solvency regulation [+].</li> </ul>
<b>Asset management risk</b>	<ul style="list-style-type: none"> <li>Volatility and correlation coefficients are estimated in-house from market data [+].</li> </ul>

No significant difference is expected in ESR levels

Initiatives for securing appropriate ESR with good stability

<b>Increase in capital amount</b>	<ul style="list-style-type: none"> <li><b>Increase in new policies</b> Promoting initiatives to retain and expand customer base</li> <li><b>Debt financing</b> Domestic subordinated bonds issuance</li> </ul>
<b>Decrease in risk amount</b>	<ul style="list-style-type: none"> <li><b>Implementation of interest rate swaps</b> Began in January 2023</li> <li><b>Utilization of reinsurance</b> Ceded a portion of the whole life annuity in the old classification in March 2024</li> </ul>

September 2023: ¥100.0 bn  
April 2024: ¥100.0 bn

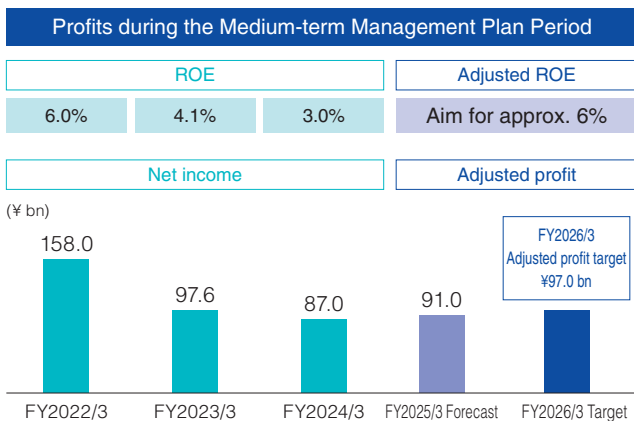
Notes: 1. The sign in [ ] indicates the impact on our ESR (in the direction of increase or decrease) if the new economic value-based solvency regulations are applied.

2. Excluding business expense risk and large volume cancellation risk.

3. When standard coefficients are applied. No significant difference is expected between the internal model and the coefficients when company-specific coefficients can be applied.

## Stable Shareholder Returns (Introduction of Adjusted Profit)

As part of the initiatives set forth in the Medium-term Management Plan, we aim to improve the appeal of savings-type products by responding to changes in the external environment such as rising interest rates, and thus retain and expand customer base. Considering the characteristics of a life insurance company, where sales recovery measures may cause downward pressure on profits in the short term, we will implement stable shareholder returns by introducing adjusted profit which partially adjust for such impact as a new management target and a source for shareholder returns.



Reference: Definition of adjusted profit and adjusted ROE

<b>Adjusted profit</b>	Net income +Burden of regular policy reserves in the first year (after tax)
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- By adjusting the burden of regular policy reserves from net income, we can mitigate the effect of downward pressure on profits in the short term when considering future sales recovery
- Stable returns to shareholders while ensuring soundness by treating adjusted profit as a source of shareholder returns

<b>Adjusted ROE</b>	Adjusted profit÷Shareholders' equity (average)
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- Our cost of shareholders' equity is believed to be approx. 6.0%
- Aim to achieve medium- to long-term growth exceeding the cost of shareholders' equity under adjusted ROE with adjusted profit as the numerator and shareholders' equity as the denominator

Assumptions underlying the financial results forecast for FY2025/3

<b>Domestic and foreign interest rates</b>	Assumed to be trending in line with the implied forward rate as of March 31, 2024
<b>Foreign exchange and stock price</b>	Assumed to follow the trend as of March 31, 2024 (USD/JPY: 151.4 yen, Nikkei Stock Average: 40,369 yen)
<b>Number of policies</b>	Approximately 880 thousand cases of new policies (individual insurance) assumed. Approximately 1,770 thousand cases of cancelled policies (individual insurance) <sup>(Note)</sup> assumed.

Note: The numbers of cancelled policies are the sum of death, maturity, surrender and lapse. Also include postal life insurance policies.

## Shareholder Return Policy

In accordance with the shareholder return policies during the period of the Medium-term Management Plan, we provide returns to shareholders. The dividend per share for the fiscal year ended March 31, 2024, is ¥94 as planned, and for the fiscal year ending March 31, 2025, we forecast a dividend of ¥104 per share.

Starting from the fiscal year ending March 31, 2025, we introduce “adjusted profit” and use these profits as a source of stable shareholder returns.



## Improving Market Valuation through Medium-Term Management Plan Initiatives

We aim to improve our market evaluation by steadily implementing a series of initiatives set forth in our Medium-term Management Plan: retaining and expanding customer base, improving profitability, and achieving appropriate financial leverage.

