

Outline of Financial Results for
the Fiscal Year Ended March 31, 2018
<Reference Material>

 JAPAN POST GROUP

Kampo

**Kampo (Japan Post Insurance) Medium-Term Management Plan
<<Excerpts from Japan Post Group Medium-Term Management Plan>>**

May 15, 2018

 **JAPAN POST INSURANCE**

Life insurance business (1)

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

Based on assurance and trust, aim for sustainable profit growth by reversing and growing of policies in force by providing life insurance products corresponding to customers' protection needs

External environment

Advent of super-aging society

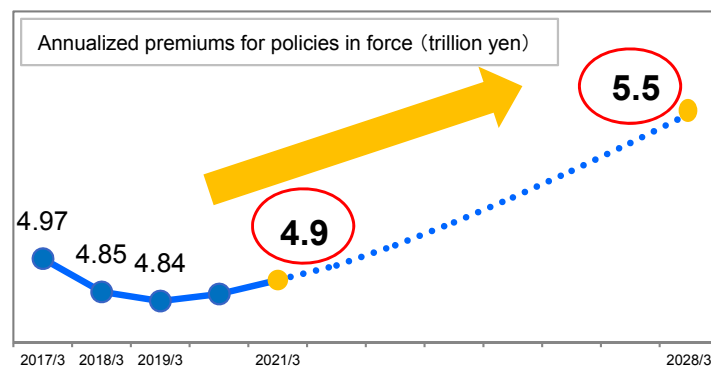
Evolution of medical technology and ICT

Continuation of historically low interest rate environment

Diversification of lifestyles

Principal measures in Medium-term Management Plan

Strengthening of sales activities focusing on protection needs, Improvement in solicitation quality, Cultivation of new customer base, Development of new products, Establishment of sales foundation



Improvement of customer service and enhancement of efficiency in back-office administration through use of ICT

Diversification of asset management and sophistication of risk management

Annualized premiums for policies in force
About ¥4.9 trillion
(FY2021/3 numerical targets)

Reduction of administrative workload equivalent to **1,000** people

Return-seeking assets **12.3% → about 15%**
(FY2018/3 → FY2021/3)

Future vision

- Sustainable profit growth and securing of solid business base

Annualized premiums for policies in force
About ¥5.5 trillion
(FY2028/3)

- Further enhancement in convenience and productivity through use of ICT
- Launch of new services and products, which contribute to raising customers' QOL* through use of AI and big data
- Further improvement in returns on risk under ERM framework

* Quality of life: Concept for evaluating whether someone lives a humane and satisfying life

Life insurance business (2)

Strengthening of sales activities focusing on protection needs, Improvement in solicitation quality, Cultivation of new customer base, Development of new products, Establishment of sales foundation		Improvement of customer service and enhancement of efficiency in back-office administration through use of ICT	
Strengthening of sales activities focusing on protection needs	<ul style="list-style-type: none"> ● Training for post office offsite sales personnel and counter sales personnel ● Cooperation with other life insurance companies in products supply including commissioned sales etc. 	Improvement of customer service	<ul style="list-style-type: none"> ● Introduction of screen notification/automated assessment system and insurance procedure support system ● Introduction of billing procedures utilizing digital technologies such as “My Page”
Improvement in solicitation quality	<ul style="list-style-type: none"> ● Ensuring that solicitation materials are easy to understand ● Comprehensive measures to improve solicitation quality (introduction of policy maintenance evaluation etc.) 	Enhancement of efficiency in back-office administration	<ul style="list-style-type: none"> ● Digitalization of paper forms at Service Centers / Saving labor in policy maintenance administration process ● Stepwise introduction of RPA (Robotic Process Automation) <p>(Reduction of workload equivalent to 1,000 people* (2021/3)) *Convert the number into personnel expenses: about ¥3.0 billion</p>
Cultivation of new customer base	<ul style="list-style-type: none"> ● Cultivate potential customers who are uninsured and young / Strengthen sales activities at worksite etc. ● Continue “Feel Secure with Kampo” activities / Launch of health promotion services 	Diversification of asset management and sophistication of risk management	
Development of new products	<ul style="list-style-type: none"> ● Development and diversification of protection-type products including third sector products (Annualized premiums from new policies (third sector) : Up over 20% from 2018/3 (¥59.2 billion)) 	Diversification of asset management	<ul style="list-style-type: none"> ● Diversification of foreign bond investment and alternative investment / Expansion of in-house management of stocks ● Cooperation with other life insurance companies including joint investment etc. (Ratio of Return-seeking assets : about 15% (2021/3))
Establishment of sales foundation	<ul style="list-style-type: none"> ● Introduction of new mobile devices for sales, counter support using TV systems and marketing by utilizing SNS etc. ● Increase in offsite sales personnel at Post office (Number of offsite sales personnel: around 18 thousands(2021/3)) 	Sophistication of risk management	<ul style="list-style-type: none"> ● Actively taking risk of underwriting insurance through products that support both customer needs and profitability ● Taking asset management risk within the scope of risk buffer based on ALM and risk appetite

- Annualized premiums for policies in force
About 4.9 trillion yen
- Earnings per share of **155 yen**
(Reference)
Consolidated net income **93 billion yen**
- Dividend policy
Aim to increase dividend to **76 yen** per share
while ensuring the soundness of management

Kampo (Japan Post Insurance) Medium-Term Management Plan
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Supplement

Life insurance business (1) Outline of policies and measures



Life insurance business (2) Reversal and growth of in-force policies

Reverse annualized premiums for policies in force during the Medium-Term Management Plan

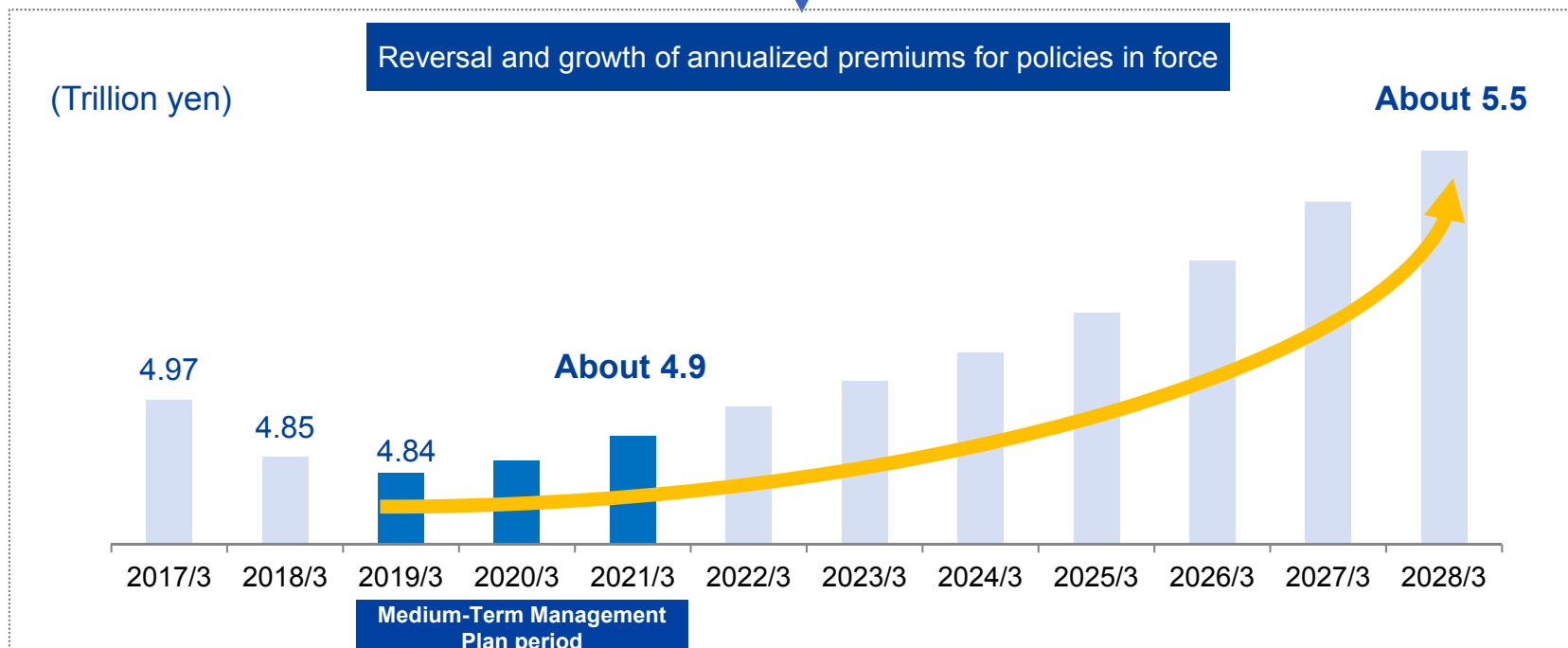
Securing new policies

- Securing of new policies through sales activities focusing on protection needs, cultivation of new customer base, etc.

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Strengthening policy maintenance

- Strengthening of policy maintenance through improvement in solicitation quality etc.



Strengthening of sales activities focusing on protection needs and policy maintenance for the reversal of in-force policies

Strengthening of sales activities focusing on protection needs

- Training for post office offsite sales personnel and counter sales personnel
- Cooperation with other life insurance companies in products supply including commissioned sales etc.

Improvement in solicitation quality

- Ensuring that solicitation materials are easy to understand
- Comprehensive measures to improve solicitation quality (introduction of policy maintenance evaluation etc.)

Cultivation of new customer base

- Cultivate potential customers who are uninsured and young / Strengthen sales activities at worksite etc.
- Continue “Feel Secure with Kampo” activities / Launch of health promotion services

Development of new products

- Development and diversification of protection-type products including third sector products

Establishment of sales foundation

- Introduction of new mobile devices for sales, counter support using TV systems and marketing by utilizing SNS etc.
- Increase in offsite sales personnel at post offices

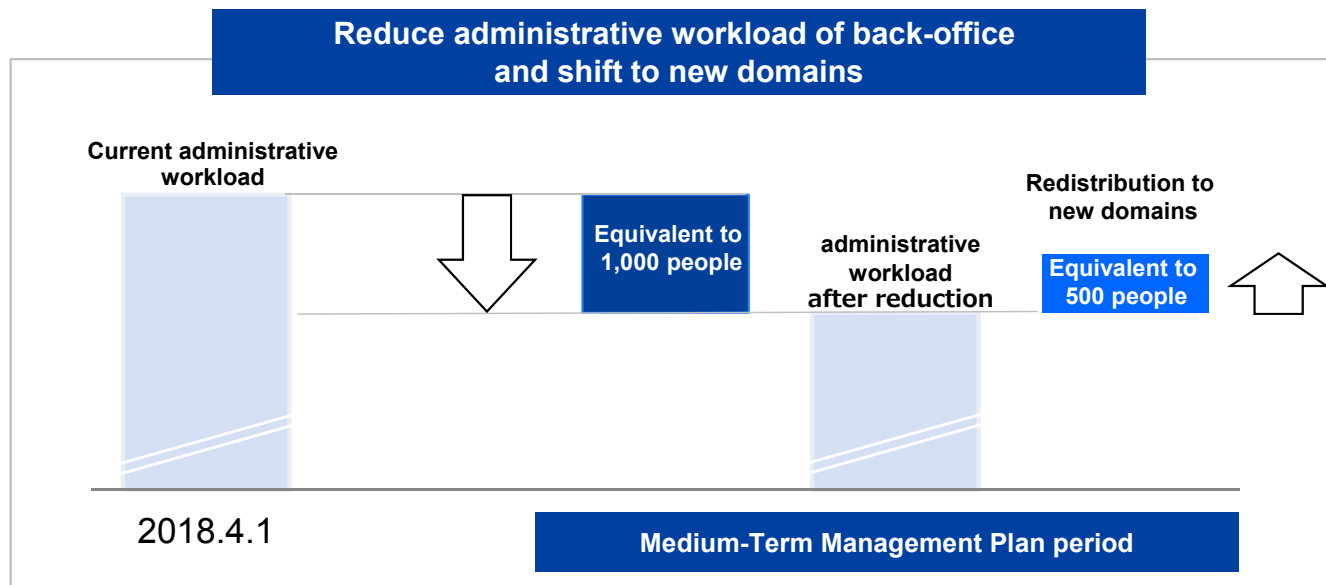
Improve our customer services and enhance the efficiency in back-office administration through use of ICT

Improvement of customer service

- Introduction of screen notification/automated assessment system and insurance procedure support system
- Introduction of billing procedures such as 'My Page'

Enhancement of efficiency in back-office administration

- Digitalization of paper forms at Service Centers / Saving labor in policy maintenance administration process
- Stepwise introduction of RPA (Robotic Process Automation)

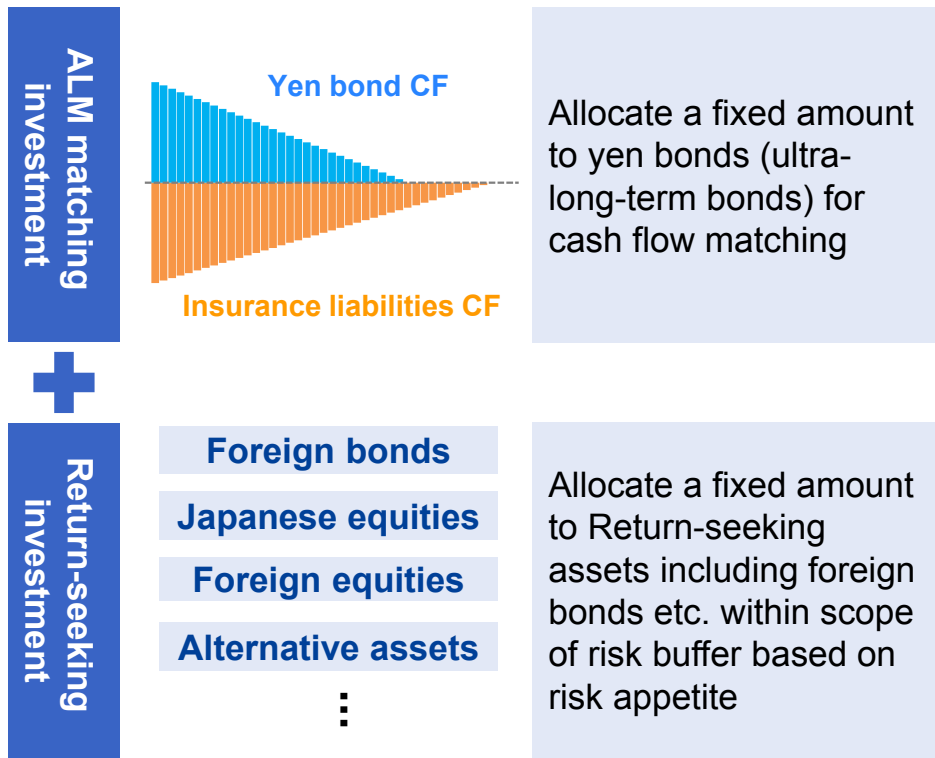


Diversify asset portfolio within scope of risk buffer under ERM framework

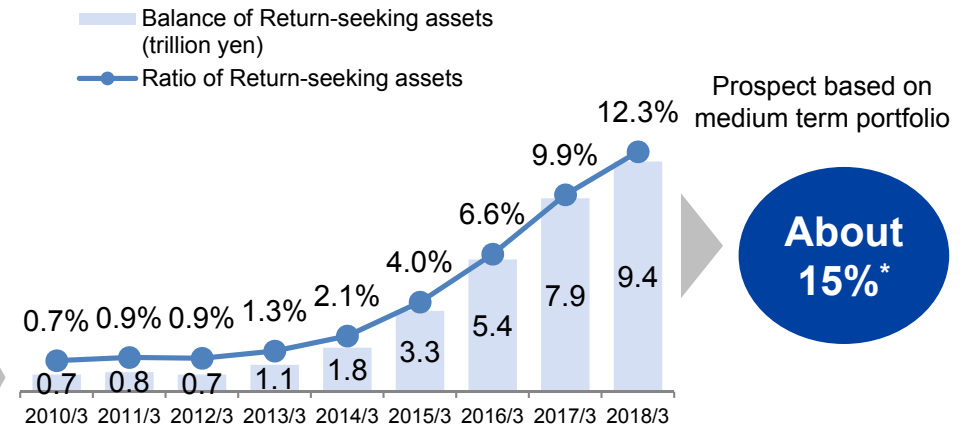
ERM framework

- Maintenance of appropriate financial soundness and improvements in profitability based on ERM approach

Basic approach towards asset management



Balance and ratio of Return-seeking assets



*Alternative investment is about 1.5%

- Diversification of investment scope
- Expansion of in-house investment
- Cooperation with other life insurance companies including joint investment etc.
- Advancement of ALM and risk management
- Strengthening of specialized human resources to support the above

Life insurance business (6) Investment plan

Total investment amount (FY2019/3 to FY2021/3 total)	Details of investment	Investment amount (FY2019/3 to FY2021/3 total)	Investment effect
150 billion yen	Construction of next generation open system	49 billion yen	Improvement of system infrastructure for utilization of ICT
	Development of core systems	41 billion yen	Improvements in customer convenience through providing new product and services, operation efficiency
	Introduction of new mobile devices for sales	12 billion yen	Improvements in customer convenience, operation efficiency

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