

Future Sales Strategies

March 29, 2022



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- I am Sakamoto from Japan Post Insurance. Thank you all for participating in this “Future Sales Strategy Briefing Session” by Japan Post Insurance.
- Today, I would like to hear your participation in the “Briefing on Future Sales Strategy” of Japan Post Insurance.
- First of all, we would like to explain about our Future Sales Strategy based on the materials in front of you. Then we will have a Q&A based on the materials in front of you. Then we will have a Q&A session.
- Please look at page 2.

Vision of Japan Post Insurance Sales Activities (Retail)

- We establish “Vision of Japan Post Insurance Sales Activities (Retail)” as a future vision for expanding the true trust of customers by providing a broader range of high-quality services to all customers.
- We will increase corporate value by sharing this vision among all employees and transforming into “Culture of cultivating both the market and human resources.”

Social mission

We will protect customers' lives by providing life insurance product.

Management Philosophy

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

New Japan Post Insurance Sales System

Consultants	Insurance consulting activities that leverage high mobility and expertise
Post office counter	Providing comprehensive financial services to meet diverse customer needs

Vision of Japan Post Insurance Sales Activities

- **Expand customers based on customer's trust and satisfaction**
 - Improve customers' satisfaction, which will lead to expand customers, by enhancing regular follow-up support to customers and getting close to customers
 - Respond appropriately to diversifying protection needs of customers through provision of a wide range of information utilizing high expertise of consultants and truly customer-first proposals
- **Establish appropriate management and support growth of employees through the systems and operations closely linked to the front line**
 - Building the sales foundations which contribute to enhancing convenience for both customers and employees
 - Development and growth of employees who can provide customers with more satisfaction
- **Continue to evolve with keen awareness of the social and business environment**
 - Flexible formulation of activity strategies, training and instruction for employees according to the market and employees' skills

Culture of cultivating both the market and human resources



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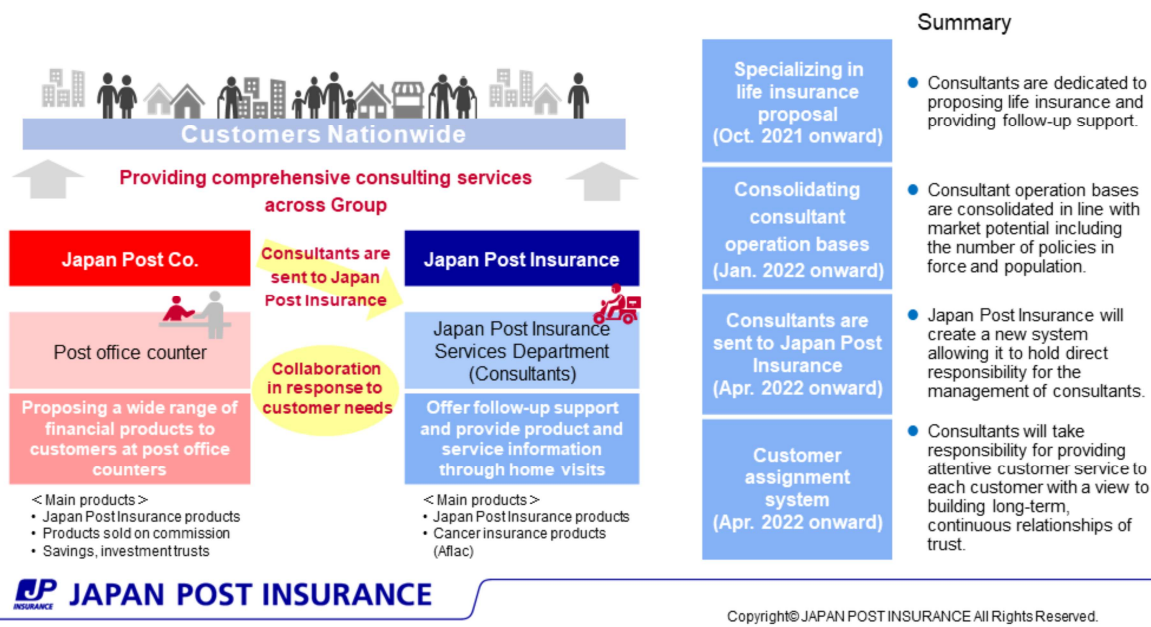
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- First, I would like to explain the “Vision of Japan Post Insurance Sales Activities (Retail).”
- In the Medium-Term Management Plan announced in May 2021, we return to our management philosophy, which is the starting point, and clarify our social mission of “Be a trustful partner for people, always being close at hand and endeavoring to protect Management their well-being.”
- From April 2022, the New Japan Post Insurance Sales System will be launched in which consultant in Japan Post Co. will belong to our Japan Post Insurance Services Department and work as employees of Japan Post Insurance.
- Under this New Japan Post Insurance Sales System, we will aim to expand the market as a whole by increasing the quality, quantity, and frequency of contact with all customers, thereby increasing customers while building true relationships of trust with customers. I will explain the detail of it later.
- In order to share this vision for the future among all employees, we have established the “Vision of Japan Post Insurance Sales Activities (Retail).”
- Aims in this vision are below.
 - Expand customers based on customer's trust and satisfaction
 - Establish appropriate management and support growth of employees through the systems and operations closely linked to the front line
 - Continue to evolve with keen awareness of the social and business environment
- Based on this vision, we will implement the measures I will explain steadily, and realize social mission and management philosophy by transforming to “Culture of cultivating the market and human resources.”
- Please look at page 3.

New Japan Post Insurance Sales System

- Consultants are dedicated to proposing products of Japan Post Insurance and Aflac Life Insurance Japan Ltd. and providing follow-up support, and respond to diverse needs of customers with meticulous care by enhancing the expertise.
- Consultants are sent to Japan Post Insurance and managed directly by the Company with responsibility.
- When we identify customer needs for products other than life insurance, such as savings and investment trusts, we pass them on to the post office counter to provide “comprehensive consulting services” across group.



- I would like to explain the New Japan Post Insurance Sales System.
- Until now, we have mainly sold savings-type products, but we believe it is important to provide protection-type products in the future to meet the diversifying needs of our customers.
- To this end, it is necessary to develop human resources with the ability to propose protection, such as getting close to customers, accurately identifying their needs, and explaining clearly products to customers.
- Under the New Japan Post Insurance Sales System that will begin in April 2022, we will aim to develop human resources who can propose protection with a high level of expertise and know-how by directly managing consultants and providing them with full support.
- In addition, we will provide comprehensive consulting services across group by providing a wide range of financial products at post office counters.
- Until now, we have made steady progress in preparations for smooth start-up from April.
- Specifically, since October 2021, consultants have been dedicated to proposing life insurance, and since January 2022, we have been gradually consolidating consultant operation bases.
- For the Customer Assignment System, which will be introduced in April, I will explain it on the next page.
- Please look at page 4.

Customer Assignment System

- By introducing a customer assignment system, employees in charge build relationships of trust with customers, and employees themselves add value, leading to new policies.

Employee activities

- ① Regular contact with customers to provide necessary information
- ② Always responding promptly to requests and inquiries from customers
- ③ Always become sensitive to customer information and changes (life events) and collect information on a daily basis

Relationships with customers

- ① Relationship in which the customer contacts the person in charge when an insured event (when claiming insurance benefits) or necessary procedures occur = "Recognition of the person in charge"
- ② Policyholders and his/her families rely on the person in charge = "Consult at any time"
- ③ Establish relationships which are introduced to a family or acquaintance = "Supporter for the person in charge"

In addition to products, the "employee in charge" becomes added value

Leading to new policies and expanding customers

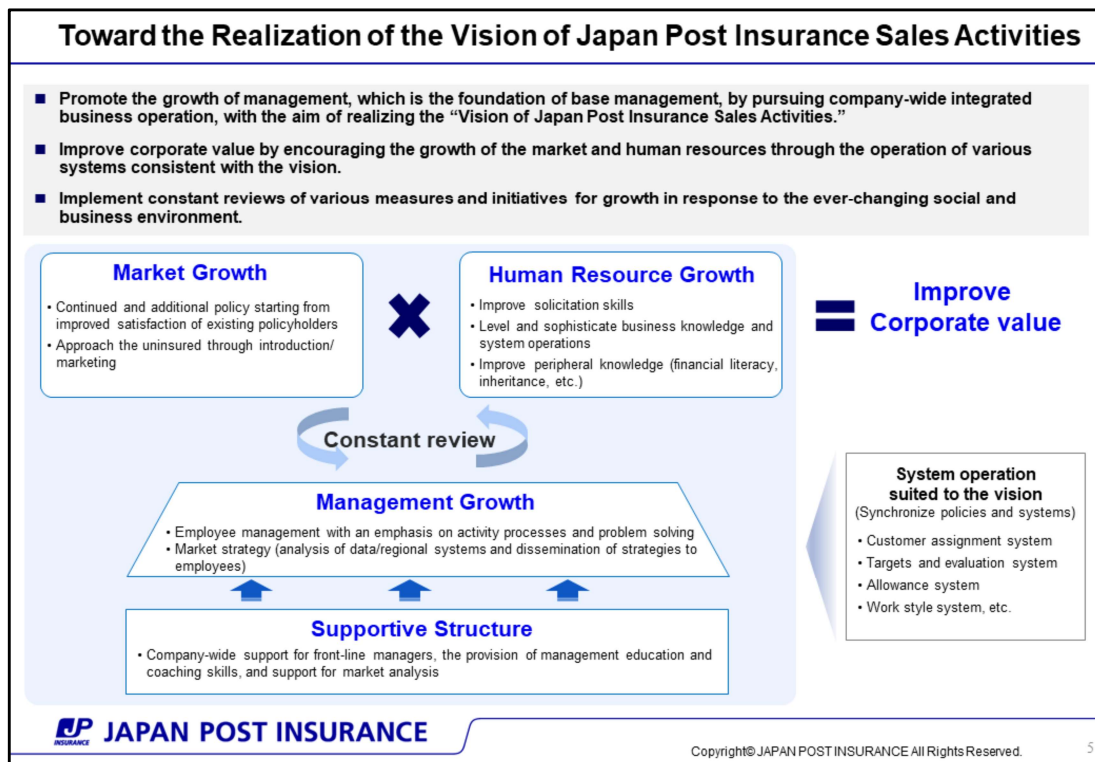


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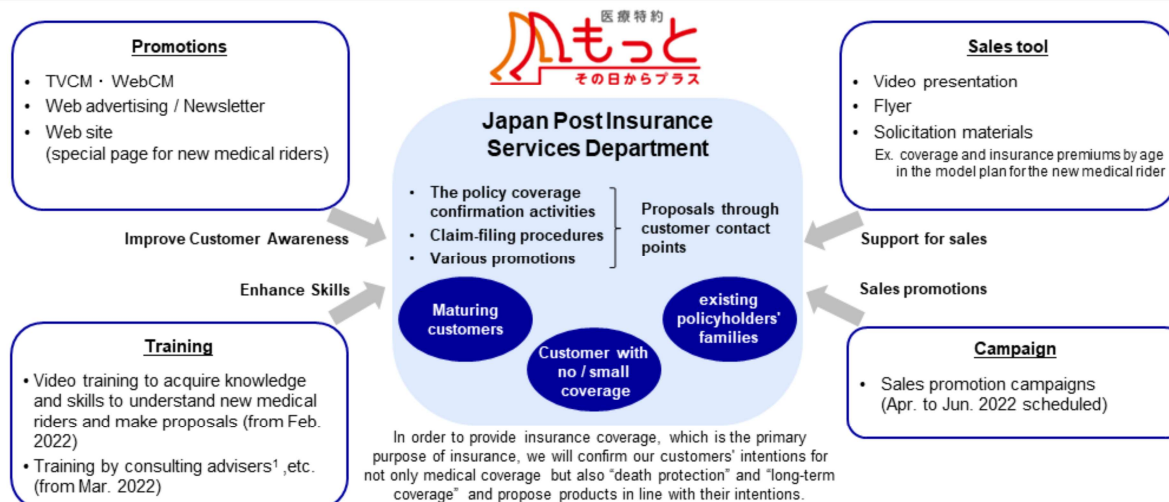
- I would like to explain the Customer Assignment System.
- We recognize that in the past, there was a tendency to incline to new policies and customers whom we could easily visit.
- Based on this reflection, we would like to expand the true trust of customers by providing a broader range of higher-quality services to all customers with the introduction of the "Customer Assignment System."
- Specifically, we will increase the quality, quantity, and frequency of contact with all customers, by increasing contacts of customers which consultants and post office counter are in charge of and enhancing follow-up support.
- In addition to products, we hope that employees in charge become added value to customers, which will lead to new policies.
- In this way, we consider the Customer Assignment System a very important measure for achieving the growth of human resources and market in "Vision of Japan Post Insurance Sales Activities (Retail)" that I explained at the beginning.
- Please look at 5.



- I would like to explain our basic policies toward the realization of the Vision of Japan Post Insurance Sales Activities and growth of Japan Post Insurance.
- At first, the growth of management, which is the foundation of base management is essential to realize the vision.
- We will work on company-wide support for front-line managers and solve their problems.
- Additionally, by reviewing all the structures and operations, such as “Customer assignment system”, “Targets and evaluation system” and “Allowance system” to synchronize them to the Vision of Japan Post Insurance Sales Activities, we will encourage the growth of the market and human resources and improve corporate value.
- With regard to the structure and operation of these systems, we intend to give top priority to what we can do for our customers, and constantly review them while appropriately responding to the ever-changing social and business environment.
- Please look at page 6

Launch of New Products (new medical riders)

- To grow the market, we will respond to protection needs of customers of all generations in order to “protect their lives by providing life insurance product” over a lifetime based on relationship of trust with them.
- The new medical rider “Motto-Sono-hi-kara Plus” launched in April 2022 was developed as a product that will provide generous coverage for short hospitalization / long hospitalization / outpatient surgery, reflecting the opinions and requests of the front line and the results of surveys on consumer needs.
- We will conduct proactive sales proposals at all customer contact points, including the policy coverage confirmation activities, for maturing customers, existing policyholders’ families, customers whose protection may not be sufficient (ex. policyholders of educational endowment insurance.)



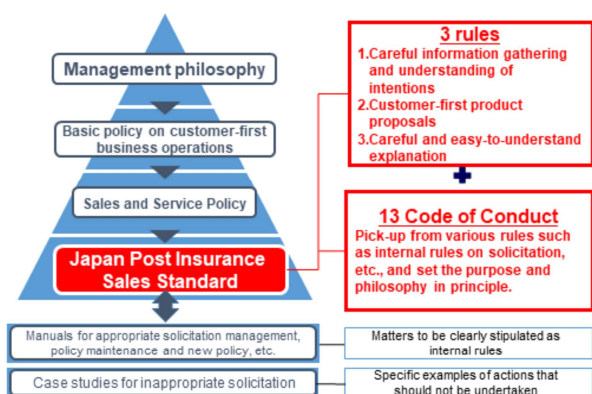
1. A person in a position who belongs to a directly-managed channels and provides training to consultants on sales skills and solicitation quality

- Here, I would like to explain our initiatives toward the launch of the new product, which is a new medical rider, in April of this year.
- We will launch the new medical rider “Motto-Sono-hi-kara Plus” from April 1, 2022.
- With this new medical rider, we believe that we can meet the needs of customers of all generations by offering generous medical coverage at low premiums.
- We will conduct proactive sales proposals through various customer contact points, including the policy coverage confirmation activities, particularly for maturing customers, existing policyholders’ families, and policyholders of educational endowment insurance whose protections may not be sufficient.
- Going forward, we will respond to our customers’ needs and will continue to fulfill our social mission of “protect customers’ lives by providing life insurance product” by providing them with basic protection as well as opportunities to recognize the need through our new Japan Post Insurance sales system, thereby leading to market growth.
- Please look at page 7.

Assurance of Solicitation Quality

- In order to thoroughly implement true customer-first sales activities without repeating the solicitation quality issues again, we have formulated “Standard of Japan Post Insurance sales.” Based on these principles, we carefully confirm customer intentions, etc., and our employees themselves think and practice appropriate solicitation activities.
- Drawing up the “Japan Post Insurance Commitment” and eliminating concerns among employees from the perspectives of “protecting employees engaged in appropriate sales activities” and “firmly aligning them with each other”.
- In addition, with the aim of improving customer service quality and protecting both customers and consultants, recordings are conducted at the time of solicitation to enable a review of the solicitation process.

Standard of Japan Post Insurance sales



Japan Post Insurance Commitment

In order to build relationship of trust with customers and fulfill our mission as an insurance company, the management team promises all employees involved in Japan Post Insurance sales activities to comply with the following

1. Japan Post Insurance is committed to protecting employees who conduct customer-first sales activities and appropriate solicitation.
2. Japan Post Insurance will grow together with each front-line employee and manager while eliminating issues and concerns together.
3. Japan Post Insurance will provide products and services that meet our customer needs and promote appropriate sales activities that are in line with the actual circumstances of the front line.

Introduction of recording at solicitation

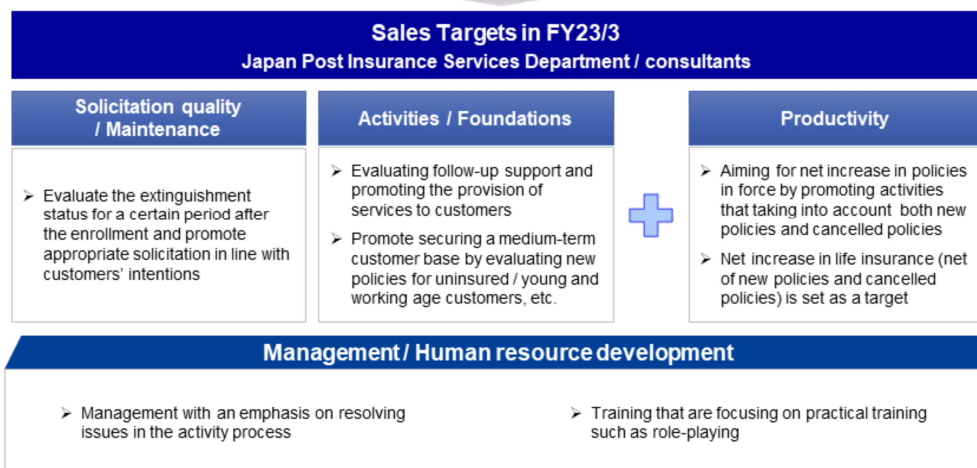
We will ensure transparency of the solicitation process by recording and keeping a voice record of the solicitation process using the mobile devices carried by sales personnel, in order to develop a system that can verify whether sales personnel's proposals have met the customer's intentions in the case of a customer complaint

- I would like to explain our efforts to ensure solicitation quality.
- Since FY20/3, we have been making company-wide efforts to implement preventive measures in response to the solicitation quality issues.
- First, we formulated the “Standard of Japan Post Insurance sales,” which are the principles for thoroughly implementing true customer-first sales activities without repeating the solicitation quality issues again. Based on these principles that consist of 3 rules and 13 code of conducts, all the employees involved in Japan Post Insurance sales activities always think and put into practice the best conduct based on the customer-first Philosophy from the standpoint of each customer.
- In addition, we have formulated and disseminated the “Japan Post Insurance's Commitment” in October 2021, which expresses management's review of the past and our determination to fulfill our primary mission as an insurance company. In this way, we are working to eliminate employee concerns and ensure that customer-first sales activities are practiced with a sense of consent and confidence.
- At the same time, from August 2020, we record interactions with customers from product proposals to acceptance of application at the time of solicitation. By enabling a review of customer interactions, we can prevent product proposals that do not match the perceptions and intentions of customers and employees.
- Through these initiatives to ensure solicitation quality, we will continue to build relationships of trust with customers based on appropriate sales activities.
- Please look at page 8.

Sales Target Structure for FY23/3

- Review the sales targets to comprehensively evaluate “solicitation quality / maintenance,” “activities / foundations,” and “productivity” in line with the “Vision of Japan Post Insurance Sales Activities”.
- Aiming for sustainable market growth by engaging in detailed management and human resource development to achieve sales targets.

Vision of Japan Post Insurance Sales Activities



- I would like to explain our sales target for FY23/3.
- In FY23/3, we will set a target system to comprehensively evaluate “solicitation quality and maintenance,” “activities and foundations,” and “productivity” in a balanced manner based on the “Vision of Japan Post Insurance Sales Activities.”
- In particular, we did not set a target for productivity in FY22/3. In FY23/3, however, we will set a target for net increase in life insurance, which is calculated by subtracting the results of cancelled polies from new policies, from the perspective of promoting activities that taking into account policies in force and aiming for a net increase in them, from the viewpoint of aiming to expand customers as well as overall market based on the “Vision of Japan Post Insurance Sales Activities.”
- From April onwards, we will make company-wide efforts to achieve our sales targets through the management that focus on solving issues of the activity processes of each employee and break away from the previous management that focused on the new policy. We will also aim for sustainable market growth by accumulating and growing the success experiences of each employee through human resource development centered on practical training, such as role-playing.
- Please look at page 9.

Securing Policies in force

- New policies in FY23/3 will be calculated by adding productivity improvement through the New Japan Post Insurance Sales System and the effects of new products to the sales force at the beginning of the fiscal year based on appropriate solicitation quality.
- Aim to recover sales volume and maintain policies in force with revitalizing sales activities through the above initiatives, so as to achieve the target for the number of policies in force set in the Medium-Term Management Plan.

Approach to the New Policy Level for the FY23/3

Sales force at the beginning of the fiscal year

Calculated by considering the following decrease factors based on the actual results for the FY19/3

- Impact of a decrease in the number of employees
- Impact of suspending the solicitation to elderly customers
- Impact of damage to customers' trust
- Impact on sales personnel's mind, etc.

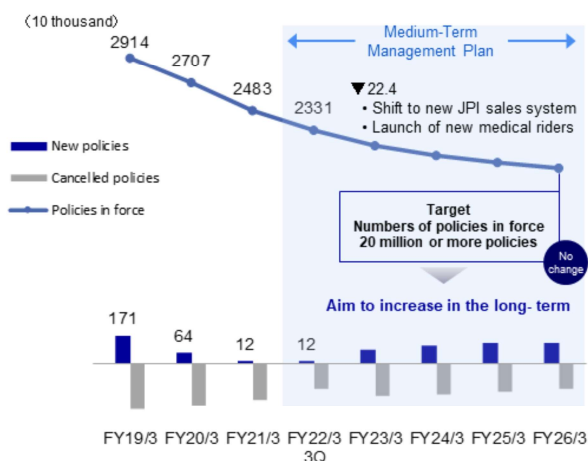


Improve productivity by shift to New Japan Post Insurance Sales System



Launch of new medical riders

Numbers of Policies (Individual Insurance)

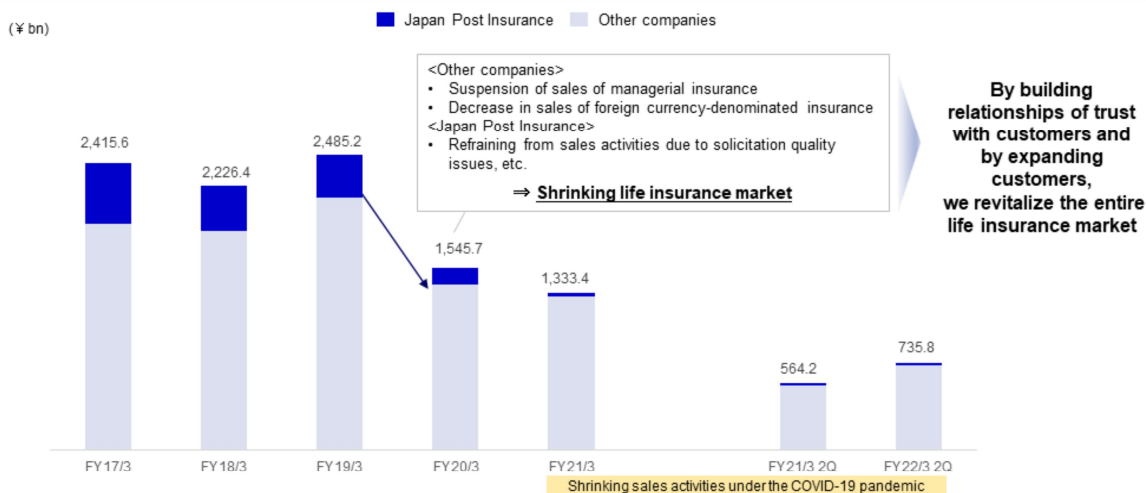


- I would like to explain securing policies in force.
- The new policy level for FY23/3 will be calculated by adding productivity improvement through the New Japan Post Insurance Sales System and the effects of new products to the sales force at the beginning of the fiscal year based on appropriate solicitation quality.
- New policies up to FY22/3 3Q have been gradually increasing, and the number of policies in force has been decreasing.
- However, we aim to achieve the target for the number of policies in force set in the Medium-Term Management Plan by revitalizing sales activities and recovering sales volume through the transition to the New Japan Post Insurance Sales System from April and the launch of a new medical rider.
- Please look at page 10.

Revitalization of the Life Insurance Market

- Domestic life insurance market shrinks due to our refraining from sales activities associated with the solicitation quality issues, etc. in addition to decrease in sales of other companies and the COVID-19 pandemic.
- We aim to revitalize the market as a whole by building true relationships of trust with customers and expanding customers.

Total of Annualized Premiums from New Policies (Individual Insurance) for Domestic Life Insurance



Source : The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan

Note : Annualized premiums are calculated by multiplying the amount of a single premium installment payment by a multiplier determined according to the relevant payment method to arrive at a single annualized amount. (For lump-sum payments, annualized premiums are calculated by dividing the total premium by the insured period.) Annualized premiums (individual insurance) include the premiums for medical care related to individual insurance.

- Finally, the overall life insurance market has been shrinking since FY20/3, when we refrained from proactive sales activities due to the solicitation quality issues.
- We intend to achieve market growth and revitalize the life insurance market as a whole by engaging in sales activities based on the “Vision of Japan Post Insurance Sales Activities (Retail)” that I explained at the beginning.
- Under the New Japan Post Insurance Sales System, we will reconstruct into a company that is truly trusted by its customers, and work to build a management foundation that can achieve sustainable growth.
- This concludes my explanation. Thank you for your attention.

APPENDIX

List of Products Handled

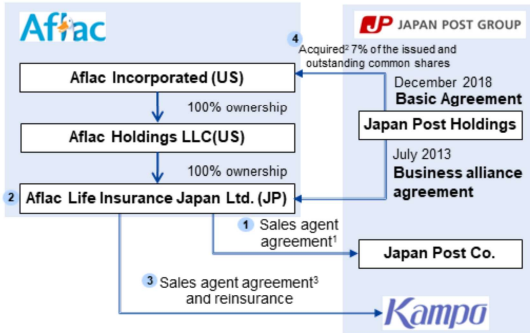
- Consultants will be dedicated to providing follow-up support and proposing Japan Post Insurance products and cancer insurance products of Aflac Life Insurance Japan Ltd..
- By specializing in life insurance businesses, as a higher level of life insurance professionals, realize sales activities by ensuring appropriate solicitation quality.
- Realize “comprehensive consulting services” across group by intermediating with post office counters when customer needs are identified for products other than life insurance.

Operations			Japan Post Co.	Japan Post Insurance	
			Post office counter	Consultant (Japan Post Insurance Services Department)	Whole Sales
Sales and maintenance of life insurance	Japan Post Insurance	Japan Post Insurance products	○	○	○
	Consigned products	Cancer insurance	○	○	○
		Corporations (managers) Life security	○	○ (Maintenance only planned)	○
		Relaxed-underwriting medical insurance	○	Intermediated with post office counter or Japan Post Bank	—
		Variable annuity insurance	○		—
	Sales and maintenance of non-life insurance (Automobiles, JP Lifestyle Support Insurance, and Bike Liability)		○		—
	Investment trusts, iDeCo, NISA, government bonds		○		—
	Bank agent services		○	—	
	Others (Mail, Product Sales, Other Procedures)		○	—	

Overview of the alliance between Aflac and Japan Post Group

- In July 2013, Japan Post Holdings and Aflac Life Insurance Japan Ltd. entered into a business alliance agreement to provide cancer insurance through the nationwide post offices and Kampo's directly managed offices. Those policies are reinsured by Kampo and risk profits are shared.
- In December 2018, Japan Post Holdings and Aflac Incorporated entered into a basic agreement regarding a strategic alliance based on a capital relationship to increase corporate value in each of Japan Post Group companies, including Kampo.
- New products to be considered for development are confirmed not to affect the field of products which Kampo plans to launch or sell independently and Kampo's corporate value is not expected to be impaired.
- In June 2021, the 3 companies of the Japan Post Group and Aflac Life Insurance Japan Ltd. agreed to further develop a strategic alliance that could be described as a practice of collaboration to create value for customers in order to realize the "Co-creation Platform" set forth by the Japan Post Group and will work to promote DX in the financial and insurance sectors..

Business Alliance Structure



1. Commenced selling of Aflac cancer insurance at some part of post offices from October 2008 (October 2008: 300 post offices, July 2009: 1,000 post offices)
2. The Articles of Incorporation of Aflac Incorporated, in principle, stipulate each share is entitled to ten votes after continuous holding of Aflac Incorporated common shares for 48 months by the same beneficial owners, which is expected to result in at least 20% voting rights four years after acquisition of shares (February 2020) and application of the equity method of accounting.
3. From April 2022, in addition to directly managed offices, consultants who belong to Japan Post Insurance Service department will offer cancer insurance.

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【From July 2013-】 Scope of Business Alliance

【From July 2013-】

- 1 Offer Aflac's cancer insurance through the nationwide network of approx. 20,000 post offices.
- 2 Aflac to design distinct cancer insurance products that are dedicated to Japan Post Group, which supplements coverage of our medical riders.
- 3 Kampo's directly managed offices to offer Aflac cancer insurance and reinsurance of cancer insurance sold at post offices and directly managed offices.

【From December 2018-】

- Japan Post Holdings will invest in Aflac Incorporated by 7%
Consideration of new initiatives for cooperation.
- ① Leveraging digital technology
 - ② Cooperation in new product development
 - ③ Cooperation in domestic and/or overseas business expansion and joint investment in third-party entities
 - ④ Cooperation regarding asset management

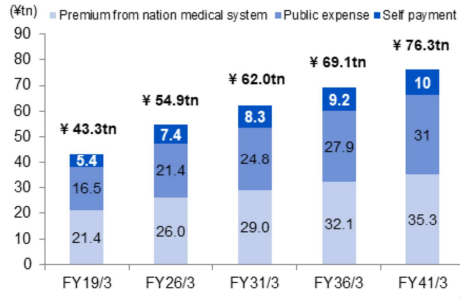
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Business Environment in the Japanese Life Insurance Industry

- As social security cost such as medical expenditures are expected to increase going forward, the necessity of self-help effort for the risk of living expenses, injuries, diseases and nursing care has been increasing.
- Detecting a disease at an early stage before it gets serious and taking measures to prevent or delay the onset of serious illness have been becoming more important in Japan.

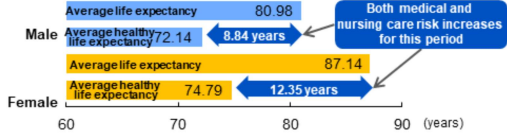
Increase in National Medical Expenditure(NME)



	FY19/3	FY26/3	FY31/3	FY36/3	FY41/3
GDP	548.3	645.6	694.8	741.2	790.6
NME	7.9%	8.5%	8.9%	9.3%	9.7%

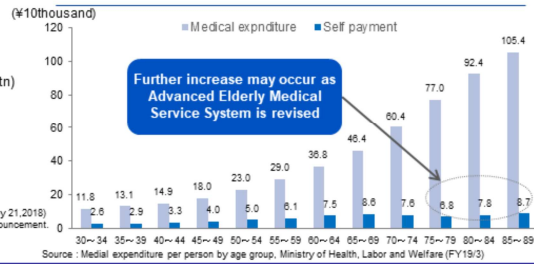
Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018)
 Note: Figures at FY19/3 are actual results. Figures at FY26/3 onwards are estimated amount at official announcement.

Difference between Average Life Expectancy at Birth (years) and Average Healthy Life Expectancy at Birth (years)



Source: Ministry of Health, Labor and Welfare, 11th meeting of Health Japan 21 (the 2nd term), material No. 1-1

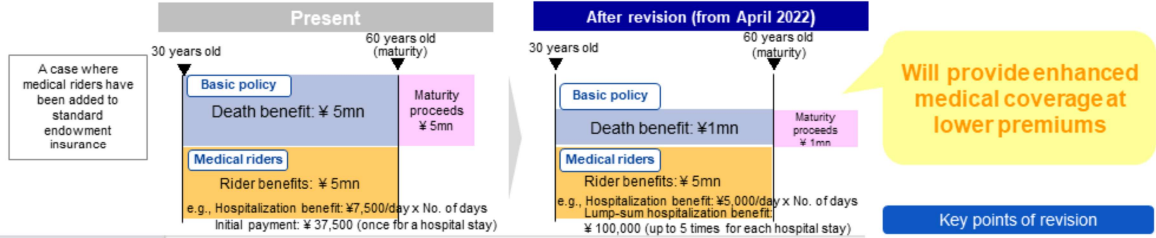
Medial expenditure per person by age group and self payment (annual amount) (estimated based on actual result in FY19/3)



Source: Medial expenditure per person by age group, Ministry of Health, Labor and Welfare (FY19/3)

Revisions of Medical Riders

- We will provide enhanced medical coverage at lower premiums than before by allowing policyholders to set higher rider benefits for the basic policy.
- We will also enhance medical coverage in medical care riders by measures such as increasing lump-sum hospitalization benefits and paying the benefits multiple times. Accordingly, we will be able to respond to a wider range of needs of customers, especially young and working-age customers.



		Present	After revision (from April 2022)	Key points of revision
Maximum amount of rider benefit that can be set		The same amount as basic policy benefits ¹	Basic policy benefits x 5	1 Provide generous medical coverage by allowing policyholders to design protections for death and medical care more freely while curbing premiums
Daily hospitalization benefit		Rider benefits x 1.5/1000 (The maximum number of days: 666 days)	Rider benefits x 1.0 /1000 (The maximum number of days: 1000 days)	2 Change the daily payment conversion factor so that daily hospitalization benefit for rider benefits of ¥ 1mn can be in increments of ¥1,000.
Lump-sum hospitalization benefit	Multiple of benefit	Daily hospitalization benefit x 5	Daily hospitalization benefit x 20 (x 10 for products with relaxed underwriting criteria)	3 Generous coverage even for short hospitalization
	No. of payments	Once for each hospital stay	Up to 5 times for each hospital stay (Up to 3 times for the type with relaxed underwriting criteria) (First day and every 30 days)	4 Generous coverage even for long hospitalization due to serious disease
Surgery benefit		Hospital surgery: Daily hospitalization benefit x 20 (x 10 for products with relaxed underwriting criteria) Outpatient surgery: Daily hospitalization benefit x 5	Hospital/outpatient surgery: Daily hospitalization benefit x 10	5 Eliminate differences in benefits between outpatient surgery and hospital surgery

1. For products with relaxed underwriting criteria, rider benefits can be set at up to five times the basic policy benefit, depending on the entry age and the type of insurance.

Initiatives in CX / DX

- Transit to business model that positions customer experience value (CX) as our top priority while promoting DX steadily.
- Integrate face to face and digital processes in order to improve customer convenience as well as to realize careful support by an entire team and enhanced follow-up support to customers.

What we aim for

- Optimal proposals to fit each and every customers**
 - Provide optimal proposals to fit each and every customers by visualizing their needs and required coverage through digital tools as well as on-line attendance with their family
- Provide simple procedures that can be completed on the spot**
 - Select online or face-to-face channel, etc., depending on customer needs through utilizing digital tools
 - Procedures can be completed on the spot thanks to the online presence of specialists at the customer service centers
- Personalized, heartfelt support by entire team**
 - Establish a database that integrates policy and inquiry information, etc., for each customer
 - Consultant, post office counter and customer service centers provide personalized, heartfelt support as an entire team
- Enhance follow-up support that focus on the relationship with customers**
 - In addition to face-to-face responses through home visiting, we provide generous follow-up support through various methods, such as telephone and TV conferences, and follow-up support at optimal timing for each customer via e-mail, SNS, etc., to meet a wide range of their needs.

