

Future Sales Strategies

March 29, 2022

 **JAPAN POST INSURANCE**

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

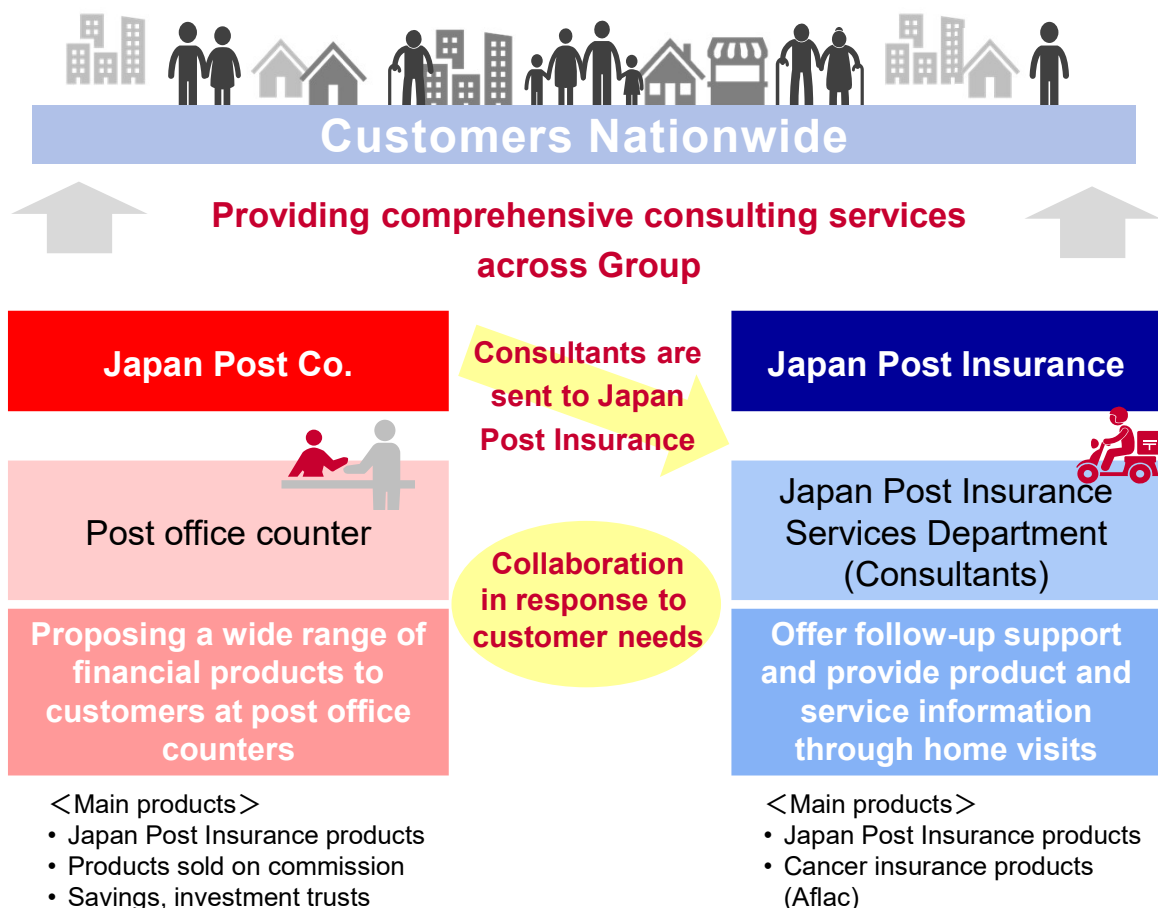
Vision of Japan Post Insurance Sales Activities

- **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

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.



Summary

Specializing in life insurance proposal (Oct. 2021 onward)

- Consultants are dedicated to proposing life insurance and providing follow-up support.

Consolidating consultant operation bases (Jan. 2022 onward)

- Consultant operation bases are consolidated in line with market potential including the number of policies in force and population.

Consultants are sent to Japan Post Insurance (Apr. 2022 onward)

- Japan Post Insurance will create a new system allowing it to hold direct responsibility for the management of consultants.

Customer assignment system (Apr. 2022 onward)

- Consultants will take responsibility for providing attentive customer service to each customer with a view to building long-term, continuous relationships of trust.

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”

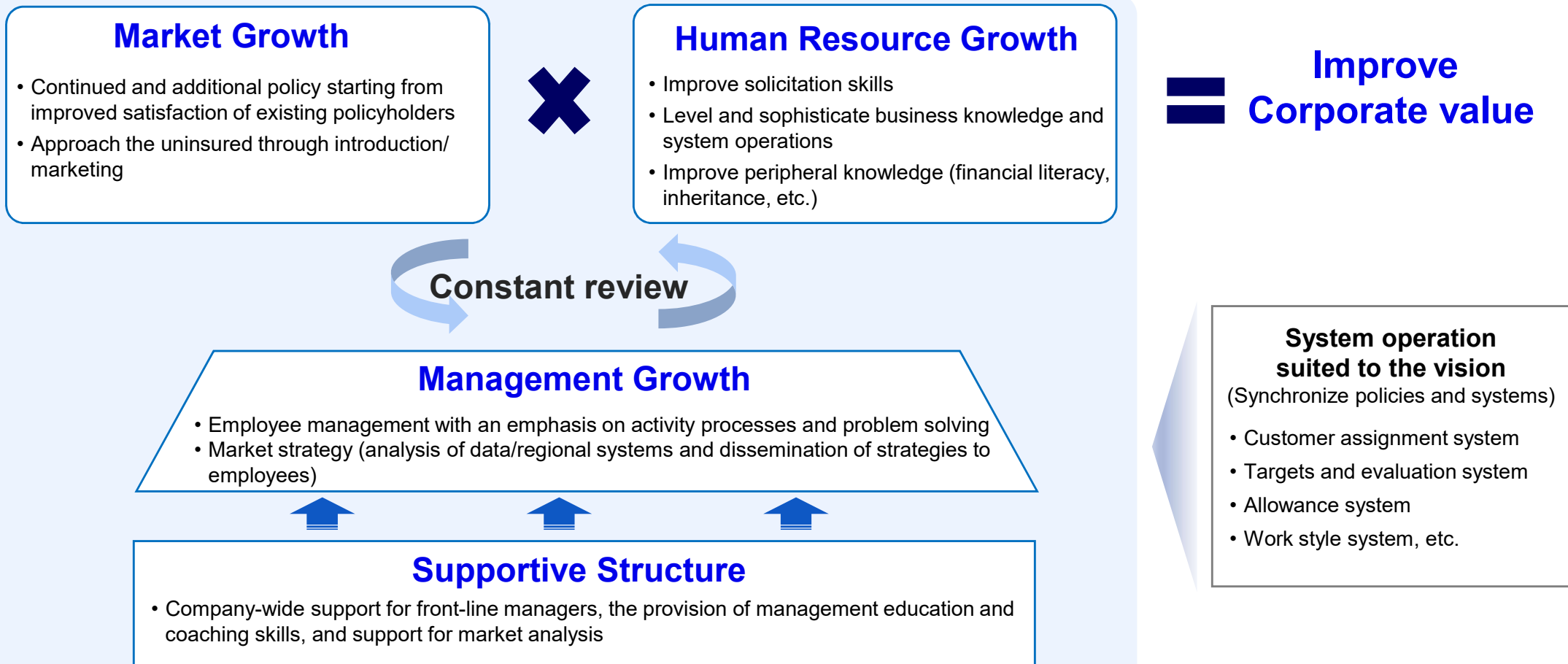
In addition to products, the “employee in charge” becomes added value

Leading to new policies and expanding customers



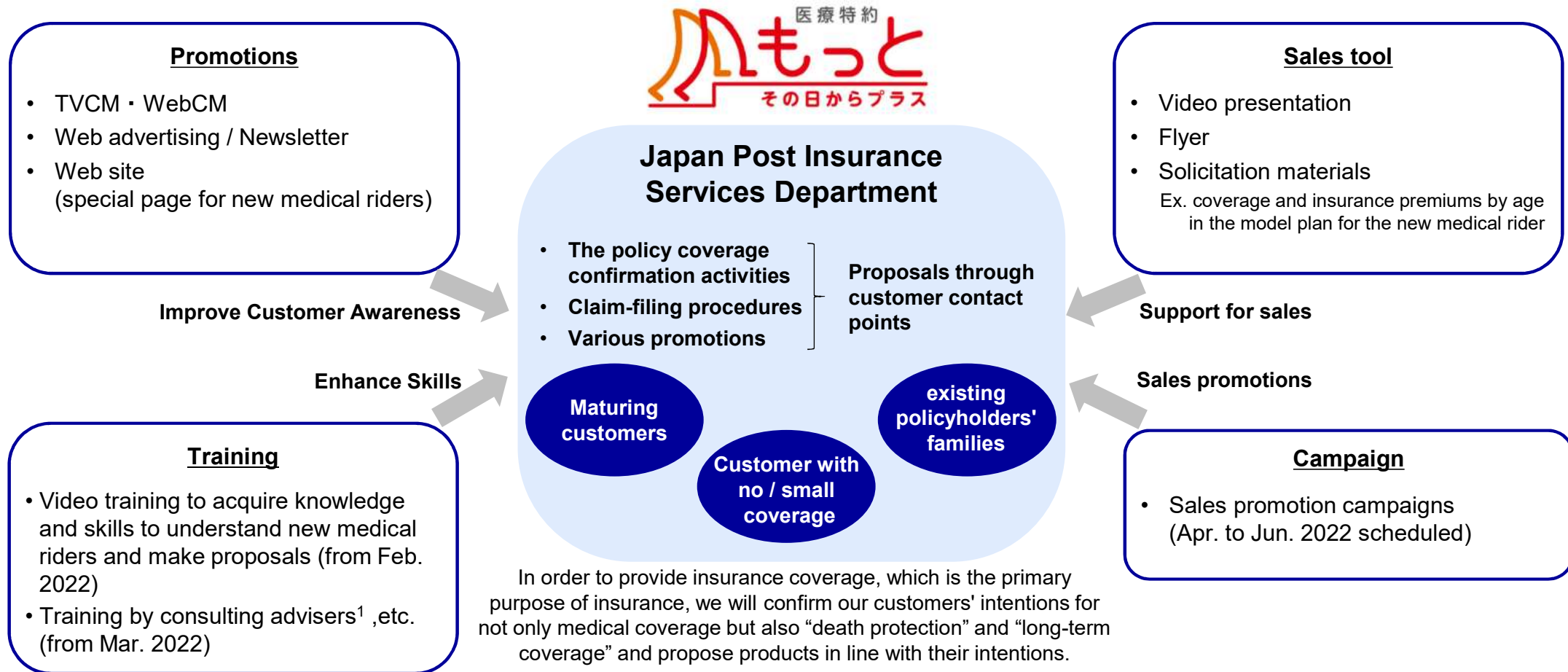
Toward the Realization of the Vision of Japan Post Insurance Sales Activities

- Promote the growth of management, which is the foundation of base management, by pursuing company-wide integrated business operation, with the aim of realizing the “Vision of Japan Post Insurance Sales Activities.”
- Improve corporate value by encouraging the growth of the market and human resources through the operation of various systems consistent with the vision.
- Implement constant reviews of various measures and initiatives for growth in response to the ever-changing social and business environment.



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.)

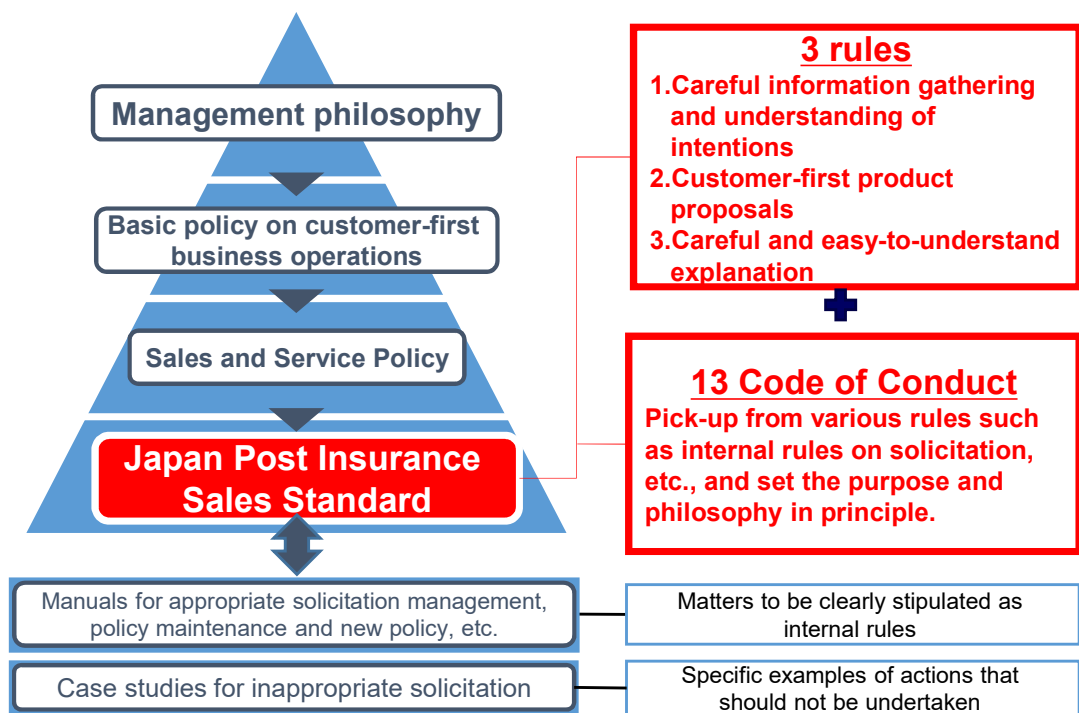


1. A person in a position who belongs to a directly-managed channels and provides training to consultants on sales skills and solicitation quality

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

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

Sales Targets in FY23/3

Japan Post Insurance Services Department / consultants

Solicitation quality / Maintenance

- Evaluate the extinguishment status for a certain period after the enrollment and promote appropriate solicitation in line with customers' intentions

Activities / Foundations

- Evaluating follow-up support and promoting the provision of services to customers
- Promote securing a medium-term customer base by evaluating new policies for uninsured / young and working age customers, etc.



Productivity

- Aiming for net increase in policies in force by promoting activities that taking into account both new policies and cancelled policies
- Net increase in life insurance (net of new policies and cancelled policies) is set as a target

Management / Human resource development

- Management with an emphasis on resolving issues in the activity process
- Training that are focusing on practical training such as role-playing

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.

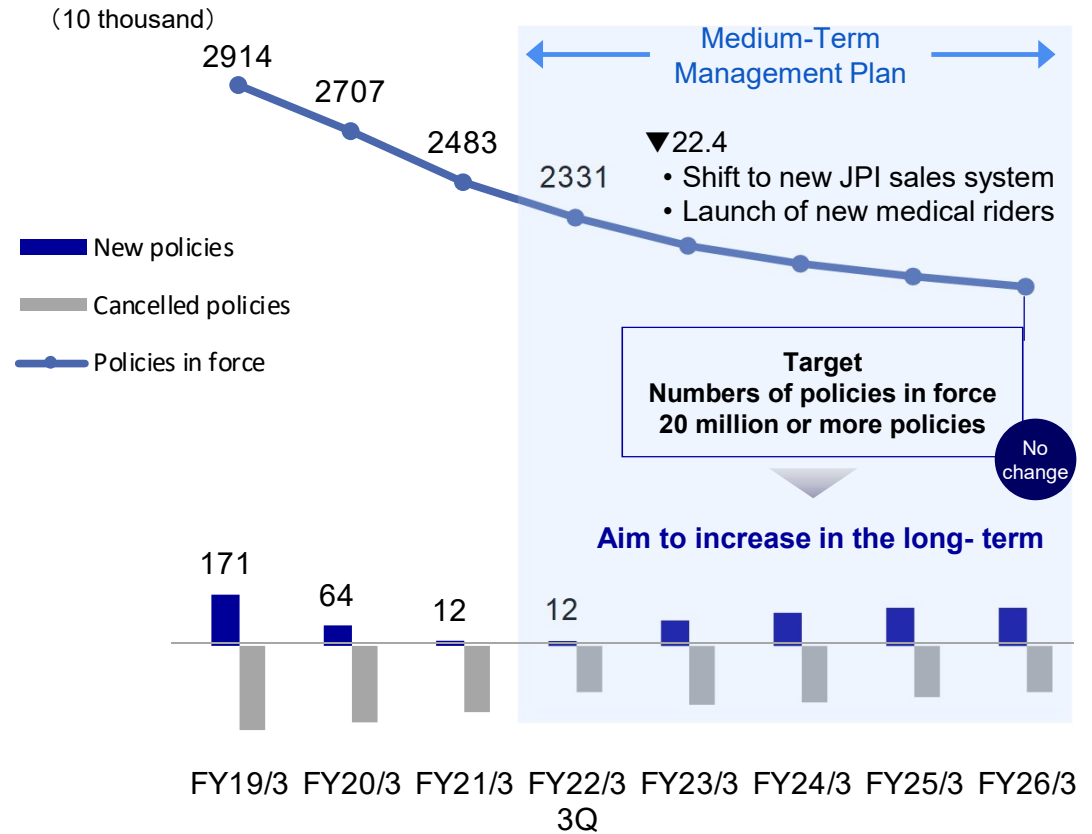


Improve productivity by shift to New Japan Post Insurance Sales System



Launch of new medical riders

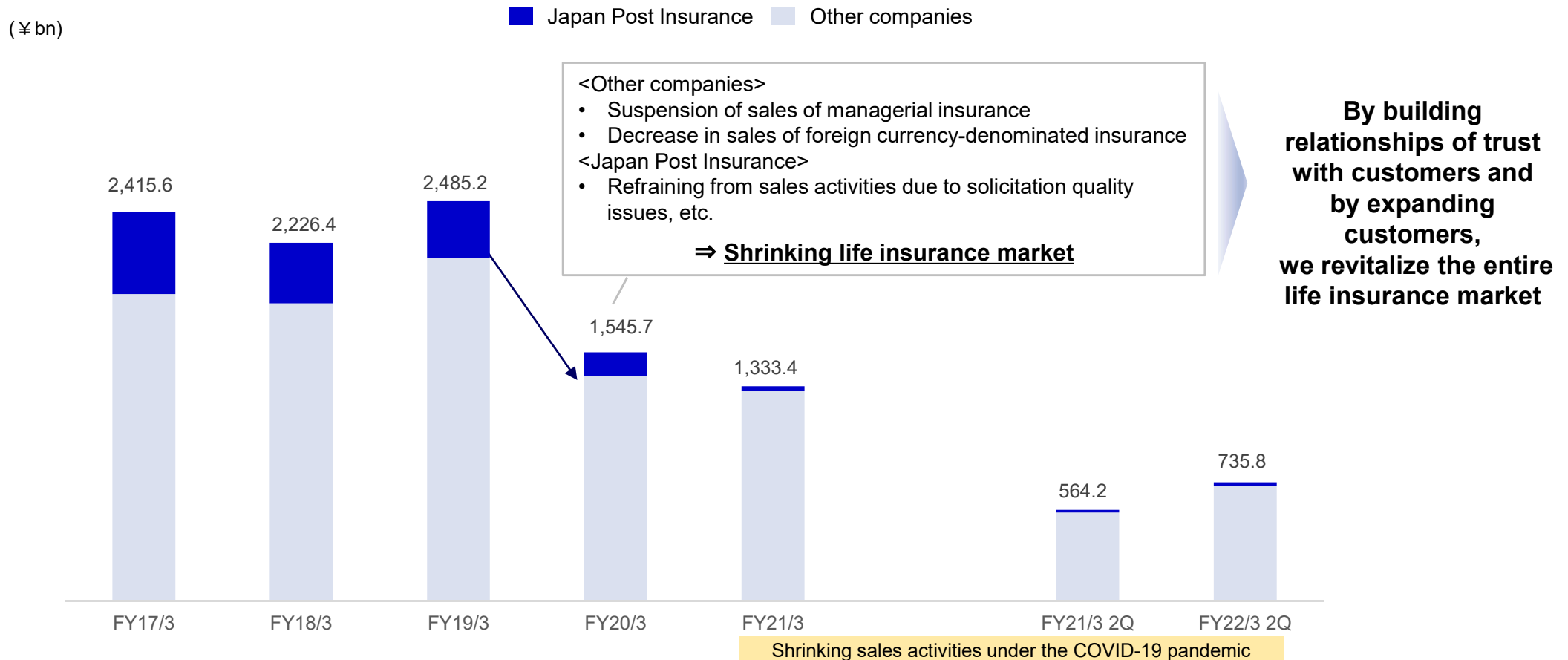
Numbers of Policies (Individual Insurance)



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.

APPENDIX

List of Products Handled

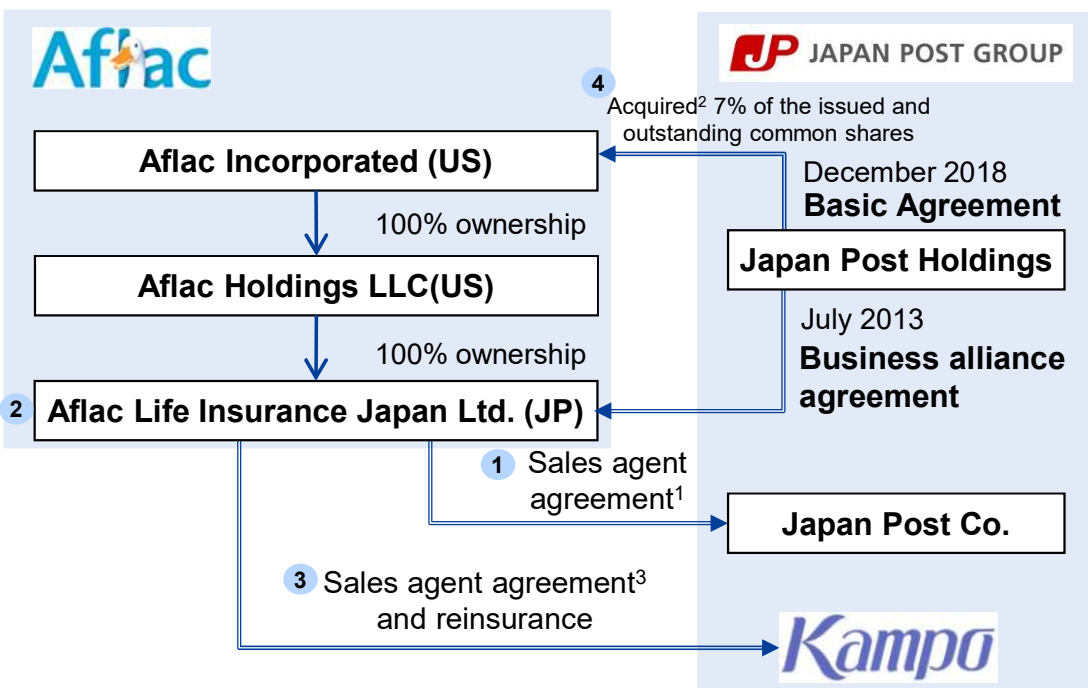
- Consultants will be dedicated to providing follow-up support and proposing Japan Post Insurance products and cancer insurance products of Aflac Life Insurance Japan Ltd..
- By specializing in life insurance businesses, as a higher level of life insurance professionals, realize sales activities by ensuring 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

【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.



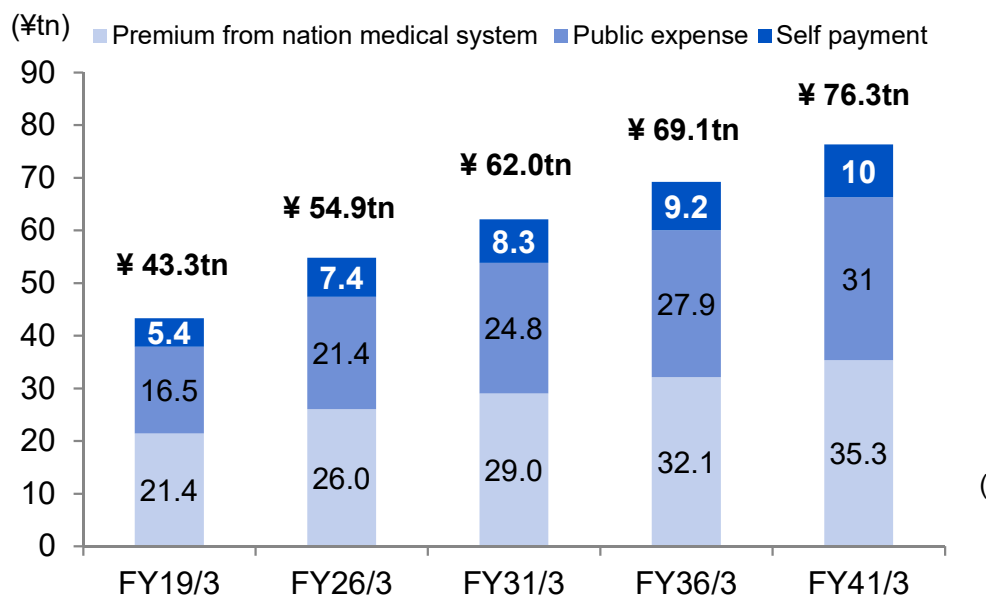
【From December 2018—】

- 4 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

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.

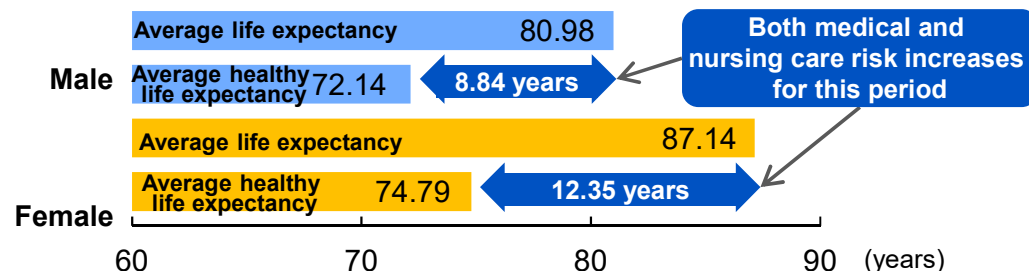
Increase in National Medical Expenditure(NME)



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

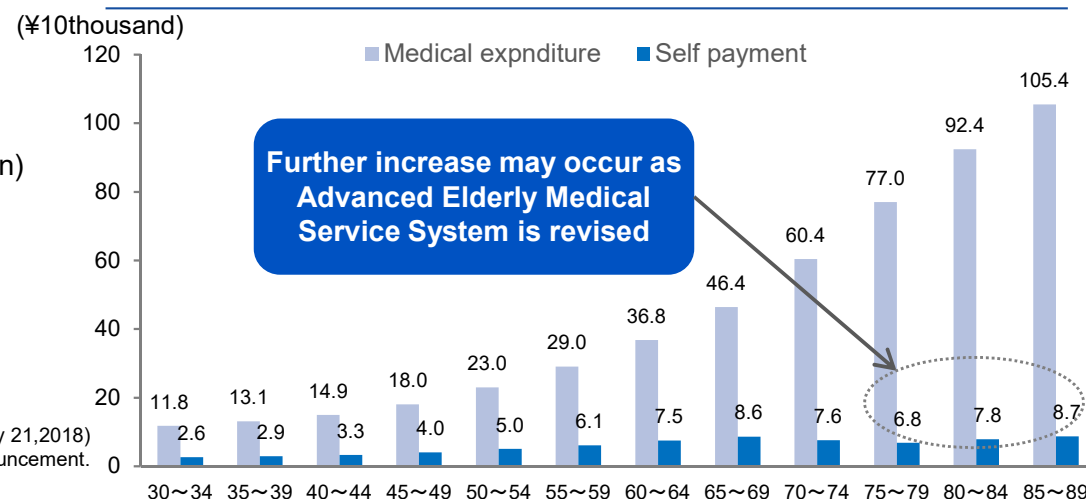
Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018)
 Note: Figures at FY19/3 are actual results. Figures at FY26/3 onwards are estimated amount at official announcement.

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

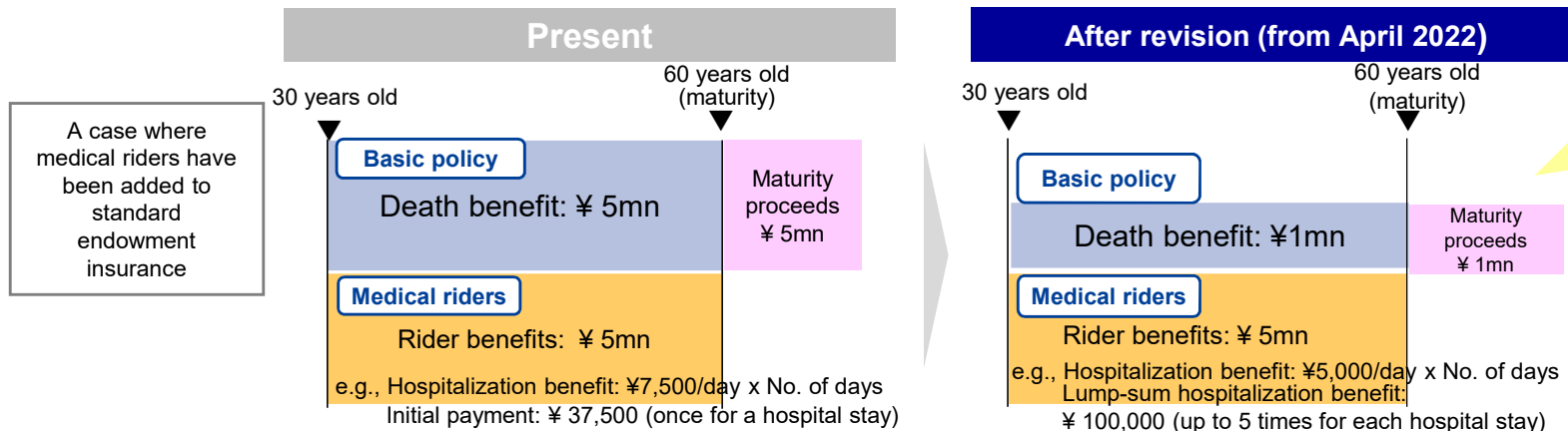
Medial expenditure per person by age group and self payment (annual amount) (estimated based on actual result in FY19/3)



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.



Maximum amount of rider benefit that can be set	The same amount as basic policy benefits ¹	Basic policy benefits x 5
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)
Lump-sum hospitalization benefit	Multiple of benefit	Daily hospitalization benefit x 20 (x 10 for products with relaxed underwriting criteria)
	No. of payments	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)
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

Will provide enhanced medical coverage at lower premiums

Key points of revision

- 1 Provide generous medical coverage by allowing policyholders to design protections for death and medical care more freely while curbing premiums
- 2 Change the daily payment conversion factor so that daily hospitalization benefit for rider benefits of ¥1mn can be in increments of ¥1,000.
- 3 Generous coverage even for short hospitalization
- 4 Generous coverage even for long hospitalization due to serious disease
- 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.

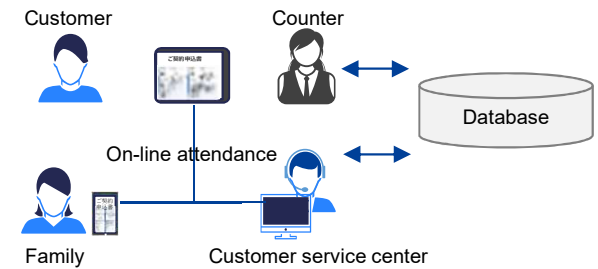
Initiatives in CX / DX

- 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.

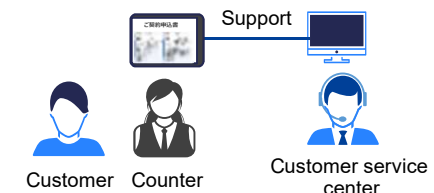
① Optimal proposals by utilizing on-line attendance, etc.



② Wide range of channels are available



② Complete procedures on the spot



④ Enhanced follow-up support



③ Supported by entire team

