

Financial Results & Corporate Strategy Meeting for the Six Months Ended September 30, 2020

November 25, 2020



JAPAN POST INSURANCE

Agenda

1

Financial Results for the Six Months Ended September 30, 2020 P.2

2

Future Growth Strategy

P.13

3

Appendix

P.20

1

Financial Results for the Six Months Ended September 30, 2020

Summary of the First Half of the Fiscal Year Ending March 31, 2021

- In the first half of the fiscal year ending March 31, 2021, we remained committed to the policy investigations and the implementation of the improvement measures with top priority, in order to address the solicitation quality issues, while enforcing countermeasures against COVID-19.

Initiatives for the first half of FY21/3

Future initiatives

Solicitation Quality Issues

- Pave the way to response to customers associated with the policy investigations and the sales personnel investigations
- Implementation of the measures under the Business Improvement Plan aimed at avoiding recurrence
 - Review of the branch functions of Japan Post Insurance, record and keep a voice record of solicitation process, etc.

- Start of Operations Aimed at Regaining Customers' Trust (October 5, 2020)
- Preparation for the measures for avoiding recurrence yet to be implemented
 - Policy conversion system, product development to meet protection needs of our customers, etc.

Countermeasures against COVID-19

- Support for customers
 - Implementation of the special handling, double indemnity of insurance claims, etc., associated with the impact of COVID-19
- Appropriate business operation in an emergency
 - Policy investigations by mail instead of home visiting, payout of insurance claims, asset management, etc.

- Adaptation to the new life style to cope with COVID-19 epidemic
 - Customer attendance involving non-physical contact by utilizing DX solutions, employees' telework enhancement

Overview of Financial Results

(¥bn)

		FY 20/3 2Q	FY 21/3 2Q	FY 21/3 Forecasts	(Reference) FY 20/3
Earnings (Financial Accounting)	Net Income	76.3	93.6	124.0	150.6
	Net Income per share (EPS)	¥ 135.15	¥ 166.55	¥ 220.47	¥ 267.40
Embedded Value (Economic Value)	EV	3,478.9	3,734.1		3,324.2
	Value of new business	66.7	(1.5)		60.6
Shareholder Return	Dividend per share (DPS)			¥ 76	¥ 76 <small>(Interim dividend ¥ 38 Year-end dividend ¥ 38)</small>

Financial Results

- In FY21/3 2Q, net income increased ¥ 17.3billion year on year, mainly due to a decrease in operating expenses, etc. as a result of decreased new policy sales.
- The Company used economic assumptions as of March 31, 2020 in formulating the financial results forecast for the year ending March 31, 2021. As we made a reasonable estimate of impairment of stocks based on these economic assumptions, and as payment of insurance claims and others was lower than expected, both ordinary profit and net income have progressed at a higher rate compared to the forecast.

Embedded Value

- EV as of September 30, 2020 increased to ¥ 3,734.1billion, due to increases in interest rates and stock prices and other factors.
- Although Japan Post Insurance had been refraining from proactive sales proposal during the first half of FY21/3, certain amount of operating expenses for new policy acquisition is required regardless of the amount of new policies sold. As a result, the value of new business of current period turned ¥ (1.5)billion.

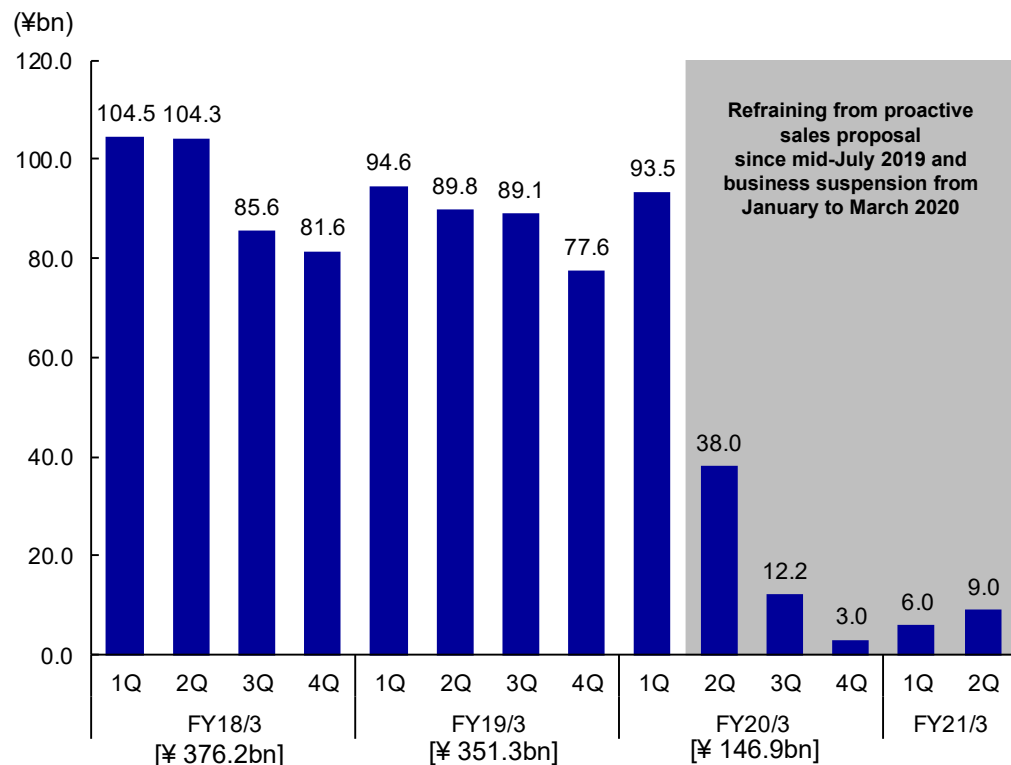
Shareholder Return

- In FY21/3, the ordinary dividend per share is ¥ 76 (Forecast), in line with the dividend targeted for the final year of the Medium-Term Management Plan.
- Only the year-end dividend is scheduled to be paid, as it is necessary to carefully identify the impact of the spread of COVID-19.

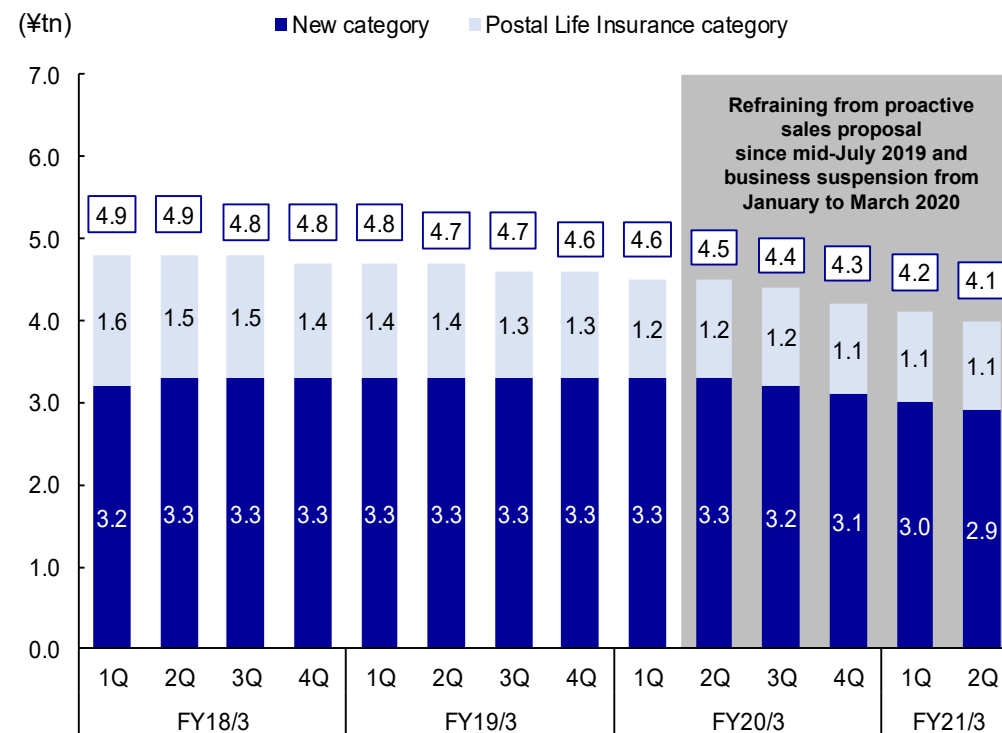
Policy Sales [Individual Insurance]

- While new policy sales were influenced by refraining from proactive sales proposal from mid-July 2019 and business suspension from January to March 2020, there was only a limited impact on our policies in force as a whole.

Annualized Premiums from New Policies (Individual Insurance)



Annualized Premiums from Policies in Force (Individual Insurance)



Note1 : 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.)

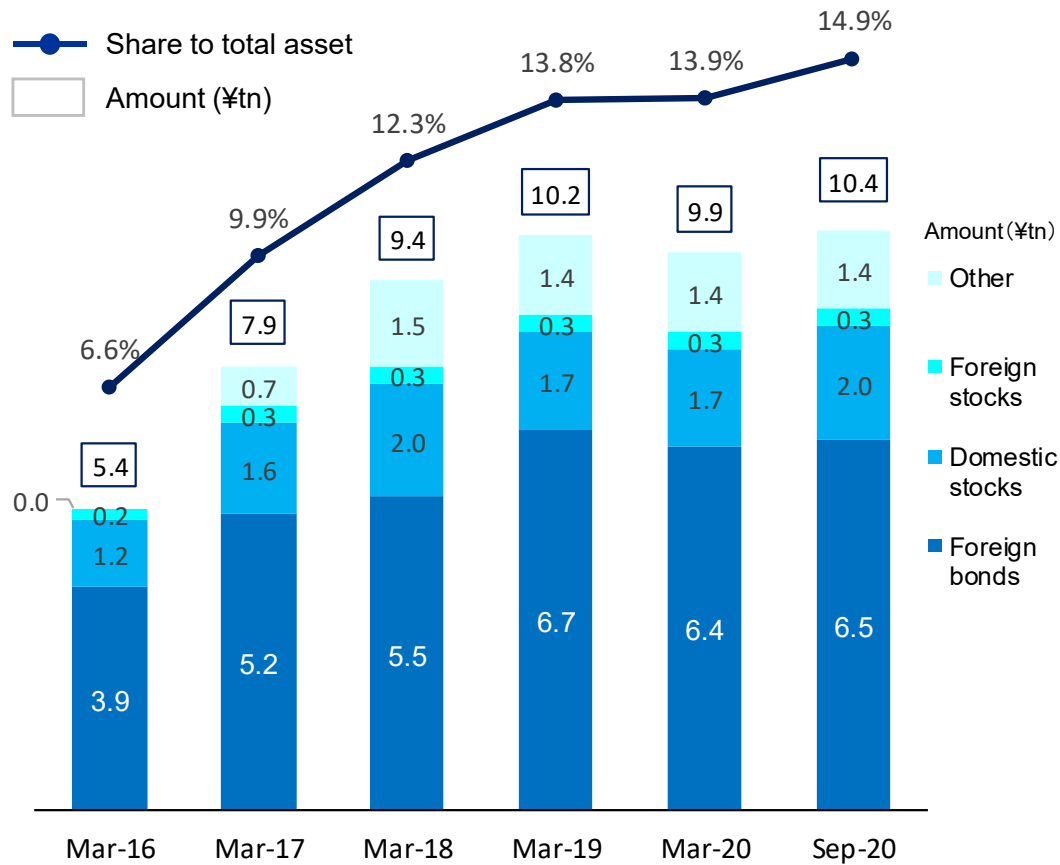
Note2 : The figures for the year ended March 31, 2020 and the year ending March 31, 2021 include the influence by refraining from proactive sales proposal from mid-July 2019 and business suspension from January to March 2020.

Note3 : "New category" shows individual insurance policies underwritten by Japan Post Insurance. The "Postal Life Insurance category" shows postal life insurance policies reinsured by Japan Post Insurance from the Postal Management and Support Organization.

Asset Management

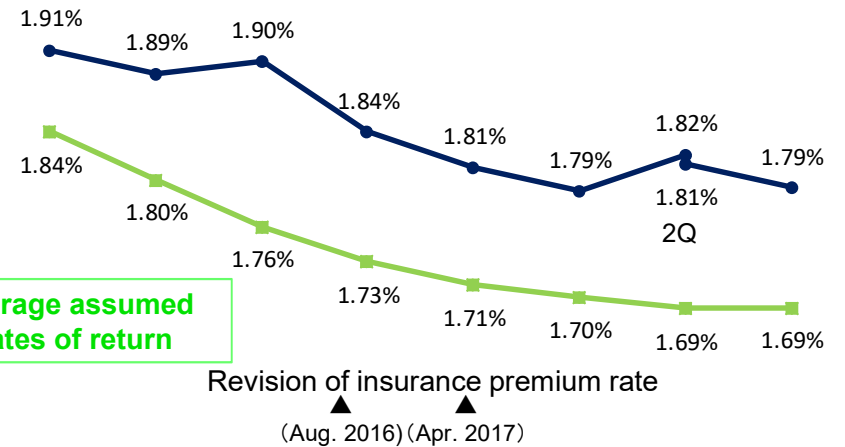
- For the six months ended September 30, 2020, we secured a positive spread of ¥ 30.1 billion, which reflects among other factors such as the effect of asset portfolio diversification we have been pursuing, despite the drastic changes in the market environment due to COVID-19 from February 2020.

Return Seeking Assets

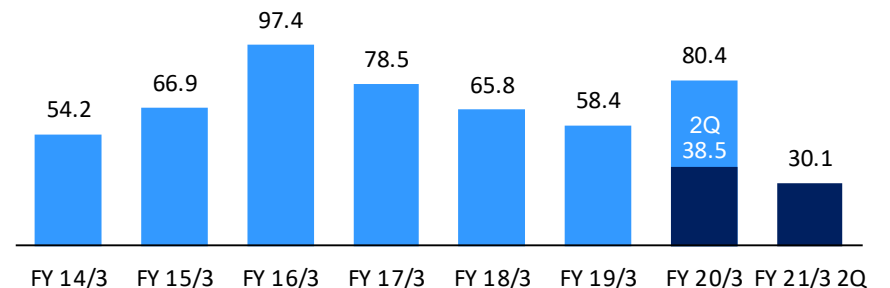


Positive Spread

Investment return on core profit



Positive spread (¥bn)



Embedded Value (as of September 30, 2020)

Breakdown of EV

(¥bn)

	Mar-20	Sep-20 ¹	Change
EV	3,324.2	3,734.1	409.8 (+ 12.3 %)
Adjusted net worth	2,212.4	2,302.8	90.4 (+ 4.1 %)
Value of in- force covered business	1,111.8	1,431.2	319.4 (+ 28.7 %)

Value of New Business

Value of new business as of 6 months ended Sep-20^{1,2} ¥ (1.5)bn

New business margin as of 6 months ended Sep-20^{1,3} (1.2) %

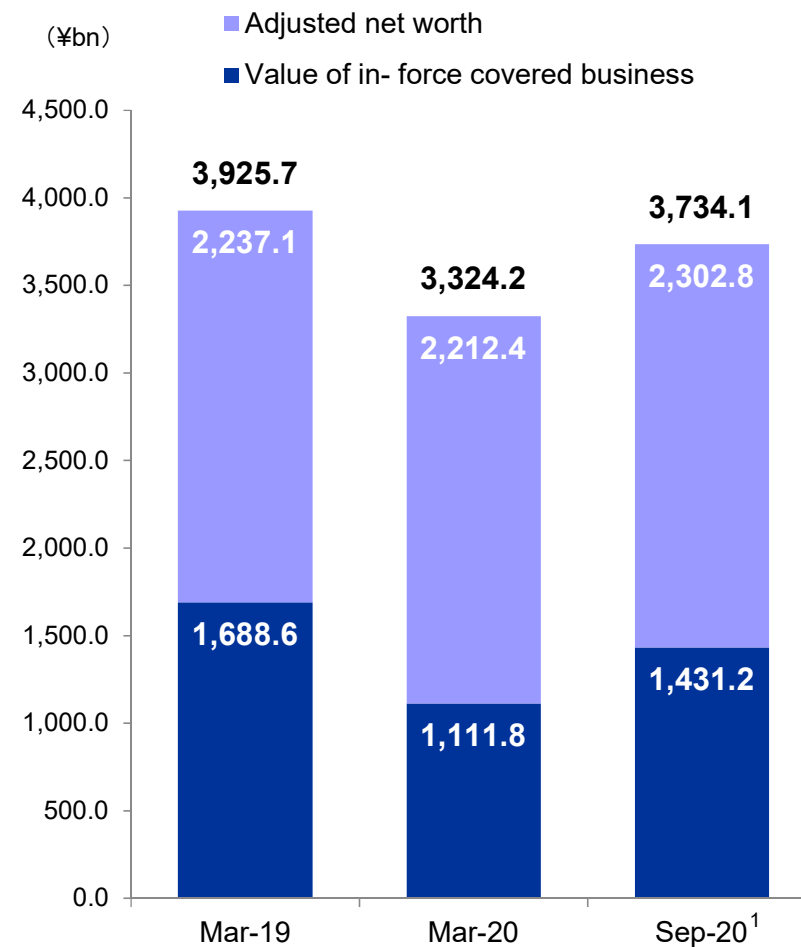
- Although Japan Post Insurance had been refraining from proactive sales proposal during the first half of FY21/3, certain amount of operating expenses for new policy acquisition is required regardless of the amount of new policies sold. As a result, the value of new business of current period turned negative.

1. Provisional calculations that have not been verified by a third party

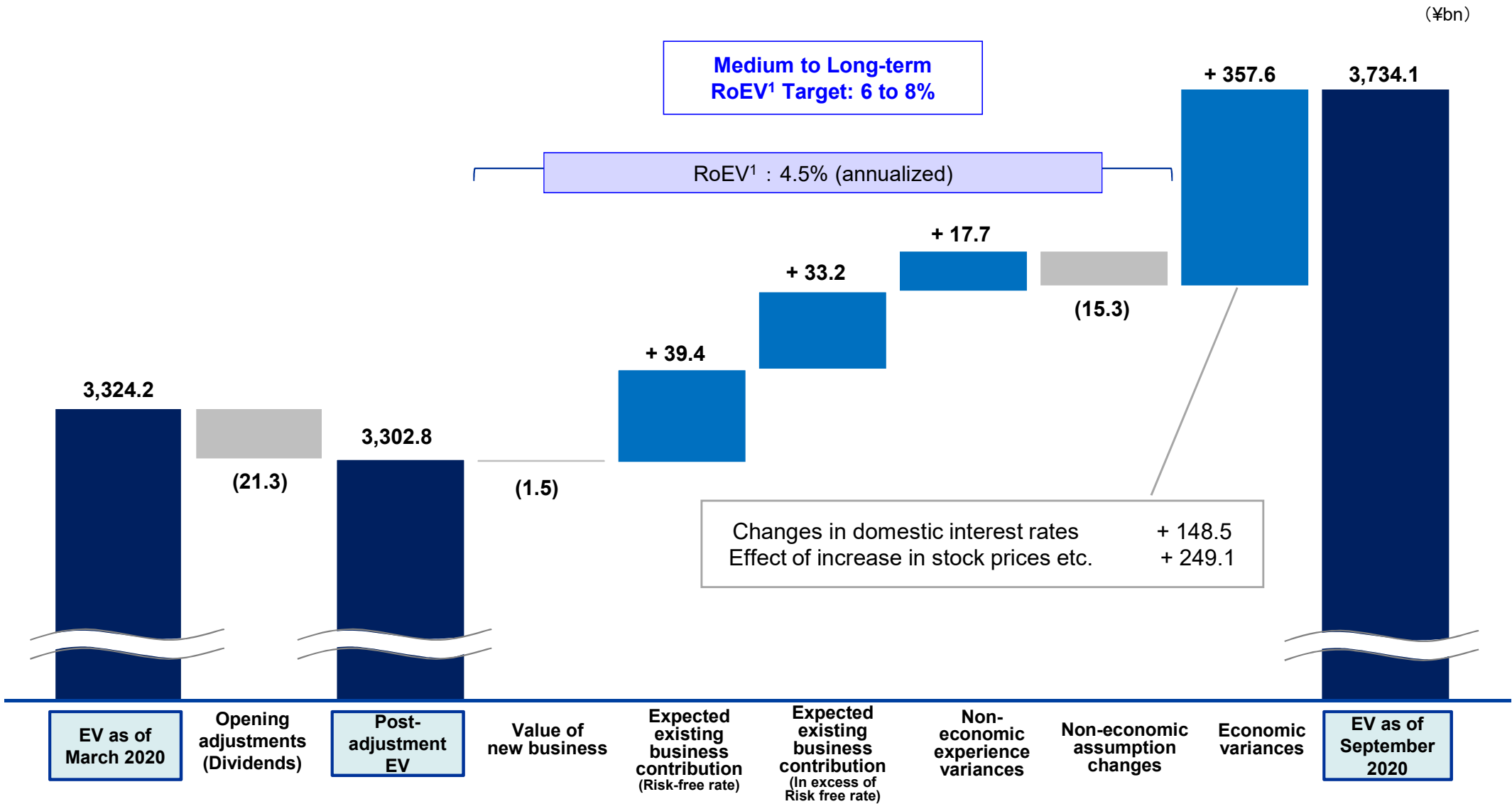
2. Using the economic assumptions as of September 30, 2020, based on the new policies written in the period from April 2020 to September 2020. The value of new business includes the increase or decrease due to switchover of riders and conditional cancellation.

3. The value of new business divided by the present value of future premium income

EV



Movement Analysis of EV (as of September 30, 2020)



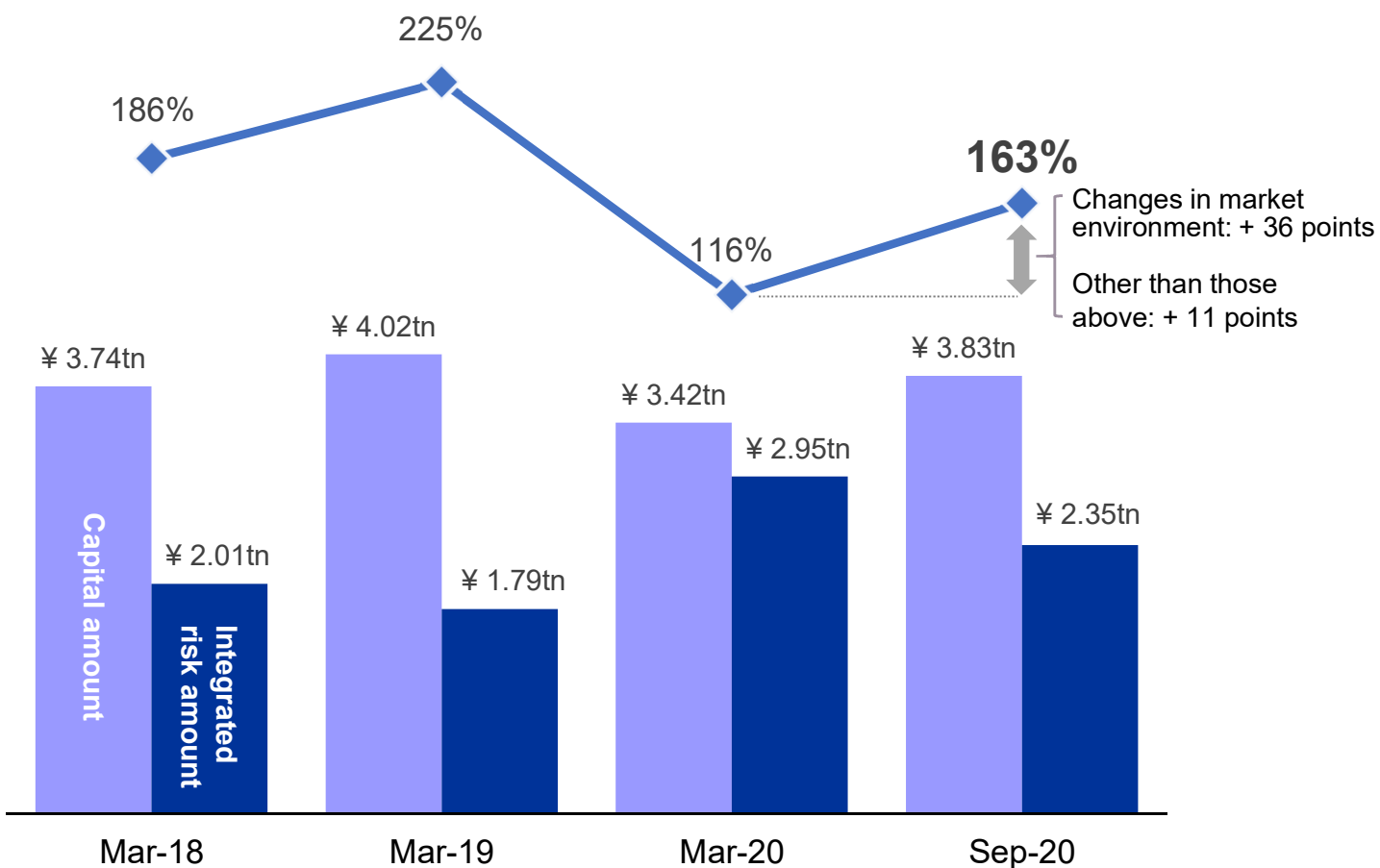
Note1 : Provisional calculations that have not been verified by a third party

Note2 : Mortality rates, surrender and lapse rates and expense assumptions in future are the same assumptions as those for the EV as of March 31, 2020.

1. Calculated by excluding economic variance factors

ESR (Economic Solvency Ratio) (as of September 30, 2020)

- ESR as of September 30, 2020 increased to 163%, as the capital amount increased and the integrated risk amount decreased due to changes in market environment.
- Although ESR does not reflect the level of the capital adequacy at the time of measurement, we will take various appropriate measures, including EV growth and capital reinforcement in order to achieve a stable level of ESR.



ESR Sensitivity (as of September 30, 2020)

50bp increase in risk-free rate	+ 36 points
50bp decrease in risk-free rate (parallel shift without zero floor)	(46) points
10% decrease in equity and real estate value	(13) points

Future volume of policies in force is 105% of the level ¹	+ 14 points
Future volume of policies in force is 95% of the level ¹	(13) points

1. Assumed level in the calculation of EV as of September 30, 2020

Notes: The capital amount, the numerator of ESR, was calculated by adding the amount of subordinated bonds issued by the company to EV.

The integrated risk amount, the denominator of ESR, was calculated based on an internal model (holding period: 1 year, confidence level: 99.5%), recognizing fluctuations in the capital amount as risk.

The Forecasts for Full-year Financial Results for the Year Ending March 31, 2021

Full-year Financial Results Forecast

- The Company used economic assumptions as of March 31, 2020 in formulating the financial results forecast for the year ending March 31, 2021, which was announced on May 15, 2020. As we made a reasonable estimate of impairment of stocks based on these economic assumptions, and as payment of insurance claims and others was lower than expected, both ordinary profit and net income have progressed at a higher rate compared to the forecast.
- However, due to the uncertainty of COVID-19, there is a continued possibility that the stock price will decline, and payment of insurance claims and others will increase. Considering the impact on ordinary profit and net income in such a case, the Company has currently made no revisions to the financial results forecast for the year ending March 31, 2021.

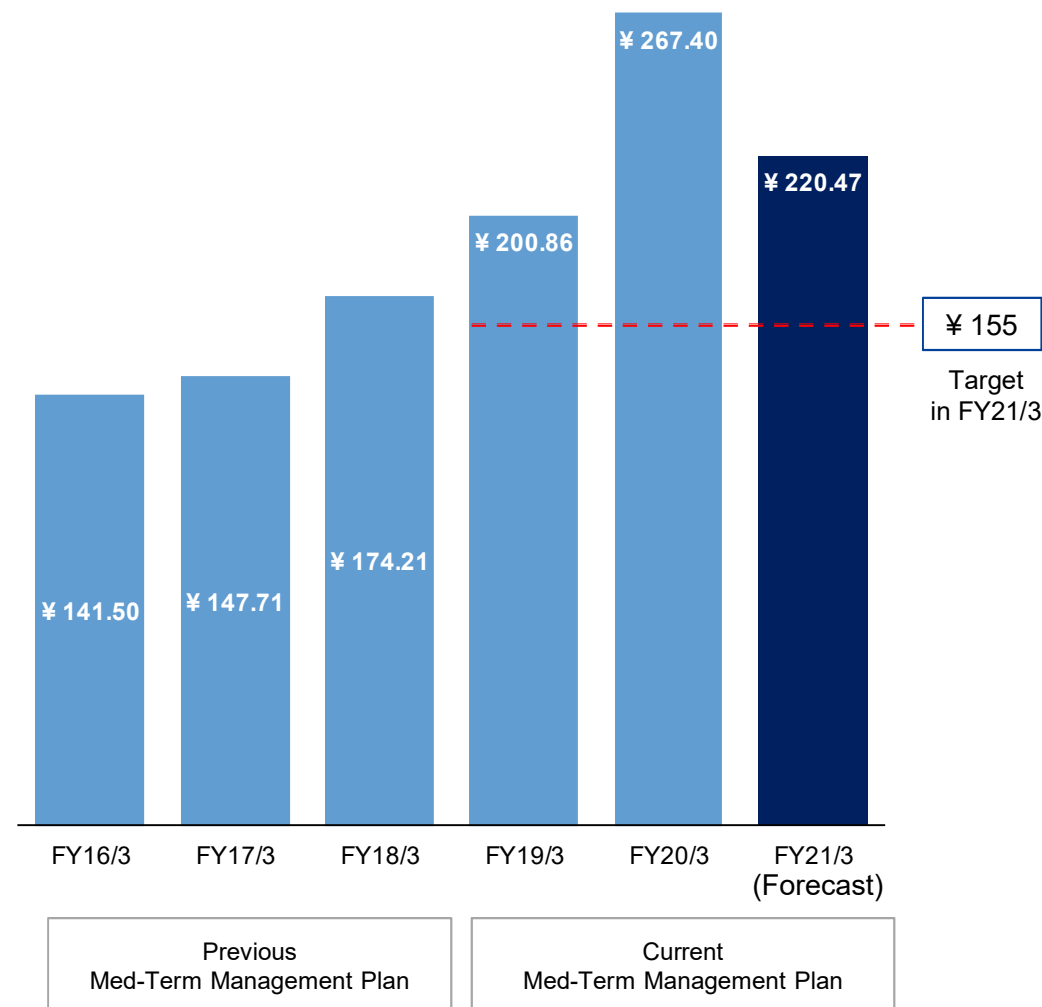
(¥bn)

	Year ending Mar-21 ¹ (Forecasts)	6months ended Sep-20	Achievement
Ordinary income	6,850.0	3,385.3	49.4 %
Ordinary profit	200.0	162.7	81.4 %
Net income ²	124.0	93.6	75.5 %
Net income per share	¥ 220.47	¥ 166.55	75.5 %

1. With respect to the negative impact of the spread of COVID-19, the Company is considering a decrease in investment income and an increase in investment expenses, in view of the global economic downturn, in addition to the "Special Handling Associated with the Spread of the Impact of COVID-19" (reduction or exemption of interest rates on ordinary policyholder loans, etc.) dated March 19, 2020 and the "Handling of Double Indemnity of Insurance Claims Associated with the Spread of the Impact of COVID-19" dated April 15, 2020, as announced on the Company website. Going forward, the Company will promptly make announcements when revisions to the forecast become necessary.

2. Net income attributable to Japan Post Insurance

Earnings Per Share



Shareholder Return

Shareholder Return Policy

- We recognize that the distribution of profit to shareholders is an important policy of management
- Aim for a steady dividends per share while considering earning prospects and financial soundness

Shareholder Return for the Year Ending March 31, 2021

- The ordinary dividend per share is ¥ 76 (Forecast)
- Only the year-end dividend is scheduled to be paid, as it is necessary to carefully identify the impact of the spread of COVID-19

(Going forward, the Company will promptly make announcements when revisions to the dividend forecast become necessary due to the impact of the spread of COVID-19 and other developments.)

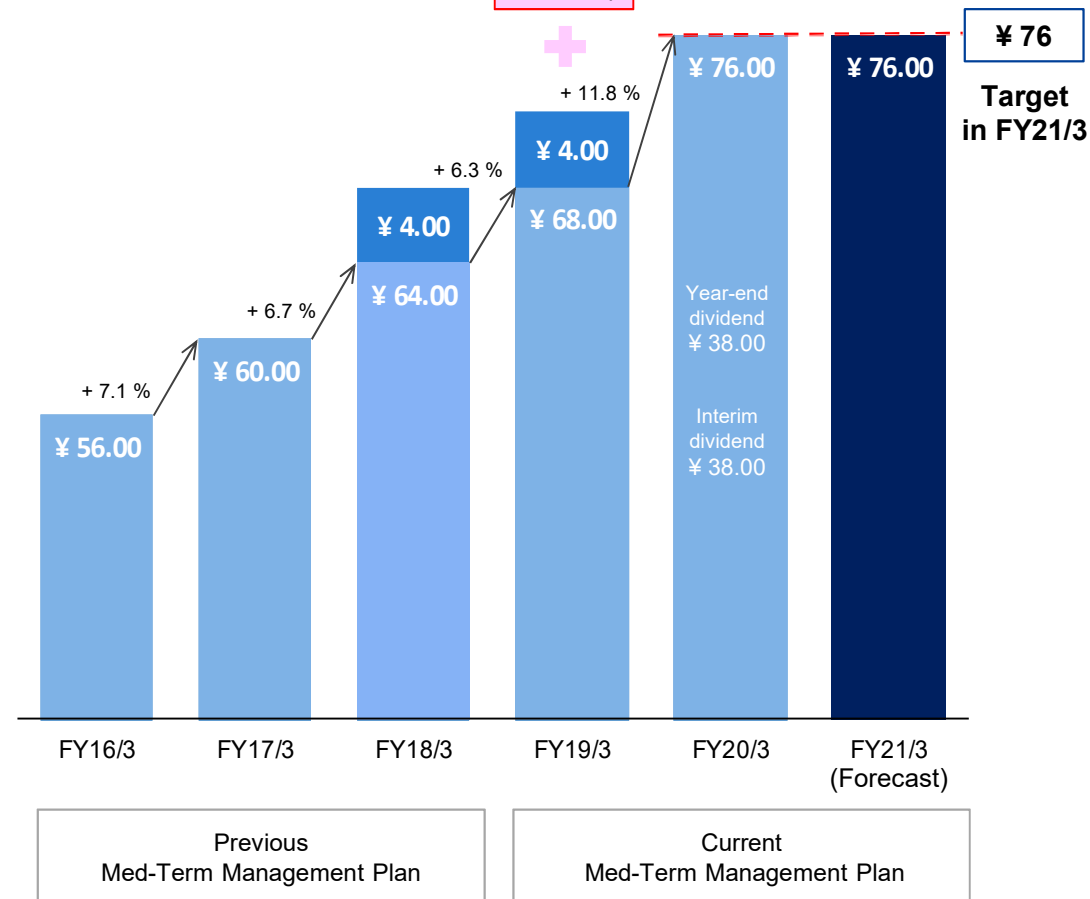
Shareholder Return

(Total Return Ratio)

39.6 % 40.6 % 39.0 % 118.9 %² 28.4 % 34.5 %

Share repurchase¹
(Approx. ¥ 100.0bn)

(forecast)



1. Share repurchase on April 2019

2. Total return ratio including share repurchase as mentioned in Note 1

Status of Policy Investigations

		Outline	Numbers of Customers	Progress of Confirmation of Customers' Intention	Progress of Sales personnel investigations and disciplinary actions (as of October 21, 2020)
Investigation of specified rewriting cases		Investigation for cases where we can determine a possibility that disadvantages were caused to customers not in line with their intentions	Approx. 156 thousand	Finished as of the end of March 2020	<p>✓ Almost finished</p> <ul style="list-style-type: none"> – violations of laws and regulations : 413 sales personnel – violations of internal rules : 2,219 sales personnel <p>Disciplinary actions against the sales personnel who had violated laws and regulations or internal rules are almost completed as well.</p>
Investigation of all insurance policies		Asking all policyholders(other than specified rewriting cases) to reconfirm their intentions	Approx. 19 million	Finished as of the end of March 2020	<p>✓ Under investigation</p> <ul style="list-style-type: none"> – violations of laws and regulations : 205 sales personnel – violations of internal rules : 68 sales personnel <p>Against the applicable sales personnel, we enforced them to suspend their solicitation operations and decide their treatment sequentially.</p>
Additional Investigations	Investigations of multiple policies	Investigation for the customers who have applied for 10 or more policies, of which 30% or more have been cancelled, in the last five years	Approx. 6 thousand	Almost finished as of the end of April 2020	
	Investigations other than the investigations of multiple policies	Investigation for the customers aged 65 or older who have paid monthly premiums of ¥ 100,000 or more, and have had at least 1 policy which was cancelled in a short period, etc.	Approx. 54 thousand	Almost finished as of the end of June 2020	

Note1 : In regard to the portion of investigations of multiple policies which have been implemented from last year, we have identified 84 sales personnel who had violated laws and regulations and taken disciplinary actions in the form of termination of solicitation operations against 76 personnel at present (including 9 retired personnel subjected to penalties equivalent to termination of solicitation operations) as of October 21, 2020. We have taken disciplinary actions in the form of suspension of solicitation operations of 3 months or 6 months against 2 personnel.

Note2 : "Disciplinary actions" indicates disciplinary actions for sales license by Japan Post Insurance.

2

Future Growth Strategy

Future Growth Strategies

The meaning of our business (Social Mission)

- We will protect customers' lives by providing life insurance product through fulfilling our Management Philosophy, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," in the course of our pursuit to be a company that remains trusted and selected by customers.

Outline of our Future Growth Strategies

Regain costumers' trust

- Realize a customer-first business operation by fully committing to regaining our customers' trust while appropriately capturing the societal needs we are expected to meet

Enhance and strengthen core business

Create new businesses

- Aim to increase our corporate value through enhancing accessibility and satisfaction of customers across all generations by improving our products and services in terms of customer experience value (CX), along with fulfilling our role "to broadly provide basic protection through the post office network"
 - secure sales force with appropriate solicitation quality, improve sales and management structures
 - enhancement of product and services, digital transformation (DX)
- Maintain and secure policies in force as a source of revenue and improve profitability within an enterprise risk management (ERM) framework, as well as aim to improve productivity through appropriate management of operating costs and improving efficiency of infrastructure and system costs

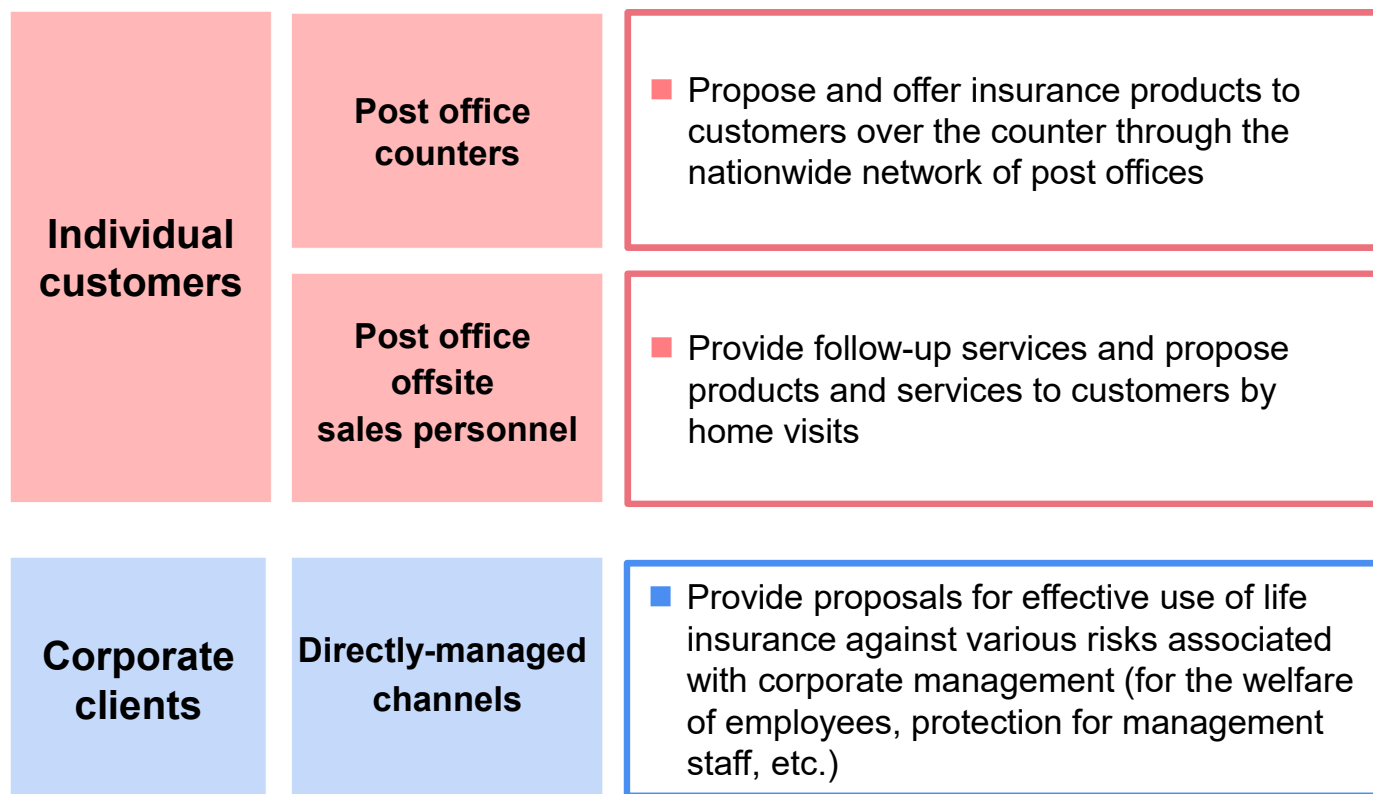
Reformation of corporate culture / human resources strategies

- Materialize a company worth working for, with superior risk sensitivity shared among employees, and an open corporate culture that helps employees grow along with the Company by engaging in reformation of corporate culture

Channel Strategies

- Regarding our sales channel structure, we propose and offer our insurance products to individual customers through post office channel, while to corporate clients through Kampo's directly-managed channels.
- Post office channel shall pursue proposal activities depending on its channel-specific characteristics, in addition to securing sales force with solicitation quality and improving the sales and management structures.
- Directly-managed channels shall continue to be committed to strengthening its relationship with corporate clients.

Current sales channels and their features



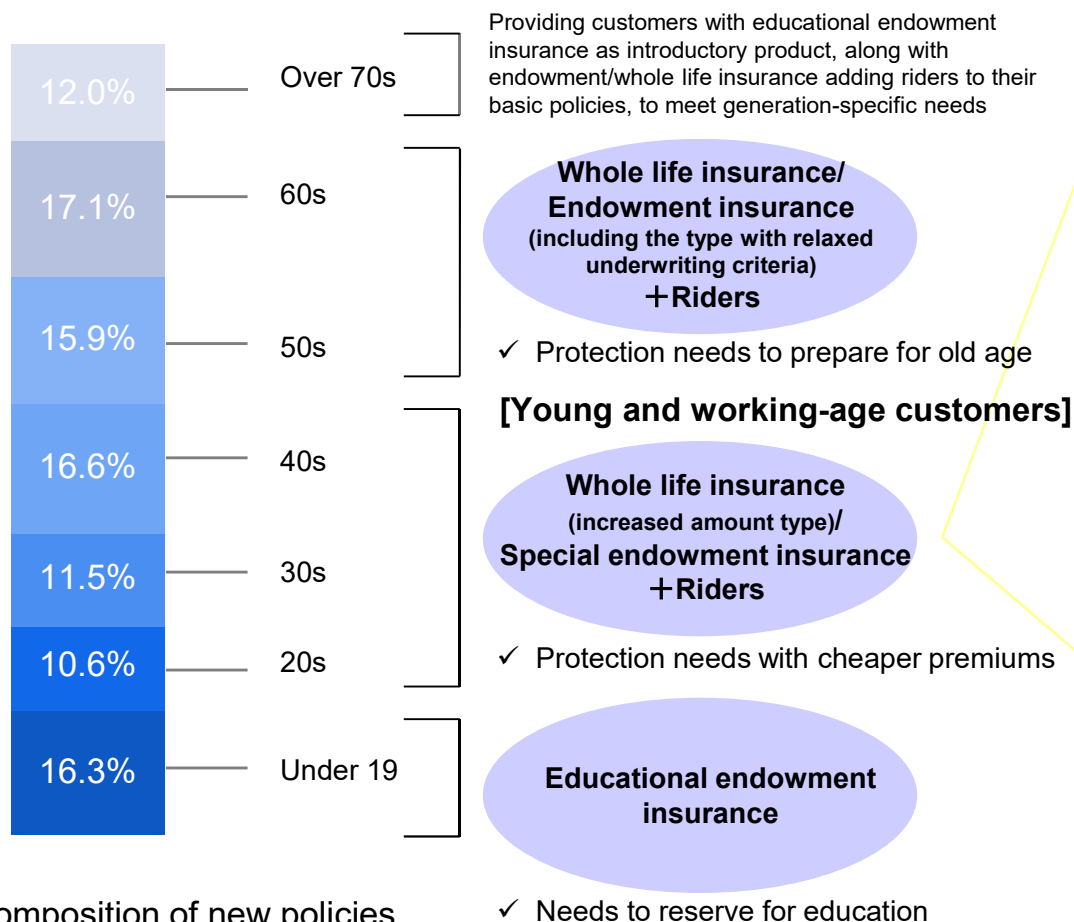
Future strategies



Product Development Strategies

- Develop products that meet fundamental livelihood protection needs of each generation in order to support them throughout their lives in the age of 100-Year Life.
- In future, we will make our products more attractive that our customers keep protected by our insurance for lifetime, by providing well-balanced protection at cheaper premiums to young and working-age customers as the main targets.

Current product approach by target generation



Age composition of new policies
(insured in the fiscal year ended March 31, 2019)

Future approach to young and working-age customers

- **Provide well-balanced protection at cheaper premiums**
 - ✓ Extend insured period of term insurance and special endowment insurance (for reducing premiums)
 - ✓ Review of medical rider
- **Research and development for products that contribute to extending healthy life expectancy**
 - ✓ Accumulate and utilize the health promotion-oriented data obtained from the apps and other sources in order to develop new products and reduce premiums

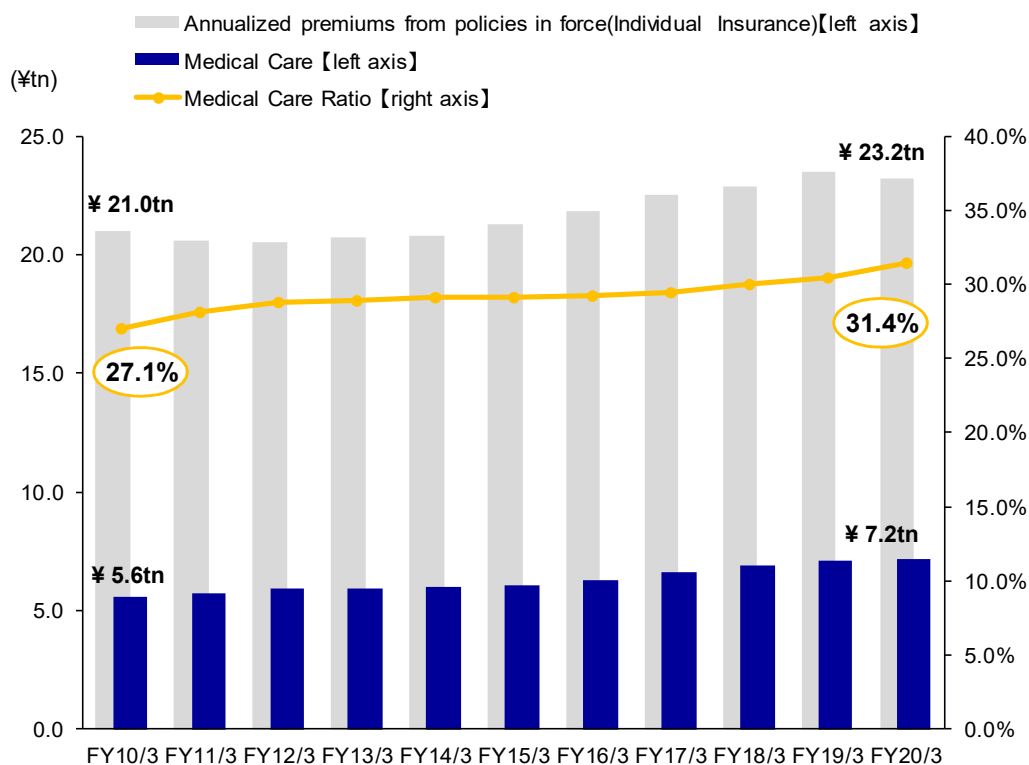
In view of the age of 100-Year Life, we also consider expansion of product range that meets the protection needs of elderly and middle-aged population

Medical Care Market

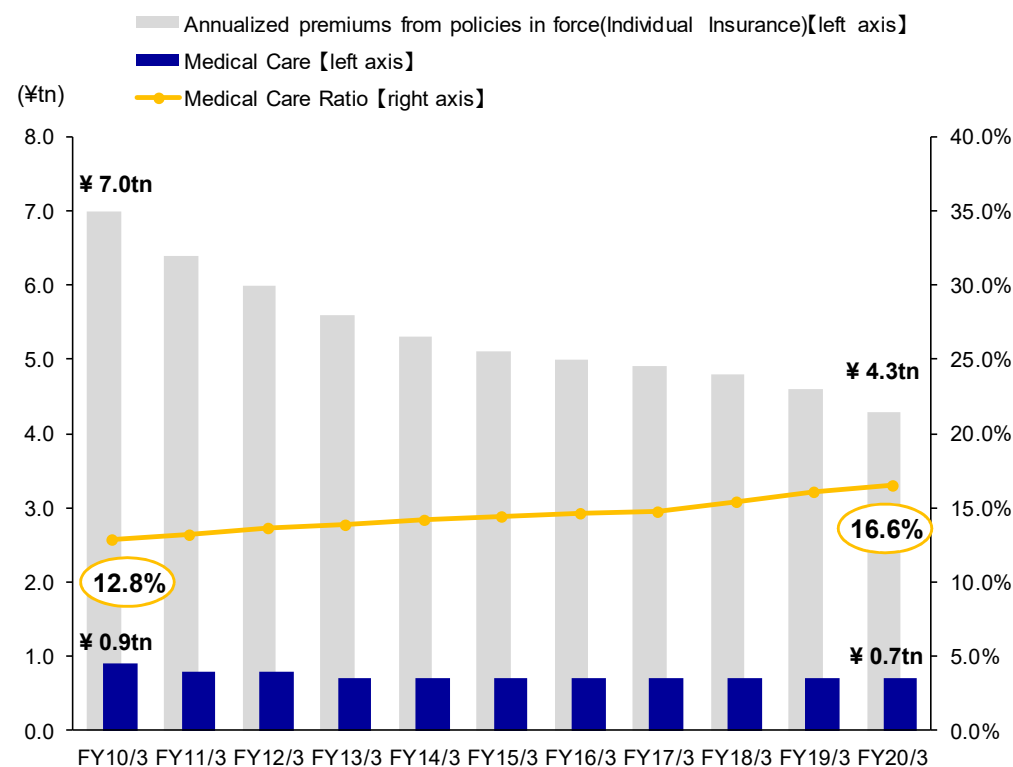
- As the domestic market for medical care is expanding, medical care ratio to annualized premiums in force is also increasing.
- While our medical care ratio to annualized premiums in force is increasing as well, it is still low compared with the domestic market, and we believe there is room to further increase that ratio by meeting customers' protection needs.

Annualized Premium from policies in force (medical care)

Domestic Life Insurance Companies



Japan Post Insurance



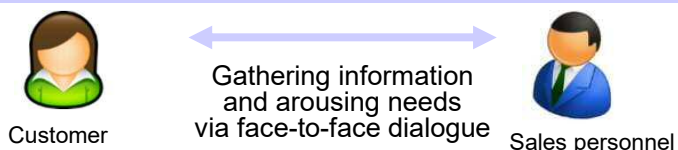
Source: The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan
 Note: "Domestic Life Insurance Companies" includes postal life insurance policies

Digital Strategies

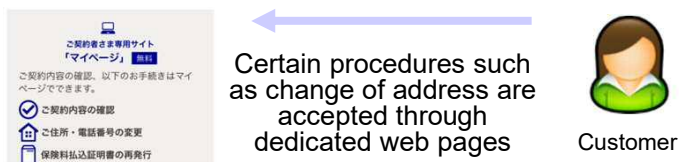
- Promote the digitalization of various procedures, from proposal of products and services to maintenance procedures, to increase accessibility and satisfaction for all generations of customers.
- Aim to strengthen relationship with customers through providing services by integrating accuracy/accessibility associated with digitalization and the peace of mind/flexibility associated with the personal service.
- Expand the areas of utilization involving digital technologies at frontline, back offices, and administrative departments including head office, with a view to enhancing quality/productivity of operations.

Current Initiatives

Approach by sales personnel to arouse needs

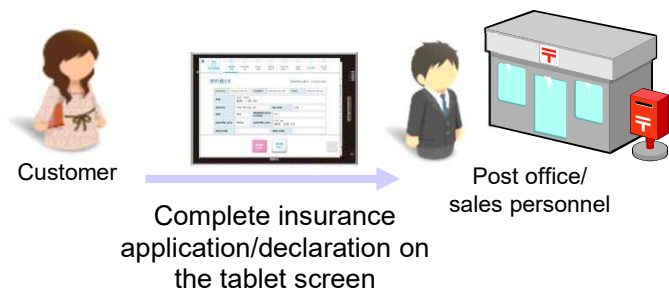


Acceptance of certain procedures through dedicated web pages



Improvement of contact point

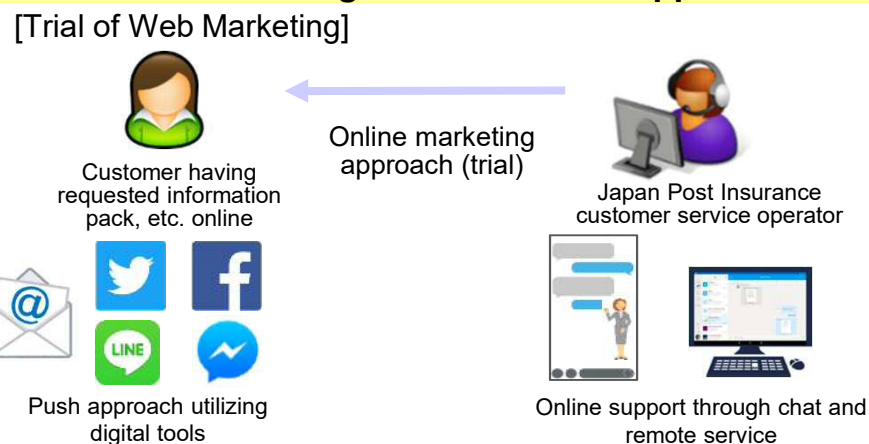
Introduce paperless procedures such as insurance application



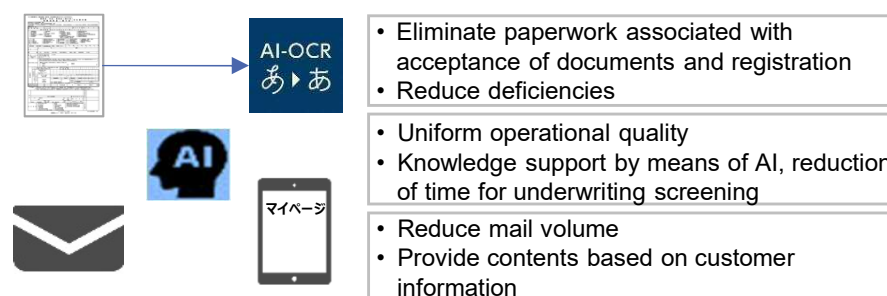
Operational improvement

Future Initiatives

Expand non-physical contact customer service with the advantage of face-to-face approach



Improve back-office administration by utilizing digital technologies



Pursue senior-friendly accessibility
 Strengthen relationship with customers
 Enhance operational quality and productivity

Pursuit for our social mission and the meaning of our business

- In the next Medium-Term Management Plan, we will demonstrate our unique social mission and meaning our business, in addition to regaining our customers' trust, improving and strengthening our core business as well as creating new businesses.

Social issues in the age of 100-Year Life

- Increase in social security costs such as medical expenditures due to the aging population
- Increasing need to extend healthy life expectancy and improve quality of life
- Addressing ESG issues

Providing solutions as Japan Post Insurance

- Enhancement of protection-type products
- Improving health and pursuing senior-friendly accessibility
- Expansion of ESG investment

Pursuit for Japan Post Insurance's unique social mission and meaning of our business

< Japan Post Insurance's performance >

- ✓ **Total number of customers: 24.68 million (March 31, 2020)**
*Total population: 125.96 million¹ (April 1, 2020)
- ✓ **Insurance claims and other payments : ¥ 5.3 trillion² (FY20/3)**
* Domestic life insurance companies :¥ 18.5 trillion^{2,3} (FY20/3)
- ✓ **Total assets: ¥ 70.3 trillion (as of September 30, 2020)**

1. Provisional estimates as of April 1, 2020 from "Population Estimates" (Statistic Bureau, Ministry of Internal Affairs and Communications)
2. Sum of "Insurance claims", "Annuity payments" and "Benefits"
3. Source: The Life Insurance Association of Japan: Summary of Life Insurance Business in Japan

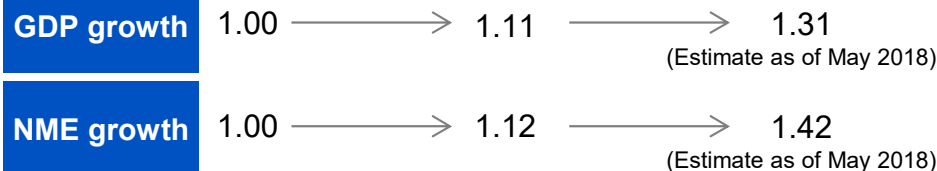
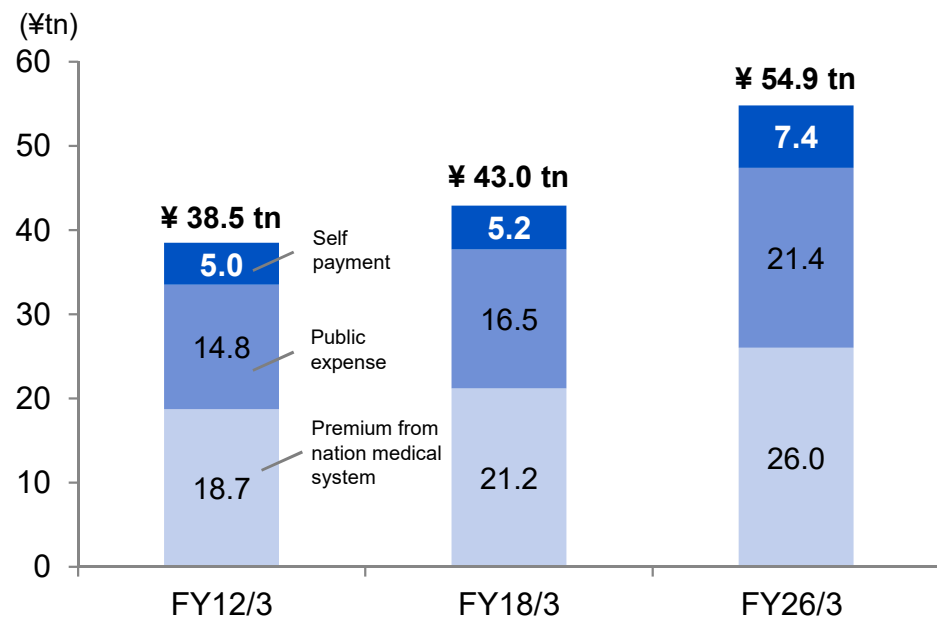
3

Appendix

Business Environment in the Japanese Life Insurance Industry

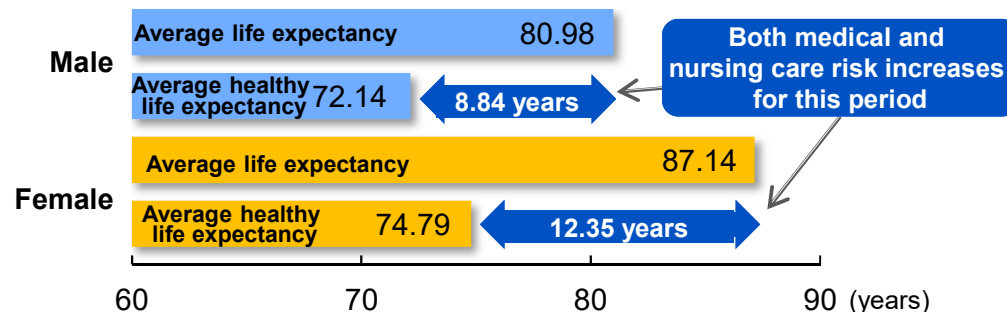
- As social security cost such as medical expenditures are expected to increase going forward, the necessity of self-help effort for the risk of living expenses, injuries, diseases and nursing care has been increasing.
- Detecting a disease at an early stage before it gets serious and taking measures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

Increase in National Medical Expenditure(NME)



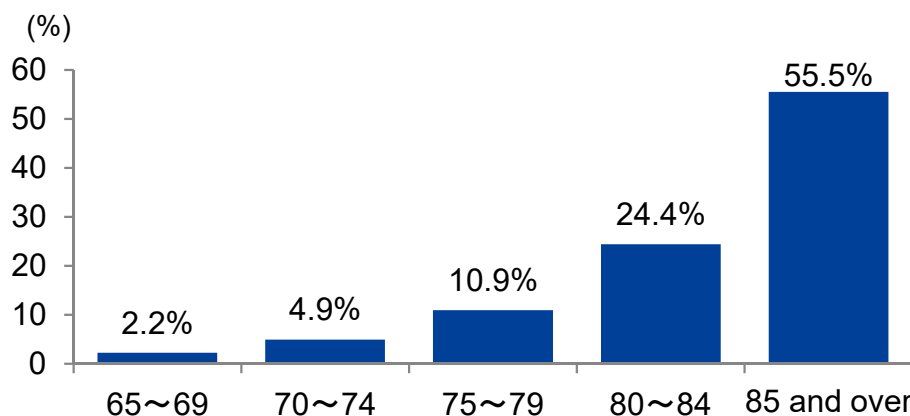
Sources: Cabinet Secretariat, Cabinet Office, Ministry of Finance, Ministry of Health, Labor and Welfare (May 21, 2018)
 Note: Figures at FY26/3 are estimated amount at official announcement. GDP growth and NME growth are rates in comparison to FY12/3

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

Dementia Patients ratio by Age(2012)

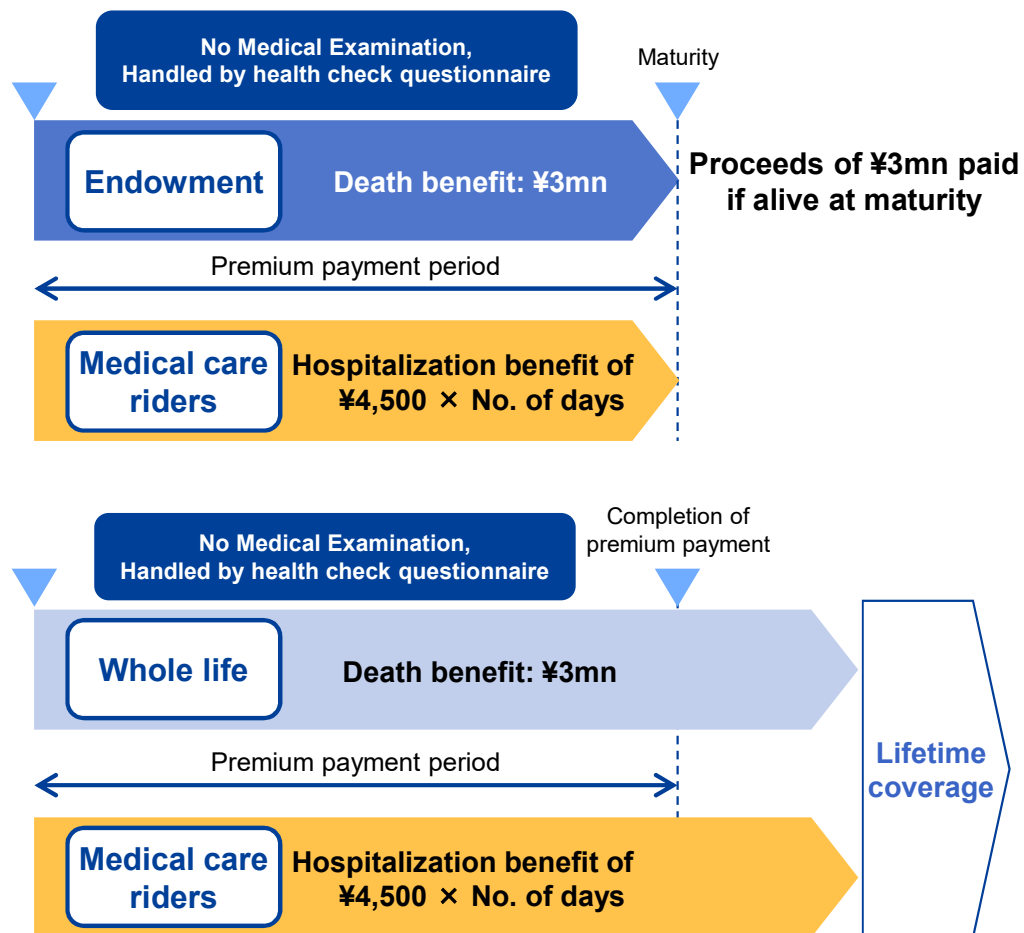


Source: "Study on future estimates on elderly population of dementia in Japan" (Special Scientific Research Fund Subsidy Project on Health, Labor and Welfare in 2014)

Major Products

- Our basic strategy is to provide universal service products (endowment insurance and whole life insurance) with medical care riders.
- Provide guarantee for hospitalization and surgery in wide range of diseases and injuries by medical care rider.

Typical Examples of Our Products



Medical Care Rider Coverage

Example for Standard Benefit of ¥3 million

Hospitalization Benefit

- ¥4,500 / day
- Up to 120 days (¥540,000) for each hospital stay

Initial Payment¹

- ¥22,500 (5 times daily benefit) for the first day in a hospital

Surgery Benefit

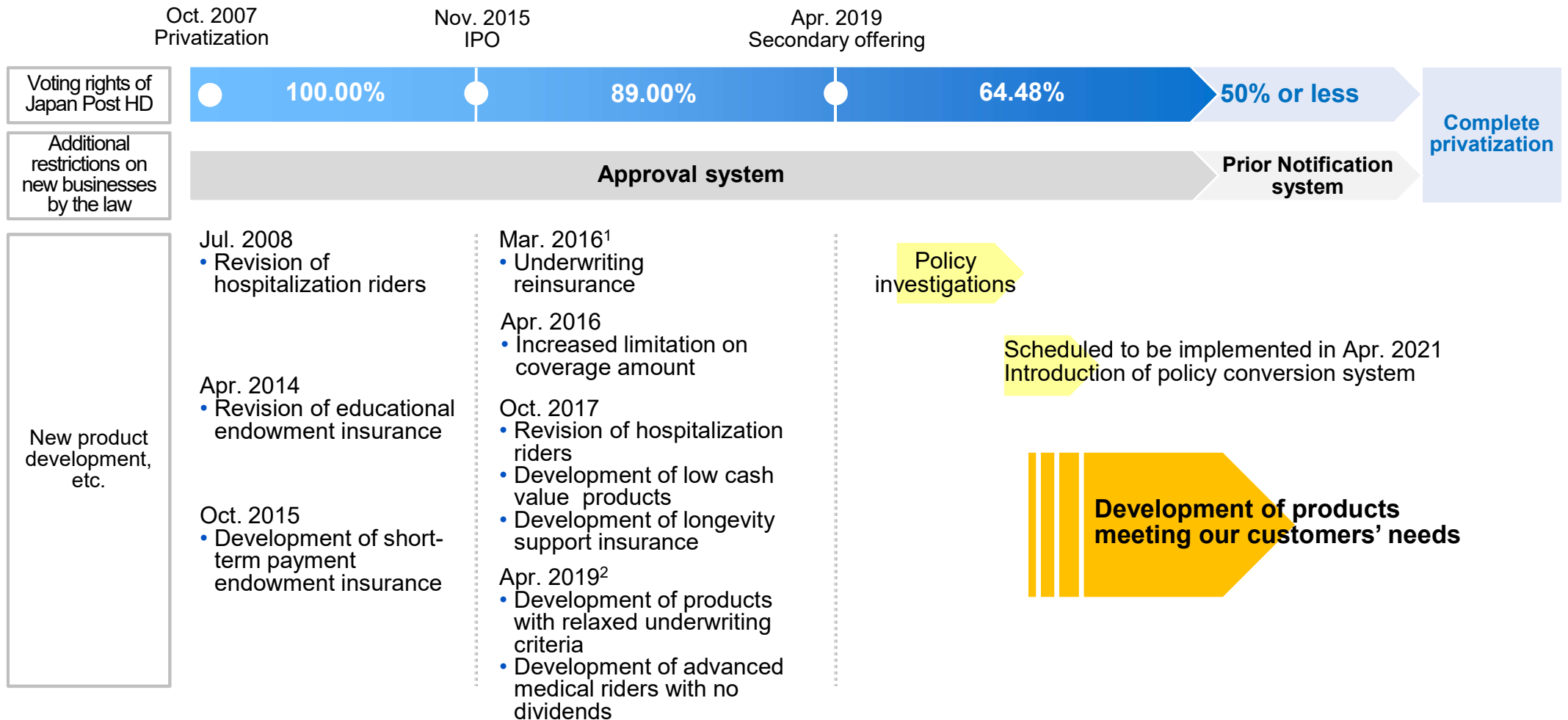
- Hospital surgery ¥90,000 (20 times daily benefit²)
- Outpatient surgery ¥22,500 (5 times daily benefit²)
- Radiology treatment ¥45,000 (10 times daily benefit²)

Coverage is limited and Kampo is not responsible for increases in the cost of medical care

1. Optional (Type I policies have initial payment on the first day, Type II policies have no initial payment on the first day)
2. Multiple of the daily hospitalization benefit

Status of Product Development

- We have developed and marketed products and services that flexibly respond to customers' needs, despite additional regulatory restrictions under the Postal Service Privatization Act.



1. Represents when we obtained the approval

2. Acquisition of approval was in December 2018, and the ratio of voting rights at that time was 89.00%

Provision of health promotion apps

- Starting from January 15, 2019, we began to provide health promotion app “Sukoyakanpo” free of charge. (users : approx. 230 thousand customers¹)
- Starting from April 15, 2019, we began to provide premium menu items to our policyholders, insured and policyholder-family members.
- Starting from July 3, 2019, we began to provide Radio exercise card.

From January 2019

Provide step logging and management function and incentive



Counting steps with pedometer in your smartphone

When you achieve your target steps, you can apply for weekly lottery

From April 2019

Below are main menu items. We also provide contents such as a column on health, and a physical exercise management function, among others.

“My Checkup Advice”



Provide advice in accordance with the user's health condition

When you scan checkup result information with a smartphone, it shows the user's health age and type, in addition to advice

“My Recipe”



Support the user's dietary life

App provides a recipe and video supervised by a nutritionist

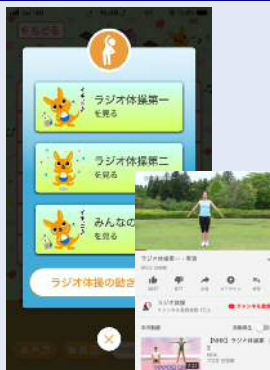
From July 2019

Radio Exercise Card



Days of participation in radio exercises are recorded in a calendar

Radio exercise videos



Listen to the sound and watch videos of radio exercises

Illness risk check



Shows future illness probability

The app shows your risk of diseases in comparison with the risk range of people of the same age and gender

“My Calorie Check”



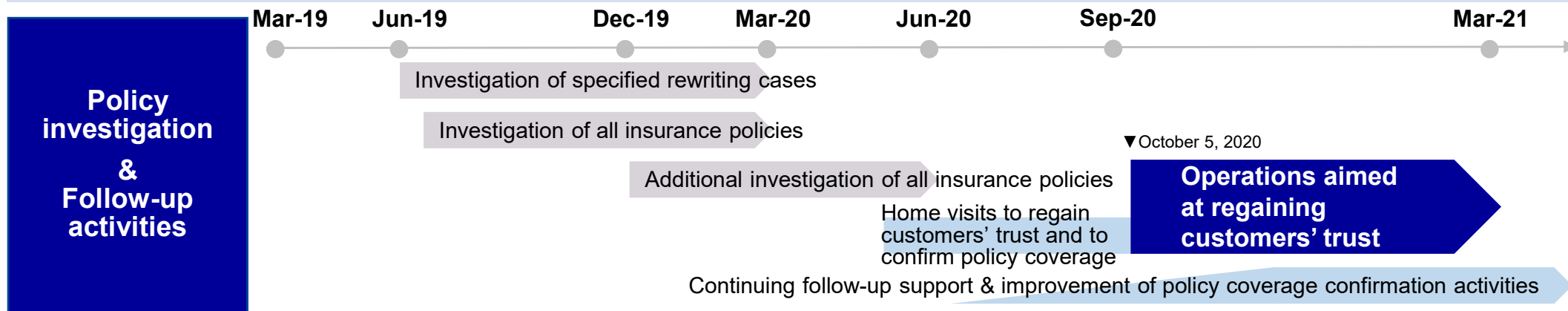
Shows calorie intake

Photographing meal with smartphone quickly calculates calorie intake and nutrients

1.As of October 31,2020

Initiatives for the Solicitation Quality Issues

- To address the solicitation quality issues, we have been engaged in the policy investigation and improvement measures as top priorities by refraining/suspending sales activities since July 2019, and aimed to regain our customers' trust in an early stage.
- Aim to implement the Business Improvement Plan consistently while completing the response to customers associated with the policy investigations as well as the sales personnel investigations in FY21/3.
- We have also started operations aimed at regaining customers' trust from October 5, 2020.



	Previously	Key new measures (incl. already-implemented)
Corporate culture	<ul style="list-style-type: none"> ● Rule-based business operation 	<ul style="list-style-type: none"> ● Set and infiltrate a code of conduct and standard model of Japan Post Insurance products
Sales promotion scheme	<ul style="list-style-type: none"> ● Target management with excessive focus on new sales amounts ● Japan Post Co., had the sole authority to allocate sales targets to post offices 	<ul style="list-style-type: none"> ● Introduce targets that equally evaluate both new policies sales and policies in force ● Japan Post Insurance should also check sales target allocation to post offices
Solicitation quality control scheme	<ul style="list-style-type: none"> ● A lack of sufficient scheme for ensuring the operational appropriateness at the frontline of post offices. 	<ul style="list-style-type: none"> ● Multi-layered check system by Japan Post Insurance's call centers, etc. ● Strengthening of organizations for investigating solicitation activities in post offices and giving guidance towards appropriate scheme
Governance	<ul style="list-style-type: none"> ● Insubstantial understanding of the actual status of solicitation activities at the frontline of post offices 	<ul style="list-style-type: none"> ● Strengthen the investigation of circumstances of the solicitation process and thoroughly implement the PDCA cycle

Outline and Progress of the Business Improvement Plan (Submitted on January 31, 2020)

- We submitted the Business Improvement Plan to Financial Services Agency of Japan on January 31, 2020 and have been implementing multiple measures as stated below.
- The whole company will strive to implement the Business Improvement Plan as Japan Post Group's top-priority issue.

Items	Main improvement measures
Clarification of the responsibilities of management	<ul style="list-style-type: none"> ● Resignation of Representative Executive Officer [Implemented in December 2019] ● Reduction in the monthly compensation paid to Executive Officers [Implemented in December 2019]
Investigations of policies and responses to customers	<ul style="list-style-type: none"> ● Completed the responses to customers [By the end of March 2020] and sales personnel investigations following the investigations of specified rewriting cases [By the end of April 2020] ● Proactive investigations and recompense for customers' disadvantages into the cases other than specified rewriting cases such as those involving multiple policies [Mostly completed confirmations of policy coverage and customers' intentions as of the end of the June 2020]
Appropriate actions toward sales personnel	<ul style="list-style-type: none"> ● Increase the strictness of fact finding criteria concerning improper solicitation, including fact finding that do not rely on confession of sales personnel [Implemented from November 2019] ● Increase the strictness of criteria for disciplinary actions against sales personnel and their managers [Implemented in April 2020]
Establishment of an appropriate sales promotion scheme	<ul style="list-style-type: none"> ● Set appropriate sales targets according to the sales capability and the policies in force [Scheduled implementation from FY22/3 onward] ● Measures for policy rewriting such as extending the scope of judgement on policy rewriting [Implemented in April 2020] ● Develop new products meeting our customers' insurance needs
Creation of a healthy corporate culture	<ul style="list-style-type: none"> ● Create an appropriate solicitation policy that is well understood by employees (code of conduct, standard model of Japan Post Insurance products) [Implemented in April 2020] ● Training for sales personnel [Implemented in March 2020] ● Introduction of a system that allows our employees to directly make suggestions to the President [Implemented in December 2019]
Establishment of an appropriate solicitation quality control scheme	<ul style="list-style-type: none"> ● Enhancement of verification of customers' intentions by the dedicated call center of Japan Post Insurance [Implemented in January 2020] ● Record and keep a voice record and a video record of solicitation process [Implemented in August 2020 about record and keep a voice record] ● Introduction of a conditional cancellation system [Implemented in January 2020] and policy conversion system [Scheduled implementation in April 2021]
Strengthening governance drastically	<ul style="list-style-type: none"> ● Strengthen investigation of circumstances of solicitation process and thoroughly implement PDCA cycle [Implemented from April 2020 onward and continuously] ● Strengthen the governance function of the Board of Directors and Audit Committee [Implemented in February 2020 and March 2020] ● Reinforce the human resources and organizational structure for internal audit [Implemented from April 2020 onward and continuously]

Diversifying the Asset Portfolio

- Expand investments in return seeking assets within the scope of risk buffer under a risk appetite policy principally based on ALM. We expect to achieve the share of return seeking assets of 15% (percentage to total assets) by the end of FY21/3 as targeted under the current Medium-Term Management Plan.
- We will continue to diversify our asset portfolio, including the acceleration of ESG investment and the development of framework for investing directly in alternative assets.

Return seeking assets

(¥bn)

	Mar-17		Mar-18		Mar-19		Mar-20		Sep-20		Mar-21
	Amount	Share ¹	Amount	Share ¹	Amount	Share ¹	Amount	Share ¹	Amount	Share ¹	Plan
Return seeking assets ²	7,963.7	9.9 %	9,450.4	12.3 %	10,217.7	13.8 %	9,938.6	13.9%	10,473.9	14.9 %	Approx. 15%
Foreign bonds ³	5,267.9	6.6 %	5,545.4	7.2 %	6,708.7	9.1 %	6,445.1	9.0 %	6,543.2	9.3 %	(Hedged) Keep flat (Open)Keep flat
Domestic stocks ³	1,626.0	2.0 %	2,040.6	2.7 %	1,756.0	2.4 %	1,765.1	2.5 %	2,083.8	3.0 %	Increase
Foreign stocks ³	309.0	0.4 %	342.5	0.4 %	345.5	0.5 %	323.5	0.5 %	394.8	0.6 %	Keep flat
Other ⁴	760.6	0.9 %	1,521.8	2.0 %	1,407.3	1.9 %	1,404.8	2.0 %	1,452.0	2.1 %	Increase

Main initiatives on return seeking assets

[Foreign bonds]
 • Expand the amount of investments in hedged foreign bonds
 [Stocks]
 • Launch in-house investment management
 [Other]
 • Start investing in U.S. Bank Loans

[Foreign bonds]
 • Start investing in EM bonds
 [Stocks]
 • Expand the amount of in-house investment management
 [Other]
 • Start alternative investments (HF and PE, among others)

[Foreign bonds]
 • Launch in-house investment management for U.S. corporate bonds
 [Stocks]
 • Start investing focused on corporate growth
 [Other]
 • Start investing in overseas real estate funds

[Foreign bonds]
 • Expand target currencies
 [Stocks]
 • Expand the amount of in-house investment management
 [Other]
 • Expand the amount of alternative investment

[Foreign bonds]
 • Expand in-house investment management for U.S. corporate bonds
 [Other]
 • Reinforce framework including human resources and systems, for direct investment in alternative assets
 <ESG>
 • Invest in Sustainability Awareness Bond that support COVID-19 measures

[Foreign bonds]
 • Expand in-house investment management for U.S. corporate bonds
 [Other]
 • Expand the amount of alternative investment
 <ESG>
 • Introduce engagement onto investment in domestic corporate bonds
 • Expand investments in renewable energy funds

1. The percentage to total assets is shown.

2. Return seeking assets include domestic and foreign stocks, foreign-currency-denominated bonds, investment trusts, etc. held for investment purposes among the assets recorded under "money held in trust" and "securities" on the balance sheet.

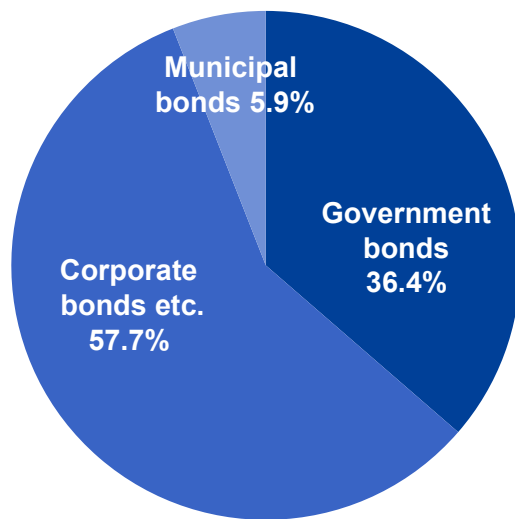
3. "Domestic stocks," "Foreign stocks" and "Foreign bonds" include individual stocks and bonds, as well as investment trusts that invest only in the specified assets.

4. "Bank loans," "multi-asset" and "real estate fund" etc.

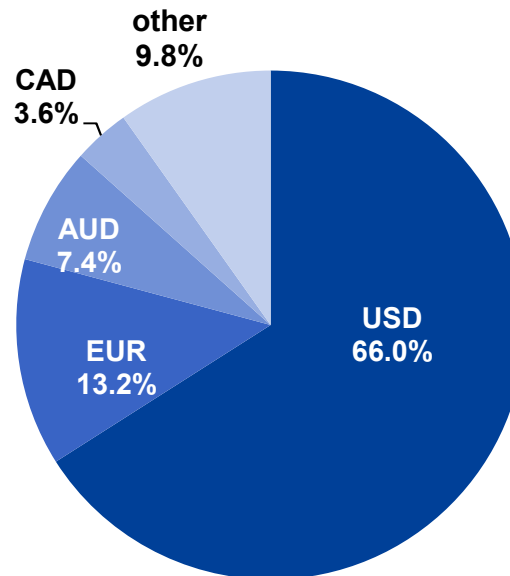
Exposure to Foreign-currency-denominated Bonds (as of September 30, 2020)

- As low interest rate environment continues in Japan, we have been increasing investment in foreign-currency-denominated bonds, especially spread products such as municipal and corporate bonds, and promote diversifying our asset portfolio including expansion of our target currencies into non-USD.
- In principle, we choose investment-grade bonds (rated “BBB” or above) for our in-house investment. Over 80% of the bonds we invest in are rated “A” or above.

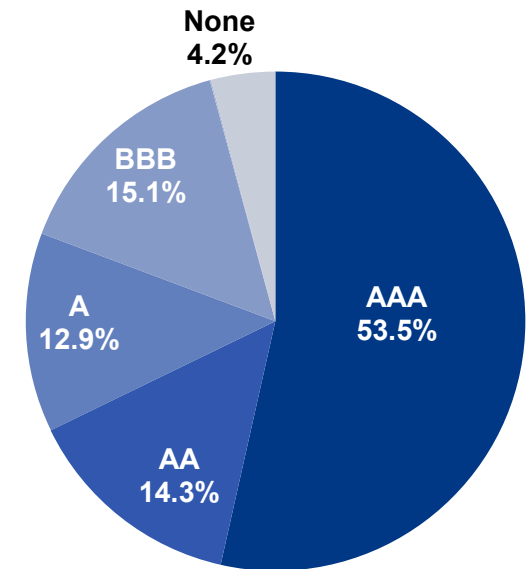
Breakdown of Foreign-currency-denominated Bonds



Exposure by Currency



Exposure by Rating Level



Note 1: Only foreign-currency-denominated-bonds issued by foreign entities are included in the calculation

Note 2: Issuer Ratings by Moody's are indicated.

Key Financial Indicators

	(¥bn)					
	FY17/3	FY18/3	FY19/3	FY20/3	FY20/3 2Q	FY21/3 2Q
Insurance premiums and others	5,041.8	4,236.4	3,959.9	3,245.5	1,801.1	1,417.8
Ordinary profit	279.7	309.2	264.8	286.6	141.5	162.7
Provision for reserve for policyholder dividends	152.6	117.7	111.8	109.2	54.5	47.2
Net income	88.5	104.4	120.4	150.6	76.3	93.6
Net assets	1,853.2	2,003.1	2,135.1	1,928.3	2,240.1	2,487.7
Total assets	80,336.7	76,831.2	73,905.0	71,664.7	73,034.1	70,397.2
Return on equity	4.7 %	5.4 %	5.8 %	7.4 %	-	-
Return on shareholders' equity	5.9 %	6.7 %	7.4 %	9.0 %	-	-
Dividends to shareholders	36.0	40.8	43.2	42.7	21.3	-
Total Return Ratio ¹	40.6 %	39.0 %	118.9 %	28.4 %	-	-
EV	3,355.6	3,743.3	3,925.7	3,324.2	3,478.9	3,734.1
Value of New Business	36.8	226.7	223.8	60.6	66.7	(1.5)
Core profit (Non-consolidated)	390.0	386.1	377.1	400.6	205.7	226.5
Core profit attributable to life insurance activities	311.4	320.3	318.7	320.1	167.1	196.4
Spread (positive/negative spread)	78.5	65.8	58.4	80.4	38.5	30.1

1. The figure for FY19/3 represents the total return ratio including share repurchase (approximately ¥ 100.0billion) in April 2019.

Expenses

Operating Expenses (Commissions¹ etc.)

(¥bn)

	6months ended Sep-19	6months ended Sep-20	Change	(Reference) Year ended Mar-20
Operating expenses	253.5	196.2	(57.3)	473.8
Commissions	141.0	95.3	(45.7)	248.7
Sales Commissions	62.4	24.5	(37.9)	100.9
Maintenance Commissions	78.6	70.7	(7.8)	147.8
Contributions ²	28.7	28.0	(0.7)	57.5
Others	83.6	72.8	(10.8)	167.4
Depreciation and amortization	28.0	30.4	2.4	57.4

1. Commissions paid to Japan Post Co.

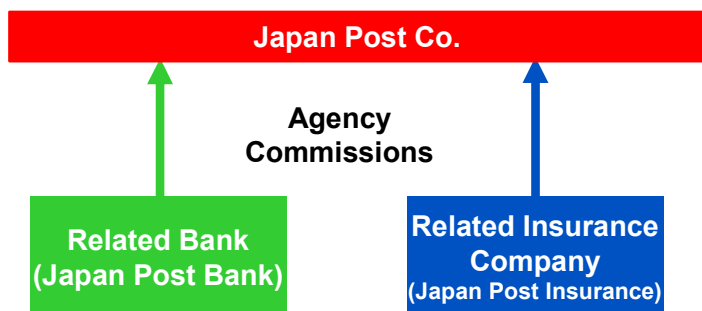
2. Contributions paid to The Postal Management and Support Organization based on the related law.

Overview of Funds and Contributions

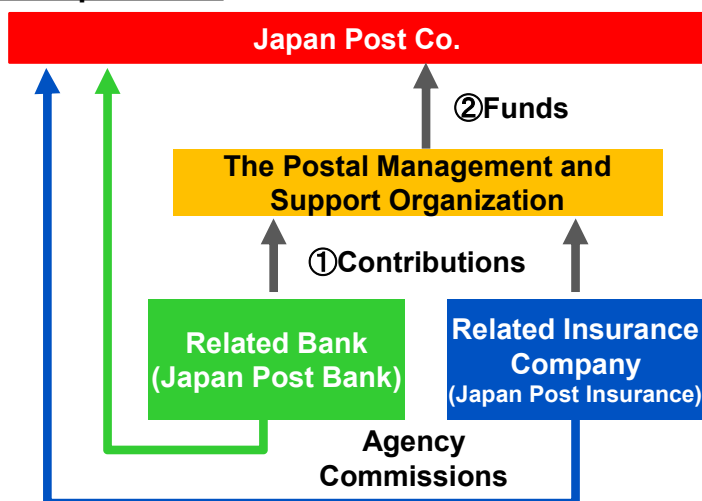
- Amendments to the Act on the Management Organization for Postal Savings and Postal Life Insurance have taken effect since December 1, 2018.
- From April 2019, we and Japan Post Bank are required to contribute to The Postal Management and Support Organization which will pay the fundamental necessary expenses for Japan Post Co. to maintain its post office network.

System of Funds and Contributions

【Until March 2019】



【From April 2019】



Calculation for contributions

* pursuant to an ordinance of the MIC

- The amount of contribution is calculated as follows,
 - Calculate and sum necessary expenses for post office network and administrative expenses of the Organization
 - Allot expenses above in proportion to the degree of use of the post office network by mail counter work, bank counter work and insurance counter work

[Example of distribution : usage volume]



Regarded as usage volume, which is main element for distribution

Commissions and contributions

- Along with the establishment of the system of funds and contributions, we revised the structure of agency commissions

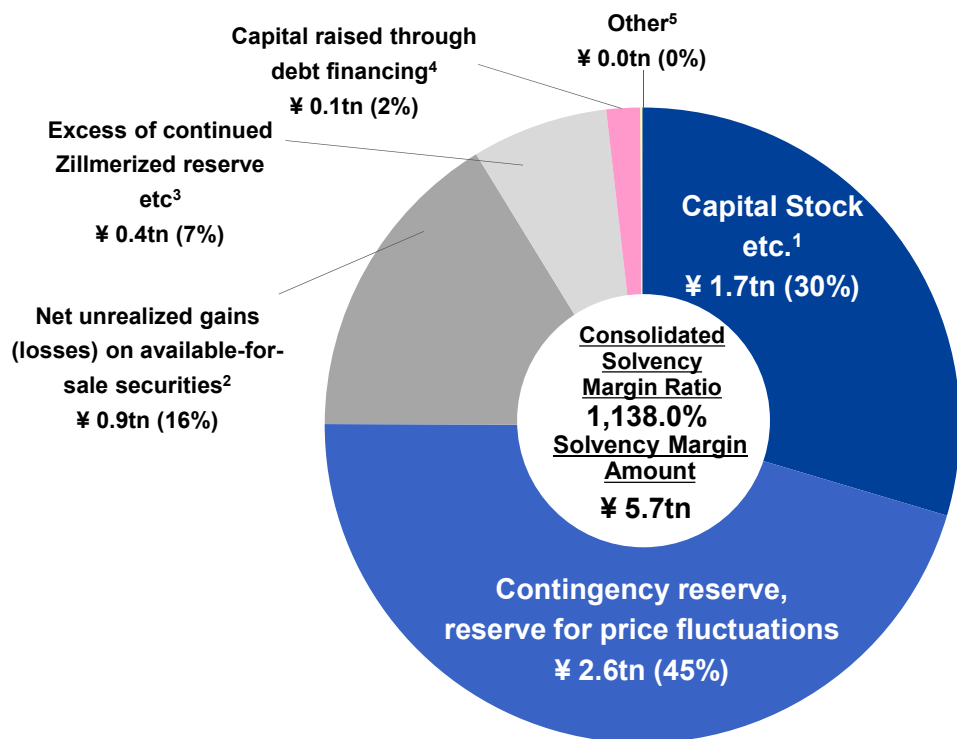
(¥bn)

	FY19/3	FY20/3	FY21/3 (forecast)
Commissions	358.1	248.7	197.2
Contributions	—	57.5	56.0
Total	358.1	306.3	253.3

High-quality Capital Structure

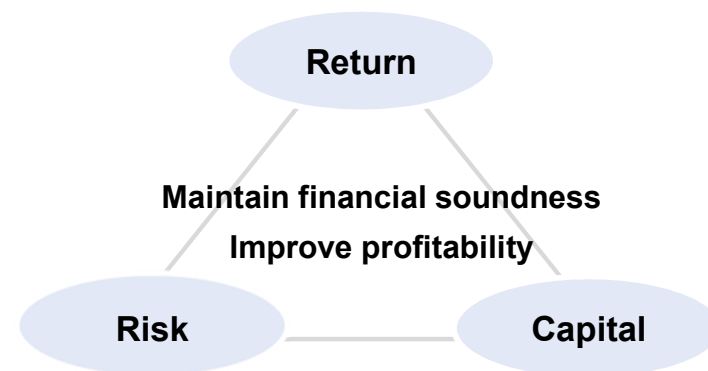
- Secure the solvency margin ratio in adequate level, maintaining a high level of soundness. The high proportion of capital stock and internal reserve results in high capital quality.
- Continuously focus on ensuring financial soundness and improving profitability under an ERM framework in our Medium-Term Management Plan.

Breakdown of Consolidated Solvency (as of September 30,2020)



1. Subtracted deduction item values from capital stock
2. Net unrealized gains and losses on available-for-sale securities and land
3. Subtracted values not included in the margin, among an excess of continued Zillmerized reserve and capital raised through debt financing, from an excess of continued Zillmerized reserve
4. Issued subordinated bonds in January 2019 (issued amount: ¥100.0bn)
5. Combined the total amount, among others, of general reserve for possible loan losses, sum of unrecognized actuarial differences and unrecognized prior service cost

ERM framework



Credit Ratings¹

As of October 29, 2020

	S&P	R&I	JCR
Kampo	A (Stable)	AA- (Stable)	AA (Negative)
(Reference) Japanese government	A+ (Stable)	AA+ (Stable)	AAA (Stable)

1. Kampo's ratings fall under insurance financing (rating on insurance benefit solvency)

ESG Initiatives – Environmental

- Expressed support for the proposal of the Task Force on Climate-related Financial Disclosures (TCFD) on April 22, 2019.
- Strive to save energy and reduce carbon dioxide emissions.

Expressed support for the TCFD

- In Japan Post Group CSR Basic Policy, we declared that “we shall strive to undertake business operations adapted to the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment.”
- Analyze more deeply the impact of climate change on each companies’ operations in light of the TCFD proposal and work on further information disclosures.

ESG Investment related to climate change

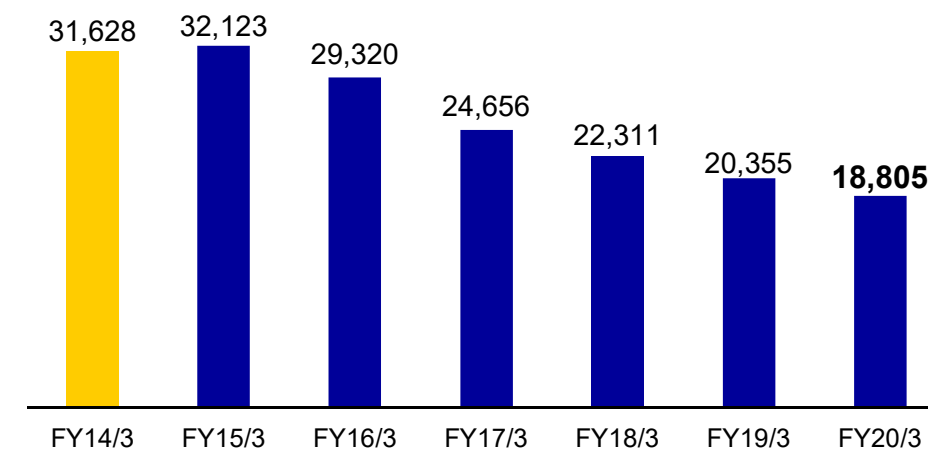
- Invest in renewable energy projects such as solar power project (¥ 63.4bn¹)
- Invest in “Climate Awareness Bonds (bonds to raise awareness of climate change)” issued by European Investment Bank in May 2019 (¥ 30.5bn¹)
- Invest in sustainability bonds issued by Japan Railway Construction, Transport and Technology Agency in May 2020 (¥ 1.1bn¹)
- Invest in green bonds issued by Tohoku Electric Power in September 2020 (¥ 1.7bn¹)

1. Market value balance as of September 30, 2020

Reductions of CO₂ Emissions

- Based on the results of an energy-saving diagnosis etc., we are promoting to improve the operation of lighting and air-conditioning facilities, cut back on energy consumption mainly by installing energy-saving equipment, and reduce CO₂ emissions by introducing hybrid and eco-friendly cars.
- Achieved a 41% reduction in CO₂ emissions in FY20/3 compared with the base year (FY14/3.)
- From now on, we will take measures to reduce CO₂ emissions and contribute to achieve decarbonized society.

CO₂ Emissions (t-CO₂)



Note: Emissions from the Company's large facilities and all our vehicles

ESG Initiatives – Social

- Assist promoting health and forming a diversity society as a contribution to local communities and society.

Popularize radio exercise

- Assist local community-society citizens in promoting health, by popularizing radio exercise.
- For FY21/3, thanks to the cooperation of the municipal authorities¹, we produced radio exercise footage at various locations titled “Digital Radio Exercise Tour” and broadcast successively through the radio exercise channel of Japan Post Insurance on YouTube.



Komaki-shi, Aichi
(photo on the above)



Hachinohe-shi, Aomori
(photo on the below)

1. Authorities scheduled to hold “FY21/3 Radio Exercise and *Minna no Taiso*”, which was cancelled due to the COVID-19

Support and Sponsorship of Wheelchair Tennis

- Supporting wheelchair tennis through our sponsorship of the Japan Wheelchair Tennis Association (JWTA) as a top partner.
- Welcomed OTANI Momoko, a wheelchair tennis player with whom we had an affiliate contract, as an employee of Japan Post Insurance in April 2020. We will provide her with further support and seek to help develop a society respecting diversity.



Support for the training camp in various regions organized by JWTA
(photo on the left)



Otani Momoko (photo on the right) finished second in women’s singles at the Grand Slam Tournament held in France in October 2020.

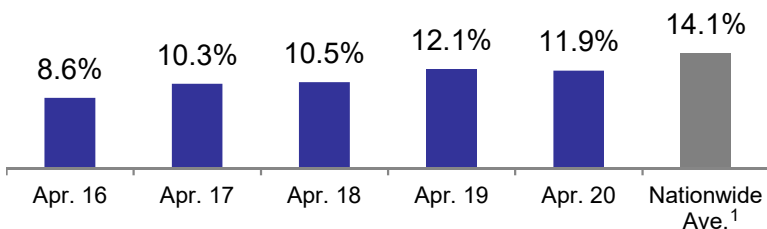
ESG Initiatives – Social

- Promote diversity management, mainly in the areas of “promoting expanding roles for female employees,” “work-life balance,” “providing support for balancing work and childcare/nursing care” and “promoting employment of persons with disabilities.”

Expanding Roles for Female Employees

Ratio of female Managers

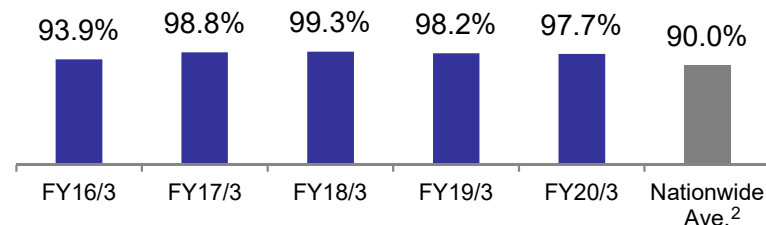
- Support expansion of roles for female employees by fostering an empowered mindset through career design seminars held for them



1. Ratio of female managers for companies with 5,000 employees or more (2019 Basic Survey of Gender Equality in Employment Management, MHLW)

Return-to-work rate of employees who took childcare leave

- Provide ongoing support for employees who have taken childcare leave with enhanced childcare leave systems and return-to-work programs

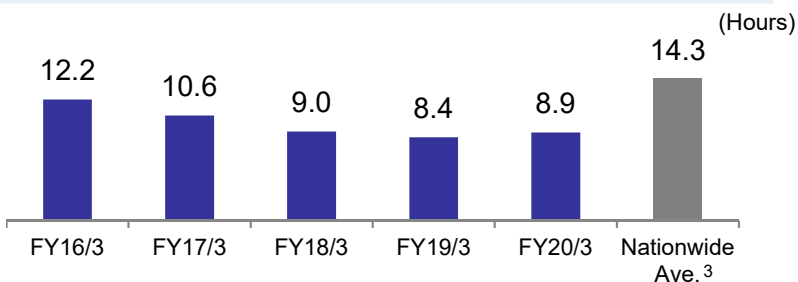


2. Return-to-work rate of employees who took childcare leave (2018 Basic Survey of Gender Equality in Employment Management, MHLW)

Work-Life Balance

Monthly average amount of overtime

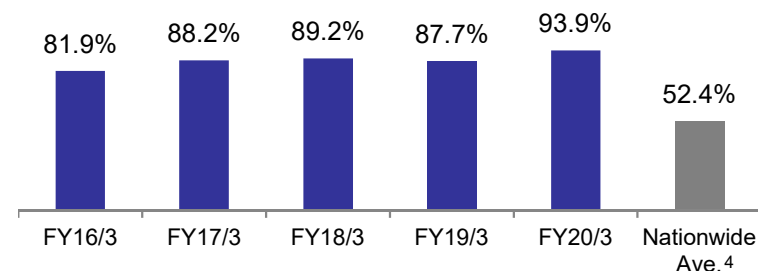
- Promote initiatives in work style reform and decrease the average overtime per month/per employee



3. Overtime work hours (excluding part-time work) (Monthly Labour Survey, 2019, MHLW)

Rate of taking paid leave

- Encourage employees, including managers, to take paid vacations as they planned and consecutive vacation

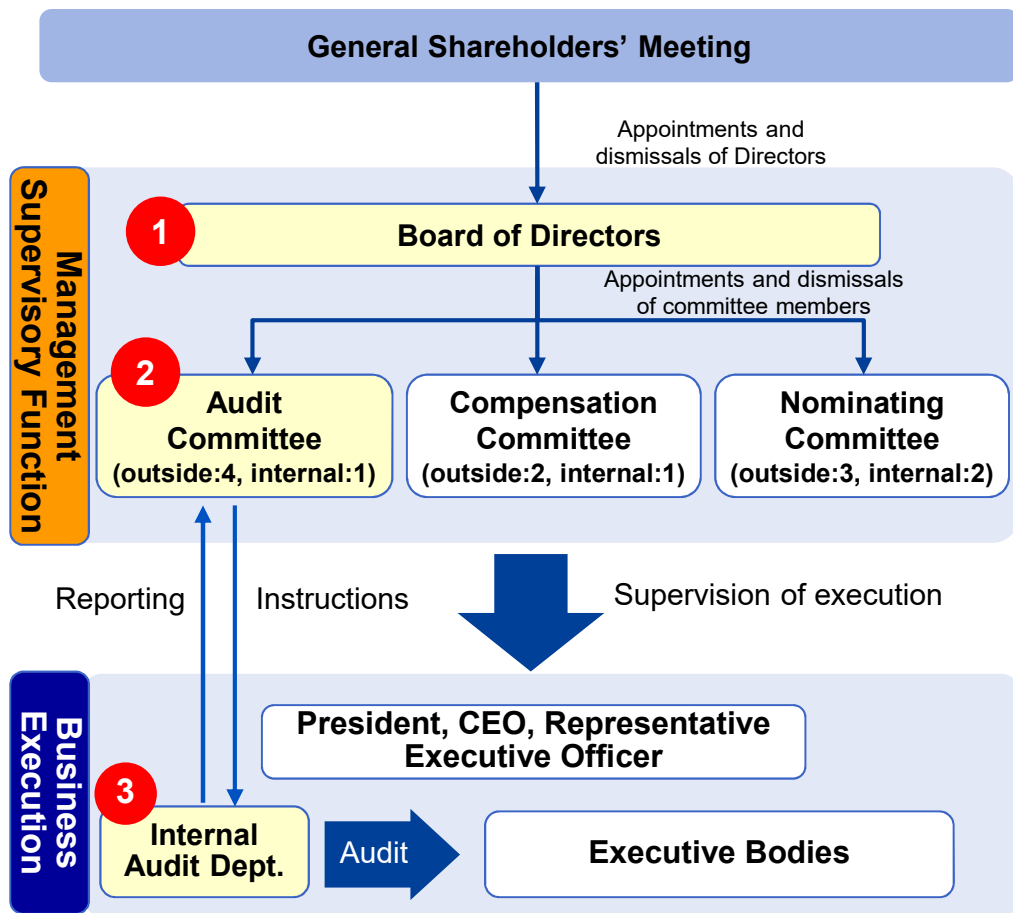


4. Rate of taking paid leave (2019 General Survey on Working Conditions, MHLW)

ESG Initiatives – Governance

- Strengthened corporate governance and enabled faster decision-making by adopting the corporate structure of a company with a Nominating Committee and other committees, and clearly separate the business execution and supervisory functions.
- Consistently implement the Business Improvement Plan submitted on January 31, 2020 and strengthen the governance functions of the Board of Directors, the Audit Committee, and the Internal Audit Department.

Corporate Governance System [Committee System]



Note: As of June 15, 2020

Strengthen the governance functions based on the Business Improvement Plan

1

Board of Directors

- Establish a new “deliberation” within the Board of Directors to leverage the expertise of the Outside Directors from the resolution drafting stage.
- Review the range of matters to be resolved.
- Actively hold extraordinary meetings and informal meetings of the Board of Directors to promote exchange of opinions.

2

Audit Committee

- The internal audit department is required the advance agreement of the Audit Committee for the decision and amendment of the internal audit plan and the important personnel appointments (Executive officers in charge and General Managers).

3

Internal Audit Department

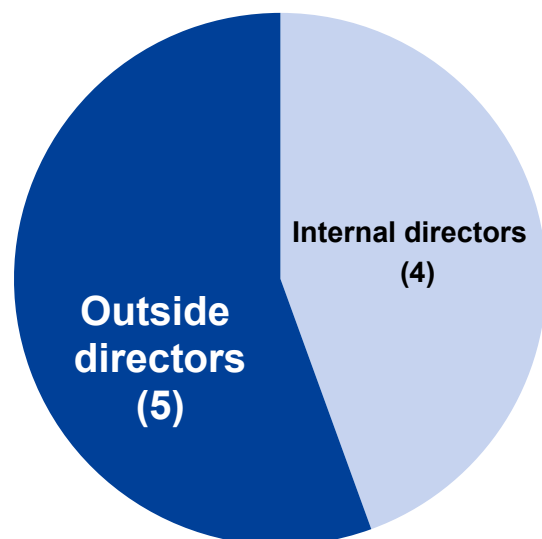
- In addition to reinforcing human resources and organizational structure for internal audit, improve the efficacy of audits by, for example, strengthening risk assessment.

ESG Initiatives – Governance

- Majority of directors in our Board of Directors are outside directors, and that includes two female directors. We achieve diversification and high independence in our Board.

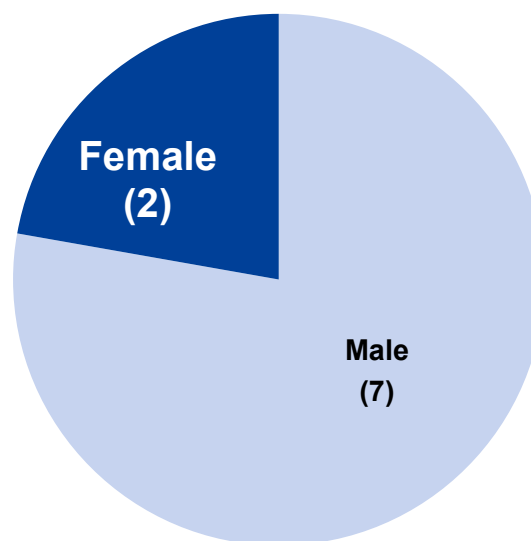
Board of Directors Structure (as of July 3, 2020)

Board of Directors Composition



Outside directors
55.6%

Ratio of Female Directors



Female directors
22.2%

Outside Directors Composition

Female SUZUKI Masako	Executive Advisor of Pasona Group Inc.
SAITO Tamotsu	Senior Counselor of IHI Corporation
Female YAMADA Meyumi	Director of istyle Inc.
HARADA Kazuyuki	President and Representative Director of Keikyu Corporation
YAMAZAKI Hisashi	Attorney-at-law Former President, Sapporo High Court

Comply with ESG Investment and Stewardship Code

- Actively implement ESG investment complying with “the ESG Investment Policy” and contribute to forming a sustainable society. In addition, we will further expand ESG investment through the measures such as introduction of integration (investment approach involving investment decision reflecting ESG factors) for other asset classes than stock.
- Promote stewardship activities centering on purposeful dialogue with investee companies, in respect not only of domestic stocks but also of domestic corporate bonds.

ESG Investment Policy (excerpt)

- From the perspective of fulfilling our social responsibilities to all stakeholders, we are promoting initiatives to solve environmental, social and governance (ESG) issues facing society, and actively taking on challenges toward the sustainable growth of corporate value and social development.
- In asset management, we will consider various factors of ESG in making investment decisions, in order to realize a sustainable society, improve investment results and reduce risks in the long-term.

■ ESG theme investments¹

Item	Size ³
Green bonds and social bonds	¥ 188.4bn
Supporting COVID-19 measures (Sustainability Awareness Bond)	¥ 53.7bn
Solar power generation (project financing)	¥ 39.6bn
Renewable energy (investment in specific funds)	¥ 23.8bn

■ ESG integration²

Item	Size ³
Domestic stocks (in-house investment)	¥ 297.8bn
Domestic stock ESG fund (external mandate)	¥ 7.2bn

1. Investments in assets that have specific themes leading to resolution of social challenges

2. Investments made in a manner in which ESG factors are incorporated in the investment decision making process

3. Market value balance as of September 30, 2020

Our Policies on Japan’s Stewardship Code (excerpt)

- For our in-house investments in domestic stocks, we will invest in stocks from a medium- to long-term viewpoint, thereby we fulfill stewardship to promote the medium- to long-term enhancement of corporate value of investee companies through understanding their circumstances, engaging purposeful dialogue with them, and exercise of voting rights.
- We expect an asset management institution to accept the code and request any institution failing to do so to provide sufficient explanation about the reason.
- With respect to investment in domestic corporate bonds, we will be committed to stewardship activities reflecting the code such as constructive “purposeful dialogue” with investee companies, in consideration of sustainability (medium- to long-term sustainability including ESG factors).

Stewardship Activities

■ Dialogue with investee companies (engagement)











- For in-house investment in domestic stocks, appropriately conduct a constructive dialogue based on sustainability with an effort to build relationships with investee companies.
- For outsourced investment in domestic stocks, engage mainly with companies in active management as well as certain companies in passive management such as companies with a large market cap or a relatively low ROE.

■ Verification of conflicts of interest

- Discussed matters which affect the exercise of voting rights, including conflicts of interest etc. with prominent outside individuals at the Responsible Investment Advisory Committee.

Initiatives Aimed at Achieving SDGs

■ Japan Post Insurance has selected material topics to be addressed and is promoting activities linked to each of the SDGs in order to realize the Management Philosophy and contribute to the creation of a sustainable society.

	Material topics	Vision	Relevant SDGs	Specific initiatives
Society	Provision of fundamental insurance services throughout Japan	Delivering reliable insurance services to customers nationwide and supporting the future of regional communities	 	<ul style="list-style-type: none"> Provision of universal service products including endowment insurance and whole life insurance Special handling in the event of disaster Provision of information on financial trends, etc. to local governments through financing
	Prevention of risks through health promotion, etc.	Supporting healthy and fulfilling lifestyles	 	<ul style="list-style-type: none"> Popularization and promotion of Radio Exercise Provision of services utilizing health promotion app Promotion of Kampo Platinum Life Service
Environment	Adapting to climate change and environmental protection	Passing on a sound global environment and resources to the next generation	 	<ul style="list-style-type: none"> Response to TCFD Reduction of CO₂ emissions and paper use Contributing to environmental conservation through the online provision of Contract Guidelines and Policy Condition ESG investment
Employees	Promotion of diversity and inclusion, workstyle reform, human resources development	Diverse and energetic organizations	  	<ul style="list-style-type: none"> Promotion of workstyle reform Promotion of diversity and inclusion Human resources development
Governance	Corporate governance	Management foundation to create sustainable value		<ul style="list-style-type: none"> Corporate governance Thorough compliance Elimination of relationships with antisocial forces

<Disclaimer>

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.

Contact information

**IR Office, Corporate Planning Department
JAPAN POST INSURANCE Co., Ltd.
TEL: +81 3-3477-2383**