

Operations of Japan Post Insurance Co.



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We would like to express our deep appreciation for your kind support for Japan Post Insurance Co., Ltd.

In May 2018, Japan Post Group announced the “Japan Post Group Medium-term Management Plan 2020,” a new plan covering three years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021. The plan was formulated under a policy of aiming to be a “Total Lifestyle Support Group” that supports customers to realize safe, secure, comfortable and affluent lives and lifestyles.

At Japan Post Insurance Co., we will work toward the realization of our management philosophy, “*Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.*” With our fundamental management approach focused on “pursuing customer-first business operations,” “achieving sustainable growth” and “maintaining sound business operations,” we will seek to improve profits both in terms of sales and asset management, and aim to reverse a decrease in annualized premiums for policies in force and achieve growth in an extremely low interest rate environment.

As our key strategies to achieve these goals, we will implement the following initiatives.

Key Strategies

Sales and Product Strategies

- We will strengthen sales activities that focus on protection needs and implement comprehensive measures to improve solicitation quality. Through these efforts, we will achieve a major transformation in the sales style of post offices and Japan Post Insurance Co. and seek to attain growth.
- We will promote customer services, including health

promotion services and the “Family Registration Scheme,” a system to register family members as an insurance point of contract. At the same time, we will cultivate a new customer base to extend our reach to uninsured individuals and the young and middle-aged as well as strengthen sales activities in new markets such as worksites.

- We will develop new products, including those for the third sector, to diversify our protection-type products. We will also establish a sales foundation by introducing new mobile devices for sales and increasing offsite sales personnel at post offices.

Administrative Services Strategy

- In addition to utilizing information and communication technology (ICT), such as introducing claim procedures that use digital technologies, we will set up multiple points of contact with customers for service improvements and digitize the paper forms used at Service Centers for more efficient administrative operations.

Asset Management Strategy

- We intend to maintain financial soundness and increase profitability by promoting diversification of asset management while focusing on asset liability management (ALM) as well as by sophisticating risk management under the framework of enterprise risk management (ERM).

Strengthening of the Management Base

- As our systems strategy, we will improve the productivity of systems development and build our next generation open system suited for digitization.
- We will work to secure stable profits and sustainably increase our corporate value by maintaining financial soundness and improving profitability based on an ERM approach.
- Under our organizational and HR strategies, we will carry out human resources development through standardized operations and promote work style reforms to create an environment where each employee acts by always putting the customer first and demonstrates his or her ability to the fullest.

Japan Post Insurance Co. will steadily implement the Medium-term Management Plan and by doing so will work with the post office network to contribute to the local community. We will exert concerted efforts to achieve sustainable enhancement of corporate value.

In all our endeavors, we request and appreciate your continued support.

Japan Post Insurance Co. (Consolidated)

Ordinary income

Year ended March 31, 2018

¥ 7,952.9 billion

Net ordinary income

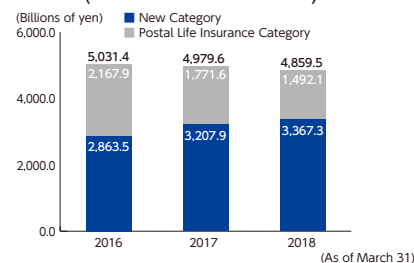
Year ended March 31, 2018

¥ 309.2 billion

Financial Results for the Year Ended March 2018

In the life insurance business, ordinary income amounted to ¥7,952.9 billion (down ¥706.4 billion year-on-year) mainly due to a decrease in the number of policies in force. On the other hand, net ordinary income amounted to ¥309.2 billion (up ¥29.4 billion year-on-year) and net income attributable to Japan Post Insurance Co. amounted to ¥104.4 billion (up ¥15.8 billion year-on-year) mainly due to a decrease in investment expenses. Annualized premiums from policies in force for individual insurance amounted to ¥4,859.5 billion including reinsured Postal Life Insurance Policies.

Annualized Premiums from Policies in Force (Individual Insurance)



*"New Category" shows individual insurance policies underwritten by Japan Post Insurance Co., and "Postal Life Insurance Category" shows Postal Life Insurance Policies reinsured by Japan Post Insurance Co. from the Management Organization for Postal Savings and Postal Life Insurance.

Initiatives in the Year Ended March 2018

Product Development

In October 2017, we rolled out three products to respond to customer needs as well as changes in the business environment, such as advances in medical technology, persistently low yen interest rates and an increase in longevity. Specifically, we added: new medical riders that cover initial hospitalization costs and outpatient surgeries; whole life insurance that offers the same coverage at lower premiums by reducing refunds upon policy cancellation, including during the premium payment period; and an annuity in which policyholders will receive a larger total sum of annuity payments as they live longer.



Reinforcement of Sales Capabilities

We engaged in sales activities to increase opportunities to meet more customers through "Feel Secure with Kampo" activities, life plan consulting sessions, campaigns and various other measures.

At the same time, we worked to improve the sales skills of personnel through training in order to promote sales of new products released in October 2017 and make proposals matched to customers' life plans and needs.

As a result, sales of products focusing on protection needs, such as ordinary whole life insurance and special endowment insurance, exceeded the previous fiscal year's achievements, indicating that we have made steady progress in our efforts to shift to protection-type products.

