

Human Resource Strategy

Creating Workplaces with a Thorough Customer Orientation Enabling Employees to Maximize Capabilities

SHIMA Toshitaka

Managing Executive Officer
Japan Post Holdings Co., Ltd.



The Japan Post Group is working to restore trust severely damaged by scandals related to products and services of our two financial subsidiaries. We believe that it is of utmost importance to carry out customer-oriented business operations, and we will create an environment in which all Group employees can work sincerely, honestly, and humbly.

First, as a Group, we will thoroughly implement customer-oriented business operations and comprehensively review the sales goals and personnel evaluations of financial operations-related employees in order to raise the customer-oriented mindset of our employees.

Next, to meet the diverse needs of our customers, it is necessary to manage the business as a Group and create an open organization. We will strive to foster a sense of unity within the Group, including

facilitating proactive personnel exchanges within the Group, while also actively utilizing outside human resource specialists to create new value.

Moreover, for each employee to realize a healthy and vibrant work environment, the Japan Post Group will redouble various efforts promoted so far, including overtime work reductions, health management promotion, proactive support for child care, nursing care and illness, diversity management promotion and the improved treatment of fixed-term employees.

We will continue to focus on customer-oriented sales activities and create an environment where all employees can hone their strengths and work vigorously, as we strive to restore customer trust and grow and develop the Group

Sales Target and Human Resource Evaluation Revisions

Restructuring of the Financial Sales Target and Evaluation System

The Group will comprehensively review financial operations-related employee sales targets and personnel evaluations to thoroughly implement customer-oriented sales activities that include proposals in line with customer interests and intentions.

Regarding sales targets, in terms of individual policy sales targets, from the fiscal year ending March 31, 2023, we will incrementally introduce revisions to sales targets enabling a transition away from an emphasis on conventional (the fiscal year ended March 31, 2020 or

earlier) new policy sales targets, to a focus on the amount of net increase (sales amount less extinguished amount) to give new policies and ongoing policies the same weight.

At the same time, we will increase the weight of sales processes, sales quality, and after-sales follow-up evaluations within sales targets, transitioning to a target structure emphasizing customer-oriented sales activities.

Sales target revisions (Individual policies)

Until now (FY2019 or earlier)

* No sales targets set for the fiscal year ended March 31, 2021

- **Emphasis on new policies**
(Cancelled and extinguished policies not considered)

Going forward (under JP Vision 2025)

- **Revise net increase targets (sales amount less extinguished amount) so that new and ongoing policies can be evaluated with the same importance** (no targets set in the fiscal year ending March 31, 2022, incremental introduction from the fiscal year ending March 31, 2023)
- **Transition to a target structure emphasizing customer-oriented sales activities**

Sales processes Sales quality After-sales follow-up Increased weight (the fiscal year ending March 31, 2022, onward)

Regarding investment trusts, sales amount targets were not set for the fiscal year ending March 31, 2022, but we are considering the establishment of net increase targets from the fiscal year ending March 31, 2023, onward.

Regarding human resource evaluations, in line with individual policy sales target revisions, to facilitate a balance between the emphasis on conventional (the fiscal year ended March 31, 2020, or earlier) new policy sales achievements and customer-oriented sales activities to reduce the weight of sales achievements while at the same time increasing the weight of sales processes, sales quality, and after-sales follow-up evaluations.

Further, from the fiscal year ending March 31, 2022, onward, the Group will introduce and expand evaluations based on customer feedback (degree of satisfaction).

These revisions to financial operations-related employee sales target and human resource evaluation systems will enhance the customer-oriented mindset among employees, leading to the restoration of customer trust.

Human resource evaluation revisions (Individual policies)

Until now (FY2019 or earlier)

- *No sales targets set for the fiscal year ended March 31, 2021
- Emphasis on new policy sales

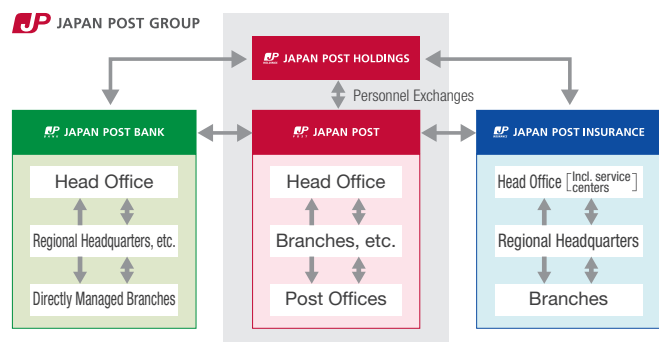
Going forward (under JP Vision 2025)

- Revise evaluation weight settings biased toward new policy sales, evaluate customer-oriented approach of sales activities in a well-balanced manner
 - Sales performance Weight reduction (No targets set in the fiscal year ending March 31, 2022; targets will be incrementally introduced from the fiscal year ending March 31, 2023)
 - Sales processes | Sales quality | After-sales follow-up Increased weight (the fiscal year ending March 31, 2022, onward)
 - In addition, from the fiscal year ending March 31, 2022, we will introduce and expand evaluations based on customer feedback (satisfaction).
- We will also review investment trusts and other financial products in the same way.

Group Personnel Exchanges

Promoting Personnel Exchanges to Enhance Openness throughout the Group

Japan Post Holdings is a corporate Group providing three businesses: postal services, banking, and insurance through post offices in an integrated manner, thus it is extremely important to foster a sense of unity among Group employees, and to this end, we are actively engaged in inter-Group personnel exchanges in order to optimally allocate personnel throughout the entire Group.



Development of Internal Human Resources, Proactive Recruitment of Outside Specialists

Development of Human Resources able to Contribute to Enhancing Group Corporate Value and the Recruitment of Outside Specialists

The Japan Post Group is a highly public corporate group functioning as social infrastructure centered on post offices seeking Group personnel who are sincere with strong aspirations and passion. Each Group company establishes roles expected for each course according to employee workstyles and conducts training according to position.

Further, to acquire highly specialized capabilities in line with business characteristics, the Group attempts to recruit and retain mid-career personnel with experience in real estate, legal affairs, IT fields, investment and market management, market risk management, actuaries, and other specializations especially for Head Office positions.

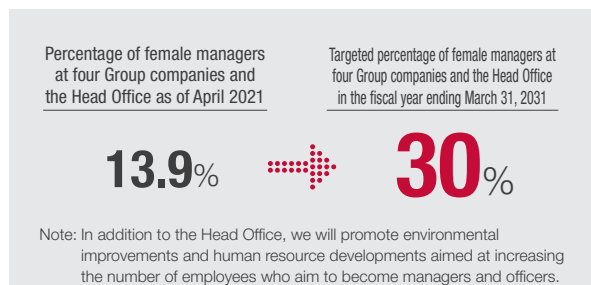
Additionally, operating three business comprising postal, banking, and insurance through post offices in an integrated manner, it is extremely important to foster as sense of unity throughout the Group, thus we established the Postal College within Japan Post to provide unified training to officers of each Group company, Head Office planning staff, new hires for general positions, and other employees.

Going forward, to further enhance human resources within the creation of new value through the promotion of digital transformation, the Japan Post Group will be more proactive in terms of hiring outside specialists and developing internal human resources.

Promoting Diversity

Promoting the Active Participation of Women

In recognizing that the further elevation of female employees is indispensable for the growth and development of the Group amid diversifying consumer needs, workstyles, and other changes in the social environment, we established targets for the ratio of women among managers. Additionally, in order to create an environment where employees can work comfortably, we are making efforts to reduce overtime work, enhance systems supporting a balance between work and childcare, and provide training for female employees to foster career awareness.



Promoting Senior Employment

As the labor force population shrinks due to declining birthrates and aging populations, the Group aims to further leverage the abilities and experience of senior employees. Recognizing the need to create an environment where employees can work while maintaining motivation,

we raised the retirement age to 65 years old from the fiscal year ending March 31, 2022. Further, going forward, we will proceed with specific studies on securing employment opportunities up to the age of 70 years old.

Promoting the Employment of People with Disabilities

Recognizing that it is our social responsibility as a corporation to provide appropriate employment opportunities to people with disabilities, the Japan Post group promotes (1) the proactive recruitment of persons with disabilities, (2) the establishment of work environments and training aimed at employment retention and (3) the establishment and proactive utilization of special subsidiaries, with the immediate goal of raising the Group's employment rate for persons with disabilities to 2.5% (2.36% as of June 2020).

Responding to Sexual Diversity

The Japan Post Holdings' Basic Policy on Corporate Governance advocates the promotion of diversity management aimed at creating a work environment where sexual minority employees can work comfortably. Specifically, we provide a hotline for employees to report human rights violations or harassment incidents, we attempt to raise awareness and understanding regarding LGBT issues, including awareness seminars conducted by LGBT-related parties, we extended special paid leave (for marriage or bereavement) to include same-sex partners, and we sponsor and participate in Tokyo Rainbow Pride.

VOICE

JAPAN POST HOLDINGS

We will pay attention to a wide range of issues and promote the creation of a workplace where all employees feel comfortable working so that Group employees can fully demonstrate their individual abilities and provide higher quality services to customers.



OHASHI Shigehiro, Group Leader, Human Resource Planning, Human Resource Department, Japan Post Holdings Co., Ltd.

JAPAN POST

We will further promote understanding and disclosure of diversity management activities so that employees can create a workplace where they can maximize their abilities and create many projects incorporating diverse perspectives.



ICHINO Yoko, Manager, Diversity Promotion Office, Human Resource Department, Japan Post Co., Ltd.

JAPAN POST BANK

We established the Japan Post Bank Diversity Committee, chaired by the Representative Executive Officer, President & CEO, in which representatives from each organization nationwide participate as members to develop actions resolving various organizational issues according to specific conditions at each organization.



OKUDA Yudai, Group Leader, Diversity Promotion Department, Japan Post Bank Co., Ltd.

JAPAN POST INSURANCE

By creating a work environment where diverse human resources can work with peace of mind and employees can engage independently on workstyle reforms, we will lead corporate developments and customer service improvements.



YOKOI Tamaki, Manager, Diversity Promotion Office, Human Resources Development Department, Japan Post Insurance Co., Ltd.

Creating Comfortable Workplaces

Support Measures for Child Care, Nursing Care, and Illness

Regarding child / nursing care, the Japan Post Group has established a support system exceeding the regulations set out by law and is implementing various support measures so that both male and female employees can continue working during times they are needed at home, including from pregnancy to childbirth, for child care and for nursing family members. Additionally, with regard to employee healthcare treatment, we are taking steps to improve work environments and a work-life balance, including the enhancement of paid sick leave, paid holiday, infertility treatments and other paid leave systems so that employees can devote themselves to getting better with peace of mind in the event of illness.

Childcare leave acquisition rate

Men **70.8%** Women **98.8%**
(results for the fiscal year ended March 31, 2021)



Promoting efforts toward **100%** childcare leave acquisition rate for both men and women

Reducing Overtime Work, Promoting Telework

Japan Post Holdings is making efforts to reduce overtime work and introduce a system for ensuring minimal intervals between shifts through improved rationalization (utilization of RPA and AI, revised job descriptions). Further, in promoting telework with the aim of improving productivity and realizing diverse work styles, we have reaffirmed its importance as a COVID-19 countermeasure, thus we will continue to pursue work environment improvements.

Realizing a Human Resource System Adaptive to Environmental Changes

In light of rapid changes in the business environment, the Group is reviewing its labor force composition with an eye on future business and responding to laws and regulations related to equal pay for equal work. Regarding employee treatment, we will continue to promote employees from contract worker to full-time employee status, further improve employee treatment, and make efforts to realize a simple and more acceptable salary system.

Eradicating Harassment

At the Japan Post Group, efforts to eradicate harassment include messages from senior management pertaining to harassment for the enlightenment and edification of all employees, supervisory training using case studies, the distribution of booklets and other materials. We also set up a consultation hotline as a trustworthy method for reporting harassment inside and outside the Group companies.

Additionally, based on a verification report by the JP Reform Execution Committee in January 2021, we will implement thorough protections for whistleblowers and reorganize our investigatory approach by persons in charge who possess sufficient investigation skills.

Promoting Health Management

We believe that a healthy body and mind are vital for each individual employee to take full advantage of his or her skills and work energetically. Therefore, the Group companies are working together with employees to implement health maintenance and promotion measures. These measures include “reducing long work hours,” “health guidance toward prevention of lifestyle diseases,” and “mental healthcare” while establishing the Japan Post Group Health Management Promotion System with presidents of the four Group companies as Health Management Promotion Managers.

Initiatives Related to Respecting Human Rights

The Japan Post Group recognizes that the respect for human rights of all people involved in our business activities is indispensable to the achievement of a sustainable society. Accordingly, in April 2019 the Group established the Japan Post Group Human Rights Policy in accordance with international principles such as the United Nations Guiding Principles on Business and Human Rights. Further, the Japan

Post Group Charter of Corporate Conduct states that we shall aim for sustainable coexistence by placing importance on maintaining dialogues with diverse stakeholders, respecting human rights, and providing safe and comfortable workplaces.

The Japan Post Group is dedicated to promoting human rights initiatives across the Group.