JAPAN POST INSURANCE

Sustainability Report 2023

"Radio-Taiso" is an exercise program established in 1928 by Japan Post Insurance predecessor, Postal Life Insurance Bureau of the Ministry of Communications.

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Editorial Policy

Each year, Japan Post Insurance publishes a sustainability report to provide stakeholders with information on the results of our efforts to realize a sustainable society, including our approach to sustainability, as well as reports on our activities in each relevant area.

Our information disclosures reference GRI Standards and other disclosure standards in addition to requests from stakeholders. We strive to enhance information disclosures related to sustainability on our corporate website, updating information promptly and as needed.

Scope of This Sustainability Report

Organizations Covered: Japan Post Insurance Co., Ltd. (unless noted otherwise)

Reporting Period: Data included in this report is current as of March 31, 2023 in principle. However, where we provide the latest information available as of the publication of this report, we include an indication to that effect.

Sustainability Report Publication Date

Sustainability Report 2023 in English was published in March 2024.

Message from CEO

In Pursuit of a Sustainable Society

When our predecessor, the Postal Life Insurance Service, was founded in 1916, life insurance was difficult to obtain for all but the wealthy. The desire to make it accessible by providing smaller coverage amounts and spreading basic coverage through the familiar network of post offices has enabled us to contribute to creating stability in the daily lives of the people of Japan for over 100 years since our founding. I believe that the value of any company's existence lies in whether it is "useful to the people of the world and appreciated by its customers." In the case of our company, this means fulfilling our social mission (Purpose), that is, that "We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product." We position these business activities as our contributions to bringing about a sustainable society.

Providing Insurance Services Through the Familiar Local Post Office

Throughout its long history, the Japan Post Group has consistently held onto its business concept of being a highly public business group that accompanies customers in the totality of their lives, walking alongside them from before birth to after death and providing financial, logistical, and other services that people need at each of life's milestones. In regions all across the country, the post office brand enjoys a great amount of trust from local communities, offering people a sense of security. Our greatest feature is precisely this "post office insurance." Insurance provides people with support in moments of crisis, and that is why I believe there is such great value in offering insurance through "the local post office," an institution that is familiar to all the members of the community. We currently have over 20 million policies in force and will continue to work with the post office to provide insurance products and services that meet the needs of all generations.

Message from CEO

Leveraging Asset Size to Create New Value

We are also an asset owner with an enormous volume of assets under management. As a universal owner (a long-term investor managing large amounts of money diversified widely across capital markets), we have a significant impact on the economy and society as a whole. This gives us not only a certain responsibility, but also ample opportunities to change society for the better. For example, we have launched projects to promote impact investing (investment activities intended to generate not only financial returns but also positive and measurable social and environmental impacts). In addition, we have launched initiatives by which we work with educational institutions in an industry-academia collaboration in asset management to provide funding for startups that use the research findings of academia. In contributing to solving social problems and producing innovation, we are working toward the creation of an even better future for society. In addition, as our first international partnership, we have formed an alliance with a U.S. asset management company and its affiliated group of life insurance companies. We are now discussing ways to collaborate with them. Our hope is that pursuing these new initiatives will aid the growth of our Company and broaden the landscape of ways in which we can provide value to society.

Improvements Initiated Based on Feedback from People on the Ground

After working at the postal service for 40 years, I have become convinced that “a company possesses the same shape as each of its individual work sites, and the truth is to be found on the ground at these work sites.” The starting point for me was when I became the director of a post office with 106 employees. I was 29 at the time. Problems arose on a daily basis, and each time we were able to overcome the challenges through the help of the on-site staff. When I became chairman of the “Japan Post Start-up Committee” in 2003, I gathered feedback from employees across the country and set about to “transform the work site.” Even now that I have become president of the Japan Post Insurance Co., Ltd., I regularly make my way to the front lines. By listening directly to the concerns and challenges that employees face and taking prompt and proper steps to resolve them, my desire is for the Company to become a place where employees can work cheerfully and energetically, with confidence and pride. I am firmly convinced that precisely such a company will be of service to both our customers and society.

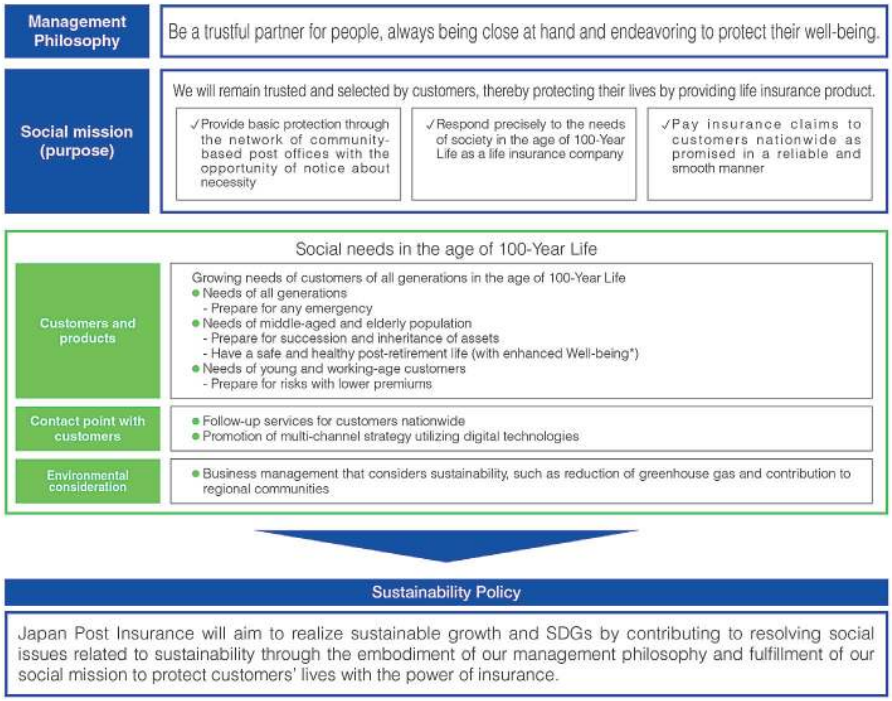
Conclusion

We have organized these initiatives aimed at achieving sustainable growth for our Company and resolving social issues as materialities. These materialities are there to fulfill our social mission to “protect customers’ lives with the power of insurance.” By further promoting our initiatives related to materialities, we will continue to strive to be the company of choice for all stakeholders, including customers, shareholders, employees, and local communities.

The Concept of Sustainability

Basic Concept

Our predecessor, Postal Life Insurance Service, was launched with the social mission of "protecting the means of fundamental livelihood of the public through simple procedures." We have been privatized, but our mission to support people's lives through insurance has not changed. Under our management philosophy "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being", we have set a "Sustainability Policy" to help resolve social issues and to work to achieve SDGs by fulfilling our social mission (purpose) and meeting social needs in an age of the 100-year life. We are also working to resolve issues related to sustainability through our business activities.

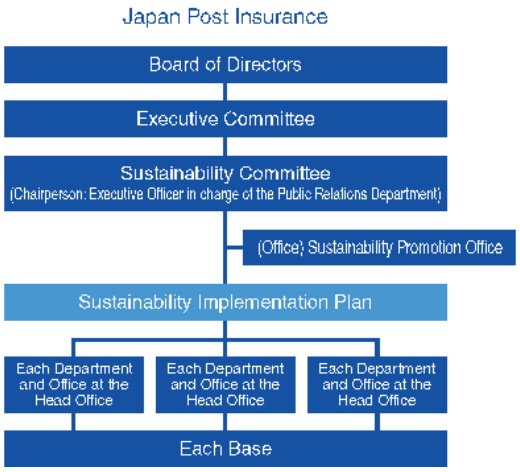


Sustainability Promotion System

To strengthen our sustainability promotion system, we set up the Sustainability Committee as a consultation committee for the Executive Committee and the Sustainability Promotion Office in April 2021.

The Sustainability Committee promotes strategies, plans, etc. that contribute to resolving social issues related to sustainability by discussing specific strategies toward the realization of SDGs, reporting on the implementation of sustainability activities, etc.

The status of on-going Sustainability Committee discussions is reported to the Executive Committee in a timely manner, and important issues are discussed and decided by the Executive Committee and reported to the Board of Directors.



The Concept of Sustainability

Sustainability Implementation Plan

To ensure the effective and smooth implementation of our sustainability activities, we have formulated a cross-divisional Sustainability Implementation Plan that outlines measures that are closely related to each other. The Sustainability Implementation Plan designates a responsible officer for each plan, and progress is reported regularly to the Sustainability Committee.

▶ **P11 Status of Our Sustainability Promotion Measures**

Sustainability Implementation Plan for FY2023

(1) Efforts to protect customers with the power of insurance
(2) Efforts for ESG promotion, respect for human rights, and social contribution
(3) Efforts for decarbonization and other environmental protections
(4) Efforts to improve customers' well-being and health management
(5) Efforts to strengthen human capital
(6) Efforts to improve and strengthen compliance

Promoting Sustainability at Each Base

To achieve solutions to social issues through all our business activities, we are taking initiatives to promote sustainability at each base.

Appointment of a Sustainability Key Person

In order to promote company-wide sustainability activities, we have appointed a sustainability key person at each business site. The sustainability key persons play a leading role in encouraging employees to change their behavior, and are responsible for organizing training programs to promote understanding and awareness of sustainability at their sites, as well as for specifying and promoting various activities.

Conducting Study Sessions and e-Learning Training

To deepen understanding of sustainability and SDGs, we conduct online study sessions for our appointed sustainability key persons by inviting external lecturers. We also offer e-learning training for all employees. We also provide opportunities for employees to exchange opinions in small groups on the theme of sustainability, so that each employee can make sustainability their own business and take autonomous action.

The Concept of Sustainability

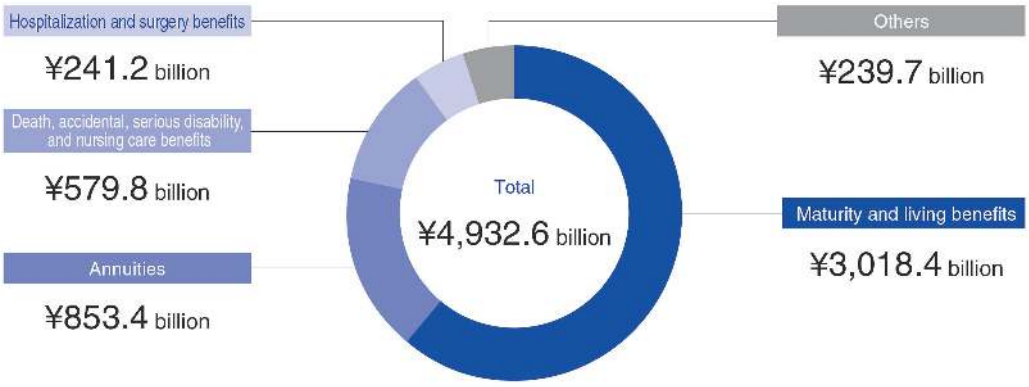
Kampo Reform Project / SDGs (Sustainability Activities) Category

We have established the SDGs (sustainability activities) category as one of the categories of the Kampo reform project, an internal program that aims to reform our corporate culture by revitalizing inner communication. Each base makes outstanding examples of its initiatives well known across the Company, leading to an increase in new initiatives.

Contributing to Society through Life Insurance Business

Through the life insurance business, we protect customers' lives by paying insurance claims to customers throughout Japan.

Insurance Claims/Annuities/Benefit Payments (FY2023/3)



(*1) Includes payments for Postal Life Insurance Policies reinsured by us from the Management Network.
(*2) For convenience, payments under Postal Life Insurance Policies are recorded for each event of payment under the contract with the policyholder as opposed to the classification recorded in the financial statements.

The Concept of Sustainability

Extremely Large Customer Base

▶ Number of customers[1]

19.38 million

▶ Number of policies in force (individual insurance)[2]

20.98 million policies

▶ Number of policies in force (individual annuities)[2]

1.92 million policies

(*1) The number of customers is the sum of policyholders and insured persons (including individual insurance and individual annuities as well as Postal Life Insurance reinsured by us).
(*2) The number of policies in force includes Postal Life Insurance reinsured by us.

The Post Office Network and Japan Post Insurance Offices across Japan

■ Post offices

20,022 offices

■ Japan Post Insurance branches

82 branches

■ Contracted post offices

410 offices

■ Sales personnel

11,028 persons

(*1) "Post offices" indicates the number of post offices undertaking life insurance solicitation, and "Contracted post offices" indicates the number of contracted post offices that have concluded life insurance solicitation consignment contracts.
(*2) The number of sales personnel represents those serving in the Whole Sales Division at branches, or a specific section in the Head Office Whole Sales Department (referring exclusively to life insurance sales personnel), as well as managers and consultants (employees who mainly visit customers' homes, etc.) serving at the Retail Service Division at branches.

Products with Easy Procedures and Smaller Coverage Amounts

The Company provides simple and easy-to-understand products (with easy procedures and smaller coverage amounts) and services, focusing on endowment insurance and whole life insurance, through the nationwide network of post offices.

- No examination by physician is required (no medical examination) when applying for enrollment
- Customers can enroll by reporting health status (with a declaration form)
- No occupational restrictions

Customer Feedback

▶ **Customer Feedback (Gratitude and Compliments) (Annual Report 2023 P35)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

Social Challenges (Materiality) to Address with Priority

Basic Concept

To fulfill our social mission through our life insurance business and to contribute to the resolution of sustainability-related social issues, we set up five "Social Challenges (Materiality) to Address with Priority."

In identifying this materiality, we have used SDGs as a basis. In addition, since the main initiatives in the Medium-Term Management Plan (FY2021-FY2025) are deeply connected to this materiality, by addressing this, we aim to achieve SDGs as well as sustainable growth.

Social Challenges (Materiality) to Address with Priority	Goals of Achieving SDGs	Main Initiatives in our Medium-Term Management Plan (FY2021-FY2025)
1 Provide insurance products and services through the network of post offices, etc.	1, 8, 9	・Provide basic protection and services through the network of community based post offices ・Integrate the network of post offices and digital contact points through DX promotion ・Develop products that respond to the protection needs of all generations
2 Contribute to the development of communities and society and environmental conservation	9, 11, 13	・Initiatives for carbon neutrality ・Initiatives in accordance with the TCFD proposal ・Promote ESG investment
3 Extend healthy life expectancy through health promotion, etc. - Increase well-being	3	・Popularize "Radio-Taiso" ・Provide services utilizing health promotion app "Sukoyakanpo" ・Provide insurance services based on interest in health promotion and social needs ・Promote ESG investment ・Respond to the spread of COVID-19
4 Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself	4, 5, 8, 10	・Corporate culture reform/work style reform ・Human resources development, strengthening the use of human resources ・Promote diversity (promoting expanding roles for female employees, providing support for balancing work and childcare/ nursing care, promoting employment of persons with disabilities, and responding to gender diversity)
5 Corporate governance supporting the meaning of our business and social mission	16	・Regain customers' trust ・Thorough compliance ・Strengthen corporate governance

* The 17 color wheel means that the promotion of ESG investment is related to all 17 goals of the SDGs.

Achieving SDGs

The SDGs (Sustainable Development Goals) are universal goals adopted by the United Nations General Assembly in September 2015 with the aim of ending poverty and pursuing a sustainable future. It outlines 17 goals and 169 specific targets to achieve, to solve global issues by 2030.
Based on our management philosophy, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being", we will also contribute to achieving SDGs by solving social issues through our business activities.

Materiality Identification Process

Along with the formulation of the Medium-Term Management Plan (FY2021-FY2025), we have reviewed our materiality based on what we aim to achieve.

Identification Process

STEP1

Extracting social issues

From the 169 specific targets for achieving the 17 goals of the SDGs, we extracted social issues for the Company, which runs insurance business.

1.4 Provision of basic insurance services	3.3 Contribution to the prevention of the spread of infectious diseases	3.4 Risk prevention through health promotion
3.4 Health management	3.8 Contribution to Universal Health Coverage	4.4 Human resource development
4.7 Health and financial literacy	5.4 Support for balancing work with childcare and nursing care	5.5 Increasing the ratio of female managers
5.b Promotion of telework	5.c Support for female activities	7.2 Practical use of renewable energy
7.3 Improvement of energy efficiency	7.a Investment in clean energy	8.5 Corporate culture reform and work style reform
8.8 Promotion of employment of people with disabilities	8.8 Safe and secure working environment	8.10 Facilitation of customer access
9.4 Efforts to reduce CO_2 emissions	9.5 Promotion of innovation, research, and study	10.2 Promotion of diversity
10.3 Promotion of business and human rights	11.1 and 11.4 Contribution to the local community	11.6 Proper disposal of waste (volunteer cleaning)
12.5 Recycling of resources	12.6 Disclosure of sustainability information	13.2 Addressing climate change
13.3 Education on climate change	14.1 Prevention of marine pollution	15.4 Approaches to natural capital and biodiversity
16.1 Elimination of antisocial forces	16.3 Ensuring compliance	16.4 Elimination of money laundering, etc.
16.5 Anti-corruption	16.6 and 16.7 Corporate governance	17.17 Cooperation with local governments and local communities
ALL Promotion of ESG investment		

* The number assigned to each social issue is the one for the 169 targets of the related SDGs.

Materiality Identification Process

STEP2

Identifying materiality

We identified high-priority social issues by prioritizing social issues extracted in STEP 1 based on the two standards: “importance for us (strategic importance)” and “expectations from stakeholders.”

[Importance for us (strategic importance)]
Selected based on our management philosophy, socialmission (purpose), and the basic policies of the Medium-Term Management Plan (FY2021–FY2025)

[Expectations from stakeholders]
Selected based on opinions received from stakeholders, such as customers, investors, employees and local communities, and the international community (see the next table)

[Reference] Expectations from each stakeholder (excerpt)

Customers	Investors
● Provision of basic insurance services ● Provision of new products and services ● Provision of services through familiar post offices ● Appropriate sales of products	● Provision of new products and services ● Initiatives for health promotion ● Promote ESG investment ● Response to climate change, approaches to biodiversity
Employees and local communities	**International community**
● Rectification of long working hours, improvement of ES ● Promotion of diversity ● Providing products and services through the network of community based post offices ● Strengthening initiatives to promote health such as through the popularization of Radio-Taiso	● Promotion of measures against infectious diseases and Universal Health Coverage ● Achieving carbon neutrality by 2050 ● Promotion of ESG investment ● Realization of decent work

Materiality Identification Process

STEP3

Verifying and determining important issues

We discussed and determined the details of the identified materiality at the Sustainability Committee and Executive Committee, and report them to the Board of Directors.

Social Challenges (Materiality) to Address with Priority	The high-priority social issues identified in STEP 2	Goals of Achieving SDGs	Main Initiatives
Provide insurance products and services through the network of post offices, etc.	1.4 Provision of basic insurance services 8.10 Facilitation of customer access 9.5 Promotion of innovation, research, and study	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	● Provide basic protection and services through the network of community based post offices ● Integrate the network of post offices and digital contact points through DX promotion ● Develop products that respond to the protection needs of all generations
Contribute to the development of communities and society; and environmental conservation	9.4 Efforts to reduce CO_2 emissions 11.1 and 11.4 Contribution to the local community 13.2 Addressing climate change ALL Promotion of ESG investment	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION *	● Initiatives for carbon neutrality ● Initiatives in accordance with the TCFD proposal ● Promote ESG investment
Extend healthy life expectancy through health promotion, etc. - Increase well-being	3.3 Contribution to the prevention of the spread of infectious diseases 3.4 Risk prevention through health promotion ALL Promotion of ESG investment	3 GOOD HEALTH AND WELL-BEING *	● Popularize "Radio-Taiso" ● Provide services utilizing health promotion app "Sukoyakanpo" ● Provide insurance services based on interest in health promotion and social needs ● Promote ESG investment ● Respond to the spread of COVID-19
Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself	4.4 Human resource development 5.4 Support for balancing work with childcare and nursing care 5.5 Increasing the ratio of female managers 5.c Support for female activities 8.5 Corporate culture reform and work style reform 8.8 Promotion of employment of people with disabilities 10.2 Promotion of diversity	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES	● Corporate culture reform/work style reform ● Human resources development, strengthening the use of human resources ● Promote diversity (promoting expanding roles for female employees, providing support for balancing work and childcare/nursing care, promoting employment of persons with disabilities, and responding to gender diversity)
Corporate governance supporting the meaning of our business and social mission	16.3 Ensuring compliance 16.6 and 16.7 Corporate governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	● Regain customers' trust ● Thorough compliance ● Strengthen corporate governance

* The 17-color wheel means that the promotion of ESG investment is related to all 17 goals of the SDGs.

Materiality

Status of Our Sustainability Promotion Measures

We have formulated a Sustainability Implementation Plan related to each materiality and defined our vision and KPIs to promote various initiatives. Progress reports regarding the Sustainability Implementation Plan are made at the Sustainability Committee, and timely reports are also made to the Executive Committee and Board of Directors.

Materiality	Vision set forth in the Sustainability Implementation Plan	KPIs	Results		FY2022 Evaluation/Future Initiatives
Provide insurance products and services through the network of post offices, etc.	We will remain trusted and selected by customers, thereby contributing to protect their lives by understanding their expectations and embodying them to improve customer experience value (CX).	Customer satisfaction[1] FY2025 target: 80% or more	FY2021 78%	FY2022 79%	Although both the evaluation and the position in the industry have been improved, the target has not been reached. With the account manager system introduced in April 2022, we will increase contact points using in-person interaction and digital technology, and provide experiences that make people feel glad they chose Japan Post Insurance.
		NPS®[2] FY2025 target: One of the highest in the industry	FY2021, FY2022 fell short of the highest level in the industry [Reference] NPS®[3] benchmark survey[4] FY2021 (52.3)	FY2022 (55.1)	
		Promptly respond to customers in times of emergency (yearly target)	FY2022 Engaged in emergency handling, such as omission of some required documents in the event of disasters and during the spread of COVID-19.		We promptly implemented emergency handling in the event of disasters and during the spread of COVID-19. We will continue to promptly implement emergency measures in the event of disasters, etc.
Contribute to the development of communities and society and environmental conservation	We aim to be a company that continues to be trusted by local residents and international society through activities that contribute to society, such as promoting ESG and respecting human rights.	Implementing social contribution activities (yearly target)	FY2022 Conducted trials of financial education for elementary school students, provided support for parasports, such as wheelchair tennis and boccia, and conducted volunteer activities.		In FY2022, we started conducting trials of financial education for elementary school students and support for parasports boccia. We will continue to promote various social contribution activities.
	Contribute to achieving a carbon-neutral by 2050 and environment-friendly society, through our activities in consideration of the environment such as reduction of CO_2 emissions	CO_2 emissions (Scope 1, 2) FY2030 target: Reduce 46% (compared to FY2019) 2050 target: Achieve carbon neutrality	FY2020 Reduced 7.8%	FY2021 Reduced 21.5%[4]	We reduced greenhouse gas emissions as planned by switching to renewable energy for the electricity used in large-scale facilities. As for renewal of commercial vehicles, we will continue to promote the switch to eco-friendly vehicles such as hybrid vehicles.
		Total power generation output from renewable energy facilities that we lend money to and invest in FY2021–FY2025 target: 1.5 million kW (limited to power output from the renewable energy facilities that we lend money to and invest in, after calculating our holdings)	FY2021 0.75 million kW	FY2022 0.953 million kW (Preliminary figure)	Investment in renewable energy facilities progressed mainly overseas, and total power generation output increased generally as planned. We will continue to make investments and provide loans in cooperation with asset management companies in order to realize both the accumulation of total power generation output to achieve the target values of the Medium-Term Management Plan and secure profits.
Extend healthy life expectancy through health promotion, etc. – Increase well-being	By extending healthy life expectancy and resolving social issues such as improvement of well-being through health promotion, we will achieve sustainable improvement of corporate value and establish our position as the industry's leading health support company.	Recognition of the Company as the main implementing body of Radio-taiso FY2023 target: 25%	FY2021 18.2%	FY2022 21.4%	Although we have not reached our goal, awareness is rising. We will continue aiming to improve the recognition by holding in-person events, such as Radio-taiso tour and expanding opportunities to implement Radio-Taiso using digital technology.
Establish an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself	Foster a culture that allows employees to enhance their engagement and grow together with the company	Results of ES (engagement score) survey[5] FY2025 target: B	FY2021 CCC	FY2022 C	There are challenges in fostering a sense of unity as a company as a whole, as half of all employees of the company are new employees due to the transition to the new Japan Post Insurance sales system in FY2022. We will continue to work on revitalizing internal communication, such as information dissemination from the President and direct dialogue between the management and employees.
	Create a working environment in which employees can play active roles regardless of gender	Ratio of female managers at the head offices FY2030 target: 30%	As of April 1, 2022 13.0%	As of April 1, 2023 15.5%	In FY2022, we implemented measures for promotion of expanding roles of female employees, such as training for future managers. However, in order to achieve the target, it is necessary to strengthen and carry on further efforts. We will continue to implement training that leads to career development support for female employees who are prospective candidates for management positions, and we will promote development of a work environment where many female employees can play active roles.
	Create a working environment in which employees can regularly balance childcare/nursing care with work, and play active roles	Rate of taking childcare leave FY2025 target: 100% for both male and female employees	FY2021 Female employees 100.0% Male employees 92.7%	FY2022 Female employees 100.0% Male employees 99.9%	As a result of continuous efforts, such as holding work-life balance support seminars, we were able to spread understanding throughout the Company and made steady progress. We will continue to foster a corporate culture that makes it easier for employees to take childcare leave and return to work smoothly, by following and confirming the implementation status of return-to-work programs and holding seminars to promote understanding of work-life balance support.
	Accurately evaluate the working ability of people with disabilities and provide them with employment opportunities	Rate of employees with disabilities (for the entire Japan Post Group)[6] FY2025 target: 2.3%	FY2021 2.35%	FY2022 2.42%	In FY2022, we expanded the employment of employees with disabilities by taking steps to secure employment, such as holding individual interviews and round-table discussions, and setting up a consultation desk. In addition to administrative support work, we also started operating a cafe for employees. In FY2023, we will continue to work to establish and expand employment, and create environments where employees with disabilities can actively demonstrate their full potential.
Corporate governance supporting the meaning of our business and social mission	Strengthen governance by implementing initiatives based on the Compliance Program	Implement initiatives based on the Compliance Program (yearly target)	FY2022 Implemented initiatives based on the Compliance Program as planned		Continuing from FY2022, the FY2023 Compliance Program was formulated by selecting items that should be prioritized based on an evaluation of the Company's unique risks and the system to respond to them. In FY2023, we will continue to promote initiatives in line with the Compliance Program.

(*1) The total percentage of customers who responded as "satisfied" and "somewhat satisfied" with a 5-level rating of customer satisfaction.

(*2) NPS® (Net Promoter Score) is a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc. (currently NICE Systems, Inc.)

(*3) "NPS® Benchmark Study, Life Insurance Division (2021/2022)" by NTTCom Online Marketing Solutions

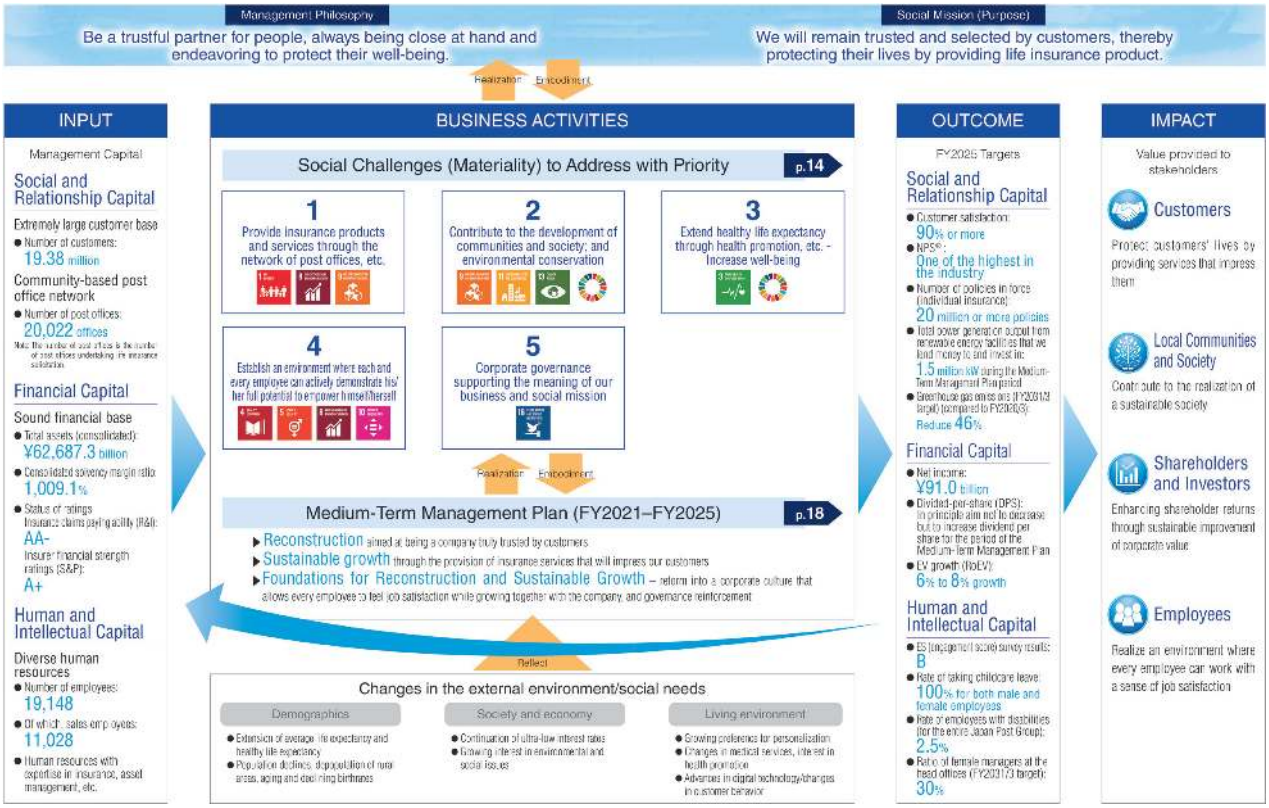
(*4) The results for FY2021 are shown in the table as the results for FY2022 are still being compiled.

(*5) The "MOTIVATION CLOUD" provided by Link and Motivation Inc. is used to evaluate the degree to which our employees are satisfied with their work, work environment, human relations, benefits, and other aspects of their jobs. C is the 9th from the top of all 11 levels, CCC is the 7th from the top and B is the 6th from the top. (Survey method: Questionnaire on an external website.)

(*6) Rate of employees with disabilities among all employees (including employees with fixed term jobs, etc., excluding temporary employees) of the Japan Post Group (including Japan Post Holdings Co., Ltd., Yusei Challenged Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., Japan Post Insurance Co., Ltd., and Japan Post Staff Co., Ltd.) as of June 1 of each fiscal year. Because the Company adopts group application based on the Act to Facilitate the Employment of Persons with Disabilities in calculating the rate of employees with disabilities, the target rate of people with disabilities applies to the entire Japan Post Group.

Value Creation Process

We aim to provide our stakeholders with value through our life insurance business. By continuously running the value creation cycle, we will enhance our corporate value over the medium to long term.



▶ P7 Our Social Challenges (Materiality) to Address with Priority

Environment

Basic Concept

We are actively working to contribute to environmental conservation, which is included in one of the Company's management policies alongside "We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole." We recognize that addressing global environmental issues such as climate change is an important issue for financial institutions. We will fulfill our social responsibility by working to resolve these issues through our corporate activities.

Japan Post Insurance Co., Ltd. Basic Environmental Declaration

I Basic Principles

Japan Post Insurance Co., Ltd. is looking towards the future with its customers and taking social responsibility in providing peace of mind by protecting the earth and the local environment as "Japan's most familiar and trusted insurance company." We are taking active and sustainable initiatives in environmental conservation activities.

II Basic Policies

1. We strive to adhere to all environmental laws and regulations, ordinances and various agreements as well as to prevent environmental pollution.
2. We will establish an environmental management system, set goals and aims of environmental initiatives and systematically carry them out. We also plan to construct a framework to regularly review these goals and aims along with making improvements to our environmental management system on an ongoing basis.
3. We will promote initiatives towards environmental conservation and achievement of a recycling-oriented society by actively implementing global warming measures (reduction of CO_2 emission through energy saving), contributing to the growth of forests (reducing paper usage and green purchase), recycling natural resources, and participating in social contribution activities, etc.
4. We will make efforts in raising awareness of environmental issues by promoting educational activities and trainings concerning these issues.
5. We will actively participate in and provide support for initiatives involving local environmental conservation as a company which offers peace of mind through our life insurance business within the community.
6. We will raise our own awareness and deepen our understanding towards the environment in response to these environmental policies and will announce them to the public.

Promotion System (Environmental Management System)

To tackle global environmental issues such as climate change, we have established the Sustainability Committee as a specialized committee and built a system to promote this. The Sustainability Committee reviews and discusses setting targets and progress of environmental initiatives, such as reducing greenhouse gas emissions, and reports to the Executive Committee.

▶ P3 Sustainability Promotion System

Environmental Considerations with Corporate Activities

We conduct our corporate activities in consideration of the environment in a variety of ways.

Initiatives to Reduce CO_2 Emissions

To achieve the long-term target of the Paris Agreement, we will reduce greenhouse gas emissions (CO_2 emissions) by cutting back on electricity consumption through energy-saving and streamlining facilities and vehicles and by using decarbonized power sources, on the basis of a shift to a carbon-neutral society including the associated technological innovation.

To realize a decarbonized society, we will aim to reduce greenhouse gas emissions by 46% from FY2020/3 levels by the fiscal year ending March 31, 2031, and achieve carbon neutrality by 2050.

Based primarily on the results of an energy-saving diagnosis, we are improving the operation of lighting and air-conditioning equipment, cutting back on energy consumption, mainly by installing energy-saving equipment, and reducing greenhouse gas emissions (CO_2 emissions) by promoting a switch to eco-friendly vehicles such as hybrid vehicles.

Moreover, as an institutional investor that manages funds contributed by customers as insurance premiums, we measure the greenhouse gas emissions from our investment portfolio. We aim for carbon neutrality by 2050, and we are working towards a 50% reduction in greenhouse gas emissions from FY2020 levels by the fiscal year ending March 31, 2030, as an interim target.

Energy conservation and use of renewable energy in offices

In our offices, we are working to reduce energy consumption by improving the operation of lighting and air conditioning systems and introducing energy-saving equipment.

Our locations, Otemachi Place Tower and some other offices, use electricity generated from renewable energy sources, thereby contributing to the reduction of CO_2 emissions.

Fluorocarbons Management

In accordance with the Act on Rational Use and Appropriate Management of Fluorocarbons (Fluorocarbon Emissions Control Act), we properly manage the equipment that is subject to control.

Employee's Initiatives Based on our Guidebook

We have compiled a guidebook which includes specific energy saving initiatives to promote basic energy saving activities across the entire company. All employees are making efforts to reduce CO_2 emissions and copy paper usage by implementing the energy saving initiatives listed in this guidebook.

Main Initiatives Listed in the Guidebook

- Turn off lights in areas that do not interfere with work
- Reduce the operating hours of air conditioners
- Turn off the main power of unused office equipment
- Print on both sides of the paper and reduce the size, when possible

Environment

Environmental Considerations with Corporate Activities

Support for COOL CHOICE

COOL CHOICE is a government-initiated national movement to encourage people to make wise choices in their daily lives, such as replacing products, using services, and choosing lifestyles that contribute to the creation of a decarbonized society, to reduce emissions of greenhouse gases such as CO_2.

We support for COOL CHOICE and implement COOL BIZ between May and October to reduce air-conditioning use during summer in a bid to decrease electricity consumption.

Initiatives to Reduce Plastic Use

With regard to the issues of plastics, which is a global issue, we are also promoting initiatives to reduce the amount of plastic used in our corporate activities. This initiative is part of our initiatives toward the realization of one of our materialities, “Contribute to the development of communities and society; and environmental conservation.” First, we will switch some plastic clear folders distributed to customers to environmentally friendly materials, and for plastic clear folders used by employees, we will reduce their use and gradually transition to paper files. Through these measures, we are working toward de-plasticization.

Efforts to Reduce Paper Consumption (Going Paperless)

We strive to reduce CO_2 emissions by reducing the amount of paper used towards a paperless workplace.

[Main initiatives to reduce paper consumption (going paperless)]

- Electronic issuance of premium payment certificates
- Provision of the Contract Guidelines and Policy Conditions in PDF format on our website in addition to the printed version
- Encouragement of a reduction of copier paper, and digitization of various office forms

Environmental Considerations in Printed Materials

We take environmental impact of the booklets and other materials provided to customers into consideration and use methods such as the use of vegetable oil ink and Green Printing certification.

Annual Report

Convocation Notice of the Ordinary General Meeting of Shareholders

Environment

Environmental Considerations with Corporate Activities

Supporting Environmental Conservation Activities

We make donations to support forestation activities conducted by citizens' groups and other organizations to revitalize forests and lead to efforts to increase greenery.

▶P146 Donation results for environmental conservation activities (ESG data)

Workers revitalizing a forest (thinning) funded by a supported group

Location Based Initiatives

We conduct volunteer activities for environmental conservation at Japan Post Insurance bases throughout Japan.

Tokushima Branch

Yamaguchi Branch

Aomori Branch

Yamagata Branch

Procurement Activities

In accordance with the Japan Post Group CSR Procurement Guidelines, we conduct our procurement activities in consideration of global and regional environmental conservation and the effective use of resources.

▶P82 Supply Chain Management

Investment Activities

We invest with an emphasis on contribution to environmental conservation as a priority topic for ESG investment.

We aim for carbon neutrality by 2050, and we are working towards a 50% reduction in greenhouse gas emissions from FY2020 levels by the fiscal year ending March 31, 2030, as an interim target. Moreover, as a KPI for ESG investment, we have set the goal of achieving a total power output of 1.5 million kW for the renewable energy facilities in which we invest and loan during the period of the Medium-Term Management Plan.

▶P110 Priority Initiative Themes of ESG Investments

Environment

Environmental Considerations with Corporate Activities

Japan Post Group Initiatives

JP Children's Tree-Planting Campaign

Since 2008, the Japan Post Group has endorsed the NPO "Children's Tree-Planting Promotion Network." Under the name of "JP Children's Tree-Planting Campaign," we have supported forestation experience activities for children in nursery schools, kindergartens, and schools nationwide.

▶**JP Children's Tree-Planting Campaign (in Japanese)**
https://www.japanpost.jp/sustainability/environment/kodomono_mori/

Since 2012, we have conducted "Tohoku Regeneration Green Wave" to express our hope for the recovery of greenery in Tohoku, which was devastated by the Great East Japan Earthquake.

Environment

Initiatives for Climate Change

In April 2019, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

We recognize that climate change issues pose both risks and opportunities for the company, and that we need to address them company-wide. As one of the basic policies of our Medium-Term Management Plan, we have set the promotion of ESG management (contribution to solving social issues) and are working to solve social issues related to sustainability, including climate change issues.

Going forward, we will further promote our existing initiatives related to climate change and work on further information disclosure.

Recommended Disclosure Items for TCFD Recommendations	
Governance	Disclose the organization's governance around climate-related risks and opportunities.
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.
Risk management	Disclose how the organization identifies, assesses, and manages climate-related risks.
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

(Source) Final Report: Recommendations from the Task Force on Climate-related Financial Disclosures, TCFD

Governance

At the Company, various issues related to climate change are examined and discussed by the Sustainability Committee, chaired by the Executive Officer in charge of Public Relations Department, and the Risk Management Committee, chaired by the Chief Risk Officer (CRO).

The status of examinations and discussions is reported to the Executive Committee, and particularly important issues are discussed at the Executive Committee and decided by the President, CEO, Representative Executive Officer. In addition, reports are made to the Board of Directors on a regular basis, and the Board of Directors has established the framework in which it appropriately monitors the status of climate change response and, as necessary, supervises related policies, targets, strategies, and plans.

Notably, for performance-linked stock compensation for executives from FY2023, we have set promotion of ESG management as a metric and will give consideration to progress with achieving targets, including contributions to environmental conservation.

[Results for FY2022/3 (reports to the Board of Directors)]

- Frequency of reporting to the Board of Directors: Once every six months (once a quarter is planned for FY2023/3)
- Major climate change-related agenda items: Our climate change initiatives and disclosure policy, and the progress of our climate change response (related to GHG emissions measurement and scenario analysis of the investment portfolio)

<Main roles of specialized committees in addressing climate change>

- Formulate medium- to long-term response policies, grasp and analyze status of progress in initiatives
- Strengthen the analysis and management systems of climate-related risks

Environment

Initiatives for Climate Change

Strategy

Risks and Opportunities that climate change poses to our business

We recognize the impact (risks and opportunities) of climate change on the Company in both as a life insurance company and an asset owner, as follows.

Life Insurance Company

Type	Content	Timeline of impact
Physical Risks	Rise in insurance claim payment due to increased damage from natural disasters, etc.	Short to long term
	Rise in insurance claim payment due to changes in mortality and morbidity rates over the medium to long term due to the impact of rising average temperature and abnormal weather	Long term
Opportunities	Changes in consumers' insurance needs such as rising demand for products and services related to maintaining health, etc.	Medium to long term

Asset Owner

Type	Content	Timeline of impact
Physical Risks	Impaired value of invested assets due to expanding loss incurred by investees upon increased damege from natural disasters, etc.	Short to long term
Transition Risks	Impaired value of investees due to the impact of changes in regulations in line with the shift to a low-carbon society, stricter regulations and changes in consumer preference	Short to long term
Opportunities	Expanding green finance market and increasing investment opportunities including investments in renewable energy business (infrastructure)	Short to medium term

(*1) In identifying the risks and opportunities mentioned above, we disclose risks and opportunities with high degree of impact based on their importance to the Company's business after identifying large and small potential risks.

(*2) We assume that the timeline of impact will be as follows: short term: 5 years, medium term: 15 years, long term: 30 years.

Analysis of the impact of climate change on our business

The following scenario analysis was conducted to understand the impact of climate change on our business. We will continue to conduct scenario analysis to improve the accuracy of the analysis, and will take steps toward decarbonization and risk management based on the results of this analysis.

Analysis of the impact of climate change on the Company's Life Insurance Business

Increase in the number of individuals who suffer from heat stroke due to higher temperature in summer, increase in the number of patients who suffer from tropical infectious diseases due to the expansion of areas where vector mosquitos of infectious disease can be active, etc., and damages to health due to increased and prolonged damage from flooding, etc., can be considered to have an impact on the Company's life insurance business (claims payment) as events that could lead to a significant increase in the amount of claims payment.

In the fiscal year ended March 31, 2023, we conducted a quantitative analysis of heat-stroke deaths based on certain assumptions as follows, and confirmed that the increase in claim payments will have a limited impact on our financial soundness, given the extremely small amount compared to the Company's actual death benefit payments and the fact that we are able to make payments from the policy reserves we have built up in preparation for future payments. We have also confirmed that the results of the analysis conducted in the fiscal year ended March 31, 2022 for (ii) and (iii) below will

Initiatives for Climate Change

not have a material impact on our results, as there are no significant changes in our assumptions.

We believe that there are many challenges regarding the accuracy and reliability of our analysis of the impact of climate change on the Company's life insurance business, as there are no generally established measurement models and climate change itself has a high degree of uncertainty, such as its occurrence over a long period of time. In the future, we will continue our efforts to understand risks through analysis such as further research, stress testing, etc.

(i) Increase in heat-stroke deaths

We have made an estimate projecting an increase in heat stroke deaths in Japan assuming an increase in average temperatures throughout Japan, when the RCP8.5[*1] scenario based on the Fifth Assessment Report of IPCC[*2] is applied as the temperature. As a result of analysis by age group, we estimate that insurance claims and other payments will increase by approximately ¥7.0 billion on a cumulative basis from the fiscal year ending March 31, 2032 to the fiscal year ending March 31, 2051, particularly in the elderly age group.

(ii) Expanding damage of tropical infectious diseases

Based on an estimate that rising temperatures will cause infectious diseases spread by mosquitoes to be active over larger areas and periods, we analyzed the increase in insurance claims and other payments due to mosquito-borne tropical infectious diseases (dengue fever and malaria). We applied the RCP8.5 scenario based on the Fifth Assessment Report of IPCC as the temperature increase and, referring to recent outbreaks of tropical infectious diseases in tropical regions and the sanitary conditions in Japan, assumed that dengue fever would spread in Japan, resulting in hospitalization or death of customers. As a result, assuming that the disaster will occur every year, we calculated that the increase in insurance claims and other payments would be up to around ¥15.0 billion on a cumulative basis over the 20-year period from the fiscal year ending March 31, 2032 to the fiscal year ending March 31, 2051.

(iii) Occurrence of unknown infectious diseases

Development in tropical forests, thawing of permafrost, and other factors may cause unknown infectious diseases to emerge and new infectious diseases (pandemic) to emerge. While the occurrence of an unknown infectious disease could cause a downturn in operating performance due to difficulties in conducting face-to-face sales activities, we have confirmed that the impact on our financial soundness would be limited, assuming a probability of occurrence of once in a few decades.

(*1) The RCP8.5 scenario is a Representative Concentration Pathway (RCP) scenario, which includes time series of emissions and concentrations of the full suite of greenhouse gases (GHGs) and aerosols associated with human activities.

(*2) Intergovernmental Panel on Climate Change, or IPCC, is an intergovernmental organization established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP).

Analysis of the Impact of Climate Change on the Company as an Asset Owner

(1) NGFS's Climate Scenarios Analysis

We expect that the assets owned by the Company will be affected by changes in the economic environment as we transition to a decarbonized society. We have analyzed how our assets would be affected by these changes by 2050 under several financial market scenarios[*1] and carbon price scenarios published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS[*2]).

We believe that there are many challenges regarding the accuracy and reliability of our analysis of the impact of climate change on the Company's asset management, as there are no generally established measurement models and climate change itself has a high degree of uncertainty, such as its occurrence over a long period of time. In the future, we will continue our efforts to understand risks through analysis such as further research, stress testing, etc.

(i) Scenario analysis related to our investment income

We analyzed the impact of climate change on our interest margin under the NGFS scenario (financial market scenario). We used a scenario in which long-term interest rates in Japan and abroad increase moderately, and therefore, we expected an increase in interest gains from our holdings of yen-denominated interest bearing assets such as Japanese government bonds[*3].

(ii) Scenario analysis for assets owned by the Company

Under the NGFS scenario (carbon price scenario), we analyzed the decline in the value of securities (the increase in

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Initiatives for Climate Change

the future carbon cost burden of investee companies). In our portfolio, especially for bonds with long maturities of over 10 years, a certain decline in value was expected[*4]. In practice, we believe that the impact on our financial condition will be limited, given the fact that the deterioration in the earnings of investee companies and the decline in their market value will surface gradually and that the assets we own can be sold during the course of our investment.

(*1) Scenario published in 2022 (scenario model: REMIND-MAgPIE 3.0-4.4). The scenario does not take into account the impact of the recent war in Russia and Ukraine and the resulting energy crisis.
(*2) Network for Greening the Financial System, or NGFS, is an international network of central banks and financial supervisors to examine financial supervisory responses to climate change risks. The Financial Services Agency and the Bank of Japan joined the network in June 2018 and November 2019, respectively. The scenarios used are: (i) Current Policies scenario in which global warming will progress as a result of no further action on climate change being be taken by countries than they are currently implementing (global temperature will rise by more than 3°C), (ii) Net Zero 2050 scenario in which countries will achieve the 2050 carbon neutrality and 1.5°C temperature rise targets in a coordinated and systematic manner; and (iii) Delayed Transition scenario, in which climate change measures are taken rapidly after 2030.
(*3) This analysis does not take into account increases in business expenses due to factors such as rise in inflation rates.
(*4) If the dataset necessary for calculation (GHG emissions, etc.) is not available, it is not included in the analysis. The impact of future measures to improve earnings to be taken by investee companies are not taken into account.

(2) Impact analysis on investment income focusing on key sectors

We analyzed the impact of 2℃ and 4℃ scenarios (*) on the following three sectors: electric utilities, steel, and energy, which were selected as the most important sectors that have a large impact on climate change and in which we have a large amount of investments and loans. As a result, we found that the introduction of a carbon tax, the spread of renewable energy, and other social changes may have a significant impact on the performance and finance of each sector under the 2℃ scenario.

We will conduct engagement with investees in these sectors, taking the results of the analysis into full consideration. We will hold dialogues with investees regarding the specific impacts indicated by the analysis and encourage them to take action to improve our investment performance.

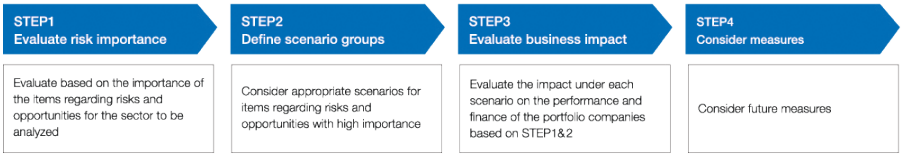
(*) References are made to scenarios from the IEA "World Energy Outlook," IEA reports, and "Synthesis Report on Observations, Projections, and Impact Assessments of Climate Change (2018): Climate Change and Its Impacts in Japan" from the Ministry of the Environment, et al.

[Global Perspectives of the World under Each Scenario]

The World with a 2°C Scenario (if stringent measures or radical system for transition is put in place)	The World with a 4°C Scenario (if no measures are taken to prevent global warming beyond the current level)
● Tighter government regulations on climate change will result in high carbon taxes and carbon prices. These additional costs will reduce the demand for fossil fuels. ● Expanding the introduction of renewable energy will accelerate decarbonization. There will be additional investment and stranded assets of existing facilities due to the shift to renewable energy. However, the development of technologies and products to reduce environmental impact will progress, and the business portfolios of companies and other organizations will be reorganized.	● Average temperatures will rise significantly, and natural disasters will become more frequent and severe. Physical risks will increase, and the costs of disaster management and infrastructure investment will rise further. ● The world is still dependent on fossil fuels. Low carbon taxes and carbon pricing will be introduced in some countries. Demand for fossil fuels will increase steadily, and oil prices will rise. There will be no progress in the development and use of technologies to reduce environmental impact. Thermal power generation will continue, and the increase in demand for renewable energy will be limited.

(Note) The global perspective of the scenario is based on the IEA "World Energy Outlook 2021", etc.

Scenario Analysis Process



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≪STEP1≫ Evaluation of the importance of risks and opportunities by key sector

We evaluated the importance of risks and opportunities in three sectors that are important to the Company, based primarily on a survey of literature published by international organizations and other institutions, with assistance of outside experts.

Type	Evaluation item		Electric Utilities			Energy			Steel		
	Major category	sub-category	Risk	Opportunity	Importance	Risk	Opportunity	Importance	Risk	Opportunity	Importance
Transition Risks	Policy and legal	Carbon Pricing	Introduction and expansion of carbon tax	Spread of renewable energy	Large	Introduction and expansion of carbon tax	Spread of renewable energy	Large	Introduction and expansion of carbon tax	Development of zero-carbon steel technologies	Large
		Carbon emission targets and policies in each country	Upward revision of carbon emission targets	・Upward revision of carbon emission targets ・Increase in electrification ratio	Large	Upward revision of carbon emission targets	–	Medium	Tightening of GHG emission regulations	–	Medium
	Industry/ market	Energy mix, etc.	Spread of nuclear and renewable energy	Spread of renewable energy	Large	Spread of renewable energy	–	Large	Decrease in supply and demand of coal	Increase in demand and supply of renewable energy	Large
		Changes in consumer behavior	Shift to low-carbon electricity	Shift to low-carbon electricity	Medium	Shift to low-carbon energy sources	Shift to low-carbon energy sources	Large	Promotion of low carbon in key industries using steel	Increase in demand for steel	Large
	Tech-nology	Spread of low-carbon tech-nologies	Transition to low-carbon technologies	Promotion of the spread of low-carbon technologies	Medium	Transition to low-carbon technologies	Promotion of the spread of low-carbon technologies	Large	・Decline in utilization rate of existing facilities ・Development of next-generation technologies that use renewable energy and next-generation fuels	・Spread of energy-saving technologies ・More efficient use of energy through technological evolution	Large
	Repu-tation	Reputation among investors	Divestment by investors	Improved assessment	Medium	Divestment by investors	Improved assessment	Medium	Improved appeal of information disclosure	Increase in low-carbon related investments	Small
		Reputation among consumers	Outbreak of boycotts and opposition campaign	–	Medium	Outbreak of opposition campaign and lawsuits	–	Medium	Switch to low-carbon steel	Switch to low-carbon steel	Small
Physical Risks	Chronic	Water shortage and drought	Tightening of water supply and demand	–	Small	Tightening of water supply and demand	–	Medium	–	–	–
		Rise in average temper-ature	・Change in utilization rate ・Decrease in demand for heating due to rising temperature	Increase in demand for air-conditioning due to rising temperature	Small	Decline in utilization rate and deterioration of the working environment	Increase in demand for air conditioning due to rising temperature	Small	Deterioration of the working environment due to rising temperature	–	Small
		Rise in sea level	Strengthening storm surge counter-measures	–	Medium	Disaster prevention responses	–	Medium	Inundation damage to the coastal bases due to rising sea level	Increase in demand associated with the establishment of new coastal disaster prevention facilities	Medium
	Acute	Intensifi-cation of extreme weather	・Strengther-ing disaster prevention responses ・Occurrence of property damage	–	Large	・Strengthen-ing disaster prevention responses ・Occurrence of property damage	–	Large	Impact of disasters on bases due to extreme weather	Responses to disasters caused by extreme weather	Large

≪STEP2, STEP3≫ Impact on key sectors

In STEP2, we assume specific situations under the 2℃ scenario and 4℃ scenario (*) for items of risks and opportunities with high importance by key sector identified in STEP1. In STEP3, we qualitatively evaluate their impact on the performance and finance of the portfolio companies.

(*)These scenarios are based on the Scenarios in "World Energy Outlook" of IEA, IEA reports, "Synthesis Report on Observations, Projections and Impact Assessments of Climate Change, 2018, Climate Change in Japan and Its Impacts," Ministry of the Environment and other ministries.

Sector 1: Electric Utilities

	The World under a 2°C Scenario (if stringent measures or radical system for transition is put in place)	The World under a 4°C Scenario (if no measures are taken to prevent global warming beyond the current level)
Assumptions for the future and their background (possible scenarios)	The government will strengthen its decarbonization policies, and the introduction and expansion of carbon taxes and the spread of renewable energy will be promoted.	Decarbonization policies by the government will be limited, and the introduction and utilization of renewable energy will not be actively promoted. Demand for petroleum will increase with economic growth. On the other hand, there will be frequent disasters such as torrential downpours, river flooding, and storm surge damage.
Impact factors (parameters)	・Carbon pricing（↑） ・Carbon emission reduction targets（↑） ・Percentage of fossil fuels in the energy mix（↓）	・Crude oil price（↑） ・Frequency of floods and typhoons（↑）
Impact on the performance and finance	・Increase in sales due to increased demand for renewable energy（↑） ・Increase in operating costs and assets such as power plants being stranded（↓）	・Increase in sales due to increased demand for fossil fuels（↑） ・Increase in costs of disaster prevention responses for extreme weather（↓）

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Sector 2: Energy

	The World under a 2°C Scenario (if stringent measures or radical system for transition is put in place)	The World under a 4°C Scenario (if no measures are taken to prevent global warming beyond the current level)
Assumptions for the future and their background (possible scenarios)	The government will strengthen its decarbonization policies, and the introduction and expansion of carbon taxes and the spread of renewable energy will be promoted. In addition, companies are required to develop low-carbon technologies and more companies will utilize them.	Decarbonization policies by the government will be limited, and the introduction and utilization of renewable energy will not be actively promoted. Demand for petroleum will increase with economic growth. On the other hand, there will be frequent disasters such as torrential downpours and river flooding.
Impact factors (parameters)	· Carbon pricing（↑） · Carbon emission reduction targets（↑） · Spread of low-carbon technologies（↑） · Percentage of fossil fuels in the energy mix（↓）	· Crude oil price（↑） · Frequency of floods and typhoons（↑）
Impact on the performance and finance	· Increase in sales due to increased demand for renewable energy（↑） · Increase in operating costs due to the imposition of a carbon tax on electricity itself derived from fossil fuels（↓） · Assets held being stranded（↓） · Increase in development costs of low-carbon technologies（↓）	· Increase in sales due to increased demand for fossil fuels（↑） · Increase in costs of disaster prevention responses for extreme weather（↓）

Sector 3: Steel

	The World under a 2°C Scenario (if stringent measures or radical system for transition is put in place)	The World under a 4°C Scenario (if no measures are taken to prevent global warming beyond the current level)
Assumptions for the future and their background (possible scenarios)	The government will strengthen its decarbonization policies, and the introduction and expansion of carbon taxes and the spread of renewable energy will be promoted. The spread of alternative fuels and new energy will accelerate and steel manufacturing technologies using hydrogen will become widespread.	Decarbonization policies by the government will be limited, and demand for coal will only decrease to a certain degree. The frequency of typhoons making landfall and their intensity will increase.
Impact factors (parameters)	· Carbon pricing（↑） · Demand for steel（↑） · Coal price（↑） · Hydrogen supply（↑） · Coal supply（↓）	· Coal price（↑） · Precipitation amount（↑） · Frequency of floods and typhoons（↑） · Coal supply（↓）
Impact on the performance and finance	· Decrease in hydrogen procurement costs with the spread of steel manufacturing technologies using hydrogen（↑） · Increase in operating costs due to carbon taxes and increased coal procurement costs（↓）	· Increase in coal procurement costs due to increased coal prices used for steel（↓） · Increase in costs of disaster prevention responses and decrease in sales due to inability to operate, associated with disasters by extreme weather such as flooding damage to steel manufacturing sites and damage to mining areas.（↓）

(Note) The arrows（↑/↓）in "Impact factors (parameters)" and "Impact on the performance and finance" indicate the direction of the impact factors or the direction of their impact on the Company's asset value.

≪STEP4≫ Measures

For investee companies in key sectors, we aim to enhance our medium- to long-term asset management results by engaging in constructive dialogue (engagement) that fully takes into account the specific impacts identified in our scenario analysis. Through this engagement, we will confirm the status of investees' response to these specific impacts and encourage decarbonization initiatives.

▶ P117 Framework for ESG Investments / Investment Examples
▶ P125 Stewardship Activities

(3) Analysis on the impact of carbon cost on investee companies

The analysis results in (2) indicate high potential risk in certain sectors in our portfolio. As the world transitions to a decarbonized society, our investee companies may be affected by increased carbon costs through carbon pricing, such as the introduction of carbon taxes by national governments. Therefore, we conducted a quantitative analysis of our domestic and international equity and corporate bond portfolios to determine the impact of increased carbon costs on the investee companies, based on the following two scenarios*.

This analysis is a simplified simulation calculated assuming estimated carbon costs using current EBITDA and GHG emissions. It does not take into account variable factors such asfuture changes in the economy, business environment or government policies, which may have a significant financial impact on the investee company.

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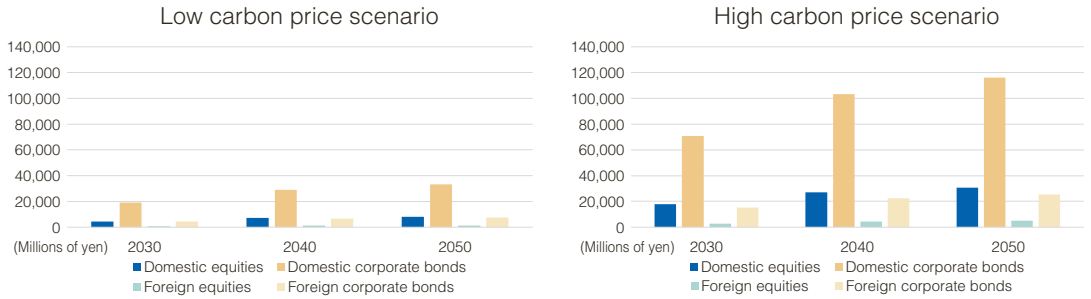
Scenarios	
Low carbon price scenario	A scenario in which the countries fully implement their Nationally Determined Contributions (NDCs) under the Paris Agreement.
High carbon price scenario	A scenario in which temperature change in 2100 is below 2°C, consistent with the Paris Agreement, through appropriate policy implementation by national governments.

(*) The analysis assumes cost of carbon using the Unpriced Cost of Carbon (UCC) by S&P Trucost, which is defined as the difference between what a company pays for carbon today and what it may pay at a given future date based on its location, sector, and under different climate change scenarios, including IEA's carbon price scenario, assuming that corporate GHG emissions remain the same.

Carbon cost burden at investee companies

We calculated carbon cost burdens arising from carbon pricing using UCC from S&P.

Carbon cost burden at investee companies



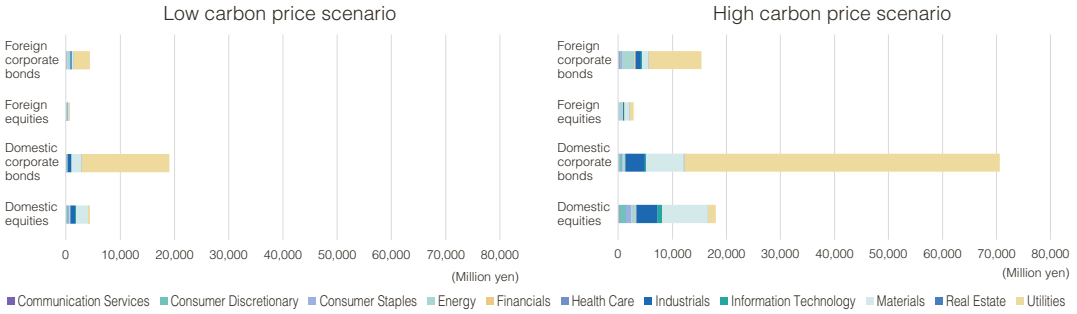
(Source) ©2022, S&P Trucost Limited, Japan Post Insurance

Carbon cost burdens on investee companies will increase for all domestic and international equity and corporate bond asset classes. In addition, the carbon cost burden is higher for domestic corporate bonds than for other assets. This is due to the fact that domestic corporate bonds have the highest investment balance among the four assets, as well as a relatively large share of holdings in sectors with high carbon costs.

Carbon Cost Burdens by Sector and Asset

We show the carbon cost burdens to be borne by our investee companies in 2030 by sector and asset class as follows.

Carbon Cost Burdens for Investee Companies (by sector; as of 2030)



(Source) ©2022, S&P Trucost Limited, Japan Post Insurance

Carbon cost burdens are high for the materials sector when it comes to domestic and foreign equities, and for the utilities sector for domestic and foreign corporate bonds. For domestic corporate bonds, in particular, the carbon cost burden is hefty for the utilities sector. This is attributable to the considerable GHG emissions by the sector and the relatively high weighting of the utilities sector in our portfolio of domestic corporate bonds, reflecting the relatively large amounts of bonds issued by the sector in the domestic market.

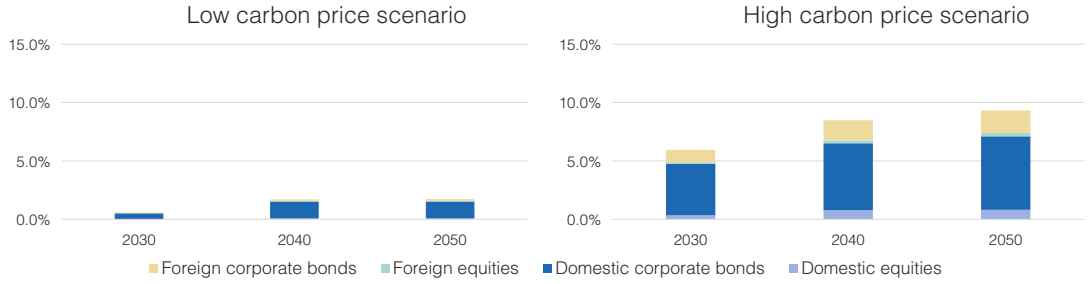
Environment

Initiatives for Climate Change

Financial impact on investee companies

We compared EBITDA as a profit indicator with the amount of carbon cost burden, and considered investments in which the amount of carbon cost burden exceeds EBITDA to be those with large potential financial impact. We calculated how much investments in these investees account for in the portfolio. As a result, the percentage was 1.7% in the low price scenario and 9.4% in the high price scenario in 2050.

Financial impact on investee companies



(Source) ©2022, S&P Trucost Limited, Japan Post Insurance

Future measures

We will seek to mitigate the impact on our portfolio by strengthening our engagement with investee companies that have a potential of significant financial impact and encourage them to transition to decarbonization.

Decarbonization initiatives

We will implement initiatives related to the transition to a low-carbon society as an operating company and an institutional investor to achieve carbon neutrality and enhance the resilience of our business.

Initiatives as an operating company

To reduce GHG emissions from our business operations, we are promoting environmental conservation efforts with our facilities and vehicles, and by employees.

● Energy conservation and use of renewable energy in facilities and vehicles

In our offices, we are working to reduce energy consumption by improving the operation of lighting and air conditioning systems and introducing energysaving equipment. Our locations, Otemachi Place Tower and some other offices, use electricity generated from renewable energy sources, thereby contributing to the reduction of CO_2 emissions. We are also striving to reduce CO_2 emissions by gradually introducing eco-friendly vehicles such as hybrid vehicles to the fleet of those used in our operations.

▶ P14 Environmental Considerations with Corporate Activities

Environment

Initiatives for Climate Change

Initiatives as an institutional investor

We have clarified our basic concept on climate change in our ESG Investment Policy and are taking the following actions in order to promote the decarbonization of our investment portfolio.

● Implementation of ESG integration

We have introduced ESG integration, in which ESG factors are considered in addition to financial information when making investment decisions for all assets under management. For sectors with particularly high GHG emissions, we comprehensively evaluate the status of the investee's efforts to address climate change and incorporate this into our decision-making process when making investments and loans. With regard to negative screening, which excludes specific sectors from the scope of investment, we do not invest in new domestic or foreign project finance related to coal-fired power generation, which has high GHG emissions and is feared to have an impact on climate change.

● Implementation of stewardship activities

We place a high priority on addressing climate change in our Stewardship Activities Policy.

・Engagement with investees

In addition to domestic equities and domestic corporate bonds, we also engage in dialogue on climate change initiatives with respect to other assets under our management, taking into account the characteristics of each asset. We also participate in engagement initiatives and actively engage in collaborative engagement. If the situation does not improve despite ongoing dialogue, we will consider escalation.

・Response through shareholder voting

Our Policy on Exercise of Shareholder Voting Rights state that, in principle, we will oppose the election of internal and outside directors and auditors who are deemed responsible for events that have a serious impact on the environment. In addition, we judge shareholder proposals on environmental issues from the perspective of maximizing long-term shareholder profits and the degree of environmental impact.

▶ P126 Policy on Stewardship Activities
▶ P137 External Evaluation and Support for Initiatives

▶ Standards for the Exercise of Shareholder Voting Rights (in Japanese)

https://www.jp-life.japanpost.jp/aboutus/company/assets/pdf/stewardship_voting.pdf

● Measurement and management of GHG emissions from the investment portfolio

We measure the GHG emissions of our investment portfolio annually. Based on the results of this analysis, we manage our investment portfolio to achieve our GHG emissions reduction targets.

Environment

Initiatives for Climate Change

● **Promoting investments that contribute to the decarbonization of society**

We are actively making investments that contribute to the decarbonization of society to promote the decarbonization of society. In addition to providing funds to the green finance market, we are actively pursuing investments in renewable energy.

Major investment examples

Since January 2017	Investment in solar power generation and other renewable energy projects (project finance)
May 2019	Investment in a Climate Awareness Bond
January & May 2021	Investment in a green bond to support green recovery (realization of a sustainable society after the COVID-19 crisis)
July 2021	Investment in a transition bond to support efforts to reduce greenhouse gas emissions

Risk Management

In the fiscal year ended March 31, 2023, we conducted a company-wide identification and risk assessment of climate change risk and reported the results to the Risk Management Committee. Going forward, we will continue to identify and assess climate change risks at least once a year, continue and upgrade scenario analyses, and sophisticate a climate change risk management system. These results were also reported to the Sustainability Committee as part of our efforts to address climate change.

Metrics and Targets

Metrics and targets for the operations

We have set the following greenhouse gas emissions (GHG emissions) reduction targets for Scope 1 (direct emissions from the company) and Scope 2 (emissions associated with the use of electricity and other resources supplied by other companies) (excluding increases due to new business), and are working toward achieving carbon neutrality.

Targets:
<FY2031/3>
Reduce 46% compared to FY2020/3
<FY2051/3>
Aim to achieve carbon neutrality

Our GHG emissions (Scope 1 and Scope 2) results

	Unit	FY2020/3	FY2022/3	
		Base year results	Results	Reduction rate from FY2020/3 level
Scope1	tCO_2e	4,443.2	3,123.3	29.7%
Scope2		14,496.8	11,753.7	18.9%
Total		18,940.0	14,877.0	21.5%

(*) GHG emissions for FY2022 totaled 21,286 tCO_2e (an increase of 6,409 tCO_2e compared with FY2021). While GHG emissions increased sharply compared with FY2021, this owed to employees seconded to the Company rising approximately 13,000 due to the start of the new Japan Post Insurance sales system from April 2022. Excluding the increase stemming from this organizational change, GHG emissions for FY2022 were lower than in FY2021. In light of this organizational change, we intend to revise results for the base year (FY2019).

▶ **P144 ESG data - environment**

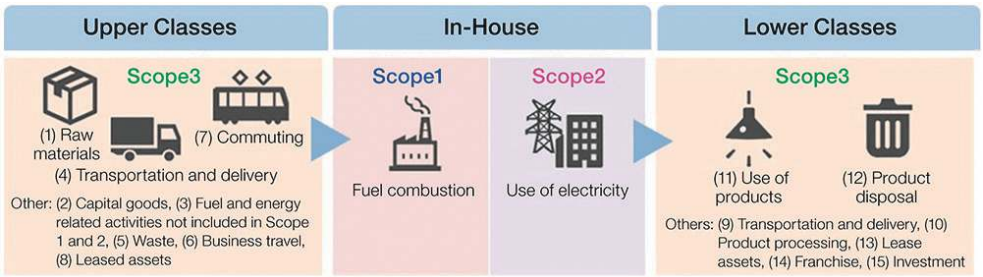
Environment

Initiatives for Climate Change

Supply chain emissions (Scope 1, Scope 2, Scope 3)

Supply chain emissions refer to the sum of all emissions related to business activities, not just those of the business itself. In other words, it refers to the amount of greenhouse gas emissions generated from the entire process of procuring raw materials, manufacturing, distribution, sales, and disposal.

Supply chain emissions = Scope 1 emissions + Scope 2 emissions + Scope 3 emissions



Scope 1: Direct emissions of greenhouse gases by the business itself (fuel combustion, industrial processes)
Scope 2: Indirect emissions from the use of electricity, heat and steam supplied by other companies
Scope 3: Indirect emissions other than Scope 1 and Scope 2 (emissions of other companies related to the activities of the business)

Prepared by Japan Post Insurance Co. Ltd. based on the Green Value Chain Platform (Ministry of the Environment) (in Japanese) (https://www.env.go.jp/earth/ondanka/supply_chain/gvc/estimate.html)

Metrics for an Asset Owner

1. GHG emissions metrics for domestic and foreign equities, corporate bonds, and domestic real estate portfolios

To assess climate-related risks and opportunities, we began measuring GHG emissions metrics (carbon emissions, carbon footprint, carbon intensity, and weighted average carbon intensity) for our investment portfolio from FY2020 (as of March 31, 2021). In FY2022 (as of March 31, 2023), we implemented measurement for the following assets (*1): domestic equities, foreign equities, domestic corporate bonds (*2), foreign corporate bonds (*2), listed REITs, domestic real estate assets (*3) and project finance (*4).

The scopes covered in the carbon emissions calculation are direct emissions of greenhouse gases by investee companies (Scope1), indirect emissions from purchased electricity (Scope2), and emissions from supply chains other than purchased electricity (Scope3). The calculation of the carbon footprint, carbon intensity and weighted average carbon intensity covers Scope1, Scope2, and emissions from direct suppliers of Scope3.

(*1) Unlisted stocks, asset-backed securities, etc. are not included. Includes not only internally managed assets but also externally managed assets.
(*2) Domestic and foreign corporate bonds include business loans to companies, etc.
(*3) Domestic private real estate funds.
(*4) Covers in-house management.

Environment

Initiatives for Climate Change

GHG emissions metrics by asset class

Emission-related indicators Measurement range Unit	Carbon emissions (*1) Scope1&2 (tCO_2e)		Carbon emissions (*1) Scope1&2+direct suppliers of Scope3 (tCO_2e)		Carbon emissions (*1) Scope1&2&3 (tCO_2e)	
Asset Class	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023
Domestic	1,703,850	1,517,996	2,804,555	2,576,502	4,846,776	4,585,855
Foreign equities	298,670	267,854	387,592	378,634	523,493	530,675
Domestic corporate bonds	6,441,905	5,529,498	7,649,809	6,612,927	8,788,675	7,607,963
Foreign corporate bonds	1,869,583	1,636,371	2,285,727	2,034,132	2,822,119	2,560,194
Listed REITs	6,914	5,898	7,265	6,246	8,277	7,377
Domestic real estate	25,181	29,978	25,181	29,978	25,181	29,978
Project financing	–	116	–	116	–	116
Total	10,346,104	8,987,710	13,160,129	11,638,535	17,014,522	15,322,837

Emission-related indicators Measurement range Unit	Carbon Footprint (*3) Scope1&2+direct suppliers of Scope3 (tCO_2e/million yen)		Carbon intensity (*4) Scope1&2+direct suppliers of Scope3 (tCO_2e/million yen)		Weighted average carbon intensity (*5) Scope1&2+direct suppliers of Scope3 (tCO_2e/million yen)	
Asset Class	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023	As of March 31, 2022	As of March 31, 2023
Domestic	1.07	0.98	1.64	1.48	1.48	1.37
Foreign equities	0.63	0.67	2.73	2.34	2.38	1.97
Domestic corporate bonds	3.59	3.27	6.67	6.29	6.47	6.01
Foreign corporate bonds	0.92	0.90	3.84	3.04	3.90	3.23
Listed REITs	0.08	0.07	1.61	1.27	1.52	1.32
Domestic real estate	0.23	0.19	–	–	–	–
Project financing	–	–	–	–	–	–
Total	1.64	1.51	3.65	3.20	3.64	3.21

(*1) Carbon emissions are calculated as follows.

$$\sum_i \left(\frac{\text{current value of investment } i}{\text{issuer's market capitalization } i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions } i \right)$$

* EVIC is an abbreviation for Enterprise Value Including Cash, which is the value of a company including cash. It is calculated as follows: Market capitalization of common stock + market capitalization of preferred stock + total debt (book value) + minority interests.

* i represents the portfolio companies that are included in the portfolio.

(*2) Carbon Footprint is the amount of GHG emissions per million yen of portfolio balance. The calculation method of the carbon footprint is as follows.

$$\frac{\sum_i \left(\frac{\text{current value of investment } i}{\text{issuer's market capitalization } i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions } i \right)}{\text{current portfolio value (¥M)}}$$

(*3) Carbon Intensity indicates the carbon efficiency of the investee company. Carbon Intensity is calculated as the total amount of our company's GHG emissions per our investee company's total sales, as shown in the formula below.

$$\frac{\sum_i \left(\frac{\text{current value of investment } i}{\text{issuer's market capitalization } i} \times \text{issuer's Scope 1 and Scope 2 GHG emissions } i \right)}{\sum_i \left(\frac{\text{current value of investment } i}{\text{issuer's market capitalization } i} \times \text{issuer's ¥M revenue } i \right)}$$

(*4) Weighted Average Carbon Intensity indicates the carbon efficiency of the portfolio company. It is calculated by multiplying the GHG emissions per sales of the investee company by the ownership ratio in the portfolio and adding them together, as shown in the formula below.

$$\sum_i \left(\frac{\text{current value of investment } i}{\text{current portfolio value}} \times \frac{\text{issuer's Scope 1 and Scope 2 GHG emissions } i}{\text{issuer's ¥M revenue } i} \right)$$

(Source) ©2022, S&P Trucost Limited, Japan Post Insurance

Environment

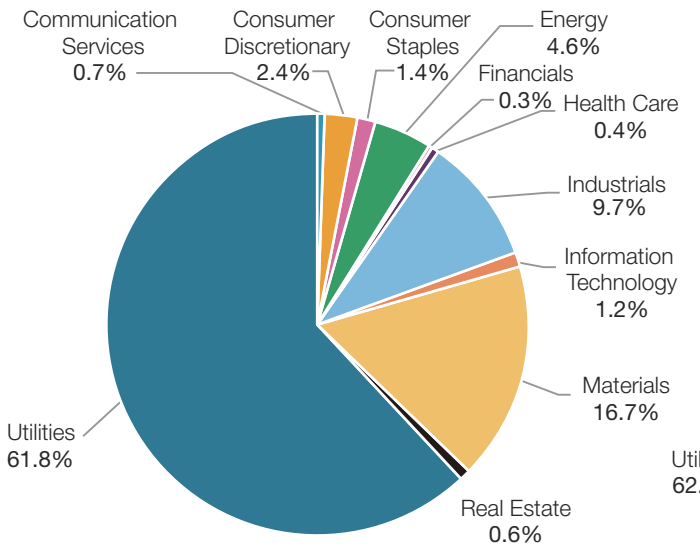
Initiatives for Climate Change

For GHG emissions from our investment portfolio, the sum of Scope1 and Scope2 emissions was approximately 8.99 million tCO_2e, which marks a reduction of approximately 1.36 million tCO_2e compared with the previous fiscal year. Total GHG emissions for the four asset classes—domestic and foreign equities, domestic and foreign corporate bonds—came to approximately 8.95 million tCO_2e (target 50% reduction from FY2020 levels in FY2029 and net zero emissions in 2050). GHG emissions decreased for each asset class excluding real estate and project finance, but a notable boost was provided by the decline of approximately 0.91 million tCO_2e in emissions for the domestic corporate bond class, which accounts for roughly 60% of total GHG emissions in our portfolio. This reflects lowered investments in high-emitter industries and GHG emissions reductions by investee companies themselves, and with equities prices also rising, there was a decrease based on calculations using our percentage holdings. The sum of Scope1, Scope2, and Scope3 emissions was approximately 15.32 million tCO_2e, down approximately 1.69 million tCO_2e compared with the previous fiscal year. A boost was provided by the decline of approximately 1.18 million tCO_2e in emissions for the domestic corporate bond class.

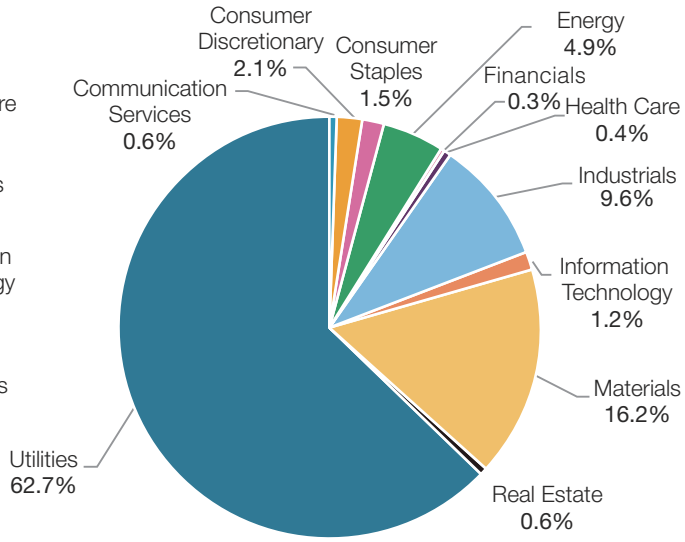
It is important to note that we recognize including Scope3 in the calculation of GHG emissions may occur double counting (e.g., Scope1 emissions of one company may correspond to Scope3 emissions of another company). Despite this problem, we chose to widen the scope to supply chains to understand our portfolio emissions as much as possible.

■ GHG emissions composition of the entire portfolio by sector (Scope1&2)

Total portfolio emissions by sector as of March 31, 2023



Total portfolio emissions by sector as of As of March 31, 2022

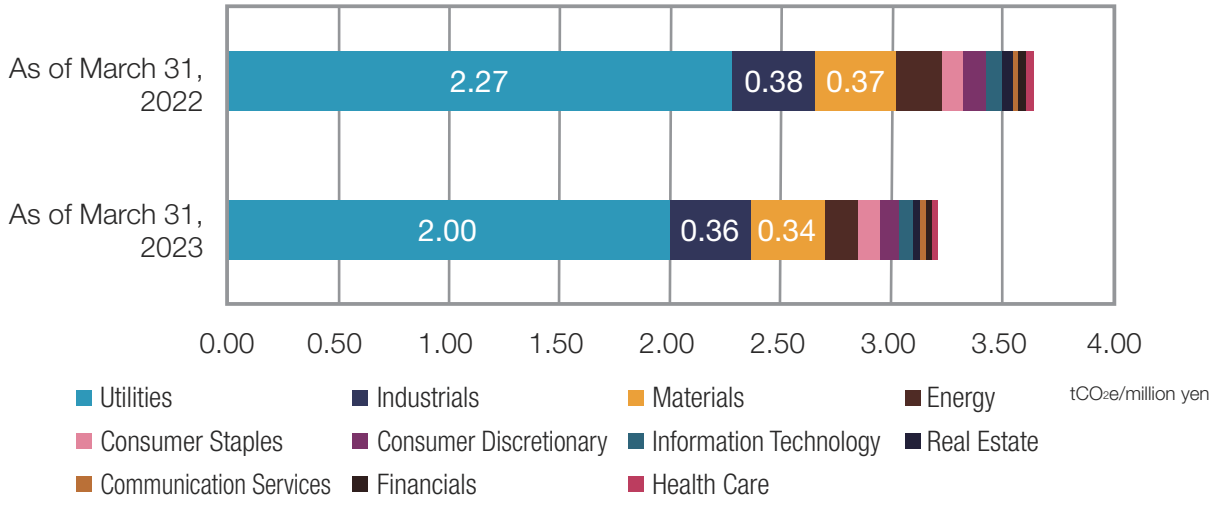


(*) A company is excluded from our calculations when sector classification is complicated.

Environment

Initiatives for Climate Change

■ **Total portfolio weighted average carbon intensity sector composition**



(*1) The GHG emissions on which the weighted average carbon intensity covers Scope1, Scope2, and emissions from direct suppliers of Scope3.

(*2) Domestic equities, foreign equities, domestic corporate bonds, foreign corporate bonds, listed REITs included in calculations. Real estate and project finance is excluded.

(Source) ©2023, S&P Truscot Limited, Japan Post Insurance

2. GHG emissions metrics for sovereign bonds portfolio

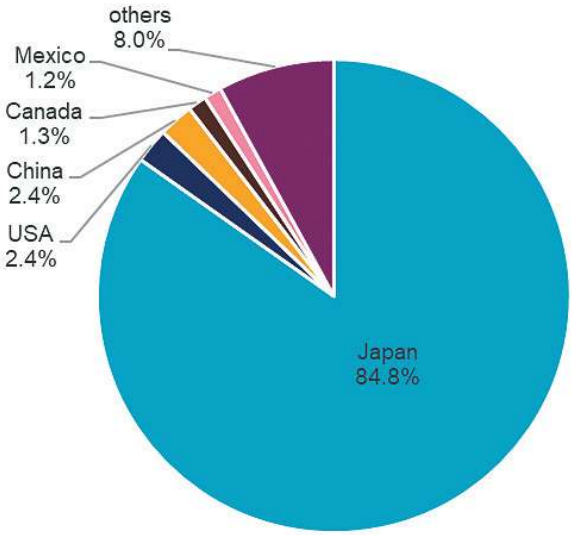
For sovereign bonds (including semi-government bonds such as government agency bonds and municipal bonds, including externally managed assets), which we hold a large amount of, we began measuring the GHG emissions and weighted average carbon intensity from FY2020. For FY2022 (as of March 31, 2023), GHG emissions from our sovereign bonds portfolio amounted to approximately 65.82 million tCO_2e, of which approximately 55.80 million tCO_2e was accounted for by Japanese government bonds (including Japanese semi-government bonds).

The weighted average carbon intensity of our sovereign bonds portfolio was 3.33 tCO_2e/real GDP (million yen).

Environment

Initiatives for Climate Change

GHG emissions of sovereign bond portfolios by country (top 10 emitting countries)



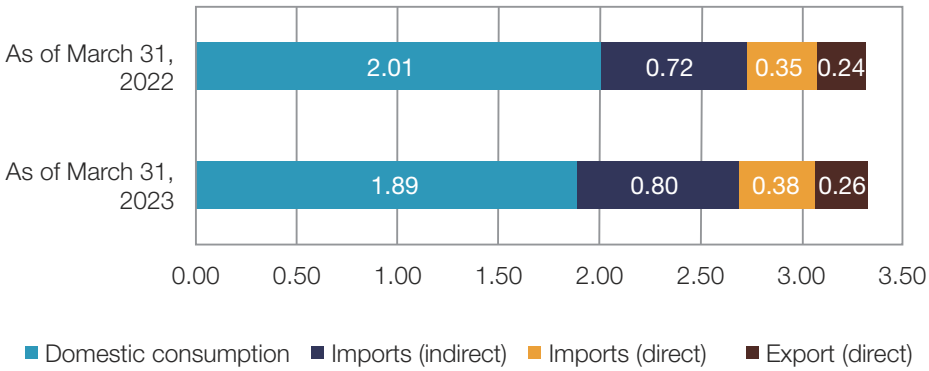
(*1) The GHG emissions of each country in the government bond portfolio are calculated as follows.

$$\frac{\text{Sovereign Bond Investment}}{\text{Gross General Debt}} \times \text{Country Emissions}$$

(*2) The GHG emissions of each country include emissions from direct exports, emissions from indirect exports, emissions from direct imports, and emissions from indirect imports, in addition to emissions from domestic consumption.

(Source) ©2023, S&P Truscot Limited, Japan Post Insurance

Weighted average carbon intensity of sovereign bond portfolio



(*1) The weighted average carbon intensity of government bond portfolios is calculated by multiplying the carbon intensity of each country by the ratio of holdings in the portfolio and adding them together.

Weighted average carbon intensity of government bond portfolio=

$$\sum_i \left(\frac{\text{Sovereign Bond Investment}_i}{\text{Sovereign bonds Portfolio}} \times \frac{\text{Country Emissions}_i}{\text{real GDP}_i} \right)$$

* i denotes each country in the portfolio

(*2) The GHG emissions include emissions from direct exports, emissions from indirect exports, emissions from direct imports, and emissions from indirect imports, in addition to emissions from domestic consumption.

(Source) ©2023, S&P Trucost Limited, Japan Post Insurance

Environment

Initiatives for Climate Change

Targets for an Asset Owner

1. GHG emissions reduction targets for our investment portfolio

As an asset owner, we have set targets for the GHG emissions from our investment portfolio, aiming for carbon neutrality by 2050, and working toward a 50% reduction in greenhouse gas emissions from FY2020 levels by FY2029 (March 31, 2030), as an interim target. By reflecting the various factors of our climate change response aimed at achieving these targets in our investment strategy, we aim to realize a carbon-neutral society and enhance our medium-and long-term asset management results.

Type of emission	Category	Reduction targets	
		Interim target	2050
Emissions from our investment portfolio(*1)	Scope3 Category 15	50% reduction in greenhouse gas emissions from FY2020 levels by the end of FY2029 (*2)	Net zero

(*1) Total emissions of Scope 1 and Scope 2 from investee companies (domestic and foreign listed equities and corporate bonds including corporate loans) after calculating by the ratio of our holdings.

(*2) We aim for a 50% reduction, measured as of March 31, 2030, compared to GHG emissions from our investment portfolio as measured on March 31, 2021.

2. Targets related to renewable energy

As a KPI for the period of our Medium-Term Management Plan (FY2021–FY2025), we aim to achieve a total power output of 1.5 million kW from the renewable energy facilities that we lend money to and invest in (limited to the power output from the renewable energy facilities that we lend money to and invest in, after calculating our holdings). As of March 31, 2023, this figure stood at 981,000 kW.

Environment

Initiatives for Biodiversity Conservation

Together with climate change, the protection of the natural environment and the ecosystems that support it is a critical issue of global importance. Having established "contribution to environmental protection" as one of our Social Challenges (Materiality) to Address with Priority, we are engaging in the following initiatives to fulfill both the SDGs and our own sustainable growth.

Initiatives for the Taskforce on Nature-related Financial Disclosures (TNFD) Recommendations

The TNFD is an international initiative to develop a framework for the appropriate evaluation and disclosure of business risks and opportunities related to natural capital. Its final recommendations were published in September 2023. We support the philosophy of TNFD and joined the TNFD Forum in June 2023 to support its activities. In accordance with the framework of the TNFD recommendations, we will continue to analyze and disclose information on natural capital and biodiversity.

Initiatives as an Operating Company

In order to protect biodiversity and conserve the global environment, we are working to reduce the amount of plastic and paper we use, take an environmentally-conscious approach to printed materials, and carry out cleanup activities at the local communities at each of our bases. In addition, we support afforestation and other activities through our donations to environmental conservation organizations. We will continue to make considerations for the environmental impact in our corporate activities as we strive to achieve sustainable growth for our Company and the establishment of a sustainable society.

▶ P14 Environmental Considerations with Corporate Activities

Initiatives as an Institutional Investor

Nature-related risks and opportunities in investment activities

As an institutional investor, we have a hand in the activities of our portfolio companies, including when these activities relate to the natural world. Our investment and loan portfolio can therefore be considered to have the following nature-related risks and opportunities.

Nature-related risks and opportunities in investment and financing activities

Type	Our Recognition
Physical Risks	Increased costs for portfolio companies due to the decline, deterioration, and depletion of natural assets and ecosystem services on which portfolio companies depend, such as water resources, and loss of value of portfolio assets due to production disruptions
Physical Risks	Increased costs for portfolio companies due to stricter environmental protection laws and social demands, litigation risk, and loss of value of investment assets due to increased reputational risk
Opportunities	Increase in the value of portfolio companies and expansion of investment and financing opportunities due to the need for environmentally protective technologies and alternative products and services with a smaller environmental impact

Environment

Initiatives for Biodiversity Conservation

Major nature-related dependencies and impacts of our equity and bond portfolios

One of the great issues facing the analysis of nature-related risk in portfolios is that, generally speaking, the data, methods, and tools are still in the development stage. As a first step in addressing this challenge, we have used ENCORE (*) (a tool developed by the Natural Capital Finance Alliance to analyze nature-related risks) in an attempt to analyze which natural environments our equity and corporate bond portfolios have particularly strong dependencies and influences on. The results showed that our equity and bond portfolio is strongly dependent on nature, mainly in relation to water resources and wind and flood control. It also has the potential to have a strong impact on the natural environment, mainly in relation to water use and land use.

(*)Natural Capital Finance Alliance (Global Canopy, UNEP FI, and UNEP-WCMC) (2022).
ENCORE: Exploring Natural Capital Opportunities, Risks and Exposure. [On-line], [11/2022], Cambridge, UK: the Natural Capital Finance Alliance. Available at: https://encore.naturalcapital.finance
DOI: https://doi.org/10.34892/dz3x-y059

Major nature-related dependencies and impacts of our equity and bond portfolios

	The major dependencies and impacts of our equity and bond portfolio on nature and our investments in related business categories	Examples of related business categories
Evaluation of dependencies Very High	Wind and flood control 15.4%	Electricity, telecommunications, etc.
	Surface water (rivers, etc.) 13.6%	Electricity, food, beverages, etc.
	Climate adjustments 10.6%	Electricity, etc.
Evaluation of impacts Very High	Impact of land use 16.7%	Electricity, integrated oil and gas, construction, real estate, etc.
	Impact of water use 15.9%	Electricity, integrated oil and gas, building materials, chemicals, etc.
	Impacts on freshwater ecosystems 11.5%	Electricity, integrated oil and gas

Calculation method: Based on ENCORE's evaluation of the dependencies and impacts of various business categories on nature, we calculated the investment ratio by summing up the investment ratio in business categories rated as "Very High" for each factor.

In terms of the dependencies, our exposure to wind and flood control is significant, with electricity and telecommunications (power and telecommunications infrastructure preservation and mitigation) being the relevant business categories. On the other hand, in terms of impacts, our exposure to land use is significant, with electricity (dam facilities), integrated oil and gas (pipelines), construction, and real estate (infrastructure construction and development) being the relevant business categories. In the future, we plan to analyze and disclose the risks and opportunities of our portfolio with respect to nature in terms of the TNFD framework. In addition, based on the results of our analysis and demands from society, we will incorporate nature-related issues into our investment decisions, engage appropriately with portfolio companies on nature-related topics, and make investments that contribute to the maintenance and improvement of the natural environment.

Environment

Initiatives for Biodiversity Conservation

Investment Examples

Investment in Blue Bonds issued by the Republic of Indonesia

We invested in Blue Bonds(*) issued by the Republic of Indonesia, the world's largest island nation.

The funds raised through this bond issue will be used for projects that contribute to the development of the blue economy as defined in the SDGs Government Securities Framework developed by the Government of Indonesia.

(*) Bonds whose use of funds is limited to projects related to the water environment, such as improvement and conservation of the marine environment, sustainable fishing, and prevention of marine pollution.

Human Rights

Policy

The Company's human rights policy states that we do not tolerate discrimination of any kind based on race, color, gender, sexual orientation, gender identity, language, religion, politics or creed, nationality or social origin, poverty or wealth, birth, disability, etc. In addition to the executives and employees of the Company, the policy expects all stakeholders, including customers, suppliers, and investees, to respect human rights.

Japan Post Insurance Human Rights Policy

1. Commitment to Respect Human Rights
   Working to realize our management philosophy to "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," Japan Post Insurance Co., Ltd. (hereinafter referred to as "the Company") recognizes that the respect for human rights is an important social responsibility and respects the human rights of all individuals, including its executives and employees, customers, and business partners. By promoting human rights initiatives through the business and social activities of the Company and Japan Post Group, the Company will contribute to the realization of a society that is safe, secure, and enriched.
2. Respect for International Norms
   As a signatory company of the United Nations Global Compact, the Company complies with applicable laws in the areas where it operates its business, and upholds human rights by respecting the International Bill of Human Rights, the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights. In cases where national or regional laws and regulations conflict with internationally recognized norms of human rights, we will seek ways to respect the international human rights norms while also complying with the respective laws and regulations.
3. Scope of Our Policy
   This policy applies to executives and employees of the Company who will work to build stronger ties with our customers by engaging in all business activities with the customer's point of view in mind. The Company expects that all of its stakeholders, including customers, investees, and suppliers, will also respect human rights in the same manner based on this policy.
4. Human Rights Initiatives
   The Company does not discriminate based on race, color, gender, sexual orientation, gender identity, language, religion, politics, creed, nationality, ethnicity, age, social origin, poverty or wealth, birth, disability, etc. We also do not tolerate human rights abuses such as forced labor, child labor, and human trafficking. In addition to not being directly involved in any human rights violations, the Company also aims to avoid indirect human rights violations.
5. For Our Executives and Employees
   The Company respects the human rights of each of its executives and employees and ensures safe and comfortable working environments that are free from all forms of harassment such as sexual harassment, power harassment, and pregnancy harassment, as well as bullying and discriminatory language and behavior. We also respect freedom of association and the right to collective bargaining, and promote diversity and inclusion to provide each and every employee with equal and fair opportunities to work and personal development. In addition, we support our executives and employees in improving their physical and mental health so that they can work with vigor and vitality. When hiring new employees, we are committed to a fair selection process.
6. For Our Customers
   We will provide "safe and secure" financial services by preventing and mitigating negative human rights impacts in the provision of insurance products and services through the nationwide post office network and our digital services. Furthermore, we will strengthen the protection of privacy (information management) and reinforce the prevention of any involvement in money laundering. We also endeavor to improve the financial literacy of our customers and young persons so that they can use financial services appropriately.
7. For Our Investees
   From the perspective of fulfilling our social responsibility through investment and financing, we will respect human rights in our stewardship activities, including how we make decisions on investment and financing, and engage in dialogue with the companies we invest in and finance.
8. For Our Suppliers
   We request our suppliers to comply with guidelines and other rules that stipulate respect for human rights, and we promote efforts to address human rights issues throughout our supply chain.
9. For Regional Communities
   We strive to respect the human rights of all people in the communities affected by our business activities.
10. Human Rights Due Diligence and Consultation Desk
    We will appropriately carry out human rights due diligence in order to prevent and mitigate any negative impacts on human rights resulting from our business activities. In addition, we will continuously work to develop a system for receiving human rights-related inquiries from various stakeholders. If these efforts reveal any involvement on our part in negative impacts on human rights, we will respond appropriately.
11. Training and Awareness
    In order to fulfill our responsibility to respect human rights, we will promote and stimulate training and awareness-raising activities on human rights issues, including the Dowa issue (discrimination against Buraku people), so that each and every executive and employee can deepen their awareness and understanding of respect for human rights and strive to avoid or reduce negative impacts on human rights.
12. Information Disclosure
    We will publicize our initiatives to respect human rights on our website and in disclosure materials.
13. Governance
    In formulating this policy, the Company makes decisions based on the discussion at the Executive Committee while taking into account the opinions of its stakeholders. The status of initiatives based on this policy will be reported to the Executive Committee and the Board of Directors. The content of the policy will be reviewed as needed in light of changes in the business environment and dialogue with stakeholders.

August 25, 2023
TANIGAKI Kunio
Director and President, CEO, Representative Executive Officer
Japan Post Insurance Co., Ltd.

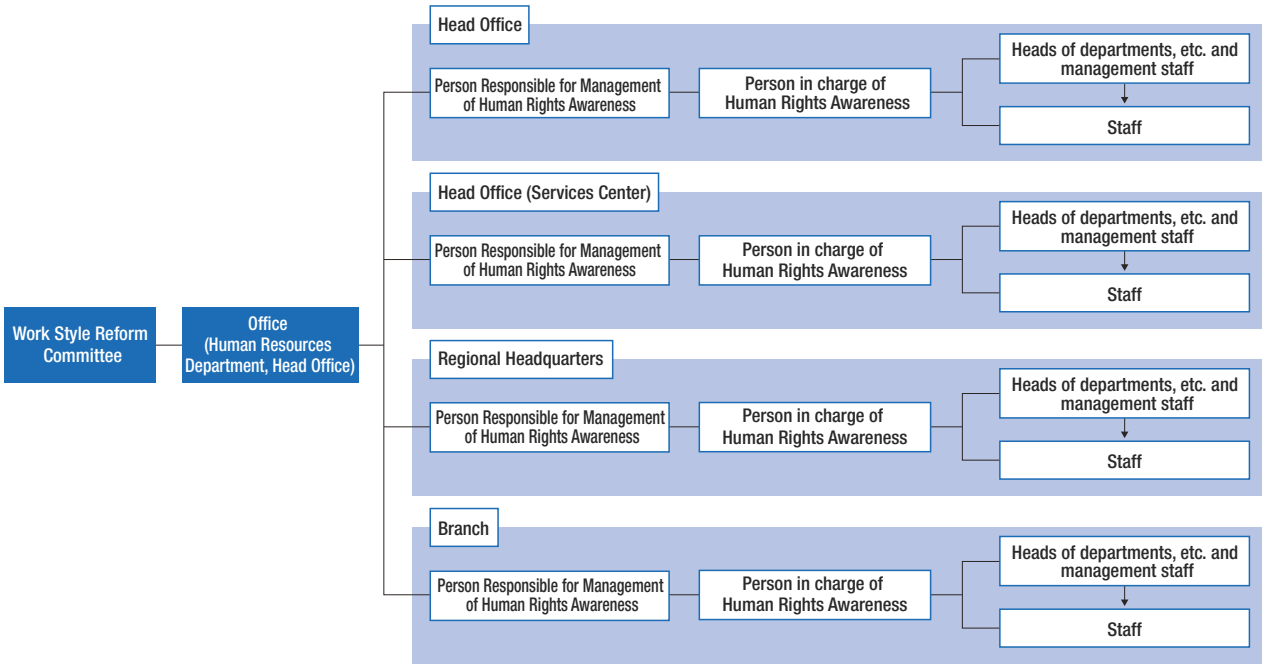
Social

Human Rights

Promotion System for Human Rights Awareness

We have set up the "Work Style Reform Committee," chaired by the Executive Officer responsible for the Human Resources Department, for ways to promote human rights awareness in the Company, etc. as one of its major roles.

In addition, the "person responsible for management of human rights awareness" and "person in charge of human rights awareness" of each organization promote human rights initiatives, responding to problems related to human rights, and taking other actions.



Human Rights Due Diligence

We have initiated human rights due diligence initiatives based on the United Nations Guiding Principles on Business and Human Rights, among others.

This is an ongoing process to prevent and mitigate negative impacts on human rights in our corporate activities. We will strive to achieve respect for human rights and sustainable business by implementing this process on a regular basis, taking into account the opinions of outside experts.

Human Rights

Identifying and Assessing Negative Impacts on Human Rights

We identify risks of negative human rights impacts that could occur not only on our officers and employees, but also on our customers, suppliers, and investees.

Stakeholders	Examples of potentially serious issues
Employees	Harassment, gender discrimination and violations of women's rights, inadequate working conditions and environment, violations of freedom of association, violations of privacy
Customers	Violations of consumer safety and right to know, mishandling of personal information
Suppliers	Child labor, forced labor, human trafficking, inadequate working conditions and environment
Investees	Child labor, forced labor, human trafficking, inadequate working conditions and environment, violations of the rights of local ethnic groups and indigenous peoples

(*1) We recognize that the prohibition of discrimination is an important issue for all stakeholders.
(*2) The table above gives examples of issues that we will continue to identify through our human rights due diligence efforts.

Stopping, preventing, and mitigating negative impacts

We are undertaking various initiatives to mitigate negative impacts related to human rights.

Employees

● Training to raise awareness of human rights and prevent harassment, etc. (P40)

In addition to various level-specific training programs for officers, executives, all managers, and new employees, we also provide video training for all employees, e-learning training, study sessions at workplaces, and training for harassment counselors to improve their consultation response skills.

● Initiatives to promote diversity (P51)

Customers

● Privacy protection (information management) (P106)

We have established a fundamental policy for protecting personal information (Japan Post Insurance Privacy Policy), and are committed to the appropriate protection and handling of personal information.

● Handling of policy procedures, etc. (P79)

To ensure that people with disabilities and others can complete procedures with ease, we provide braille, substitute reading, and written communication services.

Suppliers

● Supply chain management (P82)

We have formulated the "Japan Post Group CSR Procurement Guidelines," which include contents such as respect for human rights and occupational health and safety, and have informed our suppliers of the specific initiatives we require of them. We are also working to strengthen our supply chain management by including sustainability clauses on human rights, labor conditions, environmental protection, etc. in our contracts with suppliers.

● Questionnaires for suppliers

We have conducted a questionnaire survey of some of our suppliers, asking them to answer questions about the status of their efforts to respect human rights and encourage them to promote various initiatives.

Investees

● Investments and loans with respect for human rights

As a responsible institutional investor, we promote initiatives that take human rights into consideration when making investment decisions and in dialogue with investee companies.

We also endorse Advance, a collaborative stewardship initiative established by the PRI for institutional investors to act on human rights and social issues (*). As a responsible institutional investor, we will continue to consider human rights in our investment decisions and stewardship activities, with the goal of promoting positive impacts on human rights and social issues.

(*)The Japan Post Insurance Co., Ltd. is an endorser of Advance and does not participate in any engagement activities within Advance.

Human Rights

Human Rights Awareness Training

We help to raise awareness of human rights in various ways, such as training by job level for officers, executive employees, administrators, new employees, etc. as well as DVD training, e-learning, workshops in the workplace, etc. for all employees.

Training name	Period	Target	Content
Human rights awareness training through DVDs for each workplace	All year	All employees	Conducted human rights awareness training via DVD to raise employee awareness of human rights
Human rights awareness training for each workplace	(1) August to September (2) November to February	All employees	Conducted human rights awareness training using training materials to raise employee awareness of human rights
E-learning training on harassment	July	All employees	Conducted e-learning program to prohibit harassment as part of compliance training
Human rights awareness training for all managers	January	All managers	Conducted training for all managers to raise awareness of human rights and prohibit harassment
Executive level human rights awareness training	January	Executives and career employees	Conducted training to raise awareness of human rights among executives and career employees

Human Rights Awareness Slogans

Every year, we invite employees and their families to come up with human rights awareness slogans and make the best entries into posters to be displayed in all workplaces.

Anti-harassment posters and human rights awareness slogan posters displayed in all workplaces

Conducting Human Rights Checks

When creating external documents, advertisements, internal employee documents, etc., the checklist includes checking for problems in terms of respect for human rights. In addition, when necessary, our department specializing in human rights verifies to ensure that no expressions are included that may be perceived as discriminatory or offensive.

Human Rights

Initiatives to Eliminate of Harassment

We believe that harassment in the workplace is a problem related to human rights and not only deeply impacts the dignity of individuals and causes irreparable damage to victims, but also negatively affects the people nearby and prevents all employees working in the same workplace from making full use of their abilities. We have stipulated "Prohibition of harassment" such as sexual harassment, power harassment and maternity harassment in the rules of employment and raise awareness through education as well as training to prevent harassment. In addition, we have set up a consultation desk to enable victims to consult us with a sense of security.

If we can establish that laws, regulations, or internal rules have been violated, then the perpetrator will be subject to disciplinary action, including punitive dismissal, in accordance with disciplinary rules, etc. Perpetrators will be dealt with strictly, and efforts will be made to prevent a recurrence.

[For reference]

Japan Post Group	FY2019	FY2020	FY2021	FY2022
Cases of harassment(*1)	118	134	88	108(*2)

*1 Number of disciplinary actions undertaken in response to harassment
*2 The incidence rate for all employees of the Japan Post Group (approximately 370,000 people) is approximately 0.03%.
(*) (Scope of aggregation) Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., Japan Post Insurance Co., Ltd.

Relief Measures

Human Rights Consultation Desk

We have established a consultation desk for harassment and other human rights issues in the workplace. Consultants respect the privacy, honor, and other human rights of the people concerned, strictly maintain confidentiality of any information they learn, and give priority to the wishes of the people consulted. In addition, no disadvantageous treatment will be given to any person for consultation or cooperation.

(1) Human rights consultation desk in the workplace
We assign human rights counselors to each workplace and post their names.

▶ P98 Whistleblowing and Consultation System

(2) External consultation desk
We provide counseling services by outside specialists for employees with various problems.

<Main target of consultation>
・Sexual harassment, power harassment, maternity harassment, consultation on human rights other than harassment

Human Rights

Other Consultation Desks

In addition to the human rights consultation desk available, we have established the following consultation desks to provide employees with advice on the workplace environment and work-related issues.

- Whistleblowing Contact Points
- Contact for reporting improper financial product sales
- Direct Suggestions to the President of Japan Post Group
- Direct Suggestions to the President of Japan Post Insurance
- Working hours consultation office
- Kampo women consultation service
- Gender Identity consultation service
- Consultation service for employees with fixed term jobs, etc.
- Consultation service for handling health information, etc.
- Mental and Physical Health Consultation Desk
- Japan Post Insurance total counseling program
- Multiple debt consultation service

Human Capital Management

Our Vision

Our goal is to become a company trusted and chosen by our customers and to achieve sustainable growth by providing insurance services that impress customers. To this end, we believe it is essential to secure diverse human resources who can act independently and deliver high value-added results. In order to realize this vision, we have newly established the "Three Basic Principles of Human Capital Management" as our policy for developing human resources and improving the internal environment, to boost human capital management.

Three Basic Principles of Human Capital Management

The "Three Basic Principles of Human Capital Management" are linked to our management strategy, and we aim to realize our management strategy and increase our corporate value by promoting the following initiatives in line with this philosophy.

1 Establish a Corporate Culture in which Employees Act Independently

We will enact measures to stimulate communication between management and employees, deepening mutual understanding and strengthening management skills to encourage employees to take the initiative. Furthermore, we will support the career development of employees, thereby promoting their autonomous growth and increasing employee engagement.

- P45 Efforts to Improve Communication
- P46 Employee Satisfaction Survey (ES Survey)
- P46 Initiatives to Strengthen Management Capabilities
- P46 Support for Diverse Career Formation

Human Capital Management

2 Secure Human Resources in a Strategic Manner

As a tool to support the business expansion and transformation of each division from the organizational and human resource perspectives, we are developing a human resources portfolio that visualizes the quantity and quality of the human resources needed at present and in the future. This will enable us to identify the human resources required for each department and organization, and to strategically secure human resources through recruitment, placement of the right person in the right position, and training based on this understanding.

▶ P48 Development of Human Resource Portfolio
▶ P48 Human Resources Development
▶ P49 Next Generation Leader Development Program

3 Promote the Active Participation of Diverse Human Resources and Flexible Work Style

We are committed to creating a diverse and vibrant organization, respecting the human rights of all people involved in our business activities, ensuring a safe and comfortable work environment, and creating a rich workplace where individual employees can exercise their independence and creativity.

▶ P51 Promoting Diversity and Flexible Work Styles
▶ P62 Health and Safety/Health Management

Corporate Culture Reform / Career Development Support

Based on "1. Establish a corporate culture in which employees act independently" of our "Three Basic Principles of Human Capital Management", we will enact measures to stimulate communication between management and employees, deepening mutual understanding and strengthening management skills to encourage employees to take the initiative. Furthermore, we will supportthe career development of employees, thereby promoting their autonomous growth and increasing employee engagement.

<Three Basic Principles of Human Capital Management>

1. **Establish a corporate culture in which employees act independently**
2. Secure human resources in a strategic manner
3. Promote the active participation of diverse human resources and flexible work styles

Efforts to Improve Communication

To strengthen coordination between the head office and the front lines, as well as information communicated from management, we implement communication measures, such as the introduction of "Direct Suggestions to the President of Japan Post Insurance" for employees to directly present opinions and proposals to the President, periodic distribution of messages from the President to all employees, and opinion exchange meetings between officers and employees. We will continue these communication programs, strengthen collaboration not only between the head office and front-line personnel but also with organizations and departments, and aim to become a company that strives to respond to customers' expectations with company-wide togetherness.

Direct Suggestions to the President of Japan Post Insurance

As with feedback from customers, management and related departments focus on the effectiveness and feasibility of implementing opinions and proposals received from employees through "Direct Suggestions to the President of Japan Post Insurance" to improve operations. In addition, they function to detect risks.

<Concrete Examples of Improvements>

- Improve coverage in the "Notice of Policy Details" sent to policyholders once a year
- Prepare leaflets with concrete examples related to deductions for life insurance premiums

Front-line Meetings

To revitalize communication between management and employees, we conduct discussions between management and employees (front-line meetings).

President's Message

Since FY2020, we have published President's Message twice monthly on our portal site. This message is an opportunity for President to speak frankly to employees. Our president holds a dialogue with executives and employees related to each topic, such as corporate culture reform and Medium-Term Management Plan, and then conveys his frank thoughts on the topic to all employees.

Small Meetings for Addressing Sustainability

To encourage understanding of sustainability, we hold regular meetings at the workplace level to exchange opinions about sustainability. In principle, these meetings consist of small groups to foster an environment in which every person can express his or her ideas freely.

Corporate Culture Reform/Career Development Support

Employee Satisfaction Survey (ES Survey)

We conduct employee satisfaction survey (ES survey) annually to clarify "images of the ideal company and workplace for employees," to identify the issues and problems of each base and make continual improvements.

▶ **P150 Results of the ES Survey (ESG Data)**

Initiatives to Strengthen Management Capabilities

For our reconstruction and sustainable growth, all employees must fulfill their roles to the maximum extent. In particular, managers, who are the core of each organization, must perform operations and fulfill their duties from the viewpoint of management beyond the boundaries of the benefits of their own organizations, as well as construct an environment where their subordinates can exercise their capabilities to the maximum level. For that purpose, we will aim to transform the behavior of managers by more clearly showing the image of managers we desire and then evaluating not only their performance but also their everyday behavior in the conduct of duties.

<Key initiatives>

- Clarification of the image of human resources to be sought when appointing managers
- Implementation of management training for managers
- Improving management methods through the introduction of coaching training

Support for Diverse Career Formation

Career Challenge System

Our career challenge system enables employees to take on new work challenges, such as gaining experience in different roles or environments, in order to promote mutual understanding between organizations through autonomous growth, the development of diverse work styles, and the stimulation of personnel exchanges.

Employees can select the position they would like to challenge themselves with from a list of available positions.

Course Change System

In addition to offering the opportunity to try different work areas, we also offer employees the possibility of changing courses to one with shorter working hours to provide a comfortable work environment that meets the diverse needs of each and every employee.

Employees may request a change of course to meet their diverse needs.

Career Design Guidebook

To support the autonomous growth of employees and support diverse work styles, we publish the "Career Design Guidebook," which provides information on the company's approach to human resources and careers, as well as the available career development schemes.

Corporate Culture Reform/Career Development Support

Role Models

We produce and distribute in-house newsletters and videos that describe the working styles of a broad selection of our employees and their thoughts on their future careers.

▶ **talentbook (in Japanese)**

https://www.talent-book.jp/jp-life

In addition, we publish the stories of model employees in our talentbook.

Securing and Developing Human Resources

Based on "2. Secure human resources in a strategic manner" of our "Three Basic Principles of Human Capital Management", as a tool to support the business expansion and transformation of each division from the organizational and human resource perspectives, we are developing a human resources portfolio that visualizes the quantity and quality of the human resources needed at present and in the future. This will enable us to identify the human resources required for each department and organization, and to strategically secure human resources through recruitment, placement of the right person in the right position, and training based on this understanding.

<Three Basic Principles of Human Capital Management>

1. Establish a corporate culture in which employees act independently
2. **Secure human resources in a strategic manner**
3. Promote the active participation of diverse human resources and flexible work styles

Development of Human Resource Portfolio

To support the business expansion and transformation of each division from human resource perspectives, we visualize the quantity and quality of human resources needed at present and in the future, identify areas of focus for strengthening and the types of human resources needed in the future, and strategically implement recruitment, placement of the right people in the right positions, and training based on gaps between the current situation and the future.

Recruitment

We actively recruit the following specialized personnel.

- New graduate hires: Actuaries, professionals in the asset management, IT and digital areas
- Hiring of experienced personnel: External specialists who can make an immediate impact in areas such as asset management, sales, IT/digital, etc.

Deployment

As a result of transforming our business model through means such as streamlining back-office operations, including document screening and data entry of billing details at branches and service centers, we will appropriately reskill them and gradually shift them to divisions that handle customer service.

Human Resources Development

Our aim is to create an environment where every employee can make full use of his or her capabilities in order to offer customers superior services and to enhance corporate value. Our "Human Resources Development Basic Policies" emphasize development of people who put the customer first. We are vigorously supporting our employees so that they are motivated to grow together with the Company with job satisfaction, while always being mindful of corporate social responsibility.

Human Resources Development Basic Policies / System

In order to motivate each and every employee for personal development and foster them to become human resources capable of taking action expressing the four orientations (*1) based on the customer-first concept while implementing the PDCA cycle on a daily basis, we have a system in which OJT (*2), support for self-development and Off-JT (*3) are linked under the "Human Resources Development Basic Policies".

(*1)"Four orientations" refer to "Ownership oriented," "Challenge oriented," "Speed oriented," and "Customer oriented," which are listed as elements of our desired image of human resources.
(*2)OJT: On-the-job training. OJT is personalized training. A superior provides the knowledge and skill set his/her subordinates need in order to do the job in the course of the daily performance of tasks.
(*3)Off-JT: Off-the-job training. For off-JT, away from daily tasks, personnel participate in a training program, etc. conducted by the in-house human resources development section or an external training institution and acquire the knowledge and skill set required for doing the job.

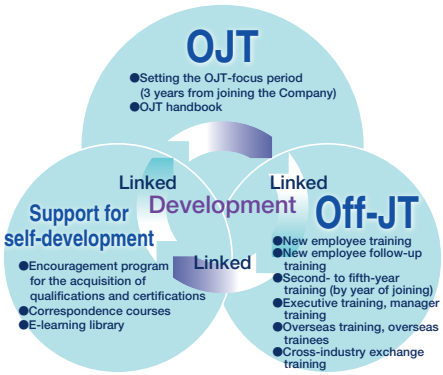
Social

Securing and Developing Human Resources

Human Resources Development Basic Policies

- We shall cultivate human resources who have self-awareness of corporate social responsibility and who place the customer first.
- We shall cultivate human resources who have expert capabilities and a well-rounded character.
- We shall cultivate human resources who are imbued with a spirit of challenge for addressing new issues and who have the ability to get things done.

Human Resources Development System



Capacity Building Training

In addition to training by job level according to employees' positions, such as training for new employees, we also make voluntary training programs available in order to develop their capabilities. We also provide programs to support employees' self-development, including a program encouraging employees to acquire qualifications and certifications.

Through the linkage of these programs with practical training at each workplace, we promote effective human resources development so that "all employees can develop their talents and work with energy and vitality."

Next Generation Leader Development Program

We implement employee training tailored to each level, with an eye to the future by establishing a next-generation leader development program for the purpose of strategically developing employees in the context of a long-term plan to continuously produce management leaders who will support the Company's growth.

Overview of the Next Generation Leader Development Program

Digital Transformation (DX) Training

We conduct digital transformation (DX) training to develop personnel who can leverage DX to create new businesses and improve services and operations.

Indicators and Targets	Achievements
Rate of participation in (introductory) DX training: 100% (FY2025)	95.6% (FY2022)

(*)Target = head office employees (excluding organizations affiliated with the head office, such as service centers)

Securing and Developing Human Resources

Human Resource Development in the Digital Field

In order to systematically develop human resources in the digital field, we have implemented a separate development curriculum for each type of human resource.

- Prepare training lineup that is unique and tailored to our business operations, while utilizing the common training programs of the Japan Post Group
- Establish an environment in which employees can learn necessary skills and knowledge by pairing them with experienced employees, incorporating knowledge from outside the Company, and providing on-the-job training (OJT) in the course of actual work.
- In the future, we will build a framework for continuously producing digital human resources and accelerate the promotion of digital transformation

Encouragement Program for the Acquisition of Qualifications and Certifications

This system provides incentives according to qualifications to employees who have acquired qualifications set by the company.

Correspondence Courses

This system subsidizes half of the course fee (no upper limit) for employees who meet certain conditions such as completing the course. We offer about 200 types of correspondence courses.

Implementation of Overseas Training

We offer overseas training programs to develop human resources who can contribute to the future management of the company by participating in MBA programs at graduate schools in the U.S. or the U.K. to acquire management knowledge and an international perspective. We also dispatch mid- to short-term trainees to investment management companies, mainly in the U.S., for the purpose of developing specialized investment management personnel.

▶ P150 Capacity Development and Education (ESG data)

Personnel Evaluation System

With the functions of “achieving management objectives,” “developing human resources,” and “ensuring that results are reflected in compensation,” personnel evaluation systems play a crucial role in corporate management. We are thus working to develop a “personnel evaluation system that develops human resources.” It would enable employees to not only recognize their own strengths and weaknesses, but also to improve them.

By linking personnel evaluation criteria with the Management Policy and by holding department-wide human resource development meetings (*1), we ensure the validity and objectivity of personnel evaluation goals, evaluation results (*2), and development policies, etc., so that we can address employee growth and development as an organization.

We also believe that in order for the personnel evaluation system to function properly, it is extremely important to have dialogue and communication with each employee as a normal part of everyday work. We encourage managers to engage in dialogue and communication with employees on a regular basis with a view to developing the employees, and not only at mid-term dialogues and personnel evaluation feedback sessions.

(*1) Meetings in which the organization discusses the setting of goals for each employee in personnel evaluations, the appropriateness of evaluation results, and employee development policies, with the aim of developing employees throughout the organization.

(*2) In our personnel evaluation system, employees work with their evaluator at the beginning of the fiscal year to set evaluation goals and then hold regular dialogues afterward. After the end of the fiscal year, employees give a self-assessment of their goals, and the evaluator also makes an assessment. The evaluation results are then shared with the employee as feedback.

Social

Promoting Diversity and Flexible Work Styles

Based on "3. Promote the active participation of diverse human resources and flexible work styles" of our "Three Basic Principles of Human Capital Management", we are committed to creating a diverse and vibrant organization, respecting the human rights of all people involved in our business activities, ensuring a safe and comfortable work environment, and creating a rich workplace where individual employees can exercise their independence and creativity.

<Three Basic Principles of Human Capital Management>

1. Establish a corporate culture in which employees act independently
2. Secure human resources in a strategic manner
3. **Promote the active participation of diverse human resources and flexible work styles**

Promoting Expanding Roles of Female Employees

The company will support more female employees so that they can be active in various workplaces and positions.

Appointment of Female Managers

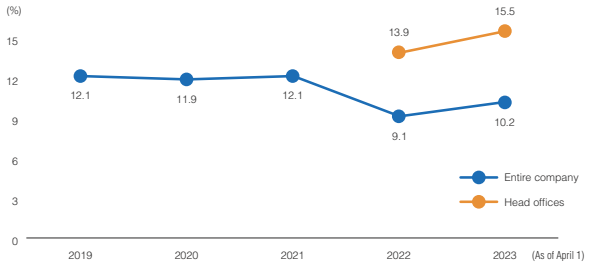
Our goal is to increase the ratio of female managers at the head offices to 30% or more by April 1, 2031.

We will work to support career development both inside and outside the head office.

▶ **Our Plan of Action for General Employers based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace**
https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/diversity_01.pdf

▶ **P147 Ratio of female managers (ESG data)**

■ **Ratio of female managers**



* FY2022 fell significantly in comparison to FY2021 due to the increase in the number of employees assigned to Japan Post Insurance from Japan Post Co., Ltd. in conjunction with the shift to the new Japan Post Insurance sales system. Partial amendments have been made to the calculation procedures from FY2023 (excluding for the employees assigned from other companies).

Initiatives to raise employee awareness

[Information about Role Models]
To encourage employees to think about their own careers, we have introduced various career plans and employee ideas in the company internal newsletter.
We also have a Talentbook that introduces the stories of our employees who are active in the Company.

▶ **Talentbook (in Japanese)**
https://www.talent-book.jp/jp-life

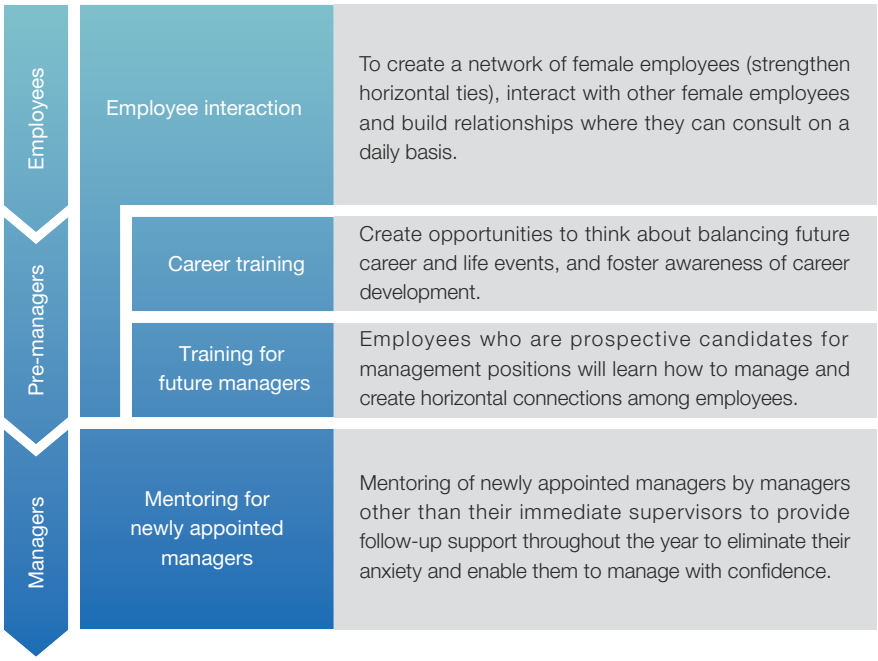
[Understanding Unconscious Bias]
We conduct Unconscious Bias seminars to help employees understand their own unconscious tendencies to prejudge and prejudice. We believe that understanding our own tendencies will help us to accept diverse opinions and provide an opportunity to expand and develop the range of our thinking.

[Survey for all employees on their willingness to be promoted]
We conduct the survey for all employees regarding their willingness to be promoted. Based on the results of the survey, we are implementing measures to resolve the issue.

Promoting Diversity and Flexible Work Styles

Employee Development and Networking for Female Employees

We are working on systematic and continuous development of female employees by providing opportunities for employee interaction and training for pre-managers.



External Activities

"Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine"

Japan Post Insurance has endorsed the "Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine,"which is supported by the Gender Equality Bureau, Cabinet Office, and takes part in the General Meeting.

▶ **Endorsement of the "Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine", Gender Equality Bureau, Cabinet Office (in Japanese)**
https://www.jp-life.japanpost.jp/information/press/2021/abt_prs_id001743.html

(Reference) A group of male leaders who will create "A Society in which Women Shine"

On March 28, 2014, a kick off meeting to create "a society in which women shine" was held at the office of the Prime Minister in order to create a nationwide movement to support women who will and do shine in various fields. In succession to this, male leaders who have already been involved in promoting an active role of women in their own organization were invited to discuss the role of male leaders in Japan and "Declaration on Action" by a group of male leaders who will create "A society in which Women Shine" was announced.

▶ **"Declaration on Action" by a group of male leaders who will create "A Society in which Women Shine"**
https://www.gender.go.jp/english_contents/mge/declaration/pdf/declaration.pdf

Social

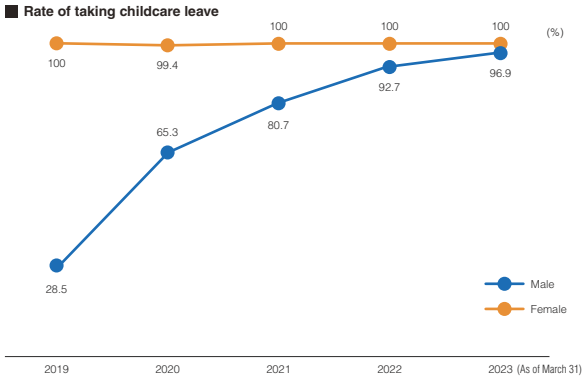
Promoting Diversity and Flexible Work Styles

Support for Balancing Work with Childcare and Nursing Care

Our goal is to increase the percentage of both male and female employees taking childcare leave to 100% by March 31, 2024.

To support employees who are engaged in childcare and nursing care while working, we are engaged in setting up and improving systems, introducing e-learning, providing online seminars, and cooperation with company-led childcare facilities, among other initiatives. In addition, we have been promoting flexible work styles by introducing remote working since the fiscal year ended March 31, 2021.

We received "Platinum Kurumin" certification from the Ministry of Health, Labour and Welfare in recognition of these initiatives in the fiscal year ended March 31, 2019.



Childcare-related Systems

Acquisition Period	Program name
In case of pregnancy	Measures to ease commuting
	Exemption from work for rest and predation while on duty
	Exemption from work for health guidance and health checkups
	Administrative conversion measures, reduction of administrative work, and reduction of working hours
Pre-birth	Maternity leave
	Exemption from work for health guidance and health checkups
	Administrative diversion measures, reduction of administrative work, reduction of working hours
After childbirth	Postpartum maternity leave
	Childcare leave
After return-to-work	Nursing time
	Partial childcare leave
	Child nursing care leave
	Exemption from overtime work, etc., and restrictions on overtime and late-night work
	Services to support childcare (various subsidies)
	Change of course for short-time worker course

Promoting Diversity and Flexible Work Styles

Support for Balancing Work and Childcare

Measure	Programs of the Japan Post Group					
	Regular employees		Rehired elderly employees		Associate employees Fixed-term employees	
	Time	Wages	Time	Wages	Time	Wages
Childcare leave	Until the child is 3	No(※)	Until the child is 3	No(※)	Associate employees: until the child is 3 Fixed-term employees: until the child is 1	No
Partial childcare leave	Until the end of the fiscal year in which the child reaches the age of 9	No	Until the end of the fiscal year in which the child reaches the age of 9	No	Until the end of the fiscal year in which the child reaches the age of 9	No
Time for childcare	2x per day, 45 min. each	Yes	2x per day, 45 min. each	Yes	2x per day, 30 min. each	No
Sick/injured childcare leave	Up to 5 days (10 days if 2 or more children)	Yes	Up to 5 days (10 days if 2 or more children)	Yes	Up to 5 days (10 days if 2 or more children)	No
Exemption from overtime work or work during weekly days off	Until child(ren) start(s) elementary school	-	Until child(ren) start(s) elementary school	-	Until child(ren) start(s) elementary school	-
Restrictions to overtime work	Within 24 hours per month Within 150 hours per year	-	Within 24 hours per month Within 150 hours per year	-	Within 24 hours per month Within 150 hours per year	-
Exemption from late-night work, etc.	Until child(ren) start(s) elementary school	-	Until child(ren) start(s) elementary school	-	Until child(ren) start(s) elementary school	-
Change to work schedule with shorter working hours	Available	-	-	-	-	-
Rehiring of retired employees	Available	-	-	-	-	-

(※) The first three days of childcare leave will be paid, up to the day following eight weeks calculated from the date of the child's birth or the expected date of the child's birth, whichever is later.

(*) The table above presupposes that employees work 8 hours per day.

Promoting Diversity and Flexible Work Styles

On-site Daycare Center

In April 2019, the Japan Post Group opened an on-site daycare center, Yutemachi Nursery, in the Otemachi Head Office building.

Promotion of Childcare Leave

From May 2023, we have made it mandatory for employees to take paid childcare leave.
(Employees who have not taken leave before or after childbirth must take the first three days of childcare leave (paid) within eight weeks and one day from the date on which the child is born or the expected date of childbirth, whichever comes later.)

Promotion of Male Participation in Childcare

We encourage employees who are expecting a child to take childcare leave. In addition, we encourage employees to participate in childcare by using the *Childcare Leave Guidebook for Dads*.

Nursing Care Related Systems

Program name
Nursing care leave
Partial nursing care leave
Exemption from overtime work, etc., and restrictions on overtime and late-night work
Services to support care
Change of course to shorter working hours course

Promoting Diversity and Flexible Work Styles

Support for Balancing Work and Nursing Care

Measure	Programs of the Japan Post Group					
	Regular employees		Rehired elderly employees		Associate employees Fixed-term employees	
	Time	Wages	Time	Wages	Time	Wages
Nursing care leave	183 days in total (continuous or intermittent)	No	183 days in total (continuous or intermittent)	No	Associate employees: 183 days in total Fixed-term employees: 93 days in total (continuous or intermittent)	No
Partial nursing care leave	3 years (continuous or intermittent)	No	3 years (continuous or intermittent)	No	3 years (continuous or intermittent)	No
Days off for nursing care	Up to 5 days (10 days if caring for 2 or more people)	No	Up to 5 days (10 days if caring for 2 or more people)	No	Up to 5 days (10 days if caring for 2 or more people)	No
Exemption from overtime work or work during weekly days off	While caring for a family member who requires nursing care	-	While caring for a family member who requires nursing care	-	While caring for a family member who requires nursing care	-
Restrictions to overtime work	Within 24 hours per month Within 150 hours per year	-	Within 24 hours per month Within 150 hours per year	-	Within 24 hours per month Within 150 hours per year	-
Exemption from late-night work	While caring for a family member who requires nursing care	-	While caring for a family member who requires nursing care	-	While caring for a family member who requires nursing care	-
Change to work schedule with shorter working hours	Available	-	-	-	-	-
Rehiring of retired employees	Available	-	-	-	-	-

(*) The table above presupposes that employees work 8 hours per day.

Training and Seminars

[Seminars on childcare]

In order to facilitate a smooth return-to-work, we hold seminars for employees who are raising children, in which couples can participate.

[Seminars on nursing care]

We hold group companies joint seminars to help employees balance work and nursing care in case their subordinates or themselves are facing nursing care or will need nursing care in the future.

We also hold seminars for managers on how to talk to and respond to their subordinates so that they can balance work and nursing care, as well as on understanding internal and external systems for nursing care.

In addition to this, an e-learning environment has been created to allow for self-improvement during childcare or nursing care leave.

Social

Promoting Diversity and Flexible Work Styles

Work-Life Balance Guidebook

We post the Work-Life Balance Guidebook, which describes various support systems for childcare and nursing care, on the company portal site. We have also established the Work-Life Balance Information Website to provide a place for Group employees to exchange information.

▶ **Our Plan of Action for General Employers based on the Act on Advancement of Measures to Support Raising Next-Generation Children**

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/diversity_02.pdf

External Evaluation and Support for Initiatives

External Evaluation

We have received Kurumin Certification from the Ministry of Health, Labour and Welfare since 2015, and acquired Platinum Kurumin Certification in March 2019. The Platinum Kurumin Certification system recognizes companies that are pursuing initiatives at an advanced level among companies that have received Kurumin Certification as childcare support companies.

In September 2022, we obtained Stage 3 (three-star) certification, the highest rank under the Minister of Health, Labour and Welfare's Eruboshi Certification scheme for the corporate promotion of women's active participation.

Under the scheme, companies that have formulated and submitted a general employer action plan based on the Act Concerning Promotion of Women's Career Activities, and are excellent in terms of promotion of women's active participation receive Eruboshi Certification.

As a company that promotes the establishment of a work environment which accommodates both work and nursing care for family members, the prevention of voluntary resignation due to nursing care for family members, and support toward reinstating employment, we have received the symbol mark "Tomonin" set up by the Ministry of Health, Labour and Welfare.

Social

Promoting Diversity and Flexible Work Styles

Support for Initiatives

IkuBoss Corporate Alliance

In 2017, we became a member of the IkuBoss corporate alliance and have been actively raising the awareness of managers, considering the work-life balance of their subordinates, supporting their careers and lives, and fostering bosses who can enjoy their own work and personal lives while achieving results for the organization. In addition to fostering IkuBoss, we aim to achieve a 100% rate of male employees taking childcare leave.

[WEPs]

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

In 2022, we declared our support for the Women's Empowerment Principles (WEPs).

The WEPs consist of seven international principles to promote women's economic empowerment to encourage vigorous corporate activity and growth through autonomous corporate initiatives, positioning gender equality and women's empowerment at the core of management.

Hiring a Diverse Workforce

Employment of People with Disabilities

The Japan Post Group's goal is to increase the percentage of employment rate of people with disabilities to 2.5% or more by March 31, 2026.

We actively promote the employment of people with disabilities recognizing that fairly evaluating and providing work opportunities for a diverse population is a part of our corporate social responsibility. In addition, we are promoting measures such as establishing a dedicated consultation service for employees with disabilities and providing opportunities for dialogue, thereby supporting the retention of employees with disabilities in the workplace.

▶ P149 Rate of employees with disabilities (ESG data)

Promoting Diversity and Flexible Work Styles

Administrative Support Team and Cafe Team from Diversity Promotion Office

The Diversity Promotion Office is staffed by employees with disabilities who provide administrative support and run the Company's in-house cafe. The Administrative Support Team takes care of regular tasks that arise in various departments, such as delivering mail, refilling photocopiers with paper, and disposing of shredded garbage, thereby lending a helping hand to "scratch the itch" of other teams. The Cafe Team sells beverages such as coffee and tea, as well as freshly baked bread and other refreshments to spread "smiles and deliciousness" to employees.

Preparing mail for delivery to other departments

Preparing to sell bread

Acceptance of Trainees

The Diversity Promotion Office regularly receives trainees from special support schools. The Company has prepared a practical program with which to support students who are considering taking up employment at a company, allowing them to not only experience actual work for a prescribed period of time alongside members of the Administrative Support Team and Cafe Team, but also to participate in morning and closing assemblies and practice thorough workplace etiquette such as giving and receiving greetings.

Contribution of the Formation of a Diverse Society through Support for Wheelchair Tennis

As a top partner of the Japan Wheelchair Tennis Association, we support wheelchair tennis.

In addition, to contribute further support, we welcomed OHTANI Momoko, a wheelchair tennis player, as a full-time company employee in FY2020. We support her activities and communicate to society how she continues to challenge herself to achieve her dreams.

▶ OHTANI Momoko special page (in Japanese)

https://www.jp-life.japanpost.jp/aboutus/sustainability/social/diversity/athlete.html

Promoting Diversity and Flexible Work Styles

Elderly Reemployment System

In accordance with the Act on Stabilization of Employment of Elderly Persons, the mandatory retirement age for employees has been set at 65.

Recruitment in various areas in Japan

We employ career-track positions in all areas of the country, as well as area core positions and general positions in each area.

▶ P148 New hires Data (ESG data)

LGBT Friendly

We are conducting training to deepen the understanding of polymorphous sexuality and promoting the expansion of allies who understand and support LGBTQ+*, aiming to become a LGBT friendly company. We continue to create a working environment in which all employees can develop their talents, so that they can work with energy and vitality.

(*) The first letters of the four words L (lesbian), G (gay), B (bisexual), and T (transgender) are arranged, and Q (questioning and queer) is added to "+" to signify diversity outside of the existing framework.

Policy

The Japan Post Insurance Human Rights Policy clearly states, "The Company does not discriminate based on race, color, gender, sexual orientation, gender identity, language, religion, politics, creed, nationality, ethnicity, age, social origin, poverty or wealth, birth, disability, etc."

Personnel System

In the company regulations, the term "spouse" for bereavement leave and marriage leave is clearly defined as "including those who are in a so-called common-law relationship and those who have a notarized agreement contract for joint life (a certificate of partnership issued by the local government, if any)."

Support for Initiatives

We support Tokyo Rainbow Pride* every year.

(*) A celebration of sexual and life diversity organized by Tokyo Rainbow Pride, a non-profit organization.

External Indicators

For seven consecutive years, we were awarded Gold in the PRIDE INDEX*.

(*) The voluntary organization "work with Pride" established in 2016 as Japan's first evaluation index for LGBTQ+ initiatives in the workplace.

work with Pride Gold 2023

Promoting Diversity and Flexible Work Styles

Trademark Registration of Symbol Mark

In FY2020, as an LGBT-friendly insurance company, we have registered this trademark as a symbol of our efforts to promote the sharing of appropriate understanding and knowledge of LGBT issues.

Our trademarked LGBT ALLY logo

Promoting Flexible Work Styles

Diversifying Ways of Working

We have established an environment in which employees can choose from among a variety of work styles, including shortened working hours, flextime, and re-employment.

Promoting Telework

We strive to improve operations and productivity via telework. We also strive for employee well-being. To implement telework more effectively, we continue to improve the telework environment through paperless work, using communication tools, more flexibility training and the adoption of cloud storage services to cope with the increase in data volume. In these ways and more, we strive to break away from work flows based on the premise of physical office attendance.

Health and Safety / Health Management

Health and Safety Initiatives

The Japan Post Group has appointed the officers in charge of human resources at each of its four group companies to lead the promotion of health and safety. It is working to secure employee safety, and maintain and improve employee health under the following policies. As one of the companies in the Japan Post Group, we are working to prevent occupational accidents, prevent the impairment of employees' health, and create a comfortable workplace environment by observing the occupational health and safety laws and other related laws and regulations, and striving to ensure the safety of employees while maintaining and improving their health.

Japan Post Group Health and Safety Policies

- We aim to prevent occupational accidents and create a comfortable work environment
- With the cooperation of our employees, we will engage in voluntary activities in the workplace to further improve health and safety standards at each worksite
- To prevent health problems among our employees, we will enact health management measures, overwork prevention measures, and mental health promotion measures
- In addition to training health managers to strengthen our health and safety management system, we will launch health education initiatives to raise employee awareness of health and safety
- We will comply with laws and regulations related to occupational safety and health, as well as internal rules, etc.

Initiatives Involving Business Partners

The Company also recognizes the importance of health and safety initiatives being implemented by its business partners, and has established items related to occupational health and safety in the Japan Post Group CSR Procurement Guidelines. The guidelines require that business partners prevent unforeseen accidents and disasters by maintaining and improving the occupational safety and health environment of employees and all workers, through efforts such as ensuring workplace safety, managing facilities and the workplace environment, ensuring sanitary workplace conditions, periodically managing the health of employees, taking appropriate action to prevent occupational accidents, illness and injury, thoroughly responding in the event of emergencies, and providing education and training to employees.

▶ **P82 Supply Chain Management**

▶ **Japan Post Group CSR Procurement Guidelines**

https://www.japanpost.jp/en/sustainability/procurement/pdf/procurement_guideline.pdf

Health and Safety Management System

The Company holds a monthly Health and Safety Committee meeting, whose members are selected from industrial physicians, health supervisors, and employee representatives, at offices with 50 or more employees. The committees discuss themes including the prevention of occupational accidents, the status of overtime work, and various health issues. In addition, industrial physicians and health supervisors conduct workplace inspections to check for health and safety issues and make improvements.

Health and Safety/Health Management

Health and Safety Risk Management System

The Japan Post Insurance Co., Ltd. has appointed a Chief Risk Officer from among its executive officers to control the company's risk management and to build, verify, and upgrade risk management systems in accordance with changes in risk management circumstances and the operating environment. Furthermore, the CRO reports on the status and initiatives of risk management to the Executive Committee and other bodies. From among the "business risks and other risk factors," we consider human risk to be a risk to business operations. We also recognize the risk of health and safety management problems in the workplace. Therefore, based on our business strategy and changes in the external environment, we annually review risks that could yield a significant impact on our business.

Health and Safety Education and Training

In cooperation with our occupational health staff, we require all employees to receive annual training on mental health (self-care, line-care training, etc.). In addition, we have established internal and external health consultation desks to maintain and improve the physical and mental health of our employees.

Furthermore, we regularly publish "Safety and Health News" to promote employee understanding, making the information available on our portal site for all employees to view.

Our Response to Occupational Accidents

In the event of an occupational accident or potential occupational accident, we prepare a report in a prescribed format and submit it to the head office and other departments in charge, as well as to the director of the competent Labor Standards Inspection Office without delay. In addition, we conduct interviews and investigations of the relevant employees to identify the cause(s) of the problem and make efforts to prevent issues from recurring by studying and spreading remedial measures.

In the event of a serious accident resulting in death, the relevant departments at the head office work together to conduct an on-site investigation, analyze the cause(s) of the accident, and take measures to prevent it from happening again.

▶ **P150 The Incidence of Occupational Accidents (ESG Data)**

Health Management Initiatives

In line with the Japan Post Group policy that physical and mental health is important for each and every employee to fully demonstrate his or her abilities and work vigorously, we have established the Japan Post Group Health Management Promotion System. We work on measures to maintain and promote health, such as curbing long working hours, health guidance to prevent and improve lifestyle-related diseases, and mental health care.

▶ **Health Management Initiatives of the Japan Post Group (in Japanese)**

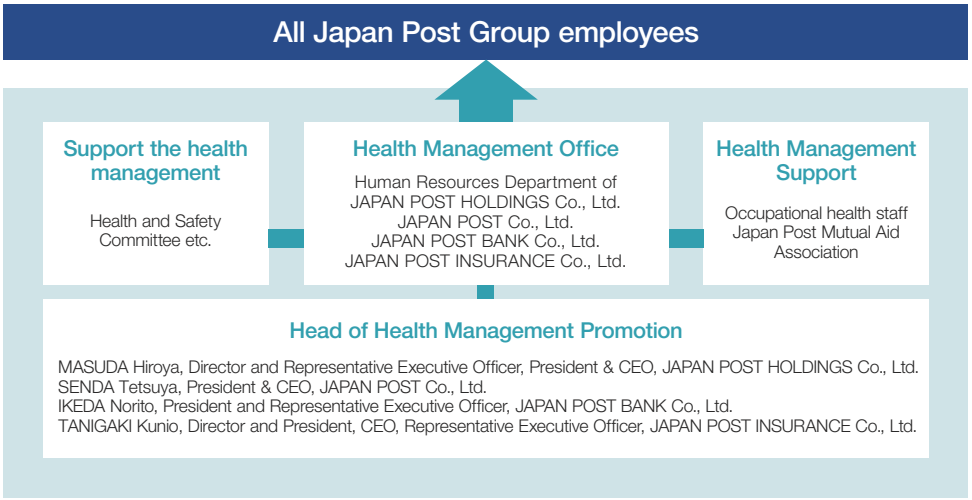
https://www.japanpost.jp/corporate/values/healthmanagement.html

Health and Safety/Health Management

Establishment of the Japan Post Group Health Management Promotion System

The presidents of the four Japan Post Group companies are responsible for promoting health management. The Health Management Office plays a central role in promoting the health management of the Japan Post Group in cooperation with occupational health staff, the Japan Post Mutual Aid Association, and internal health and safety committee, etc.

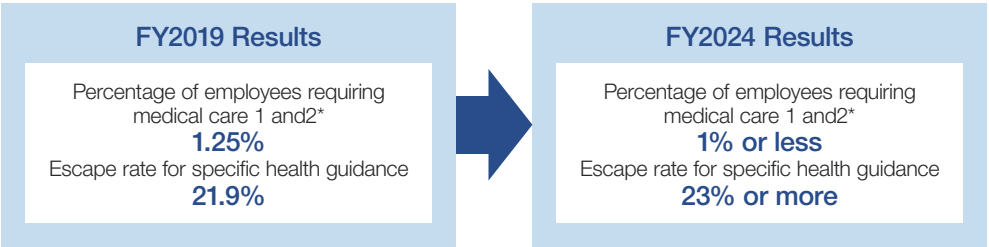
The Japan Post Group Health Management Promotion System



Setting Health Management KPI and PDCA in the Japan Post Group

With the aim of curbing the number of employees who are unable to work normally due to health issues, we have set KPIs over the medium term to evaluate the status of employee health-related initiatives.

Japan Post Group Health Management KPI Medium-Term Management Plan (FY2020-FY2024)

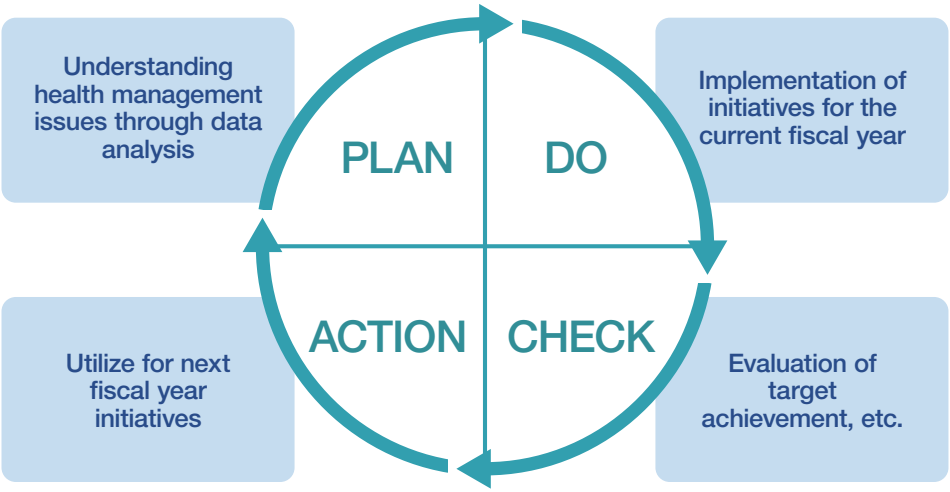


(*) Medical care required 1 and 2: Those who require urgent or immediate medical care.

Social

Health and Safety/Health Management

In addition, we will continue to identify issues based on the analysis of the current situation using data obtained from health checkups, etc. Using this information will allow us to formulate and evaluate health management measures.



Various Initiatives to Promote Health Management at Japan Post Insurance

Initiatives for Health Promotion

- We are encouraging all employees to participate in "Radio-Taiso" exercise during working hours, as a companywide effort, and we are holding "Radio-Taiso" at all our offices across Japan. We promote employee health through "Radio-Taiso" and thoroughly manage health on a daily basis to ensure that we can provide high-quality services to our customers. Today, amid increasing attention to health management, we are holding "Radio-Taiso" one-point lessons at locations across Japan to provide companies actively engaged in promoting employee health with explanations on aspects such as the purpose of each "Radio-Taiso" move and effective ways of moving.
- We encourage employees to use our Sukoyakanpo health support app to give them opportunities to be more conscious of their health and make their lifestyle habits better by walking fast in everyday life and other measures.
- Based on the results of the health checkups, we recommend employees to go to medical institutions and obtain health guidance in cooperation with occupational health staff.
- We have established the My Health Navi website to provide information on health checkup results and prevention of lifestyle-related diseases to improve health literacy.

Employee health indicators			FY2022
Periodic Health Examination Results	Percentage of employees requiring medical care 1 and 2 (*)	Overall	0.78%
	Percentage of people maintaining appropriate weight	Overall	61.3%
	Smoking rate	Overall	27.0%
Escape rate for specific health guidance		Overall	24.0%
Stress check implementation rate		Overall	94.2%

(*) Medical care required 1 and 2: Those who require urgent or immediate medical care.

Health and Safety/Health Management

Efforts to Quit Smoking

- To prevent passive smoking, offices with smoking rooms have completely separate smoking areas, while offices without smoking rooms have a total ban on smoking.
- Since October 22, 2018, we have designated the 22nd of every month as Kampo No-Smoking Day. We work to raise awareness of smoke-free efforts by using a smoke-free awareness booklet and raising the issue at Health and Safety Committee meetings.
- In cooperation with the Japan Post Mutual Insurance Association, we work to encourage behavioral change among our employees by offering online smoking cessation programs.

Mental Health Measures

- To prevent mental health problems, we have established a Mental and Physical Health Consultation Desk in cooperation with occupational health staff, etc. We have a system in place to provide consultation in person, by phone or e-mail.
- To detect mental health problems at an early stage and improve the work environment, we conduct stress checks once a year at all business bases.
- To ensure that employees with mental health problems can return to work smoothly, we have formulated a Return-to-Work Support Program. We have also established a Return-to- Work Support Committee.
  In addition, to support the return-to-work of employees with mental health problems, we offer a counseling program for employees who have been absent from work due to mental health problems.

Certified Health and Productivity Management Outstanding Organization

We were selected for the sixth consecutive year as a Certified Health and Productivity Management Outstanding Organization in the large enterprise category under a recognition program designed by the Ministry of Economy, Trade and Industry (METI) in which the Nippon Kenko Kaigi recognizes enterprises that are engaged in efforts to address health issues or are particularly outstanding in the practice of health and productivity management for promoting health.

2023
健康経営優良法人
Health and productivity

Labor Standard

Efforts to Reduce Working Hours

We have a policy of reducing excessive working hours by complying with laws and regulations related to working hours, such as 36 Agreements. Based on this policy, we work on the proper management of working hours at each workplace so that each and every employee can fully demonstrate his or her abilities and work with vigor. We also implement a variety of initiatives to reduce overtime work by improving operational efficiency and reforming work styles.

▶ P149 Monthly average amount of overtime per employee (ESG data)

Wage Management

Our basic policy is to comply with minimum wage law and other labor laws and regulations and to pay all employees a wage that exceeds the regional minimum wage so that they can maintain the minimum standards of wholesome and cultured living. In line with our employee compensation regulations, we pay wages appropriate to the position and content of each job, and we have made efforts to raise wage levels so that employees in all regions can enjoy a more affluent life, and we will continue to do so.

In addition, there is no disparity in the wages we pay based on nationality, creed, social status, or gender.

▶ P150 Average annual salary (ESG data)

Labor-Management Relations

In accordance with the Japanese Constitution and the Labor Union Law, we respect the rights of workers (the right to organize, to bargain collectively, and to take other collective actions).

The Japan Post Group, including the Company, has organized labor unions such as the Japan Postal Group Union. They engage in collective bargaining on an equal footing with labor and management regarding various working conditions, including employee wages and working hours.

(*) Number of employees covered by collective bargaining agreements as of April 2023: approx. 20,000 (roughly 90% of our total workforce)

Promotion of Understanding Among Employees

We provide all employees, including regular and contract employees, with information and training on laws and regulations related to labor standards (36 Agreements and other laws and regulations related to working hours, etc.) and explanations. We work to promote understanding of labor standards.

Social Contribution Activities

Our predecessor, the Postal Life Insurance Service, was born more than a century ago when it was difficult for people, with only a handful of exceptions, to purchase life insurance. Behind this initiative was a commitment to popularizing basic coverage through the familiar network of post offices, by offering insurance for small coverage amounts through simple procedures.

Inheriting this commitment to the goal of contribution to resolving social issues, the Company is actively involved in social contribution activities.

In particular, we have uphold the following three areas related to the life insurance business on our Management Policy and Materiality, and are promoting social contribution activities: health promotion and enhance Well-Being, environmental protection, and development of local communities and society.

Management Policy

5. We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.

Materiality

(2) Contribute to the development of communities and society; and environmental conservation
(3) Extend healthy life expectancy through health promotion, etc. - Increase well-being

Health Promotion and Enhancement of Well-Being

“Radio-Taiso”

The Postal Life Insurance Bureau of the Ministry of Communications, the origin of the Company established “Radio-Taiso” as National Health Exercise Program in 1928. It was widely spread through radio broadcasts by the NHK (Japan Broadcasting Corporation). We have assumed the role of promoting the exercise program, first undertaken by the Ministry of Communications and then by its successors, namely the Ministry of Posts and Telecommunications, the Postal Service Agency and Japan Post prior to privatization. We have been working together with Japan Broadcasting Corporation and the NPO Japan Radio-taiso Federation to promote the program.

In the age of the 100-year life, we will continue to convey the warmth and appeal of “Radio-Taiso” to help solve social issues such as improving the health of everyone and revitalizing local communities.

▶ **“Radio-Taiso” / “Minna no Taiso” (“Exercise for Everyone”) (in Japanese)**
https://www.jp-life.japanpost.jp/radio/

Social Contribution Activities

Festival of 10 Million People's "Radio-Taiso" and "Minna no Taiso"

As the biggest event in the field of "Radio-Taiso", we have held the event once a year since 1962 with the aim of having as many as 10 million people perform "Radio-Taiso" at the same time. Many people have participated through television and radio.

	Date	Venue	Number of venue participants
62th	August 20th, 2023	Yokohama City, Kanagawa	About 1,000 people
61th	July 31, 2022	Ichinomiya City, Aichi	About 1,000 people
60th	Cancelled in FY2020 and FY2021due to COVID-19		
59th			
58th	July 28, 2019	Setagaya-ku, Tokyo	About 2,300 people

▶ **Festival of 10 Million People's "Radio-Taiso" and "Minna no Taiso" (in Japanese)**
https://www.jp-life.japanpost.jp/radio/festival/index.html

"Radio-Taiso" and "Minna no Taiso" Tour

We conduct a summer tour (July 20-August 31) and a special tour (April-October, excluding the summer tour), both of which are broadcast live nationwide on NHK Radio 1.

▶ **Special Website for "Radio-Taiso" and "Minna no Taiso" Tour (in Japanese)**
https://www.jp-life.japanpost.jp/radio/event/index.html

All-Japan Elementary School "Radio-Taiso" Competition

We started this competition in 2014 with the hope of contributing to the physical fitness of elementary school children across the country by encouraging them to enjoy doing "Radio-Taiso" through participation in this competition. We contribute to the physical fitness of elementary school children throughout Japan through "Radio-Taiso".

	Application period	Number of applications
10th	June 1, 2023 - September 15, 2023	About 400 teams
9th	June 1, 2022 - August 12, 2022	About 320 teams
8th	June 1, 2021 - August 31, 2021	About 400 teams
7th	Cancelled due to COVID-19	–
6th	June 1, 2019 - July 31, 2019	About 570 teams

Social Contribution Activities

“Radio-Taiso” Attendance Card

Every year, we create and distribute “Radio-Taiso” Attendance Cards to many people through post offices and branches of Japan Post Insurance nationwide.

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Pocket Monsters and Pokémon are registered trademarks of Nintendo, Creatures, and GAME FREAK.

Health Promotion Information Magazine “Radio-Taiso®”

We regularly publish an information magazine that contains information about “Radio-Taiso”, such as useful tips, one-point lessons, and episodes told by people who are connected to “Radio-Taiso”.

We posted not only information on “Radio-Taiso,” but also our initiatives on climate change, ESG investment, and diversity for our customers to read about.

▶ **Health Promotion Information Magazine “Radio-Taiso®” (in Japanese)**
https://www.jp-life.japanpost.jp/radio/magazine/index.html

Collaborative Research to Verify the Health Benefits of “Radio-Taiso”

We conduct collaborative research to verify the health benefits of “Radio-Taiso” with the Tokyo Metropolitan Geriatric Hospital and Institute of Gerontology, Tokyo Medical University, and the NPO Japan Radio-Taiso Federation.

Purpose of the Collaborative Research

“Radio-Taiso” is not only easy to do anytime, anywhere, by anyone, but also contains well-balanced elements of physical fitness necessary to maintain health, such as flexibility of joints and muscles, balance ability, lower limb muscle strength, coordination power, and total body endurance. It is thought that the habitual use of “Radio-Taiso” will contribute to the extension of healthy life expectancy.

However, according to a survey of general consumers conducted by Japan Post Insurance in April 2021, while the recognition rate of “Radio-Taiso” in Japan is extremely high at 96.9%, only 11.7% of people do it at least once a week.

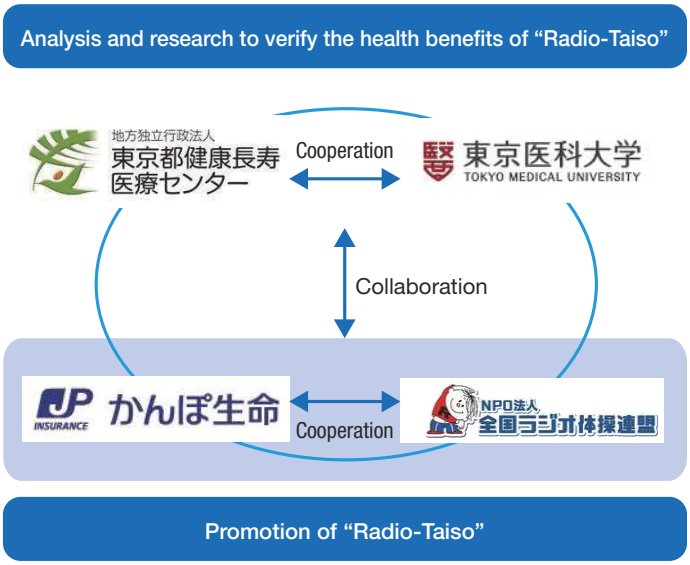
Based on the above, we will continue working on verifying the health benefits of “Radio-Taiso” through this collaborative research and promote this to the public so that they understand the health benefits of “Radio-Taiso” with the hope that as many people as possible will continue to do “Radio-Taiso” as a habit.

Social Contribution Activities

Details of the Collaborative Research

This research will examine a wide range of positive influences and effects of “Radio-Taiso” on health, and in particular, will clarify its effectiveness in preventing frailty*.

* Frailty refers to a state of decline in physical and cognitive functions that lies between a healthy state and a state requiring nursing care. It includes not only physical decline, but also mental (psychological) and social frailties from multiple perspectives.



Sukoyakanpo

With the advent of the super-aging society, the role expected of life insurance is no longer limited to conventional services. For example, we make insurance payments in case such as hospitalization due to illness or injury, but includes providing services for preventing illness and injury, and for promoting and maintaining health. To fulfill such a role, we are vigorously supporting healthy and affluent lifestyles, and as a measure of this support, we have launched the Sukoyakanpo health support app which helps people pursue health with ease. The app is available for free, and features both the Standard menu for everyone, and the Premium menu with more enhanced content for policyholders and insured people, as well as policyholders’ families.

Standard Menu

Premium Menu

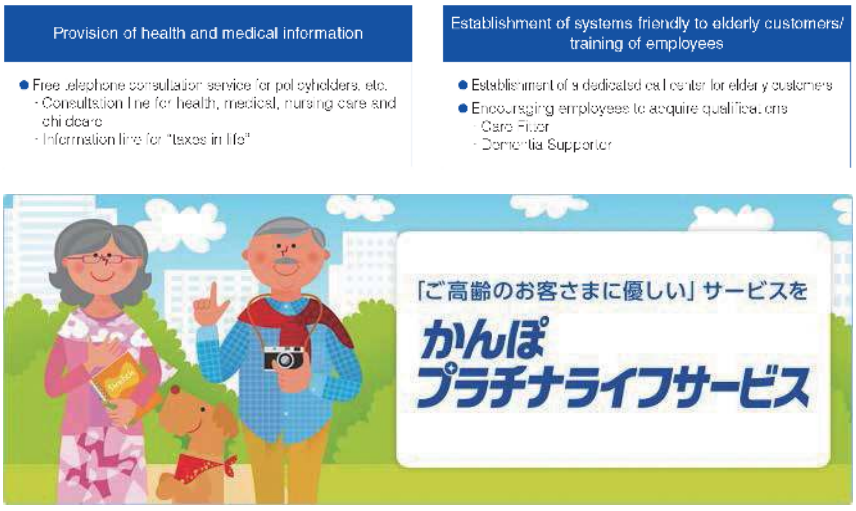
Social Contribution Activities

Main Functions of the Sukoyakanpo Health Support App

▶ **Sukoyakanpo (in Japanese)**
https://www.jp-life.japanpost.jp/health/exercise/health-app/kna_index.html

Kampo Platinum Life Service

Japan Post Insurance is conducting a companywide initiative called "Kampo Platinum Life Service" to win the favor of its growing number of elderly customers by offering age-friendly services based on a sense of security and trust that has been enabled by improving contacts with all customers from the perspective of our elderly customers.



▶ **Kampo Platinum Life Service (in Japanese)**
https://www.jp-life.japanpost.jp/inf_platinumlife.html

Social Contribution Activities

Environmental Conservation

▶ P16 Supporting Environmental Conservation Activities

Development of Local Communities and Society

Support for wheelchair tennis and boccia

By supporting parasports including wheelchair tennis and boccia, we aim to achieve a society where all people can play an active part in their own ways.

▶ **Japan Post Insurance Junction #Parasports (in Japanese)**
https://www.jp-life.japanpost.jp/junction/tag/#tag_98

We broadcast our support for wheelchair tennis and boccia on "Japan Post Insurance Junction," our owned media site. Please take a look.

Wheelchair tennis support activities

Japan Post Insurance has been supporting wheelchair tennis as a top partner of the Japan Wheelchair Tennis Association (JWTA) since the fiscal year ended March 31, 2019. We sponsor wheelchair tennis competitions and wheelchair tennis events for the junior generation nationwide.

JWTA wheelchair tennis trial session, supported by Japan Post Insurance

We employed OHTANI Momoko, a wheelchair tennis player (women's wheelchair tennis global ranking: 4th, as of October 4, 2023), as a full-time company employee in FY2020. We support her activities and communicate to society how she continues to challenge herself to achieve her dreams.

▶ **OHTANI Momoko special page (in Japanese)**
https://www.jp-life.japanpost.jp/aboutus/sustainability/social/diversity/athlete.html

Social Contribution Activities

Since FY2022, Japan Post Insurance has been sponsoring the wheelchair tennis player TAKANO Shogo. He is gaining attention as a young wheelchair tennis athlete currently working towards a Grand Slam and entry into the Paralympics.

We also support the next generation of young athletes striving daily to develop their skills, inspired by the efforts of more senior players at the Tokyo Paralympics in 2020.

TAKANO Shogo

Japan Post Insurance Cup 2023 (2nd Japan Wheelchair Tennis Junior Championship) (held in Nobember 2023)

▶ **Japan Wheelchair Tennis Association (in Japanese)**
http://jwta.jp/

Boccia support activities

In 2022, we became a gold top partner of the Japan Boccia Association to provide support such as sponsoring boccia tournaments.

For some time, Japan Post Insurance has engaged in activities to popularize and promote “Radio-Taiso” as a form of exercise that is easily accessible “anytime, anywhere, for anyone,” with the aim of helping promote the health of the population. We similarly support Boccia, another sport that can be enjoyed together by all people, regardless of age, gender, abilities and disabilities.

Boccia Tokyo Cup 2023 supported by Japan Post Insurance

We also hold internal boccia trials to encourage a greater knowledge of boccia among employees. As anybody can easily enjoy boccia, we use it as a means of stimulating communication within the organization.

▶ **Japan Boccia Association (in Japanese)**
https://japan-boccia.com/

Social Contribution Activities

Sponsorship of the “Student Music Concours of Japan”

With a desire to support the development of music culture and students who take on the challenge to achieve their dreams, we believe in the purpose of the Student Music Concours of Japan sponsored by the Mainichi Newspapers Co. and sponsor this competition.

The purpose of this competition is to contribute to the development of music culture by cultivating a spirit of enjoyment for music, promoting the improvement of performance skills, and through fair judging, discovering young talent who will be active on the world stage.

STUDENT MUSIC
CONCOURS OF JAPAN

▶ **The Student Music Concours of Japan (in Japanese)**
https://gaccon.mainichi-classic.net/

Sponsorship of NHKSO Beethoven 9th Special Concert

We strongly believe in the purpose of the NHK Symphony Orchestra and as part of our social contribution activities, we sponsor NHKSO Beethoven 9th Special Concert.

Sponsorship of Festivals Across Japan

We sponsor local festivals held in various parts of Japan.

Aomori Nebuta Festival

Tokushima City Awa Odori

Social Contribution Activities

Children's Rights and the Development of the Next Generation

We respect the Children's Rights and Business Principles, and are supporting children who will lead the next generation.

Key initiatives
- Providing educational endowment insurance through a nationwide network of post offices
- Financial Education
- Giving lectures at universities and elsewhere
- Conducting "Radio-Taiso" Competition for elementary school students and on-site classes of "Radio-Taiso"
- Sponsorship of the "Student Music Concours of Japan"

Financial Education

We offer financial education classes for children in the higher grades of elementary school, with the goal of improving children's financial literacy. Through our own original teaching materials, character videos, and work conducted in a game format, we strive to both provide fun lessons on the importance of financial preparedness for the future and impart knowledge that will be useful in the future.

Japan Post Insurance original teaching material "Money and the Future"

Classroom activities (Ritsumeikan Primary School)

Giving lectures at universities and elsewhere

As a universal owner* that contributes to the sustainable development of all aspects of the economy and society, we give lectures on ESG investing at universities to contribute to the development of financial talent to support the next generation.

We explain the significance of ESG investing, specific initiatives undertaken by Japan Post Insurance, and their results with reference to actual investing case studies, and we endeavor to make the lecture content practical.

A lecture in progress (Hiroshima University of Economics)

*An institutional investor managing large amounts of money diversified widely across capital markets

Social Contribution Activities

Financial Inclusion

Based on our management philosophy "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," we offer personalized services to each and every one of our customers in every corner of the country.

▶ **P129 Basic Policy for Customer-first Business Operations (in Japanese)**

▶ **P129 Efforts to incorporate customer feedback into management**

▶ **Improve customer experience value (CX) (Annual Report 2023 P28)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

■ Providing products with easy procedures and smaller coverage amounts through our nationwide post office network (universal service)

When our predecessor, the Postal Life Insurance Service, was founded in 1916, life insurance was difficult to obtain for all but the wealthy. The desire to make it accessible by providing smaller coverage amounts and spreading basic coverage through the familiar network of post offices led to the widespread adoption of life insurance to the extent that it became a part of the national culture. We continue to provide customers with simple and easy-to-understand products (easy procedures and smaller coverage amounts) and services today, mainly endowment insurance and whole life insurance, through our network of approximately 20,000 post offices.

No examination by physician is required (no medical examination) when applying for enrollment	Customers can enroll by reporting health status (with a declaration form)	No occupational restrictions

▶ **Products (Annual Report 2023 P90)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

▶ **Procedures (in Japanese)**
https://www.jp-life.japanpost.jp/customer/procedure/

■ Providing personalized service to each customer

▶ **Support for customers with disabilities**
https://www.jp-life.japanpost.jp/english/aboutus/sustainability/social/support.html

▶ **Developing the next generation**
https://www.jp-life.japanpost.jp/english/aboutus/sustainability/social/social_contribution.html#Children's_Rights_and_the_Development_of_the_Next_Generation

Social Contribution Activities

Social Contribution Activities at Each Base

Based on the management philosophy "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," we carry out community-based social contribution activities at our branches, regional headquarters, and service centers throughout Japan.

In addition, in accordance with the "Procedures for Sponsorship of Environmental and Social Contribution Activities, etc.", we sponsor activities and events held throughout Japan for the purpose of contributing to local communities and culture, environmental protection, etc.

Support for Customers with Disabilities

We are implementing the following initiatives to ensure that customers with disabilities can complete procedures with ease.

Publication of Various Information Guides in Braille

We will publish contract detail notifications in Braille based on requests from policyholders and others as well as publishing notices on maturity, pension payments, loan details, and loan repayment in Braille depending on the status of contract in force.

Substitution and Other Initiatives

Upon requests for assistance from visually or hearing-impaired customers when applying for new contracts or making various types of requests, we have several employees who act on the customer's behalf. The employees read and write on behalf of the customer regarding the content of the application form, etc.

In addition, when the call center confirms the intentions of the policyholder when applying for a new policy, if the policyholder has hearing or speech disabilities, the call center will switch to a written or face-to-face method.

Universal Design (Consideration for Diversity of Color Vision)

We work to create materials that can be easily understood by as many people as possible by adopting color universal design that considers the diversity of human color vision and universal design fonts that minimize misreading.

Sign Language Interpretation Service

We respond to inquiries from customers with hearing or speech impairments through video calls, using sign language and written communication.

▶ **Sign Language Interpretation Service (in Japanese)**
https://www.jp-life.japanpost.jp/contact/sign_language.html

Special Treatment in Times of Disaster

When a disaster occurs and it is deemed necessary to meet the urgent needs of the situation, we will provide special treatment (emergency treatment) to affected customers.

During times of special treatment (emergency treatment), we will post the details and period of processing at the branches and the post offices the service is outsourced to.

Details of emergency treatment

- Extension of grace period for payment of insurance premiums
- Payment of insurance claims and unearned premiums
- Cancellation of basic policies and payment of cash value
- Cancellation of riders and payment of cash value
- Payment of ordinary loans
- Reduction or exemption of loans to the policyholder interest rates*
- Refund of unearned premiums due to cancellation of advance payment of insurance premiums
- Payment of policyholder dividends

* The policyholder loan rate may not be reduced or exempted depending on the details of the contract.

Treatment for customers in areas covered by the Disaster Relief Act (in Japanese)
https://www.jp-life.japanpost.jp/news/disaster/index.html

Countermeasures and Initiatives in Response to COVID-19

We perform the following initiatives to fulfill our social mission and our role as a life insurance company throughout the COVID-19 pandemic.

<table>
<tr><th>Actions to be implemented</th><th>Key initiatives (overview)</th></tr>
<tr><td>Initiatives to support Customers</td><td>
● Payment of hospitalization insurance even in cases of recovering at home or at an accommodation facility due to circumstances at medical institutions, etc. resulting from the impact of COVID-19
● Payment of additional insurance benefits in the event of death due to COVID-19 on top of the death benefit (the “double payment of insurance benefits”)
● Handling of immediate transfer (transfer on the next business day) of hospitalization insurance in cases of recovering at home or at an accommodation facility due to COVID-19
(*) The measures above were terminated, following the change in the status of the coronavirus disease (COVID-19) to a Category V Infectious Disease under the Infectious Diseases Act on May 8, 2023.
■ Payment status for COVID-19
<table>
<tr><th></th><th>FY2020/3</th><th>FY2021/3</th><th>FY2022/3</th><th>FY2023/3</th><th>Cumulative</th></tr>
<tr><td>Death benefit (including the double payment of insurance benefits)</td><td>–</td><td>¥4,989.81 million (1,456 cases)</td><td>¥13,314.57 million (3,807 cases)</td><td>¥45,885.94 million (15,257 cases)</td><td>¥64,190.32 million (20,520 cases)</td></tr>
<tr><td>Hospitalization insurance</td><td>¥0.74 million (15 cases)</td><td>¥824.57 million (14,023 cases)</td><td>¥5,469.51 million (110,562 cases)</td><td>¥61,015.60 million (1,493,752 cases)</td><td>¥67,310.42 million (1,618,352 cases)</td></tr>
</table>
</td></tr>
<tr><td>Initiatives as a Responsible Institutional Investor</td><td>
● Investments in bonds issued by international organizations in response to COVID-19
May 2020
・Sustainable Development Bond
Investment to support countries in Latin America and the Caribbean affected by COVID-19
・Sustainability Awareness Bond
Investment to support sustainable development, including measures to fight COVID-19, including SDG Goal 3: including good health and well-being.
March 2021
・Sustainable Development Bond
Investment to support the purchase and distribution of COVID-19 vaccines through the COVAX, an international framework (*)
</td></tr>
<tr><td>Donations</td><td>
● Donation of an amount corresponding to the number of views of the “Radio-Taiso” videos (YouTube) as of the end of October 2021, ¥1,976,400, to the Japanese Red Cross Society to support health care workers and to prevent the spread of infections.
</td></tr>
</table>

(*) An international framework established to ensure that vaccines for COVID-19 are purchased jointly by multiple countries and distributed fairly and promptly to countries around the world.

Supply Chain Management

Approach to Procurement Activity

To promote sustainable coexistence and co-prosperity with the entire supply chain, we request all of our suppliers, who are our important business partners, to promote fair and equitable transactions, environmental considerations, anti-corruption, and enhancement of information security by complying with the "Japan Post Group CSR Procurement Guidelines," based on our policy "Concept of Procurement Activity."

Concept of Procurement Activity

The company will act in accordance with the following concepts in procurement activities for contracts for goods and services.

1 Open, fair, and appropriate procurement

(1) Open the door widely to all potential suppliers in line with the principle of non-discrimination between any supplier and provide fair entry opportunities to suppliers.

(2) Select suppliers based on a comprehensive and appropriate evaluation of quality, price, delivery time, technology, and business conditions.

2 Compliance with laws, regulations, and social standards

(1) Comply with all relevant laws, regulations, and social norms, and implement procurement activities in good faith.

(2) In the course of procurement activities, block relationships with antisocial forces that threaten the order and safety of civil society.

3 Environmental considerations

Implement procurement activities that take into consideration global and regional environmental conservation and the effective use of resources.

4 Building Trusting relationships

(1) Aim to build strong relationships of trust with our business partners through good communication, and to develop together with them.

(2) Manage information appropriately on suppliers obtained through procurement activities.

5 Compliance with the United Nations Global Compact

Engage in CSR procurement activities in line with the ten principles in the four areas (human rights, labor, environment, and anti-corruption) set forth in the United Nations Global Compact. In these efforts, require our suppliers to address the following items.

(1) Compliance with laws and regulations

(2) Compliance with the United Nations Global Compact

Supply Chain Management

Outsourced Management Initiatives

In accordance with the outsourcing management regulations, etc., we have established an appropriate outsourcing management system for contracts subject to management when outsourcing part or all of our operations to external parties. When selecting contractors, we use a checklist to examine the appropriateness of contracted operations, performance systems, existence of relationships with antisocial forces (anti-corruption), and information security systems.

In addition, we conduct appropriate periodic audits, including monitoring to inspect contractors depending on the outsourcing risk and providing guidance for improvement as necessary.

Initiatives to Strengthen Supply Chain Management

In procuring goods and services necessary for business, we have established strict standards for measures against bribery and other forms of corruption. We also work to familiarize our employees with the "Japan Post Group CSR Procurement Guidelines" which include anti-corruption content. Moreover, we have implemented measures to strengthen supply chain management, such as including sustainability clauses for human rights, labor conditions, environmental conservation, and other issues into our contracts with suppliers.

▶ **Japan Post Group CSR Procurement Guidelines**
https://www.japanpost.jp/en/sustainability/procurement/pdf/procurement_guideline.pdf

Corporate Governance

Basic Concept of Corporate Governance

The Company is working to strengthen corporate governance through our Board of Directors and other bodies. We have established the "Basic Policy Regarding Corporate Governance," which lays out our basic concept of corporate governance, its framework and operations, and the corporate governance structure is developed accordingly.

[Basic Concept of Corporate Governance]

- The Company shall continue to create new convenience for customers and pursue the provision of high-quality services, while generating consistent value by providing life insurance services through the post office network.
- Fully recognizing its fiduciary responsibility to its shareholders, the Company shall give consideration to effectively secure rights and equal treatment of shareholders.
- The Company shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, the Company shall strive to secure management transparency and commit to appropriate disclosure and provision of information.
- The Company shall carry out swift and decisive decision-making and business execution under the effective supervision by the Board of Directors, in order to promptly cope with changes in social and economic environment and meet the expectation of all stakeholders.

▶ **Basic Policy Regarding Corporate Governance**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/cg_basicpolicy.pdf

▶ **Corporate Governance Report**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/cg_report.pdf

▶ **(Reference 1) Articles of Incorporation**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/kampo_articles_en1906.pdf

▶ **(Reference 2) Directors and Executive Officers**
https://www.jp-life.japanpost.jp/english/aboutus/company/en_abt_cmp_drt.html

▶ **(Reference 3) Board of Directors Regulations**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/directors_regulations.pdf

▶ **(Reference 4) Management Philosophy**
https://www.jp-life.japanpost.jp/english/aboutus/company/en_abt_cmp_philosophy.html

▶ **(Reference 5) Medium-Term Management Plan**
https://www.jp-life.japanpost.jp/IR/en/management/plan.html

▶ **(Reference 6) Fundamental Policy for Establishment of Internal Control Systems**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/internalcontrol.pdf

▶ **(Reference 7) Appointment and Dismissal Criteria for Executive Officers**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/criteria_officers.pdf

▶ **(Reference 8) Reasons for Appointment of Executive Officers**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/reasons_officers.pdf

▶ **(Reference 9) Nomination Criteria for Candidates for Directors**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/criteria_directors.pdf

▶ **(Reference 10) Reasons for Nominating the Candidates for Directors**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/reasons_directors.pdf

▶ **(Reference 11) Designation Criteria for Independent Officers**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/independent_officers.pdf

▶ **(Reference 12) Compensation Policies for Directors and Executive Officers by Individual**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/compensation_policies.pdf

Corporate Governance

Matters concerning controlling shareholders, etc.

▶ **Matters concerning controlling shareholders, etc.**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/controlling_shareholders.pdf

Corporate Governance Systems

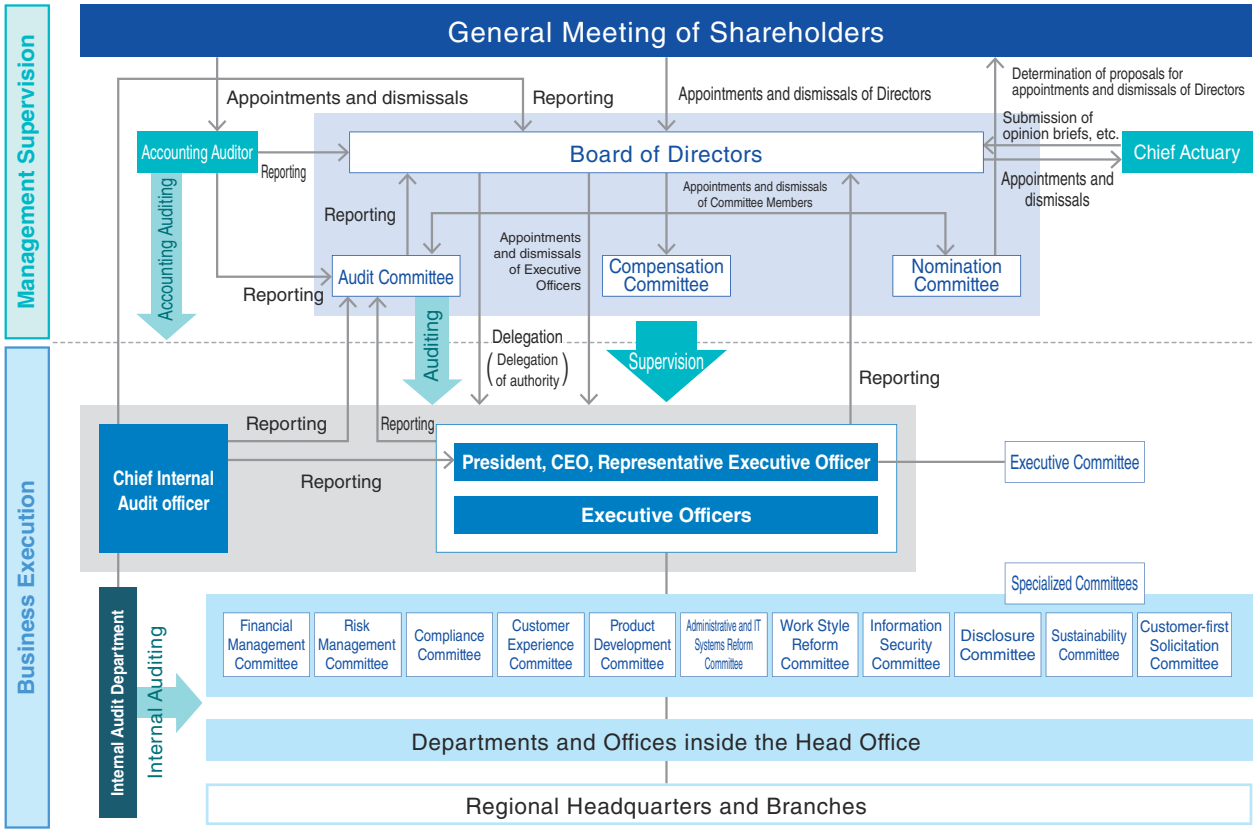
Japan Post Insurance considers the establishment of strong internal control systems to be extremely important to increasing our corporate value and to our goal of becoming the "No. 1 Japanese insurance company selected by customers." We have established systems for the execution of our business based on the principle of self-responsibility and have continued our efforts to enhance our organization and systems.

Corporate Governance Overview

To speed up decision-making and enhance the transparency of management, we have adopted a company with a three-committee structure, under which the Board of Directors' role of management supervision is separated from the Executive Officers' role of business execution, thereby clarifying responsibilities with respect to corporate management.

Important management decisions related to business execution are first discussed by the Executive Committee and then made by the President, CEO, Representative Executive Officer. The Executive Committee is comprised of the President, CEO, Representative Executive Officer and the Executive Officers in charge of the respective business operations. In addition, we set up the following 10 specialized committees to serve as advisory bodies to the Executive Committee. Among the items subject to approval of each Executive Officer, cross-divisional issues are discussed by the respective specialized committees. Furthermore, in order to promptly and reliably implement measures under the leadership of management and improve solicitation quality, we have established a Customer-first Solicitation Committee and hold discussions.

■ Corporate Governance Structure



Corporate Governance

Board of Directors (Management Supervision)

The Board of Directors of the Company determines matters such as the basic management policy of the Company, segregation of duties of Executive Officers and the fundamental policy for establishment of internal control systems and has the authority of supervising the execution of duties by Executive Officers. Meanwhile, the Board of Directors promotes the development of a framework that enables supervision of management from the external and broader perspective by appointing lawyers and corporate managers as Outside Directors.

The three committees, the Nomination Committee, the Audit Committee and the Compensation Committee, have been established to fully utilize external views on the management of the Company and ensure the transparency and fairness of decision-making of the management. The specific roles of these committees are as follows:

Nomination Committee

The committee determines proposals for general meetings of shareholders concerning the election and dismissal of Directors.

Committee Chair: HARADA Kazuyuki (Outside Director)

Members: TANIGAKI Kunio, MASUDA Hiroya, SUZUKI Masako (Outside Director), YAMAZAKI Hisashi (Outside Director)

(Membership composition as of June 19, 2023)

Audit Committee

The committee audits the execution of duties by Directors and Executive Officers, prepares audit reports, determines the content of proposals regarding the election and dismissal of the accounting auditor to be submitted to general meetings of shareholders and approves the compensation for the accounting auditor.

Committee Chair: SUZUKI Masako (Outside Director)

Members: NARA Tomoaki, TONOSU Kaori (Outside Director), TOMII Satoshi (Outside Director), OMACHI Reiko (Outside Director)

(Membership composition as of June 19, 2023)

Compensation Committee

The committee formulates compensation policies for Directors and Executive Officers and determines detailed compensation for each individual.

Committee Chair: TOMII Satoshi (Outside Director)

Members: MASUDA Hiroya, HARADA Kazuyuki (Outside Director), SINGU Yuki (Outside Director)

(Membership composition as of June 19, 2023)

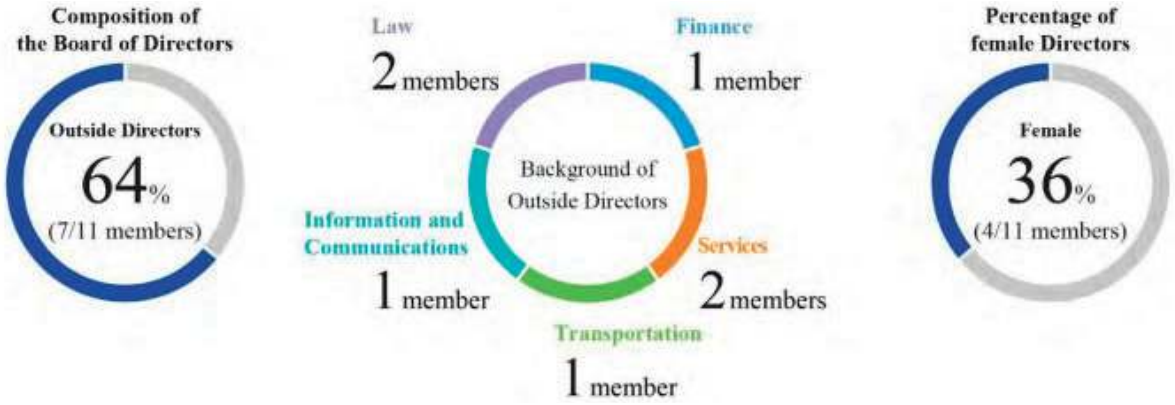
Governance

Corporate Governance

Status of Operations of the Board of Directors and Committees in FY2022

Japan Post Insurance has established opportunities to enhance the exchange of opinions among Directors. They include establishing the "deliberation" process that will leverage the expertise of Outside Directors from the resolution drafting stage as well as the existing resolution and report in order to discuss management issues in advance, holding extraordinary meetings of the Board of Directors as necessary, and meetings of Outside Directors.

We are also working to ensure effective and smooth operations of the Board of Directors such as by providing Directors with accurate information as needed, providing thorough explanations on the details of proposals in advance, and ensuring that there is time for prior discussion and question-and-answer sessions at the Board of Directors.



■ Board of Directors

Number of meetings held: 14

Attendance rate: 100%

Average length of meeting: approx. 1 hour and 22 minutes

Major matters resolved by Board of Directors in the fiscal year ended March 31, 2023

- Capital and business alliance with Mitsui & Co., Ltd. in the real estate asset management business
- Revision of FY2022 consolidated results forecast
- Management Plan for the fiscal year ending March 31, 2024

■ Nomination Committee

Number of meetings held: 4

■ Audit Committee

Number of meetings held: 17

■ Compensation Committee

Number of meetings held: 6

Corporate Governance

Nomination Criteria for Candidates for Directors / Designation Criteria for Independent Officers / Skill Matrix for Directors

The Nomination Committee has formulated the "Nomination Criteria for Candidates for Directors" that stipulates our philosophy regarding balance of knowledge, experience and skills, as well as the diversity and scale of the Board of Directors as a whole, along with qualifications the Company requires of Directors. Based on these standards, the Nomination Committee selects candidates for Directors. The Nomination Committee also formulates the "Designation Criteria for Independent Officers" stipulating the Company's requirements for Outside Directors with no concerns of risk of conflict of interest with shareholders, and designates Independent Officers from among the Outside Directors.

In addition, we have formulated the "skill matrix for directors."

Nomination Criteria for Candidates for Directors
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/criteria_directors.pdf

Designation Criteria for Independent Officers
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/independent_officers.pdf

Skill Matrix for Directors
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/skill_matrix.pdf

Executive Compensation

With respect to compensation for our Directors and Executive Officers, the Compensation Committee has established the "Compensation Policies for Directors and Executive Officers by Individual" and determines compensation based on these policies.

Classification	Reward Type	Overview	Payment Period	Supply method
Directors	Basic compensation (fixed)	Fixed level of compensation based on job responsibilities	Monthly	Cash
Executive Officers	Basic compensation (fixed)	Fixed level of compensation based on job responsibilities	Monthly	Cash
	Stock compensation (performance-linked)	Points calculated by the following formula are granted each year, and shares are delivered in proportion to the accumulated points. A. Basic points (awarded according to job responsibilities) B. Evaluation points (awarded based on individual evaluation) C. Coefficient (varies according to the achievement of the management plan) (A.+B.) × C.	At the time of retirement	Shares (a certain percentage is monetary)

(*) In the event that a person concurrently serves as a director and an executive officer, compensation as an executive officer will be paid.

Compensation Policies for Directors and Executive Officers by Individual
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/compensation_policies.pdf

Corporate Governance

Basic (fixed) Compensation

Directors are paid a certain level of fixed monetary compensation in accordance with their positions based on the primary role of supervision of management, while executive officers are paid a certain level of fixed monetary compensation in accordance with their responsibilities, taking into account the size of their responsibilities and the current state of the Company.

Specifically, the Compensation Committee has established Compensation Standards for Executives. The monthly compensation for directors varies depending on whether they are full-time, part-time, or committee members. The monthly compensation for executive officers varies depending on their position.

However, should the compensation commensurate with the position of an Executive Officer who is in charge of a field that requires special business knowledge and skills fall significantly below the general level of compensation of an officer who is in charge of a similar field at another company, such Executive Officer shall receive a basic compensation based on the level of compensation of other companies, instead of compensation commensurate with his or her duties in the Company.

Overview of the Performance-linked Stock Compensation Plan

At a meeting of our Compensation Committee held on December 22, 2015, we decided to introduce a performance-linked stock compensation plan utilizing a trust (hereinafter referred to as "the Plan") for our executive officers. We decided on the details at the April 27, 2016 meeting of the same committee.

The purpose the Plan is to clarify the connection between the compensation of our executive officers and the value of our shares, and to further enhance the executive officers' awareness of their contribution to the sustainable growth and medium- to long-term enhancement of our corporate value by sharing with the shareholders not only the benefits of an increase in the share price but also the risks of a decrease in the share price.

The Plan will adopt a mechanism known as a Board Benefit Trust (BBT). The Board Benefit Trust (BBT) is a performance-linked stock compensation plan in which the Company's shares are acquired from the stock market through a trust funded with money contributed by the Company. The executive officers are paid through the trust in the amount equivalent to the Company's shares with a certain percentage of the Company's shares being converted at market price as of the date of retirement (however, in the case of resignation for personal reasons, the shares will not be converted into cash, with only the Company's shares being delivered. Hereinafter referred to as "Company's Shares, etc."), in accordance with the predetermined stock benefit regulations. Generally, the time at which an executive officer receives the benefits of the Company's Shares, etc. is when they retire from the position of executive officer of the Company.

However, if a resolution is passed by the Board of Directors to dismiss an Executive Officer, or if an Executive Officer resigns due to a breach of their duties as an Executive Officer or other reasons, all or part of the Company's shares, etc. may not be granted by a resolution of the Compensation Committee.

In addition, voting rights pertaining to shares of the Company belonging to the said trust shall not be exercised.

Corporate Governance

Method of Determining the Amount of Performance-linked Stock Compensation

Regarding the performance-linked stock compensation paid to executive officers, we calculate the awarded points based on our performance for the current fiscal year, an index based on the responsibilities of the position, and an individual evaluation based on the performance of the executive officer's duties.

[Point calculation formula]

Awarded points = (Basic points based on job responsibilities + individual evaluation points) x company performance-linked coefficient

For the basic points based on job responsibilities, we have established points for each role according to the position.

We determine the individual evaluation points for each executive officer based on individual evaluations of the results and efforts of the executive officer in charge of the business.

As for the company performance-linked coefficients, we have set indicators from several different categories to enable a comprehensive determination regarding the degree of achievement of the management plan. Given the form and content of our business as appropriate, we have determined net income target, status of achievement in relation to sales and solicitation quality, achievement status in administrative and system development, etc., as well as progress in promotion of ESG management according to the achievement status of these indicators.

However, if there is a breach of duties as an executive officer, or if a corporate scandal that significantly damages the company's credibility occurs, all or part of the points may not be granted by resolution of the Compensation Committee.

In addition, we have not formulated a policy regarding the determination of the payment ratio of performance-linked compensation and non-performance-linked compensation.

Targets and Results of Indicators Related to the Relevant Performance-linked Compensation in FY2022

Indicators	Targets	Results
Net income target: Consolidated net income	¥71.3 billion	¥97.6 billion
Status of achievement in relation to sales and solicitation quality: Net increase in life insurance policies	¥1.79 billion	¥(3.57) billion
Status of achievement of administrative and system development, etc.	Addressing urgent issues (continued initiatives to support our customers in an emergency), strengthening an appropriate solicitation quality control scheme, improving customer experience value, transformation of business model, asset management, ERM, measures for preventing crime and money laundering, etc.	Progress of measures generally in line with the plan
Progress in promotion of ESG management	Contribution to local community development and environmental protection, extension of healthy life expectancy and improvement of wellbeing, and establishment of an environment where each and every employee can actively demonstrate his/her full potential to empower himself/herself, etc.	Progress of measures generally in line with the plan

Corporate Governance

Ratio of actual value of basic compensation (fixed) and performance-linked stock compensation for former executive officers

(*1) Basic compensation (fixed) is calculated based on the actual payment in the fiscal year ended March 31 2023.

(*2) Performance-linked stock compensation is calculated by multiplying the points granted based on the actual performance in the fiscal year ended March 31 2023 by the stock price on the date of point grant for those in office and by the stock price on the date of retirement for those retiring.

Reasons for the Compensation Committee's determination that the details of individual compensation, etc., of executives for FY2022 are in line with the policy

In addition to the Compensation Policies for Directors and Executive Officers by Individual, our Compensation Committee has established the Compensation Standards for Executives, which defines the basic compensation for each position, and the Share Benefit Regulations for Executives, which defines the performance-linked stock compensation.

In determining the amount of compensation to be paid to each director and executive officer based on their position, the individual evaluation of executive officers, and the points to be awarded for stock-based compensation based on performance, etc., the Compensation Committee has conducted a multifaceted examination of the draft, including consistency with the above policy, and has determined that the content of individual compensation, etc. is in line with the above policy, etc.

Total amount of compensation, etc. for each executive officer category, total amount of compensation, etc. by type, and number of qualifying executive officers

▶ P153 Executive Officer Compensation (ESG data)

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors analyzes and evaluates the effectiveness, etc. of the Board of Directors as a whole every year through specific actions, such as confirming the opinions of every Director regarding the Board of Directors' effectiveness and uses the results to improve operations.

■ Process for evaluating effectiveness of the Board of Directors for the fiscal year ended March 31, 2023

Formulation of evaluation items for the survey

01	Survey conducted (February 2023)	All ten Directors were surveyed regarding the Board of Directors for the fiscal year ended March 31, 2023

Compilation of surveys

02	Evaluation and analysis (March 2023)	The survey results and opinions received were evaluated and analyzed, and outcomes and issues were identified
03	Discussion at meeting of Outside Directors (March 30, 2023)	The evaluation and analysis, as well as measures to address issues in the future, were discussed at a meeting of Outside Directors

Drafting of resolution proposal

04	Resolution by the Board of Directors (April 17, 2023)	Based on 01-03, the Board of Directors made a resolution on the results of the evaluation of their effectiveness for the fiscal year ended March 31, 2023, including future action plans of Directors

[Main evaluation items on survey]
Eleven items in total

(1) Composition, operation, etc. of the Board of Directors and committees
Number of members, diversity, qualities and focused operation (whether the necessary matters are submitted, whether time is invested into important matters, etc.) of the Board of Directors and committees, etc.

(2) Recognition of tasks and improvement measures related to the operation of the Board of Directors
Set up for a wide range of projects using deliberation items and social gatherings, and holding meetings to exchange opinions with frontline employees, etc.

(3) Self-evaluation
Self-evaluation of the roles and responsibilities of each Director, etc.

(*) We are advised by a third-party lawyer regarding the formulation of evaluation items for the survey and the results of the evaluation of the effectiveness of the Board of Directors.

▶ **Summary of the Result of Evaluation of Effectiveness of the Board of Directors for FY2022**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/summary_result.pdf

Initiatives for FY2024/3 based on the effectiveness evaluation

- Systematic setting of projects to discuss the direction of medium- to long-term management and outlook for environmental changes.
- Expand opportunities to exchange opinions with employees.
- Establishment (Expansion) of opportunities for the exchange of opinions among outside directors and with Executive Officers.
- Thorough efforts to improve materials, such as structuring materials that focus on the main points.

Initiatives for Internal Control

We have resolved the "Fundamental Policy for Establishment of Internal Control Systems" at a meeting of the Board of Directors as a fundamental policy related to the establishment of a system for ensuring proper operations. Pursuant to the aforementioned policy, the Company is striving to establish appropriate internal control systems, including the development of the following systems:

- System for ensuring the execution of duties by the Executive Officers and employees of Japan Post Insurance is in compliance with laws and regulations and the Articles of Incorporation
- System for retaining and managing information concerning the execution of duties by the Executive Officers
- System and rules for managing the risk of loss to Japan Post Insurance
- System for ensuring the efficient execution of duties by the Executive Officers
- System for ensuring proper operations within the corporate group comprising Japan Post Insurance and Japan Post Holdings, and subsidiaries of Japan Post Insurance
- System for ensuring effective audits by the Audit Committee

▶ **Fundamental Policy for Establishment of Internal Control Systems**
https://www.jp-life.japanpost.jp/english/aboutus/company/assets/pdf/internalcontrol.pdf

Internal Control Systems (Business Execution)

Important management decisions related to business execution are first discussed by the Executive Committee and then made by the President, CEO, Representative Executive Officer. The Executive Committee is comprised of the President, CEO, Representative Executive Officer and the Executive Officers in charge of the respective business operations. In addition, we set up the following 10 specialized committees to serve as advisory bodies to the Executive Committee. Among the items subject to approval of each Executive Officer, cross-divisional issues are discussed by the respective specialized committees.

❶ Financial Management Committee
❷ Risk Management Committee
❸ Compliance Committee
❹ Customer Experience Committee
❺ Product Development Committee
❻ Administrative and IT Systems Reform Committee
❼ Work Style Reform Committee
❽ Information Security Committee
❾ Disclosure Committee
❿ Sustainability Committee

* Furthermore, in order to promptly and reliably implement measures under the leadership of management and improve solicitation quality, we have established a Customer-first Solicitation Committee and hold discussions.

Internal Audit System

We have established the Internal Audit Department, which is independent from our executing departments, to contribute to sound and appropriate business operations. The Internal Audit Department carries out internal audits of the head office, regional headquarters, branches, our subsidiaries, and agencies to review the execution status of management activities and the design and operation of each Internal Control System including compliance, and risk management in accordance with the "International Standards for the Professional Practice of Internal Auditing" developed by the Institute of Internal Auditors (IIA). The Internal Audit Department directly reports the results of internal audits to the President, CEO, Representative Executive Officer, the Audit Committee, and the Board of Directors, thereby ensuring the effectiveness of internal audits.

The Internal Audit Department has also taken steps to strengthen the Internal Audit System through efforts such as improving internal audit quality, enhancing internal audit framework and awareness, securing and developing human resources, and further cooperating with the Audit Committee, executives and business-executing departments.

Compliance and Anti-Corruption

We assure the soundness and appropriateness of our business operations and promote compliance and anti-corruption by ensuring that all executives and employees comply with laws and regulations (laws, regulations, internal rules, social norms, and corporate ethics) in every aspect of our corporate activities. To this end, we have established our compliance framework by formulating compliance rules that set out the basics for the promotion of compliance within the Company. These rules incorporate the "Fundamental Policy for Establishment of Internal Control Systems" developed by the Company's Board of Directors.

We recognize that violations of laws and regulations, including corruption, cause our customers and other stakeholders to lose trust in the Company and significantly damage our corporate value. We regard the prevention of such violations as our one of the most important management issues.

Compliance Promotion System

To promote compliance within the Company, we have established the Compliance Committee, headed by the Chief Compliance Officer (CCO). The Compliance Committee deliberates on management policies concerning compliance, specific compliance operations and response to various compliance issues. The committee also works to achieve thorough compliance and prevent compliance violations by monitoring and analyzing the Company's compliance promotion efforts. In addition, the CCO reports important matters discussed at the Committee to the Executive Committee, the Audit Committee, and the Board of Directors. The Compliance Committee has also established Compliance System Strengthening Advisory Board, which consists of external experts and other members and acts as an expert panel to the Compliance Committee in order to help strengthen the compliance system.

We have assigned the Senior General Manager of the Compliance Control Department and the Senior Manager of the Regional Compliance Division to act as compliance officers in charge of compliance. In addition, we have assigned compliance managers responsible for promoting compliance in their departments at the head office (including services centers, etc.), regional headquarters and branches. In this way, we have established a company-wide system to promote compliance.

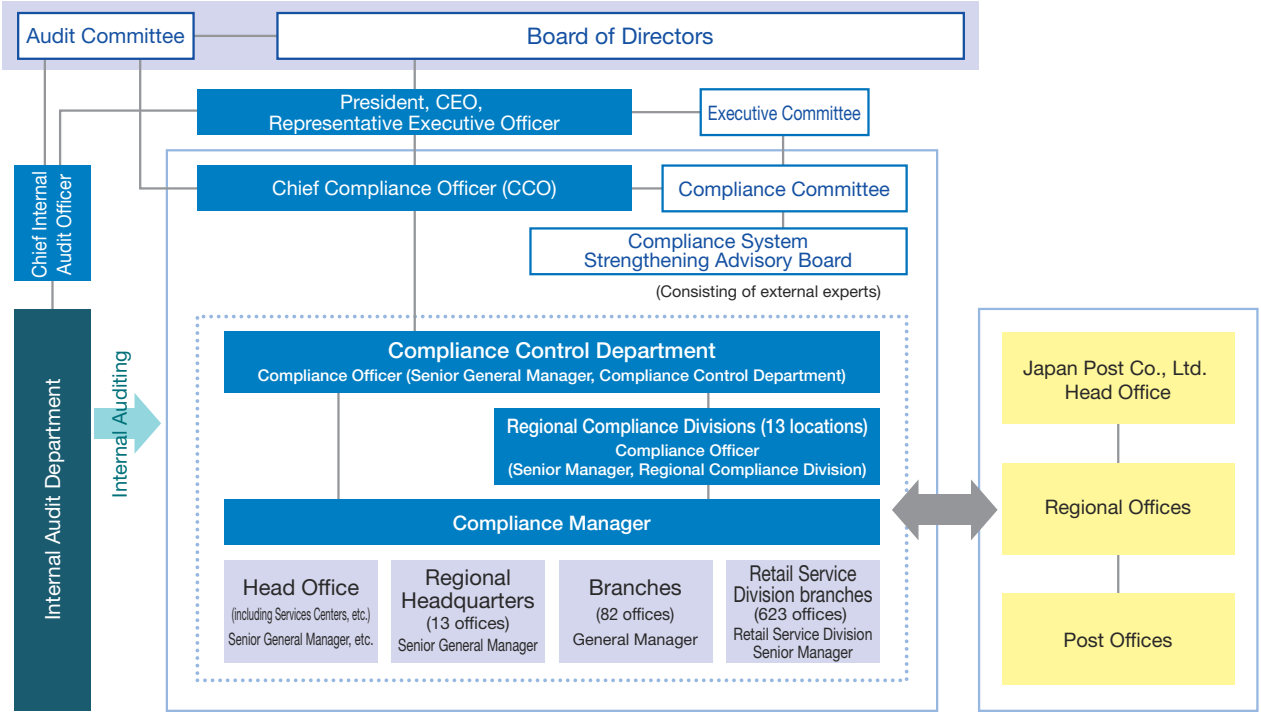
To discuss matters related to enhancement and reinforcement of the compliance framework of Japan Post Co., which serves as our insurance solicitor, we have set up a liaison meeting, members of which include the CCO. We also provide guidance to post offices and manage their compliance activities on the basis of discussion at the meeting.

The Internal Audit Department conducts internal audits to check the status and operation of the compliance system and to strengthen the Company's compliance promotion system.

Governance

Compliance and Anti-Corruption

Compliance Promotion System



Dealing with Compliance Violations

If a compliance violation or suspected compliance violation is discovered, we will investigate and clarify the facts and causes of the violation and based on those results, we will formulate and implement measures to prevent future recurrence. In addition, disciplinary action, including punitive dismissal, may be taken in accordance with disciplinary rules, etc.

Implementing Compliance Education

Each fiscal year, as a concrete practical plan to promote compliance, we formulate a Compliance Program and develop a training program. Based on this training program, we conduct training for the compliance managers assigned to each department in order to explain and offer instruction regarding the role of compliance managers and points to keep in mind in terms of compliance in practice. We also conduct e-learning for all executives and employees to impart and disseminate compliance knowledge.

We have also prepared the Compliance Manual, which is a concrete guide for achieving compliance, and the Compliance Handbook, which explains the main points of the Manual. In addition to providing explanations of laws and regulations that executives and employees must comply with and how to deal with illegal activities when they are discovered, the handbook also contains information on the prohibition of corrupt practices such as bribery, embezzlement, transactions with conflicting interests, and insider trading.

Furthermore, by distributing compliance cards to all executives and employees, we work to ensure that all executives and employees carry out their duties with compliance as their top priority.

Compliance and Anti-Corruption

Incorporation into the Personnel Evaluation System

We evaluate each employee's efforts by setting targets related to "compliance observance" among the personnel evaluation items for managers and general employees.

Anti-Corruption Initiatives

We support the aims of the United Nations Global Compact, in which the Japan Post Group has participated since 2008. We operate based on 10 principles related to human rights, labor, the environment, and anti-corruption.

In addition, the Code of Conduct, which are based on our management philosophy, asserts "We leave no stone unturned in ensuring compliance based on a strong ethical sense of the company as a responsible member of society".

Prevention of Bribery

We intend to thoroughly enforce the prohibition of bribery of public officials, etc., by executives and employees, and regulations concerning political funds which we have clearly specified in our Compliance Manual. In addition, in the Compliance Handbook, executives and employees are informed of specific cases in which it is necessary to strictly refrain from providing entertainment or cash gifts that exceed the scope of restrictions imposed by laws and regulations, or from accepting bribes or inappropriate payoffs, or from demanding bribes. In this way, we are working to prevent bribery and corruption.

Measures related to Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing

We have formulated the Policy on Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing in accordance with the FSA's Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism. Based on this policy, we will promote initiatives to appropriately mitigate risks of money laundering, the financing of terrorism and proliferation financing (hereinafter referred to as "Money Laundering").

From the perspective of preventing the abuse of our products and services for Money Laundering, we identify and evaluate risks based on the characteristics of our businesses and the status of our representative offices, as well as laws and regulations, and take appropriate measures commensurate with these risks in order to effectively mitigate them.

In addition, the management is taking the initiative in promoting measures to prevent Money Laundering, and we have appointed the CCO as the person in charge of anti-Money Laundering, etc. measures. We clearly define the roles and responsibilities of executives and employees involved in anti-Money Laundering, etc. measures.

Elimination of Antisocial Forces

To eliminate and avoid any relationships with antisocial forces, our "Fundamental Policy for Establishment of Internal Control Systems" requires the ending of all relationships with antisocial forces that pose a threat to the order of society and sound corporate activities by routinely collaborating with the police and other outside experts, and firmly rejecting the unjustified demands of antisocial forces. In addition, based on this policy, we have created the "Basic Policy on Handling of Antisocial Forces" as well as "Rules for Handling of Antisocial Forces," which define our framework for avoiding all relationships with antisocial forces and the basics for organizational actions.

As specific measures, we incorporated a clause against organized crime into our policy agreements in April 2012. Other measures include checking all policies in force for any link with antisocial forces and incorporating a clause against organized crime into other contracts. We also encourage the people in charge of countering unjustified demands to participate in the corresponding training seminar; work to reinforce our ties with the police, lawyers and other external organizations; and provide guidance to employees through training programs.

Compliance and Anti-Corruption

Management of Conflicts of Interest

To prevent our customers' interests from being unduly harmed in conjunction with conflicts of interest transactions between our customers and Japan Post Insurance, we have released the "Conflicts of Interest Management Regulations" in light of the Insurance Business Act and Financial Instruments and Exchange Act, and other laws and regulations. As a person who manages and controls conflicts of interest, the Chief Compliance Officer (CCO) is assigned as the Chief Conflict of Interest Management Officer. The Senior General Manager of the Compliance Control Department has been assigned as the person who assists the Chief Conflict of Interest Management Officer and oversees managing conflicts of interest. In this way, we have established a system to ensure compliance with laws, regulations, and our rules, while appropriately managing and executing our business. Japan Post Group has released the "Japan Post Group Conflicts of Interest Management Policy." This Policy governs the management of conflicts of interest transactions by our Group as a whole in order to prevent our customers' interests from being unduly harmed.

In accordance with the Companies Act, we have also announced in our Basic Policy Regarding Corporate Governance that the Board of Directors will exercise appropriate supervision over transactions conducted by directors and executive officers for their own benefit or for the benefit of third parties, to ensure that such transactions are not conducted at the expense of our interests. In addition, in accordance with the "Conflicts of Interest Transactions Management Regulations", we comply with laws and regulations and properly manage and execute our business. Specifically, the necessity of the relevant conflict-of-interest transaction and other material facts are submitted to the Board of Directors for approval. In addition, to ensure that such approval is obtained, the Corporate Planning Department has been designated as the department in charge of the overall management of transactions that involve conflicts of interest. We ensure an appropriate management system by confirming the schedule and results of transactions, as well as the results of self-inspection before and after the performance of transactions by the department conducting the transactions.

▶ **Japan Post Group Conflicts of Interest Management Policy**
https://www.jp-life.japanpost.jp/english/aboutus/company/en_abt_cmp_conflicts.html

Requests for Business Partners

To achieve anti-corruption throughout the entire value chain of our business, when making decisions on investments in new business partners (subsidiaries, affiliates, etc.), we stringently check their management systems regarding bribery, money laundering, and relationships with antisocial forces as part of our due diligence procedures. When procuring goods and services necessary for business, we also request suppliers to comply with the Japan Post Group CSR Procurement Guidelines to promote fair and equitable transactions, consider the environment, prevent corruption, and strengthen information security.

▶ **P82 Supply Chain Management**

Governance

Compliance and Anti-Corruption

Whistleblowing and Consultation System

The Company has established whistleblowing contact points at the Compliance Control Department of the Head Office and outside Attorney's Office for employees (including temporary employees). The whistleblowing contact points aim to achieve early detection and the resolution of acts of violations or possible violations of compliance including bribery and corruption. Based on the improper solicitation related to our products uncovered in 2019, the Japan Post Group has newly established an external whistleblowing contact point exclusively for financial product sales issues since March 2020.

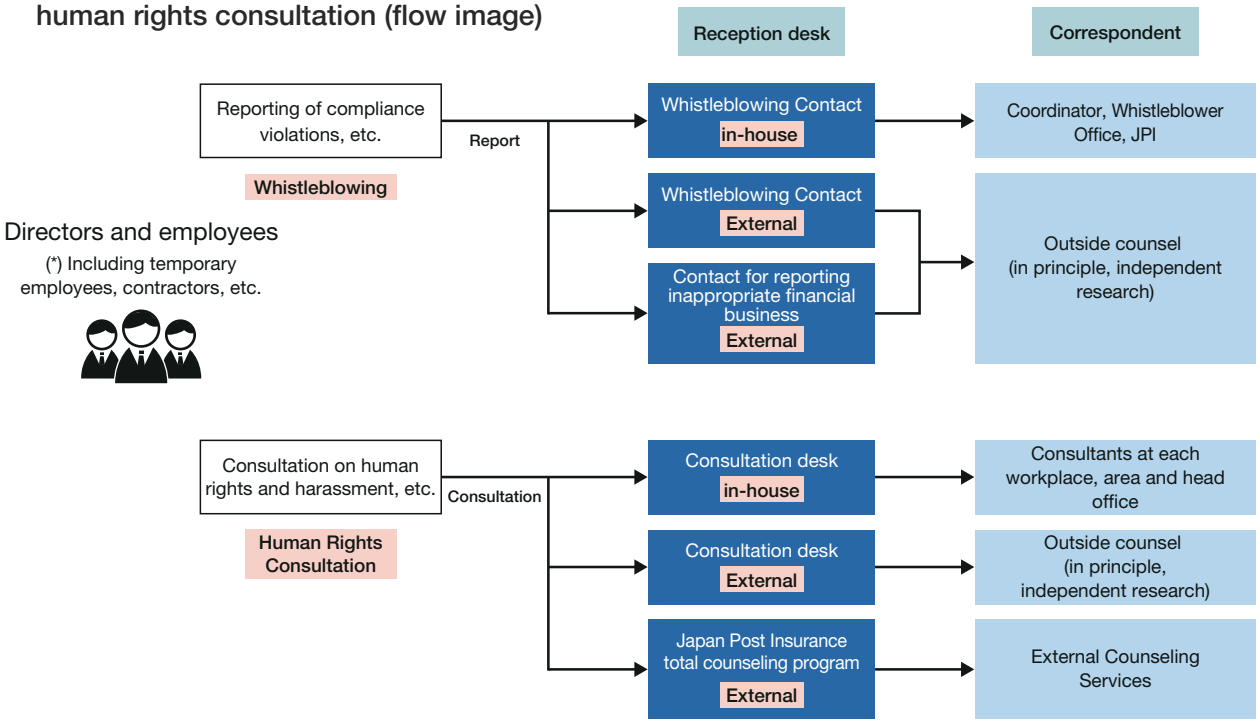
The Company will, if deemed necessary, conduct an appropriate investigation of the internal report received while ensuring the confidentiality of the reported information. If the investigation reveals a violation of compliance regulations, the Company imposes the necessary disciplinary action on the offender.

In operating the whistleblowing system, we take the utmost care to ensure that the whistleblower is not identified when investigating the content of the report. We will ensure the protection of whistleblowers by stipulating in our regulations that strict measures, including disciplinary action, will be taken against any actions that identify the whistleblower or disadvantage the whistleblower. By thoroughly protecting whistleblowers in this way, the company has established an environment that facilitates whistleblowing.

Since September 2021, the Japan Post Group has introduced a dedicated portal site, the "One-Stop Consultation and Reporting Platform" which will guide whistleblowers to the most appropriate contact point for consultation and reporting of harassment and other violations of compliance by simply selecting the content of the consultation or reporting and the response desired by the company. In addition to the introduction of the "One-Stop Consultation and Reporting Platform", we have also adopted a system in which the acceptance of whistleblowing and the investigation of reported events are conducted by "External Specialist Team" consisting of solely outside attorneys and their assistants.

In order to eradicate human rights issues and harassment in the workplace, we have established a comprehensive counseling program ("Total Counseling Program") where employees and their families can freely consult with outside experts by phone, in person, and via the Internet.

Outline of whistleblowing and human rights consultation (flow image)



▶ P41 Consultation Desk for Human Rights and Harassment

Governance

Compliance and Anti-Corruption

Number of Reports to the Whistleblowing Contact Points

	FY2019	FY2020	FY2021	FY2022
Number of Reports to the Whistleblowing Contact Points	52	116	94	387

* The above number of cases is counted as one case for each report, even if the same event is reported by a different whistleblower or the same whistleblower reports the same event multiple times.
* The above number of cases represents the total number of reports to in-house and external contact points.

Whistleblowing System for external parties

We also accept reports from our contractors (suppliers) under the above-mentioned whistleblowing system. As with reports from employees, we ensure anonymity to our contractors upon request. In addition, we also take appropriate measures to handle reports from outside the company made to Japan Post Insurance Call Center and other organizations. We investigate these reports to determine whether a compliance violation has occurred. If a compliance violation is confirmed, we take the necessary disciplinary action against the offender.

Risk Management

ERM and Capital Policy

Recognition of the environment and basic strategy

The Risk Appetite Statement stipulates that we shall realize sustainable growth and enhancement of the Company's corporate value over the medium to long term while securing soundness in business management based on ERM. We will aim to secure revenues considering efficiency with respect to capital and risks, while securing financial soundness.

On top of that, we will position returning profits to shareholders as an important measure for management effectiveness. We will secure revenues while maintaining financial soundness based on ERM, aiming to steadily return profits to shareholders.

Key Initiatives

We intend to improve the risk return ratio and capital efficiency while maintaining financial soundness under the ERM framework.

Improvement of return against risk

- Develop insurance services to satisfy protection needs of customers of all generations and shift to a portfolio centering on protection-type products
- Engage in deeper and more sophisticated asset management to maximize return against risk
- Invest in DX while promoting improved efficiency in business operation

Improvement of capital efficiency

- Aim for growth exceeding estimated capital costs in the medium- to long-term (RoEV of 6% to 8%[Note] Assumed capital cost ratio: around 6%)
- Pay due consideration to costs and quality in the capital composition and maintain soundness of the financial base
- Aim for an increase in per-share dividends and never reduce dividends, in principle, during the Medium-Term Management Plan
- Aim for an average total payout ratio from 40% to 50% in the medium term

Note A value obtained by excluding the "difference between the economic assumption and actual results" from the EV variance factors.

Maintaining financial soundness

- Establish and maintain the minimum financial soundness and the assessment criteria (Maintain financial soundness: The minimum solvency margin ratio of 400%, the standard solvency margin ratio of 600%, and ESR (economic solvency ratio) of 150%)
- Aim for the medium- to long-term stability and improvement of ESR while refining measurement methods in anticipation of the introduction of the new solvency regulations
- Implement responses to the introduction of the new solvency regulations, including controlling interest rate risks

Risk Management

Risk Appetite Statement

The Risk Appetite Statement stipulates our risk-taking policies in terms of which risks to take in order to achieve our goals. We categorize our risk appetite into "qualitative risk appetite" and "quantitative risk appetite."

	Risk Category	Statement
Qualitative	Overall Policy	● Be active in universal services through the post office network while cultivating a corporate culture where every employee can grow with job satisfaction as the base for sustainable growth of the Company and pursue effective customer-first business operations. ● Achieve sustainable growth while maintaining sound business operations based on ERM. Aim to stabilize ESR in the medium to long term.
Qualitative	Insurance Underwriting Risk	● Underwrite insurance products based on sales activities with solicitation quality and respond to the diversification of insurance needs.
Qualitative	Investment Risk	● The basic approach is to promote asset-liability matching while taking into account surrender risk and profitability. ● Seek to improve investment income by promoting the achievement of greater depth and sophistication of asset management while taking into account market constraints and soundness, serving as one of Japan's largest institutional investors.
Qualitative	Operational Risk	● Prevent operational risk from materializing by strengthening internal control systems and establishing a system to perform all operations from underwriting to claim payment in a simple, prompt and accurate manner. ● Prevent actualization of human risks by improving communication between management and employees, supporting diverse career development, and strengthening management capabilities. ● Prevent actualization of compliance risks by detecting risk using high risk sensitivity as well as embedding behavior to respond to the expectations of society in every employee.
Quantitative		● Secure sound business management, set the minimum level for financial soundness that the Company should observe, and establish a management system to keep the indicators above that level. - Minimum level Solvency margin ratio of 400% ● Manage the balance between risks and capital, and aim to secure profitability by maintaining the minimum level for financial soundness.

Risk Management Systems

Outline of Risk Management Systems

In accordance with the "Basic Risk Management Policy," we have set up and regularly convene the Risk Management Committee headed by the Chief Risk Officer (CRO), while formulating rules of risk management.

The Risk Management Committee deliberates on risk management policies and matters concerning the establishment and operation of risk management systems as well as on matters concerning the implementation of risk management. This committee also performs appropriate risk management by monitoring and analyzing the status of each risk and other related matters. The CRO submits and reports on important matters to the Executive Committee, the Audit Committee, and the Board of Directors for discussion.

Also, the CRO controls the Company's risk management and builds, verifies and upgrades risk management systems in accordance with changes in risk management circumstances and the operating environment. The Risk Management Department is in charge of overall control of risk management and under the direction of the CRO executes affairs concerning building, verifying and upgrading risk management systems. At the same time, it regularly verifies the status of risk management by monitoring, analyzing and managing the state of risk management in sections responsible for performing risk management in each risk category ("risk management sections").

Each of the Executive Officers in charge of risk management sections operate and upgrade the systems for managing their respective assigned risks by ascertaining the presence, types and profile of risk, as well as the risk management techniques and systems as prescribed by the Basic Risk Management Policy. While operating a mutual checks and balances system with departments of the head

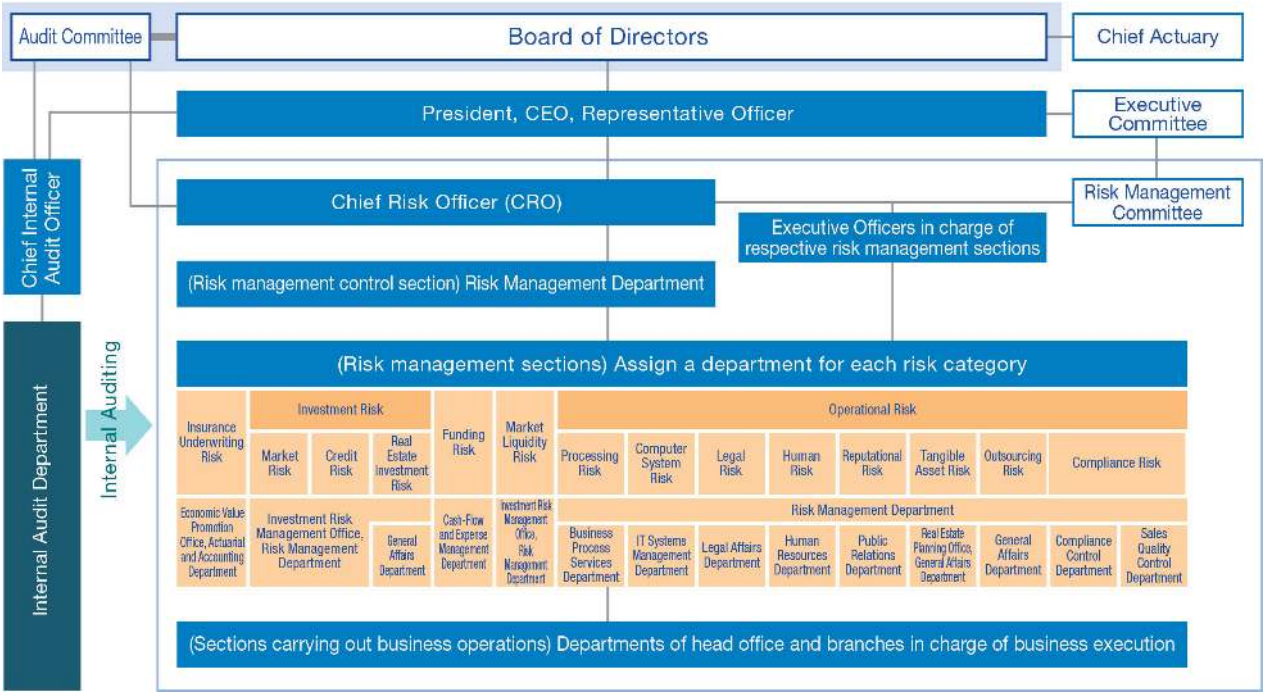
Risk Management

office and branches in charge of business execution, risk management sections appropriately fulfill their monitoring role and manage their assigned risks in accordance with risk management standards. As investment risk and operational risk have multiple subcategories, we have designated a department for handling comprehensive risk management in conjunction with the risk management sections for respective subcategories.

The Internal Audit Department conducts internal audits to check the status and operation of the risk management systems, as well as to strengthen them.

In enforcing risk management, we collaborate with the risk management departments of Japan Post Holdings Co., Ltd. and JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd., the Company's subsidiary.

Risk Management Structure



Governance

Risk Management

Principal Risk Categories and Definitions

We classify and define types and details of managed risks into the following categories, and have established a management system and rules in accordance with each characteristic and are appropriately carrying out risk management.

Insurance Underwriting Risk		The risk of losses due to changes in economic conditions, incidence rates of insured events or other factors contrary to the projections made at the time when premiums were set.
Investment Risk		The risk of losses resulting from fluctuation in the value of assets and liabilities held that include off-balance-sheet assets and liabilities.
	Market Risk	The risk of losses resulting from fluctuation in the value of assets and liabilities held that include off-balance-sheet assets and liabilities as well as the risk of losses resulting from fluctuations in profits generated by assets and liabilities due to fluctuations in various market risk factors such as interest rates, foreign exchange rates and stock prices.
	Credit Risk	The risk of losses resulting from a decline or elimination in the value of assets including off-balance-sheet assets due to deterioration in financial conditions of borrowers or a counterparty.
	Real Estate Investment Risk	The risk of losses due to a decline in profitability of real estate caused by factors such as change of rents or due to a decrease in the value of real estate itself caused by factors such as changes in market conditions.
Funding Risk		The risk of losses due to overdue payment of insurance claims and others, or being forced to carry out transactions at a price extremely lower than normal as a result of a deterioration in cash management caused by factors such as a decrease of premium income following the decline of new policies caused by factors such as worsening financial conditions, an increase in payments of termination refunds following a large amount of policy surrenders and lapses and cash outflows following a significant natural disaster.
Market Liquidity Risk		The risk of losses due to being forced to conduct transactions at extremely unfavorable prices compared to normal or being unable to conduct market transactions due to factors including market turmoil.
Operational Risk		The risk of losses due to improper business processing, inappropriate behavior by executives and employees, improper computer system operations or external events.
	Processing Risk	The risk of losses due to executives, employees and others neglecting to conduct proper operations, resulting in accidents or engagement in unlawful activities.
	Computer System Risk	The following types of risk are included: a) the risk of losses due to system failures or malfunctions, system defects or any other causes. b) the risk of losses due to unauthorized use of computers. c) the risk of losses due to delayed computer system development.
	Legal Risk	The risk of losses resulting from any legal conflicts associated with our business activities or due to our improper response to the establishment of or revisions to any relevant laws and regulations.
	Human Risk	The risk of losses due to unequal, unfair or discriminatory actions, in terms of personnel management.
	Reputational Risk	a) The risk of losses due to the spread of vague information such as rumors, speculations or reputation with regard to the Company, and the spread of misunderstandings, misperceptions or exaggerated interpretations associated with an accident or unlawful acts among policyholders or the mass media. b) The risk of losses due to negative evaluations. For example, there is a great gap between the business activities of the Company and the expectations/trust of stakeholders.
	Tangible Asset Risk	The risk of losses due to damage to tangible assets caused by disasters or other events.
	Outsourcing Risk	The risk of losses due to default of an outsourcing agreement and/or unlawful acts, etc., committed or conducted by an outsourcee (including any re-outsourced party) with regard to an operation outsourced externally.
	Compliance Risk	The risk of loss of corporate value due to the loss of trust of stakeholders including customers caused by violations of laws and regulations, rules, and in-house regulations, acts deviating from social norms, acts violating commercial practices and market practices, and acts against social expectations such as acts that do not consider the customer's perspective.

Risk Management

Implementation of Stress Tests

We implement periodic stress testing to ascertain the impact of an event that has a low but certain probability of occurring and could have a significant effect on the Company.

In establishing stress scenarios we undertake the following:

- We cover all risk categories that could have a significant impact on the Company taking into consideration the Company's risk profile status.
- Besides historical scenarios that have occurred in the past, we simulate forward-looking hypothetical scenarios that could occur in the future.
- We consider the impacts on the Company under a combined (comprehensive) stress scenario.

Specifically, it is a combination of events such as significant fluctuations in financial markets such as interest rates, exchange rates and stock prices, the occurrence of a major earthquake or a pandemic. In addition, we are working on estimates and analyses of the impact of climate change (long-term global warming) on assets owned, insurance claim payments, etc.

Based on the analysis of the impacts on loss situation and soundness under the stress scenarios, the results of stress tests are periodically reported to the Risk Management Committee and the Executive Committee to be used in management judgments.

Risk Management

Business Risks and Other Risk Factors

The following are the major risks that management believes may have a significant impact on the Group's financial position, operating results, cash flow status, and indicators such as embedded value (EV), which represents corporate value.

The Group classifies business risks and other risk factors into: most significant risks, significant risks, and risks other than the above. In classifying such risks and describing the information related to each one, we conducted a questionnaire regarding business risks and other risk factors directed at members of the Executive Committee as of March 31, 2023, who were executive officers at or above the level of managing executive officer and those in charge of business operations as of March 31, 2023, in order to appropriately reflect the Group management's awareness of the impact, possibility of occurrence, and countermeasures. Based on the aggregate results, the Risk Management Committee and the Executive Committee discussed the results and listened to the opinions of Outside Directors.

▶ **Business Risks and Other Risk Factors**
https://www.jp-life.japanpost.jp/IR/en/management/business_risk.html

Risk classification	Risk
Most significant risks	(1) Risks related to business strategies and management plans
	(2) Risks related to the business environment, etc.
	(3) Risks related to solicitation quality and compliance
	(4) Risks related to cyberattacks
	(5) Risks related to the relationship with Japan Post Co., Ltd.
Significant risks	(6) Risks related to asset management
	(7) Risks associated with the occurrence of largescale natural disasters, etc.
	(8) Risks related to information leakage
	(9) Risks related to credit rating downgrades
	(10) Operational risks
	(11) Risks related to rumors, false information, etc.
	(12) Risks related to legal systems and regulations
	(13) Risks related to climate change
	(14) Risks related to premium setting and the accumulation of policy reserves
	(15) Risks related to lawsuits, administrative actions, etc.
	(16) Risks related to the relationship with Japan Post Holdings Co., Ltd.
Risks other than the above	(17) Risks related to the effectiveness of risk management
	(18) Risks related to market liquidity and funding
	(19) Risks related to deferred tax assets
	(20) Risks related to reserve for policyholder dividends
	(21) Risks associated with business alliances
	(22) Risks related to retirement benefit obligations
	(23) Risks related to contributions to the Life Insurance Policyholders Protection Corporation of Japan and the bankruptcy of other life insurance companies in Japan

Information Security

In accordance with our Information Security Declaration, we implement information security measures to protect our information assets and aim to enhance the sophistication of our information security management.

▶ **Information Security Declaration (in Japanese)**
https://www.jp-life.japanpost.jp/policy/privacy/pcy_prv_security.html

Response to Cybersecurity

Recognizing the risk of cyberattacks as a material risk, we have designated the Chief Compliance Officer as our Chief Information Security Officer (CISO), and implement multi-layered risk management that combines defense and detection mechanisms under the leadership of our CISO.

In terms of systems, we have established the Computer Security Incident Response Team (CSIRT), an organization that conducts activities in preparation for cyberattacks in ordinary times and emergencies. The CSIRT gathers information in collaboration with external specialized organizations, and works on the development of emergency response procedures for IT systems that need to respond to the threat of cyberattacks. In addition to regular cyber drills, we conduct internal training and drills for executives and employees to continuously improve our response capabilities in the event of a cyberattack.

To carry out these activities, we have established the Information Security Committee within the Company. Management is taking the lead in promoting such measures, while working in cooperation with other companies in the Japan Post Group based on "Japan Post Group Executive Declaration on Cyber Security."

▶ **Japan Post Group Executive Declaration on Cyber Security (in Japanese)**
https://www.japanpost.jp/corporate/values/cybersecurity.html

▶ **Japan Post Group Cyber Security Measures (in Japanese)**
https://www.japanpost.jp/ir/strategy/index16.html

Initiatives for Protecting Personal Information

Japan Post Insurance recognizes the importance of information security management called for by society and promotes measures to protect personal information appropriately, pursuant to relevant laws and regulations.

For an internal management structure to ensure safe management of personal data, we have established and announced the fundamental policy for protecting personal information (Japan Post Insurance Privacy Policy)[*1], and have also designated a Chief Information Security Officer (CISO)[*2], who is in charge of the Company-wide control of information security, and other responsible personnel. In this way, we are protecting and handling personal information in an appropriate manner.

In addition, we have included information on protecting personal information in our compliance rules and manuals. We have also selected information on personal information protection to include in our annual compliance promotion practice plan, and conduct various training sessions in accordance with the plan.

If personal information is leaked, we will take appropriate actions based on our disciplinary rules, etc. We will also take measures to prevent a recurrence.

The Internal Audit Department conducts off-site monitoring to check the status and operations of compliance with the fundamental policy for protecting personal information.

(*1) The Japan Post Insurance Privacy Policy applies to all of the Company's operations, including those of our contractors.
(*2) The Chief Compliance Officer (CCO) acts as the Chief Information Security Officer (CISO).

▶ **Japan Post Insurance Privacy Policy (in Japanese)**
https://www.jp-life.japanpost.jp/policy/privacy/pcy_prv_statement.html

▶ **Purpose of Use of Personal Information Succeeded from Japan Post (in Japanese)**
https://www.jp-life.japanpost.jp/policy/privacy/pcy_prv_object.html

Appropriate Tax Initiatives

Japan Post Insurance believes that transparent tax management, including compliance with laws and regulations and proper tax payment, is important in fulfilling its corporate social responsibility, and pays taxes appropriately in accordance with the Japan Post Group Taxation Policy. In addition, we are striving to enhance our corporate governance regarding tax and to raise awareness of tax compliance through education and training programs.

Basic Policy on Taxation at the Japan Post Group (Japan Post Group Taxation Policy)

1. Basic Approach

- The Group recognizes that paying taxes is part of corporate social responsibility, and will contribute to the development of a sustainable society in the countries and regions in which it operations through proper tax payments.
- The Group will observe taxation law and other laws and regulations in the countries and regions in which it operates, while understanding and appropriately responding to the importance of international initiatives as typified by the BEPS Project operated by the OECD.
- The Group will conduct training and other internal awareness-raising activities to ensure that each employee recognizes that observing taxation compliance mitigates taxation risks and is the best strategy for enhancing corporate value.
- The Group carries out taxation work under the Group CFO, as well as the executive officer in charge of accounting and finance, who is responsible for administrative work related to corporate accounting. Important taxation matters for the Group such as the results of tax investigations are reported to the Management Meeting and other meeting bodies as needed by the Group CFO or the executive officer in charge of accounting and finance. Financial statements, including tax expenses, etc., are approved by the Board of Directors and disclosed appropriate in Annual Report.
- The Policy applies to the entire Group, including Japan Post Co., Ltd., Japan Post Bank Co., Ltd., Japan Post Insurance Co., Ltd. and Toll Holdings Limited, which operates international logistics businesses. The holding company Japan Post Holdings Co., Ltd. will coordinate with Group companies while endeavoring to carry out taxation work in a stable fashion.

2. Implementing Proper Tax Payments and Ensuring Taxation Transparency

- The Group will strive to mitigate taxation risks and optimize tax expenses, while making every effort to enhance corporate value and maximize shareholder value. Moreover, the Group will not engage in tax reduction efforts through interpretations or applications that deviate from the spirit of laws or regulations, in using tax structures without commercial substance, or in tax planning for the sole purpose of tax avoidance.
- The Group will not engage in arbitrary tax avoidance by utilizing countries or regions with zero taxes or low tax rates (so-called tax havens) or similar arrangements. In the event that investments are made in tax havens for business reasons, the Group will follow the tax haven countermeasures established by each country and make proper tax payments.
- For the trading prices applied to the Group's overseas-related transactions, in accordance with the taxation laws in the countries and regions in which the Group operates, and guidelines on transfer pricing published by international organizations such as the OECD, the Group will endeavor to distribute income appropriate to each country by setting prices based on arm's length pricing. In addition, the Group will observe obligations to submit or preserve transfer pricing documents and appropriately document the information in accordance with taxation law and other requirements.
- In cases such as when advanced and multi-faceted considerations of taxation or accurate interpretations of taxation law are required, the Group may seek advice from outside experts such as tax accountants and tax consultants, and will endeavor to reduce taxation risks by utilizing advance consultations with taxation authorities.

Governance

Appropriate Tax Initiatives

3. Mutual Trust with Taxation Authorities

- The Group will give sincere and factual explanations to taxation authorities and do its utmost to build a relationship of trust with taxation authorizes by dealing with them in good faith.
- When there are differences of opinion with taxation authorities, the Group will strive to resolve them through proactive and constructive dialogue. Additionally, the Group will implement appropriate corrective action and improvement measures and strive to prevent repeat occurrences in response to issues pointed out by taxation authorities, except when filing objections to taxation authorities' actions or opinions.

Breakdown of tax payments by region

Our business is conducted only in Japan, and corporate taxes are paid only in Japan.

Education for Sales Personnel and Insurance Solicitation Agents

We state in our Solicitation Policy that we will make efforts to raise product knowledge and consulting capabilities of all executives and employees. Accordingly, we are making efforts to improve consulting-based sales skills in accordance with the life plan of each and every individual customer by providing training and education for sales personnel and solicitation agents.

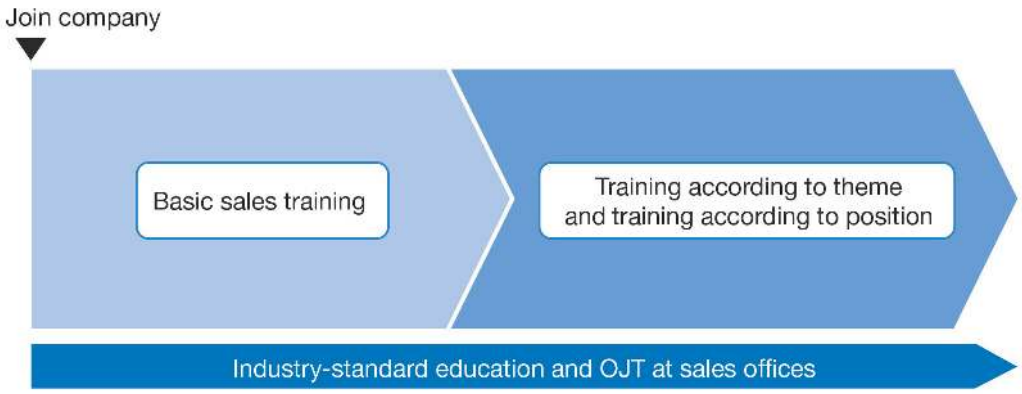
Sales Personnel

Sales personnel engage in insurance solicitations mainly targeting the individual and corporate markets.

Overview of Education

We work to develop sales personnel who possess advanced knowledge and a sense of ethics to ensure that individual accurately respond to the needs of customers, in order to conduct customer-first sales activities.

Sales personnel acquire the basic knowledge and skills needed to undertake insurance solicitations in the personal and corporate markets through mass training and industry-standard education. We also implement various types of training based on specific themes, focusing on on-the-job training at sales offices, with the aim of developing human resources who are able to demonstrate high-quality consulting-sales abilities.



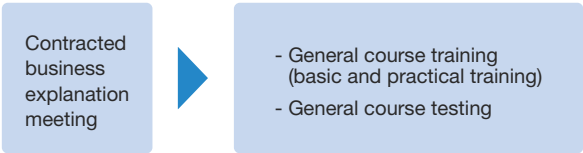
Insurance Solicitation Agents

We conclude life insurance sales and maintenance agreements with each of Japan Post Co. and the operators of contracted post offices and carry out insurance soliciting via the nationwide network of post offices, primarily targeting the individual market.

Overview of Training

Employees of Japan Post Co. engaging in insurance solicitation are provided with training aimed at ensuring thorough compliance, customer-first business operations and enhanced operational knowledge.

In addition, we provide support for training implemented by Japan Post Co.



ESG Investment

ESG Investment Policy / Structure

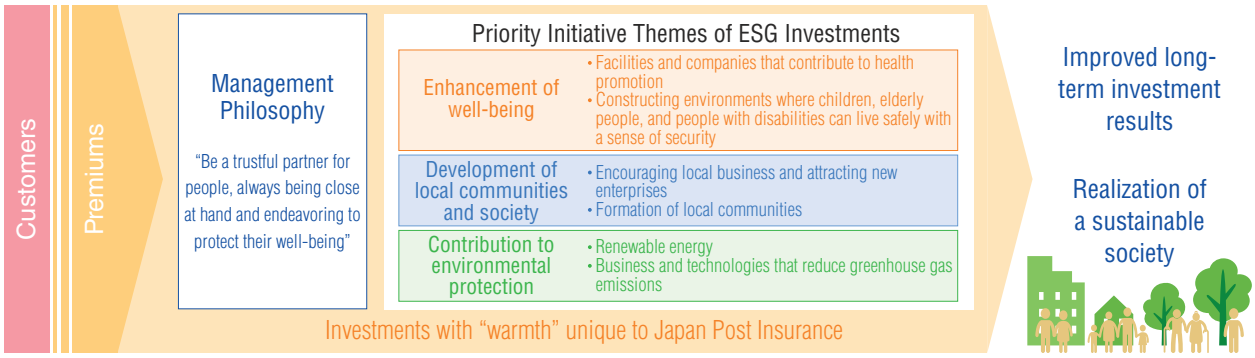
Under our management philosophy, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," we consider ESG factors in all of our assets under management. At the same time, we are committed to making investments and loans that contribute to the achievement of the SDGs and the resolution of social issues in a broad range of areas. As a universal owner* that manages a wide range of assets over the long term based on the precious premiums entrusted by our customers, we aim to fulfill our social responsibility to all our stakeholders, realize a sustainable society, and improve long-term investment results.

* An institutional investor investing large amounts and diversifying broadly across overall capital markets.

▶ **For more detailed information on our ESG investments and stewardship activities, please refer to the "Responsible Investment Report."**

Priority Initiative Themes of ESG Investments

We focus on the "enhancement of well-being," "development of local communities and society," and "contribution to environmental protection" as priority initiative themes and make investments with "warmth" unique to Japan Post Insurance.



ESG Investment Policy / Structure

ESG Investment Policy

Our ESG Investment Policy clarifies our basic approach to ESG investment. It stipulates that ESG factors should be incorporated into the investment process and that we should engage in constructive dialogue and shareholder voting with consideration to ESG factors. We manage assets in accordance with this policy.

ESG Investment Policy

October 15, 2021

JAPAN POST INSURANCE Co., Ltd.

Under our management philosophy, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being," we commit to "providing insurance products and services through the network of post offices covering every corner of Japan." Accordingly, we promote initiatives to address environmental, social and governance (ESG) issues facing society in order to fulfill our responsibilities to all stakeholders, and aim for sustainable improvement in corporate value and the realization of SDGs.

As a universal owner that manages diverse, long-term assets, we promote investments with "warmth" like heartwarming hospitality, unique to Japan Post Insurance. We focus on the "enhancement of well-being," "development of local communities and society," and "contribution to environmental protection" as priority initiative themes, in order to realize a sustainable society, improve investment results and reduce risks over the long term.

- We integrate various ESG factors for our entire asset portfolio when making investment decisions. We comprehensively evaluate ESG initiatives of investees and investment managers in addition to financial information when implementing investments and monitoring.
- We value engagement through appropriate stewardship activities, including conducting constructive dialogue and exercising voting rights in consideration of ESG factors. We encourage investees to contribute to the realization of a sustainable society through their business activities and to improve their corporate value. Furthermore, we ask subjects for substantial disclosure of non-financial information, including ESG factors.
- We encourage the asset management industry, including asset owners and investment managers, to endorse and practice the Principles for Responsible Investment (PRI), work on sharing information and ideas, and collaborate with them in order to move forward together to realize a sustainable society.
- We actively disclose the status of our ESG investments by updating our website and other disclosure materials.
- We proactively push ahead with investments that contribute to the realization of a decarbonized society, including those involving environmentally-friendly operations or power generation such as renewable energy. We measure and analyze greenhouse gas emissions from investees and take the results into account during our engagement with them, so that we can reduce greenhouse gas emissions from the entire investment portfolio.

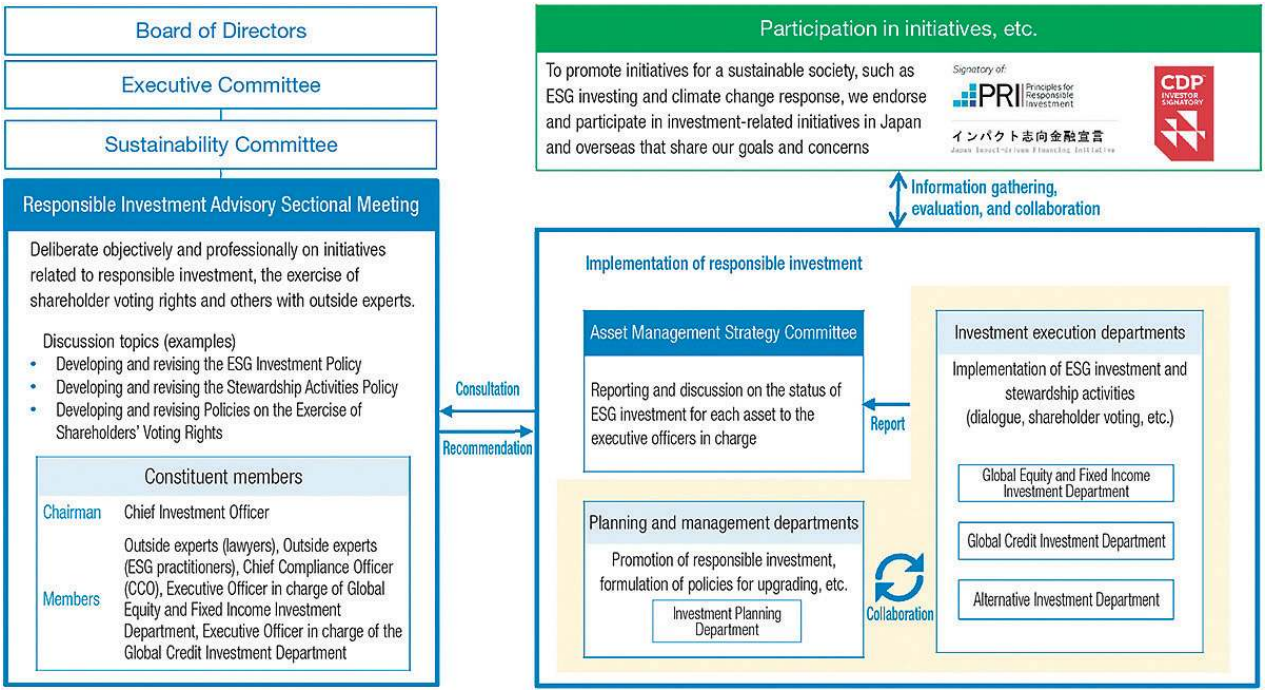
ESG Investment

ESG Investment Policy / Structure

Governance structure for promoting responsible investments

At Japan Post Insurance, we work to promote responsible investment, including ESG investment and stewardship activities, under the following governance structure.

Through the Responsible Investment Advisory Sectional Meeting, which includes outside experts, as well as participation in various initiatives, we fully utilize outside perspectives and continue to promote and advance responsible investment.



*See "External Evaluation and Support for Initiatives"(P137) for details of initiatives.

Initiatives as a Signatory to the Principles for Responsible Investment (PRI)

We signed the Principles for Responsible Investment (PRI) in October 2017. We promote ESG investments in accordance with the PRI and report the status of the initiatives once a year. We also designate the results of the PRI's assessment of these reports as a key indicator in our initiatives to further enhance ESG investing.

Signatory of:

PRI Principles for Responsible Investment

ESG Investment Policy / Structure

PRI annual assessment result (2023)

The assessment results for the Company in the 2023 annual assessment (assessment period: April 2022 through March 2023) are shown in the table below.

Assesment item		Assessment resut
Policy, governance, strategy (responsible investment approach, structure, etc.)		★★★★☆
Assets under management (assessment by asset class of manager selection, appointment, moniterring and other initiatives)	Listed equity (passive)	★★★★☆
	Listed equity (active)	★★★★☆
	Fixed income (active)	★★★★☆
	Private equity	★★★★☆
	Real estate	★★★★☆
	Infrastructure	★★★★☆
Confidence-building Measures (approach in the review and varification of data reported to PRI)		★★★★☆

(*) Assessment results are awarded up to five stars based on the status of initiatives, with five stars (★★★★★) being the highest rank.
(*) In the 2023 annual assessment, no assessment was carried out for in-house investments approaches by asset owners, including the Company.
(*) For details about assessment results, please refer to the following PRI reports.

▶ Assessment Report 2023: https://www.jp-life.japanpost.jp/aboutus/sustainability/assets/pdf/assessment_report.pdf
▶ Public Transparency Report 2023: https://www.jp-life.japanpost.jp/aboutus/sustainability/assets/pdf/public_transparency_report.pdf

Initiative Participation

We participate in domestic and international initiatives that align with our objectives and focus on ESG investment, impact investment, climate change, human rights, and other social issues, gathering and disseminating information and opinions as we promote and advance our efforts.

▶ **P137 External Evaluation and Support for Initiatives**

Engaging with Sustainability Issues as an Institutional Investor

As a responsible institutional investor, we seek to leverage our investments to solve sustainability issues in order to bring about a sustainable society. Among sustainability issues, we place particular emphasis on the following themes that we see as important both for society and our Company. Furthermore, as we engage with our investee companies through purposeful dialogue, we encourage ever-greater disclosure and various actions.

ESG Investment

ESG Investment Policy / Structure

Initiatives for Climate Change

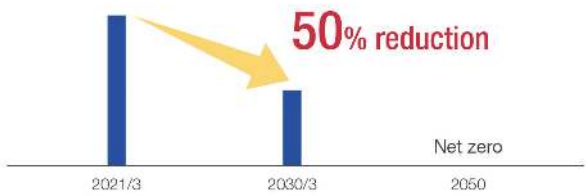
As an institutional investor, we actively implement investment to contribute to the realization of a decarbonized society, in accordance with our ESG Investment Policy, and engage in the following initiatives:

- Implementation of ESG integration
- Implementation of Stewardship activities
- Measurement and management of GHG emissions from the investment portfolio
- Promoting investments that contribute to the decarbonization of society

See "Initiatives for Climate Change" for details of these initiatives.

▶ P18 Initiatives for Climate Change

Reference: Targets as an institutional investor

Reducing GHG emissions from the entire investment portfolio	We have set targets for greenhouse gas (GHG) emissions from our investment portfolio to promote its decarbonization. We aim for carbon neutrality by 2050, and we are working toward a 50% reduction in GHG emissions from FY2020 levels by the fiscal year ending March 31, 2030, as an interim target. GHG emissions in our investment portfolio*  * Total emissions of Scope 1 and Scope 2 from investee companies (domestic and foreign equities and credits including corporate loans) after calculating by the ratio of our holdings
Establishing a KPI for total power output of renewable energy facilities	As a KPI in the Medium-Term Management Plan, we aim to increase the total power output of renewable energy facilities from 600,000 kW as of March 31, 2021 to 1,500,000 kW by March 31, 2026.

ESG Investment Policy / Structure

Initiatives for Natural Capital

As a responsible institutional investor, we are committed to the following:

- Taking natural capital and biodiversity into consideration when making investment decisions and engaging in dialogue with investee companies
- Analyzing the "nature-related risks and opportunities" and "impact and dependence on nature" of our investment activities

▶ **P34 Initiatives for Biodiversity Conservation**

Initiatives for Human Rights

As a responsible institutional investor, we engage in the following initiatives:

- We give consideration to human rights when making investment decisions and in dialogue with investee companies
- We endorsed Advance , a stewardship initiative where institutional investors work together to take action on human rights and social issues

▶ **P37 Human Rights**

<Reference: Endorsement of collaborative stewardship initiative "Advance">

"Advance" is a stewardship initiative established by PRI where institutional investors work together to take action on human rights and social issues.

As a responsible institutional investor, we will give consideration to human rights in our investment decisions and stewardship activities in order to promote a positive impact on human rights and social issues.

* Japan Post Insurance is an Advance endorser and does not participate in any engagement activities in Advance.

Initiatives for Human Capital

We have formulated the "Three Basic Principles of Human Capital Management" to achieve sustainable growth by becoming a company that is trusted and chosen by our customers and by providing insurance services that impress customers.

Additionally, as a responsible investor, we also give consideration to human capital in asset management as well as encourage human capital initiatives and enhanced related information disclosure in our engagement with investee companies and other undertakings.

ESG Investment Policy / Structure

Raising Awareness of ESG Investment and Disseminating Information

As a universal owner that contributes to the sustainable growth of society as a whole, we want ESG investment to spread and develop. To this end, we promote efforts to raise awareness of ESG investment and disseminate information about it.

Lectures at universities and other educational institutions	To contribute to the development of the next generation of financial professionals, we hold lectures on ESG investment at universities and other educational institutions. We keep the content practical, explaining the significance of ESG investment, describing our specific initiatives and their results, and sharing other information with investment case studies. For more information about this initiative, read about our “Social Contribution Activities.”
Spreading information in multiple directions	We use a variety of media to share information on our ESG investment initiatives with our stakeholders in ways that are easy to understand. <Reports> - Annual Report - Sustainability Report - Responsible Investment Report <Online Media> - Japan Post Insurance Junction (in Japanese) - JP CAST (in Japanese)

Responsible Investment Report

We publish a Responsible Investment Report to provide more detailed information on our ESG investment and stewardship activities.

▶ **Responsible Investment Report 2022**

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_taio_2022.pdf

Framework for ESG Investments / Investment Examples

◆ For more detailed information on our ESG investments and stewardship activities, please refer to the "Responsible Investment Report."

Framework for ESG Investments

Our ESG investment efforts are focused on the items listed right.

- ESG integration
- Engagement and exercising voting rights
- ESG-themed investments and impact investments
- Negative screening

ESG Integration

Having introduced ESG integration for all assets under management, we comprehensively evaluate and use financial information as well as ESG factors. In making investments and loans, we integrate a method that takes each asset's characteristics into account so as to comprehensively evaluate the ESG initiatives of the investee and incorporate these into our decision-making process.

We have also measured and analyzed the greenhouse gas emissions of our entire portfolio and for each investees, and use the findings to engage with (have constructive dialogue with) carbon intensive sectors and investees to reduce emissions and, finally, to make investment decisions.

In addition, we have established criteria for negative screening in order to resolve ESG issues and realize a sustainable society.

In-House Management

Sovereign Bonds

- We incorporate ESG factors into investee credit evaluation processes.
- When making investment decisions and during monitoring, we consider investments after an evaluation of the investee's ESG factors with reference to scores of external ESG ratings.
- When making ESG-themed investments, we invest in projects that can broadly contribute to the achievement of the SDGs and the resolution of issues, after checking how funds will be used and project feasibility.
- We conduct impact assessments for ESG bonds in which we have invested with the intention of contributing to the resolution of environmental and social issues.

* Our approach to impact assessment is described in the Responsible Investment Report (https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_taio_2022.pdf).

ESG Investment

Framework for ESG Investments / Investment Examples

Corporate Bonds

- We incorporate ESG factors into investee credit evaluation processes.
- When making investment decisions and during monitoring, we consider investments after an evaluation of the investee's ESG factors with reference to scores of external ESG ratings.
- When making investment decisions, we assess and consider investee companies' responses to climate change, including their efforts to reduce greenhouse gas emissions.
- We evaluate the status of investee company ESG initiatives through dialogues with them and by utilizing the information obtained therein.
- When making ESG-themed investments, we invest in projects that can broadly contribute to the achievement of the SDGs and the resolution of issues, after checking how funds will be used and project feasibility.

Japanese Municipal Bonds/Loans

- We consider ESG factors when selecting municipalities for investment, loans, or dialogue.
- Specifically, when selecting municipalities for investment, loans, or dialogue, we regularly check their ESG initiatives, such as certification under the Zero Carbon City (*1) and SDGs Future City (*2) programs.
- We evaluate the ESG initiatives of municipalities for investment or loans through regular dialogues with them and by utilizing the information obtained therein.
- We invest in SDG bonds with the aim of contributing to the sustainable growth of local communities.

(*1) As announced by the Ministry of the Environment, a "zero carbon city" is one where the municipality or its chief executive has announced that the municipality aims to reduce greenhouse gas emissions or CO_2 emissions to net zero by 2050.

(*2) The Cabinet Office selects municipalities proposing outstanding initiatives for the achievement of the SDGs as "SDGs Future Cities."

Project Finance

- We incorporate ESG factors into the credit evaluation processes for investees and loan recipients.
- We check environmental impact and other factors when assessing potential investments or loans before making decisions on each.
- We do not invest additionally in coal-fired power generation projects regardless of location because those emit a large amount of CO_2, and we are concerned about an impact on climate change.

ESG Investment

Framework for ESG Investments / Investment Examples

Listed Equities

- We use our unique ESG scoring approach to evaluate equity portfolios.
- ESG scoring method:
  Items that affect future cash flow and cost of capital are extracted and evaluated for each of the three ESG elements of environment (E), social (S), and governance (G).
- The following two types of funds are managed with consideration of this ESG score:
  Dividend funds: Investment in high-dividend companies expected to increase their corporate value over the medium to long term, based on a comprehensive evaluation of the company's ESG initiatives in addition to its financial information
  Growth funds: Investment in companies using ESG as a growth opportunity, evaluating their contribution to business performance and growth potential with regard to technological capabilities and business infrastructure contributing to achieving the SDGs and solving issues, while considering financial information

ESG Score (out of 100)	Environment (E)	ESG growth drivers	ESG-related net sales
		ESG-related risks	Evaluation using quantitative data (e.g., CO_2 emissions)
	Social (S)	ESG growth drivers	ESG-related net sales
		ESG-related risks	Evaluation using quantitative data (e.g., ratio of women in management positions)
			Qualitative determinations (well-being, development of local communities and society)
	Governance (G)	ESG-related risks	Evaluation using quantitative data (e.g., ratio of outside directors)
			Qualitative determinations (governance, attitude toward dialogue)

* Our efforts toward ESG integration in equities are described in the Responsible Investment Report(https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_taio_2022.pdf).

Externally Managed Assets

- When selecting and monitoring investment managers, we check their ESG investment initiatives (policies and attitudes toward ESG, specific ESG investment approaches, etc.) and take these into consideration when making investment decisions.
- When deciding whether to invest in externally managed funds, we consider the specifications of the eligible funds and check whether their negative screening and other efforts to exclude specific businesses are appropriate in light of Japan Post Insurance's negative screening criteria.

ESG Investment

Framework for ESG Investments / Investment Examples

Engagement and Exercising Voting Rights

We accurately understand the conditions of investees to engage constructively with them. While building relationships with investees, we ask disclosure of not only financial information but also non-financial information, including ESG elements to confirm their initiatives for ESG issues, etc. For externally managed assets, we hold regular meetings on stewardship activities with investment managers and check engagement initiatives by asset managers with investee companies, taking characteristics of each asset into account.

Our voting activities are based on our Policies on the Exercise of Shareholders' Voting Rights.

When voting, we take into consideration non-financial information, including ESG factors, and information gained from dialogues with companies.

Japan Post Insurance has accepted Japan's Stewardship Code and has established Company policies in accordance with it.

See "Stewardship Activities" (see page 125) for details.

ESG-themed Investments and Impact Investments

We proactively engage in ESG-themed investments and impact investments* centered on "warmth" and founded in our priority initiative themes of "enhancement of well-being," "development of local communities and society," and "contribution to environmental protection."

We invest in projects which can widely contribute to the achievement of the SDGs and the resolution of issues upon confirmation of feasibility and limitation of use of funds.

Please see "Major ESG Investment examples" (see page 123) for information on our investment cases.

We have established a unique framework to promote impact investment, including the internal certification of projects that fulfill certain conditions, such as the ability to set quantitative metrics linked to generating an impact as KPIs, under the Impact "K" Projects.

Please see Promoting the Impact "K" Projects (see page 121) for details of the Impact "K" Project.

* Impact investments mean investment activities intended to generate positive and measurable social and environmental impact in parallel with financial returns.

Negative Screening

We make the following efforts in order to solve ESG issues and realize a sustainable society.

- We do not invest in companies that manufacture controversial weapons (Cluster weapons, Anti-personnel mines, Biological weapons and Chemical weapons) due to indiscriminate serious damage on civilians.
- We do not invest additionally in coal-fired power generation projects regardless of power generation efficiency or location because those emit a large amount of CO_2, and we are concerned about an impact on climate change.

ESG Investment

Framework for ESG Investments / Investment Examples

Promoting the Impact "K" Projects

We proactively engage in impact investments (*1) , projects taking account of our priority initiative themes.

To expand our investment in and lend more money to impact-driven projects, we have established the Impact "K" Project, an impact investment certification framework uniquely defined by Japan Post Insurance. In order to fulfill our fiduciary responsibility to our clients, we will promote impact investment after having carefully examined the impact investment structure, strategy, track record, selection and management status of investees, and IMM (*2) of the management company to whom we entrust the investments.

<Authorization of Impact "K" Project · Examples>

- Investment in real estate fund whose main tenants are licensed nursery schools in urban areas with a large number of children on waiting lists (March 2022)
- Investment in a fund that aims to achieve both social and economic returns by investing in domestic companies that are actively engaged in generating a social impact (May 2022)
- Investment in companies that solve social issues and funds that seek the development of a sustainable Japanese society in which people have a high degree of well-being and live in harmony with the environment (July 2022)
- Investment in a fund that seeks to "improve wellness literacy" and "enhance social capital," which we believe are leverage points for achieving wellness equity (August 2023)
- Investment in a fund that aims to achieve both social and economic returns by investing in medical and health fields and digital technology fields originating in academia (October 2023)

(*1) Impact investments mean investment activities intended to generate positive and measurable social and environmental impact in parallel with financial returns.
(*2) Impact Measurement and Management.

ESG Investment

Framework for ESG Investments / Investment Examples

Initiatives for Academic-industrial Collaboration

Out of our belief that contributing to the development of educational systems and advanced research at universities will be beneficial in helping to solve various social issues, we have committed to industry-academia collaboration in the area of asset management.

Building a framework for cooperation and collaboration with universities	We signed a memorandum of understanding for collaboration and cooperation to actively promote investment in innovative technological developments and businesses held by academia. Currently, we are discussing funding for venture companies that utilize research results from universities, with a focus on the area of impact investment. FY2021: Keio University FY2022: Osaka University, The Ritsumeikan Trust
Holding lectures at universities	To contribute to the development of financial professionals, we give lectures on ESG investment at universities. For more information about this initiative, please read about our “Social Contribution Activities.” (P76)

In addition, we invest in sustainability bonds and social bonds issued by university corporations for the purpose of education and research development.

May 2023	Tokai National Higher Education and Research System	Sustainability bond “THERS Commons Bonds”
January 2023	Tohoku University	Sustainability bond “Tohoku University Future Creation Bonds”
December 2022	Tokyo Institute of Technology	Sustainability bond “Tokyo Institute of Technology Tsubame Bonds”
October 2020	The University of Tokyo	Social Bond “University of Tokyo FSI Bonds”

ESG Investment

Framework for ESG Investments / Investment Examples

Major ESG Investment examples

We make ESG-themed investments taking ESG factors into account. We invest in projects that can broadly contribute to the achievement of the SDGs and the resolution of issues, after checking their feasibility and that the funds usage is limited.

Investment in ESG bonds

Investments		Main Relevant SDGs
Investment in Blue Bonds issued by the Republic of Indonesia (May 2023)		11 Sustainable Cities and Communities, 14 Life Below Water
Investment in a transition bond to support efforts to reduce greenhouse gas emissions (July 2021) © Nippon Yusen Kabushiki Kaisha		9 Industry, Innovation and Infrastructure, 13 Climate Action, 14 Life Below Water
Investment in an Education Bond to support school education, vocational training, gender equality, in the Asia-Pacific region (March 2021) © Asian Development Bank		4 Quality Education, 5 Gender Equality, 10 Reduced Inequalities
Investment in a Sustainable Development Bond to support "One Health," optimal health outcomes in people, animals, and global environment taken as a whole. (March 2021) © Inter-American Development Bank		3 Good Health and Well-Being, 13 Climate Action, 14 Life Below Water, 15 Life On Land
Investment in a Sustainable Development Bond to support the purchase and distribution of vaccines through the international framework "COVAX" (March 2021) © Inter-American Development Bank		1 No Poverty, 3 Good Health and Well-Being, 8 Decent Work and Economic Growth, 10 Reduced Inequalities
Investment in a Green Bond to support green recovery (the transition to sustainable low-carbon society under the COVID-19 pandemic) (January 2021) © World Bank		3 Good Health and Well-Being, 8 Decent Work and Economic Growth, 13 Climate Action
Investment in a Green Transition Bond to support the transition toward decarbonization of carbon-intensive industries (January 2021) © European Bank for Reconstruction and Development		7 Affordable and Clean Energy, 9 Industry, Innovation and Infrastructure, 13 Climate Action
Investment in a Sustainable Development Bond in response to the COVID-19 (May 2020) © Inter-American Development Bank		3 Good Health and Well-Being, 8 Decent Work and Economic Growth
Investment in a Sustainability Awareness Bond to fight against COVID-19 (May 2020) Community of Madrid © European Investment Bank		3 Good Health and Well-Being
Investment in a Climate Awareness Bond (May 2019) © European Investment Bank		7 Affordable and Clean Energy, 13 Climate Action
Investment in a Social Bond themed Feed Africa to increase food production on the African continent (May 2018) © African Development Bank		1 No Poverty, 2 Zero Hunger

ESG Investment

Framework for ESG Investments / Investment Examples

Investment in a Sustainable Development Bond to Raise Awareness of Health and Nutrition of Women, Children, and Adolescents (May 2018) © World Bank		2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING
Investment in a Thematic Bond promoting gender equality (May 2018) © Asian Development Bank		5 GENDER EQUALITY

Investment in Renewable Energy Businesses

Investments		Main Relevant SDGs
Investment in renewable energy projects such as solar power generation and biomass power generation (project finance) (since 2017)		7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION

Investment in funds

Investments		Main Relevant SDGs
Investment in a fund that aims to achieve both social and economic returns by investing in medical and health fields and digital technology fields originating in academia (October 2023) Impact "K" Project		
Investment in a fund that seeks to "improve wellness literacy" and "enhance social capital," which we believe are leverage points for achieving wellness equity (August 2023) Impact "K" Project		3 GOOD HEALTH AND WELL-BEING 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES
Investment in companies that solve social issues and funds that seek the development of a sustainable Japanese society in which people have a high degree of well-being and live in harmony with the environment (July 2022) Impact "K" Project		
Investment in a fund that attracts outstanding nursery school operating companies to urban areas with large numbers of children on waiting lists (March 2022) Impact "K" Project		4 QUALITY EDUCATION 5 GENDER EQUALITY 10 REDUCED INEQUALITIES
Investment in Japan Post Investment Regional Development and Impact Fund I, ILP, which invests in companies that contribute to generating a social impact to achieve regional economic revitalization and the SDGs (April 2022)		
Investment in a fund that aims to achieve both social and economic returns by investing in domestic companies that are actively engaged in generating a social impact (May 2022) Impact "K" Project		
Investment in a real estate fund that invests in ESG-friendly residential properties for leasing (July 2022)		11 SUSTAINABLE CITIES AND COMMUNITIES

Loans to local governments (using Postal Life Insurance funds)

Investments	Main Relevant SDGs
Loans to local governments using Postal Life Insurance assets are policy loans carried on by the Organization for Postal Savings, Postal Life Insurance and Post Office Network (the "Organization") after the privatization of the postal service. Japan Post Insurance undertakes credit management duties for these loans under an operations consignment agreement with the Organization. As of March 31, 2022, Japan Post Insurance held loans to approximately 1,800 local governments, totaling approximately 3 trillion yen. Over 90% of the loans were tied to specific uses such as sewage projects, enhancing school facilities, and building public housing. We contribute to promoting infrastructure enhancement and resident welfare through measures such as annual surveys of facilities utilization.	

ESG Investment

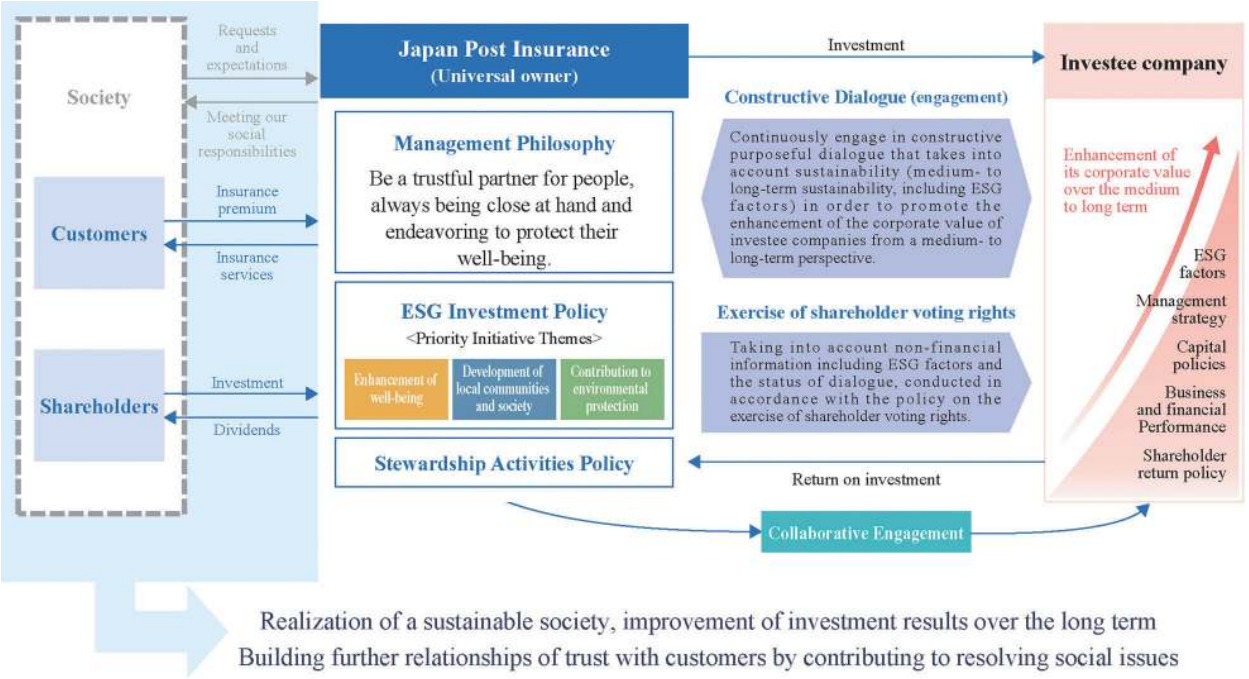
Stewardship Activities

We have been promoting stewardship activities as a universal owner that manages diverse, long-term assets, in order to fulfill our responsibilities and respond appropriately to social demands for compliance with the Japan's Stewardship Code.

Through constructive dialogue (engagement) with investee companies, we seek to accurately understand their situations, including aspects such as their ESG-related issues, management strategies, and other conditions. By directly engaging with investees, we request the disclosure of investees' financial information and non-financial information, including ESG (Environment, Social and Governance) factors, confirm their efforts to address ESG issues, and share a recognition of these issues.

In exercising our voting rights, we basically follow our shareholder voting policy, but we do not make conventional judgments, rather take into account non-financial information including ESG factors and the status of dialogue, and implement the policy appropriately.

These stewardship activities are deliberated by the Responsible Investment Advisory Sectional Meeting with external experts.



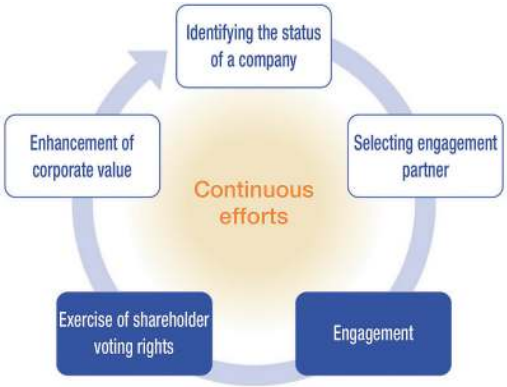
ESG Investment

Stewardship Activities

Stewardship Activities Policy

We have established the Stewardship Activities Policy as our response to each principle set forth in Japan's Stewardship Code and our basic approach to all aspects of stewardship activities. We implement stewardship activities in accordance with this policy.

Until FY2021, our stewardship activities under the Stewardship Activities Policy were limited to domestic equities and domestic corporate bonds, but since FY2022 we have expanded the scope of these activities to include other assets by strengthening engagement measures regarding these assets. We undertake stewardship activities using methods based on the characteristics of each asset.



Flow of stewardship activities

▶ **Stewardship Activities Policy**

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_policy.pdf

Responsible Investment Report

Based on our Stewardship Activity Policy, we disclose detailed information on ESG investments, including stewardship activities, in the Responsible Investment Report.

▶ **Responsible Investment Report 2022**

https://www.jp-life.japanpost.jp/english/aboutus/sustainability/assets/pdf/stewardship_taio_2022.pdf

Stewardship Activities

Policy on Exercise of Shareholder Voting Rights

We exercise shareholder voting rights appropriately in accordance with our Policy on Exercise of Shareholder Voting Rights.

In June 2021, taking into account the growing public interest in sustainability and policy trends, we revised our policy to add provisions related to environmental, social and governance (ESG) issues that contribute to the expansion of corporate value, with the aim of encouraging investee companies to make further efforts to improve their sustainability.

▶ **Policy on Exercise of Shareholder Voting Rights (in Japanese)**

https://www.jp-life.japanpost.jp/aboutus/sustainability/esg/stewardship/shareholder_voting_policy.html

Standards for the Exercise of Shareholder Voting Rights

Since May 2022, we have disclosed our Standards for the Exercise of Shareholder Voting Rights, which set forth specific criteria for the exercise of shareholder voting rights on individual proposals.

▶ **Standards for the Exercise of Shareholder Voting Rights (in Japanese)**

https://www.jp-life.japanpost.jp/aboutus/company/assets/pdf/stewardship_voting.pdf

Results of Exercise of Shareholder Voting Rights (by Agenda)

The results of the exercise of shareholder voting rights and the reasons for approval or disapproval of each agenda item for our domestic stocks (in-house investment) are disclosed.

▶ **Results of Exercise of Shareholder Voting Rights (by Agenda) (in Japanese)**

https://www.jp-life.japanpost.jp/aboutus/company/assets/pdf/stewardship_result_2023.pdf

Basic Concept

We recognize that accurately understanding what our stakeholders demand and expect from the Company through engagement with stakeholders, and responding to those requests and expectations, is essential to improving corporate value. We have therefore declared in our Management Policy that "We work to communicate closely with all stakeholders." We will make use of feedback from stakeholders to improve management with the aim of ensuring appropriate collaboration and sustainable coexistence.

Engagement with Customers

Japan Post Insurance recognizes that the voices of our customers are valuable assets. We value dialogue with customers, and will strive to develop a structure for the ceaseless creation of new convenience for customers and to pursue quality services. In addition, reviewing our services daily based on customer input in order to increase our customers' satisfaction is fundamental to improving our business.

Basic Policy for Customer-first Business Operations

In the best interests of every customer, we announced our vision for customer-first business operations, along with the measures needed to ensure its realization in terms of our framework and business operations, as our "Basic Policies for Customer-first Business Operations."

The entire Company will work as one in an effort to further improve and develop customer-first business operations based on the "Basic Policies for Customer-first Business Operations."

▶ **Basic Policy for Customer-first Business Operations (in Japanese)**
https://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html

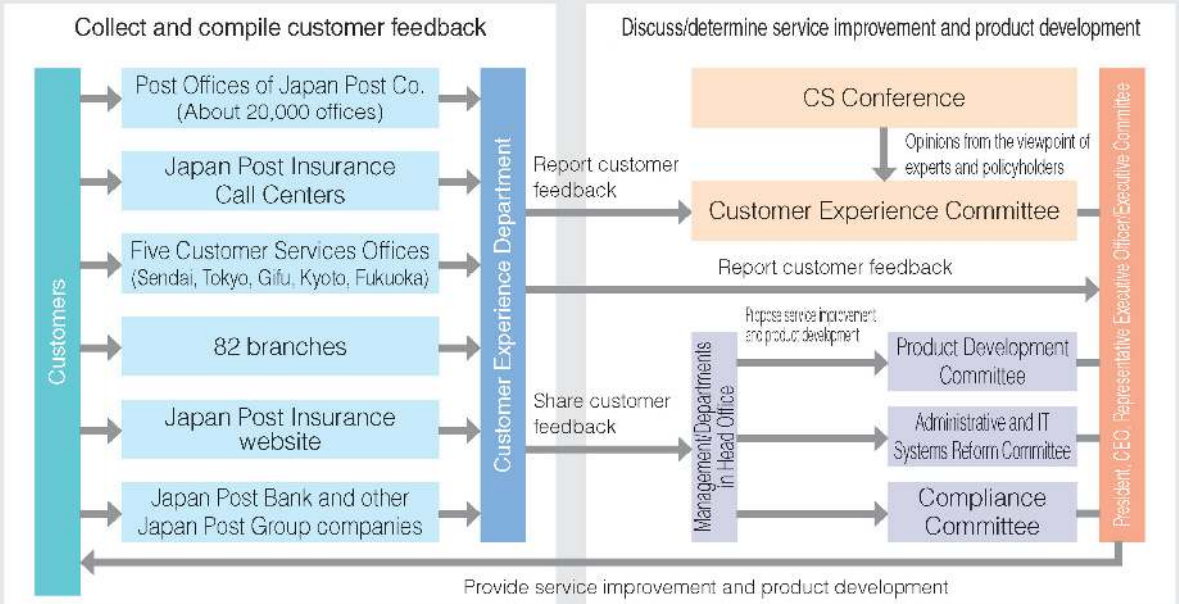
Initiatives to Utilize Customer Feedback in Management

In addition to developing and improving products and services based on customer feedback, our Directors and Executive Officers, as well as our employees, give careful consideration to and act on customer feedback to ensure customer-first business operations.

We received a lot of feedback comments from our customers through the post offices and Japan Post Insurance Call Centers. The customer feedback is compiled and centrally managed by our Customer Experience Department.We analyze the feedback to improve our services and develop superior products with the aim of providing services that bring satisfaction to our customers.

We also held the "CS Conference" with external experts to receive opinions for improving customer satisfaction.

▶ Structure for Product and Service Improvements Using Customer Feedback



Stakeholder Engagement

Engagement with Customers

Cases of Product and Service Improvements Using Customer Feedback

Our business is supported by the various opinions we receive from our customers. In fact, we have improved a number of services based on the advice we received.

We will continue to respond sincerely to customer feedback and utilize such feedback in our operations.

▶ **Cases of Product and Service Improvements Using Customer Feedback (Annual Report 2023 P35)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

Approach to Policyholder Protection

We strive to resolve complaints about insurance payments and other matters through our Customer Service Offices and other departments.

In certain cases, it is difficult to resolve a dispute in the course of customer consultations, such as when a customer is not convinced by the explanations provided by the Customer Service Offices, and the customer will request a review from a third party. In these cases, we form Claims-Related Services Review Session consisting of outside attorneys and other individuals to conduct an impartial review at the request of the policyholder. This approach protects the legitimate interests of policyholders and other parties, while we maintain the proper execution of assessments and other operations.

▶ **Approach to Policyholder Protection (in Japanese)**
https://www.jp-life.japanpost.jp/aboutus/customer-voice/protection/

Customer Satisfaction Survey

We conduct a “Customer Satisfaction Survey (Customer Feedback Survey)” to directly receive opinions from customers who have purchased policies issued by the Company, and we use them to improve insurance services.

▶ **Customer Satisfaction Survey (Annual Report 2023 P29)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

▶ **P151 Customer Satisfaction Survey (Customer Feedback Survey) Results (ESG Data)**

Quantity and Content of Customer Feedback (Gratitude and Compliments)

We publish notes of gratitude and compliments received from customers.

We continue to strive to improve services from the point of view of the customer to receive even more positive feedback.

▶ **Quantity and Content of Customer Feedback (Gratitude and Compliments) (Annual Report 2023 P35)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

Quantity and Content of Customer Feedback (Complaints)

To increase the transparency of our management, we disclose complaints received from our customers and provide a breakdown of the number of complaints.

▶ **Quantity and Content of Customer Feedback (Complaints) (Annual Report 2023 P34)**
https://www.jp-life.japanpost.jp/english/aboutus/financial/assets/pdf/2023/disc23_all.pdf

Engagement with Shareholders and Investors

We have formulated our Disclosure Policy, which sets out our basic policy of accurately and fairly disclosing information to fulfill our accountability as a listed company and to earn the trust of shareholders and investors, etc., and have been working to put it into practice. At the same time, we aim to enhance corporate value by understanding the requests and expectations of our shareholders and investors through engagement.

▶ **Disclosure Policy**
https://www.jp-life.japanpost.jp/IR/en/information/policy.html

Annual Schedule

IR and SR Activities

We have established a page for shareholders and investors on our website (IR website) where we post corporate information for investors such as timely disclosure information in a timely manner. We implement an IR Mailing Service to communicate the latest timely disclosure information and other information related to investor relations.

During the fiscal year ended March 31, 2023, from the perspective of preventing the spread of COVID-19, we held a total of three online company information sessions for individual investors, viewed by numerous individuals. After the announcement of quarterly financial results, our management team holds conference calls and financial results briefings for institutional investors in Japan and overseas to explain management strategies and financial conditions, as well as dialogues on ESG and other topics. We also participate in conferences for institutional investors organized by securities companies.

Dialogues with Shareholders and Investors in FY2022

Number of interviews with institutional investors and analysts	126
With Management in attendance	48
Number of interviews with overseas investors	50
Number of ESG interviews	7
Number of Interviews with proxy-advisory firms	1
Financial Results Conference Call	4 (Quarterly)
Financial Results & Corporate Strategy Meeting	2 (Interim and year-end)
Other IR Meeting - EV and ESR as of March 31, 2022 - Product Strategies	2
Briefing for Individual Investors	3 (Total number of participants: 1,562)

Stakeholder Engagement

Engagement with Shareholders and Investors

Feedbacks to the Company

Themes of Dialogues

[Major Concerns of Shareholders and Investors]

Management Strategies	• Growth strategies for medium to long term
Sales	• Recent status of sales activities and efforts to recover sales
Asset Management	• Asset management policy for responding to changes in the market environment (such as increases in domestic and overseas interest rates)
Shareholder Returns	• Shareholder Return Policy and Approach to Share Repurchase
Market Evaluation	• The Company's response to the request to management conscious of capital cost and stock price by Tokyo Stock Exchange, Inc. (TSE)
ESG and Sustainability	• Initiatives to enhance the effectiveness of the Board of Directors • Initiatives related to sustainability, such as expanding roles for female employees • Enhancement of non-financial disclosure

Feedbacks to our Business Management

We recognize the opinions and questions received from shareholders and investors as a valuable input to our management strategy.

They are shared widely within the company, not only with the management, but also with related departments, in addition to reporting them to the Board of Directors.

[Examples of opinions reflected to our business]

Enhancement of Disclosure	• Disclosed the composition of each committee after the general meeting of shareholders, assuming that the proposal is approved [Convocation Notice] • Disclosed NPS®※ as an indicator for restoring customer's trust [Annual Report] • Established appropriate ESR standards (target range) [Financial Results & Corporate Strategy Meeting Material for the Year Ended March 2023]
Compensation System for Executive Officers	• "Progress in Promotion of ESG Management" was added as an indicator related to performance-linked compensation

※NPS® is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Company Information Session for Individual Investors held on July 5, 2022

IR website

https://www.jp-life.japanpost.jp/IR/index.html

Stakeholder Engagement

Engagement with Shareholders and Investors

Details of the General Meeting of Shareholders held this year

Date: June 19, 2023
Meeting duration: 32 minutes
Number of attending shareholders: 93
Mailing date of Convocation Notice: June 1, 2023
Start date of measures for electronic provision: May 22, 2023

Every year, we hold the General Meeting of Shareholders, giving top priority to enhancing communication with shareholders and improving their convenience.

Regarding the provision of materials for the General Meeting of Shareholders prior to the holding of the 17th Ordinary General Meeting of Shareholders, as in the past, we endeavored to send and disclose the materials as early as possible so that shareholders would have enough time to carefully review the proposals and we accepted questions in advance on our website. In addition, we have taken advantage of a system for electronic provision of materials under the revised Companies Act to enhance content related to sustainability and other topics.

▶ **General Meeting of Shareholders**
https://www.jp-life.japanpost.jp/IR/en/stock/meeting.html

As for exercise of voting rights, we participate in the virtual platform recommended by the Tokyo Stock Exchange, which allows institutional investors to exercise voting rights electronically, and we have adopted a system that allows shareholders to easily exercise voting rights by scanning a 2D code with a smartphone, etc.

On the day of the General Meeting of Shareholders, we provide an environment where shareholders who have difficulty coming to the meeting can watch the proceedings streamed live on the Internet. In our business reports, we use video materials to provide easy-to-understand explanations, striving to ensure that shareholders can understand our management and businesses.

We also enhance mutual understanding by answering questions received in advance and by holding a Q&A session with shareholders.

After the meeting, we swiftly disclose the shareholder newsletter, the results of the exercised voting rights, the slides used on the day of the meeting and other relevant information on the Company's website as part of our efforts to improve the way we provide corporate information to shareholders.

Engagement with Employees

We seek to become a company in which management and employees share a common vision for the future, and each individual feels employee satisfaction (ES) while growing together with the company. In addition, we will listen to the opinions of a wide range of employees and make continuous efforts to improve the organization and build a comfortable working environment.

▶ P45 Efforts to Improve Communication
▶ P46 Employee Satisfaction Survey (ES Survey)
▶ P61 Promoting Diversity and Flexible Work Styles

Engagement with Local Communities and Society

We provide simple, easy-to-understand products and services to our customers through post offices nationwide. Our management policy also stipulates that we contribute to the development of local communities and society. We carry out a variety of activities as a member of the local communities we serve.

Popularization and Promotion of "Radio-Taiso"

"Radio-Taiso" is familiar to many people as an exercise that can be done easily anytime, anywhere, by anyone. In this age of 100-year lifespans, we hold "Radio-Taiso" events all over the country to help solve social issues related to health and community revitalization.

▶ **Radio-Taiso (in Japanese)**
https://www.jp-life.japanpost.jp/radio/index.html

Community-Based Social Contribution Activities

We provide support to organizations and events that contribute to the development of local communities and society. In addition, as a member of the local community, our locations across the country engage in community-based volunteer activities and sponsor neighborhood events.

▶ **P68 Social Contribution Activities**

Support for Initiatives

We express support and sign on to various initiatives, striving to exchange information for the benefit of community and social development.

▶ **P137 External Evaluation and Support for Initiatives**

Dialogue with Experts

Japan Post Group holds periodic dialogues with experts to receive opinions and proposals about the group.

▶ **Stakeholder Engagement (Japan Post Group website)**
https://www.japanpost.jp/en/sustainability/sustainability-management/engagement.html

External Evaluation and Support for Initiatives

External Evaluation

FTSE4Good Index Series

We were selected for inclusion in the FTSE4Good Index Series created by global index provider FTSE Russell to measure the performance of outstanding companies in the fields of environmental, social, and governance (ESG) issues.

▶ **FTSE4Good Index Series**
https://www.lseg.com/en/ftse-russell/indices/ftse4good

FTSE Blossom Japan Index

We were selected for inclusion in the FTSE Blossom Japan Index, an index composed of Japanese companies selected for their outstanding initiatives in the fields of environmental, social , and governance (ESG) issues. This index has been adopted as an ESG index by the Japanese Government Pension Investment Fund (GPIF).

▶ **FTSE Blossom Japan Index Series**
https://www.lseg.com/en/ftse-russell/indices/blossom-japan

ISS ESG

We have been recognized with the “Prime Status” designation by ISS ESG in its ESG Corporate Rating and has achieved evaluations placing it in the top 10% globally in the insurance industry. (as of November 2023)

The ESG Corporate Rating program evaluates corporate initiatives from environmental, social, and governance perspectives. Companies that are highly rated within their own industries are certified “Prime Status.”

S&P/JPX Carbon Efficient Index

We are a constituent of the S&P/JPX Carbon Efficient Index. The index determines the weight of its constituents companies in the Tokyo Stock Price Index (TOPIX), a representative stock price index indicating trends in the Japanese market, with a focus on the status of disclosure of environmental information and carbon efficiency (carbon emissions in relation to net sales).

External Evaluation and Support for Initiatives

MSCI Japan Empowering Women Index (WIN)

We included in the MSCI Japan Empowering Women Index (WIN), which consists of companies that are leading in terms of gender diversity.

2023 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Disclaimer

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Morningstar Japan ex-REIT Gender Diversity Tilt Index

We have been selected as a constituent of the "Morningstar Japan ex-REIT Gender Diversity Tilt Index" as "Group 1" the highest of the five ratings. In this index, companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees, irrespective of their gender are highly evaluated.

MORNINGSTAR GenDi J
Japan ex-REIT Gender Diversity Tilt Index
TOP CONSTITUENT 2023

Disclaimer

Morningstar, Inc., and/or one of its affiliated companies (individually and collectively, "Morningstar") has authorized Japan Post Insurance Co., Ltd. to use of the Morningstar Japan ex-REIT Gender Diversity Tilt Logo ("Logo") to reflect the fact that, for the designated ranking year, Japan Post Insurance Co., Ltd. ranks in the top quintile of companies comprising the Morningstar® Japan ex-REIT Gender Diversity Tilt IndexSM ("Index") on the issue of gender diversity in the workplace. Morningstar is making the Logo available for use by Japan Post Insurance Co., Ltd. for informational purposes. Japan Post Insurance Co., Ltd. use of the Logo should not be construed as an endorsement by Morningstar of Japan Post Insurance Co., Ltd. or as a recommendation, offer or solicitation to purchase, sell or underwrite any security associated with Japan Post Insurance Co., Ltd. The Index is designed to reflect gender diversity in the workplace in Japan, but Morningstar does not guarantee the accuracy, completeness or timeliness of the Index or any data included in it. Morningstar makes no express or implied warranties regarding the Index or the Logo, and expressly disclaim all warranties of merchantability or fitness for a particular purpose or use with respect to the Index, any data included in it or the Logo. Without limiting any of the foregoing, in no event shall Morningstar or any of its third party content providers have any liability for any damages (whether direct or indirect), arising from any party's use or reliance on the Index or the Logo, even if Morningstar is notified of the possibility of such damages. The Morningstar name, Index name and the Logo are the trademarks or services marks of Morningstar, Inc. Past performance is no guarantee of future results.

NIKKEI SDGs Management Survey

We have been recognized as a 3.5 star entity under the 5th NIKKEI SDGs Management Survey. The survey is a comprehensive examination of corporate attitudes towards solutions to environmental, social, and economic issues (contributions to the SDGs), as well as the details of SDGs-related businesses.

NIKKEI SDGs
Management Survey 2023
★★★½

External Evaluation and Support for Initiatives

Certified Health and Productivity Management Outstanding Organization

We were selected for the sixth consecutive year as a Certified Health and Productivity Management Outstanding Organization in the large enterprise category under a recognition program designed by the Ministry of Economy, Trade and Industry (METI) in which the Nippon Kenko Kaigi recognizes enterprises that are engaged in efforts to address health issues or are particularly outstanding in the practice of health and productivity management for promoting health.

Platinum Kurumin

We have received Kurumin Certification from the Ministry of Health, Labour and Welfare since 2015, and acquired Platinum Kurumin Certification in March 2019. The Platinum Kurumin Certification system recognizes companies that are pursuing initiatives at an advanced level among companies that have received Kurumin Certification as childcare support companies.

PRIDE INDEX

We were awarded a gold rating, the highest on the PRIDE INDEX, for the seventh year in a row. The PRIDE INDEX, created by the voluntary organization "work with Pride," recognizes workplace initiatives for sexual minorities such as LGBT.

Tomonin Mark

As a company that promotes the establishment of a work environment which accommodates both work and nursing care for family members, the prevention of voluntary resignation due to nursing care for family members, and support toward reinstating employment, we have received the symbol mark "Tomonin" set up by the Ministry of Health, Labour and Welfare.

Eruboshi Certification

In September 2022, we obtained Stage 3 (three-star) certification, the highest rank under the Minister of Health, Labour and Welfare's Eruboshi Certification scheme for the corporate promotion of women's active participation.

Under the scheme, companies that have formulated and submitted a general employer action plan based on the Act Concerning Promotion of Women's Career Activities, and are excellent in terms of promotion of women's active participation receive Eruboshi Certification.

External Evaluation and Support for Initiatives

Top Hundred Telework Pioneers

As a company with ample results, among all companies and organizations that have introduced or utilize teleworking, we were certified among the “Top Hundred Telework Pioneers” by the Ministry for Internal Affairs and Communications.

DX Certification Program

We have received certification as a “DX certified operator” under the DX Certification Program of the Ministry of Economy, Trade and Industry. The DX Certification Program recognizes business operators that make excellent efforts in accordance with government guidelines for the operation and management of information processing systems, which were formulated based on the Act Partially Amending the Act on Facilitation of Information Processing, which came into effect on May 15, 2020.

Sports Yell Company

The Japan Sports Agency certifies companies actively engaged in initiatives to implement sports for employee health promotion under the Sports Yell Company program. Japan Post Insurance was certified as a Sports Yell Company for 2024.

Additionally, we received “Bronze certification,” which is awarded to companies certified five or more times in total. We are engaged in initiatives such as “Radio-Taiso” to promote employee health.

Tokyo Sports Promotion Company

Each year, the Tokyo Metropolitan Government certifies companies and other organizations implementing outstanding initiatives to encourage employees to participate in sports and provide support in the sporting field as "Tokyo Sports Promotion Companies." Japan Post Insurance was certified as a Tokyo Sports Promotion Company for FY2023. We support health promotion for everyone through the popularization and promotion of "Radio-Taiso" and "Minna no Taiso."

External Evaluation and Support for Initiatives

Support for Initiatives

United Nations Global Compact

We signed the United Nations Global Compact as JAPAN POST INSURANCE Co., Ltd. in 2022 (and as Japan Post Group back in 2008). The United Nations Global Compact is the world's largest sustainability initiative for the United Nations and the private sector (companies and organizations) to join forces to build a healthy global society. We support the four areas of human rights, labor, environment, and anti-corruption and Ten Principles of the United Nations Global Compact, and will continue our efforts to achieve them.

Women's Empowerment Principles (WEPs)

In 2022, we declared our support for the Women's Empowerment Principles (WEPs).

The WEPs consist of seven international principles to promote women's economic empowerment to encourage vigorous corporate activity and growth through autonomous corporate initiatives, positioning gender equality and women's empowerment at the core of management.

Task Force on Climaterelated Financial Disclosures (TCFD)

We expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2019.

Taskforce on Naturerelated Financial Disclosures (TNFD) Forum

We support the philosophy of TNFD and joined the TNFD Forum in June 2023 to support its activities.

External Evaluation and Support for Initiatives

Principles for Responsible Investment (PRI)

We signed the Principles for Responsible Investment (PRI) in 2017.

The PRI is an action principle proposed by the United Nations in 2006, which consists of six principles, including the corporation of ESG issues into the investment decision-making process.

Signatory of:

PRI Principles for Responsible Investment

Advance

In 2022, we joined Advance, a stewardship initiative where institutional investors work together to take action on human rights and social issues as an endorser.

CDP

In 2022, we signed the CDP, an international initiative that encourages disclosure of environment-related information and resolution of environmental issues, in our capacity as an institutional investor.

CDP INVESTOR SIGNATORY

Climate Action 100+

We joined Climate Action 100+ (CA100+) in 2022. It is an international investor-led initiative to ensure corporations take necessary action on climate change through collaborative engagement (dialogue with companies).

Climate Action 100+
Global Investors Driving Business Transition

Japan Climate Initiative (JCI)

Since 2021, we have been supporting and participating in efforts by the Japan Climate Initiative (JCI), a network committed to realizing a decarbonized society.

JAPAN CLIMATE INITIATIVE

Japan Impact-driven Financing Initiative

We have signed the "Japan Impact-driven Financing Initiative" in 2021. It is an initiative to promote impact investment through cooperation and collaboration between diverse and multiple financial institutions that believe that the purpose of financial institutions is to actively address social and environmental issues, holistically understanding impact (environmental and social impact of the companies financial institutions are investing into).

Japan Impact-driven Financing Initiative

External Evaluation and Support for Initiatives

Triple I for Global Health

In 2023, we joined Triple I for Global Health (Impact Investment Initiative for Global Health), an initiative that aims to contribute to solving social issues in the field of global health through impact investments.

Social Impact Management Initiative (SIMI)

We have participated in the Social Impact Management Initiative (SIMI), a collaborative effort of diverse stakeholders in Japan since 2021.

Japan Stewardship Initiative (JSI)

In 2022, we joined the Japan Stewardship Initiative, which aims to facilitate the exchange of opinions on practical issues across the industry and support efficient information transmission to achieve more sophisticated and profound stewardship activities.

Support for COOL CHOICE

COOL CHOICE is a government-initiated national movement to encourage people to make wise choices in their daily lives, such as replacing products, using services, and choosing lifestyles that contribute to the creation of a decarbonized society, to reduce emissions of greenhouse gases such as CO_2.

We support for COOL CHOICE and implement COOL BIZ between May and October to reduce air-conditioning use during summer in a bid to decrease electricity consumption.

Data on Environment

(*) Due to the increase of approximately 13,000 employees seconded to the Company from Japan Post Co., Ltd. following the transition to the "new Japan Post Insurance sales system" in April 2022, the figures for FY2022 in some items have changed significantly from those of FY2021.

Scope1,2

			Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Scope1 (Direct energy use)	Facility	Town gas	1,000m³	638.4	686.2	728.9	621.8	904.9
			GJ	28,731.9	30,888.0	32,803.0	27,802.6	40,833.8
			tCO_2	1,432.8	1,540.0	1,635.8	1,386.4	2,036.2
		LP gas	t	3.9	1.0	0.0	0.0	9.4
			GJ	198.9	50.8	0.0	0.0	476.2
			tCO_2	11.7	3.0	0.0	0.0	28.1
		Kerosene	KL	9.0	8.0	10.6	11.8	78.1
			GJ	330.8	295.2	387.6	432.8	2,867.9
			tCO_2	22.4	20.0	26.3	29.4	194.5
		Diesel oil	KL	0.9	0.1	0.6	2.0	0.8
			GJ	33.4	4.5	21.6	74.5	29.5
			tCO_2	2.3	0.0	1.5	5.1	2.0
		Heavy oil	KL	28.0	31.8	35.1	37.6	93.4
			GJ	206.7	1,243.1	1,371.3	1,471.8	3,652.8
			tCO_2	14.3	87.0	95.0	102.0	253.1
	Vehicles	Gasoline	KL	1,466.5	1,204.0	705.9	689.4	2,840.5
			GJ	50,739.3	41,657.1	24,423.8	23,851.6	98,281.3
			tCO_2	3,402.2	2,793.2	1,638.8	1,600.4	6,594.7
	Scope1Total		GJ	80,240.9	74,138.7	59,007.2	53,633.3	146,141.5
	Scope1Total		tCO_2	4,885.7	4,443.2	3,397.4	3,123.3	9,108.8
Scope2 (Indirect energy use)	Electricity		1,000kWh	30,660.3	29,576.0	29,066.6	26,551.6	41,505.9
			GJ	304,956.0	290,404.0	284,663.5	260,913.6	410,168.2
			tCO_2	14,654.7	13,708.8	13,147.4	10,885.9	11,297.5
	Cold water		GJ	8,331.3	9,581.2	10,157.3	9,414.7	10,402.8
			tCO_2	349.2	402.0	425.7	394.6	444.8
	Warm water		GJ	5,321.3	5,703.8	7,899.2	7,062.6	6,320.0
			tCO_2	223.0	239.0	331.1	296.0	265.6
	Steam		GJ	3,414.4	3,517.0	3,835.3	4,228.6	4,037.7
			tCO_2	143.1	147.0	160.7	177.2	169.2
	Scope2 Total		GJ	322,023.1	309,206.0	306,555.3	281,619.4	430,928.6
	Scope2 Total		tCO_2	15,370.0	14,496.8	14,064.9	11,753.7	12,177.1
Scope1 and Scope2	Total energy consumption for Scope1 and Scope2		GJ	402,264.0	383,344.7	365,562.5	335,252.7	577,070.1
	Total CO_2 emissions for Scope1 and Scope2		tCO_2	20,255.7	18,940.0	17,462.3	14,877.1	21,285.9
	Facility	Total energy consumption of facilities	GJ	351,524.7	341,687.6	341,138.7	311,401.1	478,788.8
		Energy consumption (total) crude oil equivalent	KL	9,107.3	8,815.5	8,801.4	8,034.1	12,352.8
		Total floor space	m²	248,260.7	249,579.4	250,032.9	267,197.4	345,651.0
		Basic unit of energy use	kl/m²	0.037	0.035	0.035	0.030	0.036
	Vehicles	CO_2 emissions from vehicles	tCO_2	3,402.2	2,793.2	1,638.8	1,600.4	6,594.7
		Mileage	km	21,521,670.0	19,908,707.2	13,228,474.6	13,192,951.7	66,175,008.0
		Basic unit related to CO_2 emissions (emissions / mileage)	tCO_2/km	0.0001581	0.0001403	0.0001239	0.0001213	0.0000997

(*) Vehicle mileage for FY2022 is an estimate due to the shift to the new Japan Post Insurance sales system, and as such, the calculation method differs to that used through FY2021.

ESG Data E

Data on Environment

Scope 3 (Other indirect GHG emissions)

Category	Item	Details	Unit	FY2020	FY2021	FY2022
1-Products and services purchased	Copier paper	Amount of copier paper procured (*limited to head office use)	tCO_2	180.4	105.8	69.4
	Uniform	Amount of uniforms procured	tCO_2	0.4	1,134.3	804.3
	Form	Amount of paper procured for preparation of insurance forms, excluding Contract Guidelines and Policy Conditions	tCO_2	1,360.8	1,196.5	1,071.9
	Insurance certificates	Amount of paper used to prepare insurance certificates (including envelopes and enclosed letters of transmittal) given to customers at the time of contract	tCO_2	13.7	38.5	52.1
	Contract Guidelines and Policy Conditions	Amount of paper used to prepare Contract Guidelines and Policy Conditions given to customers at the time of contract	tCO_2	970.1	861.8	1,066.9
2-Capital goods	Owned vehicles	As all our business vehicles are leased vehicles, there are no owned vehicles. Leased vehicles are recorded in Scope1.	tCO_2	0.0	0.0	0.0
3-Fuel and energy-related activities not included in Scope1 and 2	Heavy oil A	All offices are subjected in the same way to Scope 1 and 2	tCO_2	15.5	11.3	5.9
	LP gas	All offices are subjected in the same way to Scope 1 and 2	tCO_2	0.0	0.0	0.0
	Gasoline	All offices are subjected in the same way to Scope 1 and 2	tCO_2	393.1	383.9	1,581.9
	Diesel oil	All offices are subjected in the same way to Scope 1 and 2	tCO_2	0.2	0.6	0.1
	Steam, hot and cold water	All offices are subjected in the same way to Scope 1 and 2	tCO_2	527.3	392.4	393.8
	Electric power	All offices are subjected in the same way to Scope 1 and 2	tCO_2	1,982.9	1,560.7	1,521.6
	Town gas	All offices are subjected in the same way to Scope 1 and 2	tCO_2	377.4	277.9	255.9
	Kerosene	All offices are subjected in the same way to Scope 1 and 2	tCO_2	3.5	0.4	0.1
6-Business trips	Business trips	Domestic (sales, business trips, relocation, lodging), overseas (business trips, assignments, lodging)	tCO_2	416.9	391.0	901.9
7-Employee commuting	Employee commuting	Train, bus, private car	$kgCO_2$	2,746.9	2,573.7	7,113.3
12-Disposal of sold products	Insurance certificates	Amount of disposed insurance certificates given to customers at the time of contract	tCO_2	1.0	2.8	3.8
	Contract Guidelines and Policy Conditions	Amount of disposed Contract Guidelines and Policy Conditions given to customers at the time of contract	tCO_2	70.0	62.2	77.0

(*) Greenhouse gas emissions of Japan Post Insurance (Scope 1, 2, and 3) have been independently verified by a third party in accordance with the ISO14064-3 certification standard.
The scope of the verification covers facilities owned by the Company (including facilities owned by the Company that are leased by other companies in the Japan Post Group) and tenants leased by the Company. Emissions at facilities owned by other companies in the Japan Post Group that are partially leased by the Company are not included in the scope of this report.
Verification is conducted by the entire Japan Post Group. Facilities located in facilities owned by other Group companies (eg. regional headquarters, branches) are verified by the companies that own them. Including those, all of our facilities have been verified.

ESG Data E

Data on Environment

Energy Consumption

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total Energy Consumption		1,000kWh	57,690.3	55,392.9	51,538.6	47,201.4	87,867.6
	(of which, renewable energy consumption)	1,000kWh	0.0	0.0	0.0	2,316.5	14,837.0
	(of which, non-renewable energy consumption)	1,000kWh	57,690.3	55,392.9	51,538.6	44,884.8	73,030.6

Water Consumption

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Water Consumption	Water supply	1000m^3	44.4	50.0	44.2	35.9	31.9
	Sewerage	1000m^3	50.7	53.0	45.5	33.5	29.5

Amount of Waste and Quantity of Copier Paper Purchased

		Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Amount of general waste (*1)		t	489.5	775.6	1,198.1	996.3	727.3
	(amount of general waste recycled)	t	430.3	698.8	1,102.8	918.2	652.1
Amount of industrial waste emissions (*1)		t	65.1	283.6	477.4	222.5	146.4
	(amount of industrial waste recycled)	t	5.5	28.8	363.1	185.2	122.2
Quantity of copier paper purchased		t	621.4	546.7	468.7	344.8	665.9
		Recycled paper purchasing rate (*2)	—	97.8	98.1	98.0	98.2

(*1) The above data is for our head office locations and large-scale facilities (Otemachi Place West Tower and Osaki Bright Tower, Sendai Service Center, Gifu Service Center, Kyoto Service Center(KPR Bldg 10, Fukuoka Service Center, Information Management Center, West Japan Organizations Management Center(Okazaki Bldg)).

(*2) The above data is for our head office locations (Otemachi Place West Tower and Osaki Bright Tower).

Environmental Conservation Activities

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Support for environmental conservation activities (donations to forestation activities, etc.)	yen	33 million	34 million	2 million	2 million	2 million

Data on Social

(*) Due to the increase of approximately 13,000 employees seconded to the Company from Japan Post Co., Ltd. following the transition to the "new Japan Post Insurance sales system" in April 2022, the figures for FY2022 in some items have changed significantly from those of FY2021.

Employee Data

As of the years ended March 31

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees (regular employees) *consolidated	Total	8,269	8,283	8,252	8,144	19,776
	Male	4,804	4,756	4,681	4,586	15,206
	Ratio	58.1%	57.4%	56.7%	56.3%	76.9%
	Female	3,465	3,527	3,571	3,558	4,570
	Ratio	41.9%	42.6%	43.3%	43.7%	23.1%

(*) The scope of consolidation includes the Company and subsidiary, Japan Post Insurance System Solutions Co., Ltd

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees (regular employees) *non-consolidated	Total	7,617	7,638	7,645	7,545	19,148
	Male	4,307	4,270	4,233	4,147	14,759
	Ratio	56.5%	55.9%	55.4%	55.0%	77.1%
	Female	3,310	3,368	3,412	3,398	4,389
	Ratio	43.5%	44.1%	44.6%	45.0%	22.9%

(*1) The number of employees excludes employees assigned to other companies by Japan Post Insurance Co., Ltd., but includes employees assigned to Japan Post Insurance Co., Ltd. by other companies. The figures exclude non-regular employees (including indefinite-term employees based on the indefinite-term employment conversion system).
(*2) The Number of employees (persons) by nationality and ratio (%) (FY2022)
Japan 19,139 (99.95%) China 5 (0.03%) Korea 3 (0.02%) Others 1 (0.01%)
of which, the number of administrators and ratio
Japan 2,133 (99.9%) China 1 (0.05%) Korea 1 (0.05%)

		FY2018	FY2019	FY2020	FY2021	FY2022
Average age (Years old)	Total	39.0	39.4	39.9	40.5	43.6
	Male	41.8	42.1	42.7	43.2	45.0
	Female	35.3	35.9	36.5	37.3	38.9

(*) Average age are based on attained ages as of the end of fiscal year, and truncated to the first decimal place.

		FY2018	FY2019	FY2020	FY2021	FY2022
Average years of service (Years)	Total	14.7	15.0	15.4	15.9	18.3
	Male	17.5	17.8	18.3	18.7	19.6
	Female	11.0	11.5	11.8	12.5	13.8

(*1) Average years of service are based on years of service as of the end of fiscal year, and truncated to the first decimal place.
(*2) Average years of service represent the number of years of continuous service including years at the Ministry of Posts and Telecommunications, the Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.

		FY2018	FY2019	FY2020	FY2021	FY2022
Ratio of female managers (%)	Total	12.1	11.9	12.1	9.1	10.2
	Head offices	—	—	—	13.9	15.5

(*) The figures are as of April 1 of the next fiscal year.

	FY2022
Ratio of female Company employees who are members of the Institute of Actuaries of Japan (%)	8.1

(*) The figures are As of the years ended March 31.

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of job leavers (Persons)	Total	—	—	284	280	347
Turnover rate (%)	Total	—	—	3.6	3.6	4.5
Spontaneous turnover rate (%)	Total	—	—	—	—	4.5

ESG Data S

Data on Social

New hires Data*

		FY2018	FY2019	FY2020	FY2021	FY2022
Total (Persons)	Total	322	242	205	128	184
	Male	128	101	79	60	90
	Female	194	141	126	68	94
	Area core position	141	95	78	57	86
	General position	82	63	54	25	17
	Career-track position	99	84	73	46	81
Hokkaido Area (Persons)	Total	8	2	8	2	4
	Area core position	8	2	8	2	4
	General position	0	0	0	0	—
Tohoku Area (Persons)	Total	18	16	10	5	5
	Area core position	11	10	6	3	5
	General position	7	6	4	2	—
Kanto Area (Persons)	Total	6	9	13	5	8
	Area core position	6	9	13	5	8
	General position	0	0	0	0	—
Tokyo Area (Persons)	Total	74	56	38	20	27
	Area core position	36	16	10	12	10
	General position	38	40	28	8	17
Minami (South)-Kanto Area (Persons)	Total	7	3	5	4	5
	Area core position	7	3	5	4	5
	General position	0	0	0	0	—
Shinetsu Area (Persons)	Total	4	1	3	3	2
	Area core position	4	1	3	3	2
	General position	0	0	0	0	—
Hokuriku Area (Persons)	Total	4	5	3	3	1
	Area core position	4	5	3	3	1
	General position	0	0	0	0	—
Tokai Area (Persons)	Total	29	13	10	13	14
	Area core position	12	12	6	9	14
	General position	17	1	4	4	—
Kinki Area (Persons)	Total	40	27	19	14	26
	Area core position	23	13	7	5	26
	General position	17	14	12	9	—
Chugoku Area (Persons)	Total	12	9	3	3	4
	Area core position	12	9	3	3	4
	General position	0	0	0	0	—
Shikoku Area (Persons)	Total	3	1	1	1	2
	Area core position	3	1	1	1	2
	General position	0	0	0	0	—
Kyushu Area (Persons)	Total	16	14	19	8	4
	Area core position	13	12	13	6	4
	General position	3	2	6	2	—
Okinawa Area (Persons)	Total	2	2	0	1	1
	Area core position	2	2	0	1	1
	General position	0	0	0	0	—

(*) Area core position started in FY2019. The number of Area core position in FY2018 is the sum of operational positions and sales positions.

ESG Data S

Data on Social

	FY2018	FY2019	FY2020	FY2021	FY2022
New employee retention rate (at the end of 3 years) (%)	84.4	87.2	86.0	86.8	87.3

(*) Status of retention of new employees represents the retention rate of new graduates for each year after three years from their employment.

		FY2018	FY2019	FY2020	FY2021	FY2022
Rate of employees with disabilities (%)	Japan Post Group	2.28	2.31	2.36	2.35	2.42

(*) Ratio of employees with disabilities (for the entire Japan Post Group) represents the number employed by all six companies in the Japan Post Group as of June 1 of each fiscal year.

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of mid-career hires (Persons)	Total	32	16	9	14	29
	Male	26	15	6	14	22
	Female	6	1	3	0	7

Work-Life Balance

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees who took childcare leave (Persons)	Total	303	314	284	289	524
Rate of Taking Childcare Leave (%)	Total	64.5	81.7	90.6	97.0	97.9
Total number of employees who returned to work (Persons)	Total	162	169	210	243	368
Return-to-work rate after childcare leave (%)	Total	98.2	97.7	96.8	98.0	98.7

		FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees who took nursing care leave (persons)	Total	6	14	10	6	26
	Male	2	4	6	4	19
	Female	4	10	4	2	7
Number of employees who took partial nursing care leave (Persons)	Total	5	4	5	7	16
	Male	2	2	3	4	7
	Female	3	2	2	3	9

	FY2018	FY2019	FY2020	FY2021	FY2022
Monthly average amount of overtime per employee (Hours) (for regular employees who are entitled to overtime pay)	8.4	8.9	7.1	8.6	7.1

	FY2018	FY2019	FY2020	FY2021	FY2022
Rate of taking paid leave (%)	87.7	93.9	90.6	89.8	97.1

(*) Partial change in calculation method from FY2021 (excluding from the denominator, employees who took zero days of paid leave during the period due to childcare leave, leave of absence, etc.)

Data on Social

Employee Health

	FY2018	FY2019	FY2020	FY2021	FY2022
Health check-up rate (%)	100.0	100.0	100.0	100.0	100.0
Stress check-up rate (%)	92.8	92.3	92.5	91.8	94.03
Absentee rate (%)	—	—	—	1.48	1.62
Occurrence of work-related accident (Cases)	0.47	0.38	0.38	0.60	1.92

(*) Calculated at an annual rate of 1,000 (the number of deaths and injuries that occur per 1,000 workers per year)

(*) The Japan Post Group set reduction target of occurrence of work-related accident.
FY2022 Targets: Japan Post Group 4.96 (ratio of thousand persons per year)

Salary and Benefits

	FY2018	FY2019	FY2020	FY2021	FY2022
Average annual salary (Ten thousand of yen)	655	665	640	649	599
Total annual salary and benefits (Millions of yen)	—	76,354	73,016	71,167	165,811

ES Survey

	FY2018	FY2019	FY2020	FY2021	FY2022
ES Survey (Engagement score survey)	—	—	CC	CCC	C

(*) C is the 9th from the top of all 11 levels, CC is the 8th from the top, CCC is the 7th from the top.

Capacity Development and Education

	FY2018	FY2019	FY2020	FY2021	FY2022
Skill development training hours (Hours) *	72,154	40,394	19,829	29,665	41,004
Average training time per participant (Hours)	44.2	24.9	8.0	10.9	17.6
Average training days per participant (Days)	5.5	3.1	1.9	3.2	2.5
Average training time of all employees (Hours)	9.5	5.3	2.6	3.9	2.1
Average training days of all employees (Days)	1.2	0.7	0.6	1.1	0.3
Average training expenses of all employees (Yen)	—	—	73,000	69,000	32,000

(*) Skill development training hours are the hours of training by job level, such as new employee and management training, organized by the Human Resources Development Office (training hours x number of participants).

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of users in encouragement program for the acquisition of qualifications and certifications (Persons) *1	738	1,308	1,029	779	917
Number of participants in correspondence courses (Persons) *2	219	192	125	107	111
Number of participants in overseas education (Persons) *3	0	1	1	1	1
Number of overseas trainees (Persons) *3	9	3	0	0	1
Number of users in domestic MBA support program (Persons) *3	5	2	0	1	0

(*1) The number of users in encouragement program for the acquisition of qualifications and certifications is calculated based on the number of qualifications acquired through this system.

(*2) The number of participants in correspondence courses is calculated based on the number of courses taken.

(*3) For overseas education, overseas trainees, and domestic MBA support programs, the number of employees in the fiscal year in which they traveled or started using the program is shown.

	FY2018	FY2019	FY2020	FY2021	FY2022
Number of successful applicants in career challenge system*	—	—	—	21	18

(*) Career challenge system allows employees to take on the challenge of new tasks in a job or environment away from their current one for the purpose of encouraging autonomous growth, and successful applicants assign to their chosen tasks in a job.

ESG Data S

Data on Social

Satisfaction Survey

	FY2018	FY2019	FY2020	FY2021	FY2022
Customer Satisfaction Survey (%)	82	—	79	78	79

(*1) We conduct a Customer Satisfaction Survey (Customer Feedback Survey) to improve services based on customers' evaluations.

(*2) The satisfaction level was evaluated on a five-point scale of "satisfied," "somewhat satisfied," "not satisfied or dissatisfied," "somewhat dissatisfied," and "dissatisfied," and the total ratio of customers who answered "satisfied" and "somewhat satisfied" is shown. In FY2019, the Customer Satisfaction Survey was not performed as we concentrated our efforts on insurance claim surveys and other initiatives.

Social Contribution

	FY2020	FY2021	FY2022
Donation Amount (Thousands of yen)	121,945	140,530	67,339
Sponsorship Amount (Thousands of yen)	186,043	29,433	96,688

Data on Governance

Structure of the Board of Directors, etc.

		FY2019	FY2020	FY2021	FY2022	FY2023
Board of Directors	Chairperson	President, CEO and Representative Executive Officer				
	Number of Directors (Persons)	10	9	9	10	11
	Number of Outside Directors (Persons)	7	5	5	6	7
	Ratio of Female Directors (%)	30.0	22.2	22.2	20.0	36.4
Audit Committee	Committee Chair	Outside Director	Outside Director	Outside Director	Outside Director	Outside Director
	Number of Audit Committee members (Persons)	4	5	5	4	5
	Number of Outside Directors (Persons)	4	4	4	3	4
Nomination Committee	Committee Chair	Internal non-Executive Director	Outside Director	Outside Director	Outside Director	Outside Director
	Number of Nomination Committee members (Persons)	3	5	5	5	5
	Number of Outside Directors (Persons)	2	3	3	3	3
Compensation Committee	Committee Chair	Outside Director	Outside Director	Outside Director	Outside Director	Outside Director
	Number of Compensation Committee members (Persons)	3	3	3	4	4
	Number of Outside Directors (Persons)	2	2	2	3	3

(*1) As of July 1, of each fiscal year
(*2) In accordance with the Corporate Governance Code, etc., the Company selects its lead outside director through an internal vote among its outside directors. (As of July 1, 2023: Director SUZUKI Masako)

Operations of the Board of Directors, etc.

		FY2018	FY2019	FY2020	FY2021	FY2022
Board of Directors	Number of meetings held	13	21	17	13	14
	Average attendance rate (%)	98.6	98.1	100	99.1	100
Audit Committee	Number of meetings held	16	16	17	16	17
	Average attendance rate (%)	100	100	100	100	100
Nomination Committee	Number of meetings held	3	3	5	5	4
	Average attendance rate (%)	88.9	100	100	100	100
Compensation Committee	Number of meetings held	4	7	8	7	6
	Average attendance rate (%)	100	100	100	100	100

(*1) April 1 to March 31 of each fiscal year
(*2) Average attendance rate: The attendance rate for each meeting is calculated, summed for one fiscal year, and then divided by the number of meetings (rounded to the first decimal place).

Executive Officers Composition

		FY2019	FY2020	FY2021	FY2022	FY2023
Number of Executive Officers (Persons)		26	28	28	29	23
	Ratio of female Executive Officers (%)	11.5	10.7	3.6	6.9	17.4

(*) As of July 1, of each fiscal year

ESG Data G

Data on Governance

Executive Compensation (FY2022)

Officer Category	Total amount of compensation, etc. (millions of yen)	Total amount of compensation, etc. by type (millions of yen)		Number of eligible officers
		Fixed compensation	Performance-linked stock compensation	
Directors (excluding Outside Directors)	27	27	—	1
Outside Directors	61	61	—	7
Executive Officers	797	671	126	31

(*1) As the Company does not give compensation, etc. for Directors who concurrently serve as an Executive Officer of the Company or the parent company, etc., the number of eligible officers in the Directors category in the chart above does not include those who concurrently serve as an Executive Officer of the Company or the parent company, etc.

(*2) The amount recorded as performance-linked stock compensation is the amount recorded in the fiscal year ended March 31, 2023. In principle, we record the amount assumed to have been incurred during the fiscal year at the end of every fiscal year as an allowance and reverse these allowances at the time of officers' retirement (payment). The finalized amount could differ from the recorded amount of allowances.

(*3) No bonuses are paid.

Status of Voting Rights

As of September 30, 2023

Classification	Number of stocks	Number of voting rights	Content
Non-voting stocks	—	—	—
Stocks with restricted voting rights (treasury stock, etc.)	—	—	—
Stocks with restricted voting rights (other)	—	—	—
Stocks with full voting rights (treasury stock, etc.)	(Treasury stock) Common stock 11,100	—	Standard stock of the Company with no restrictions on the content of rights
Stocks with full voting rights (other)	Common stock 383,127,900	3,831,279	same as above
Shares of less than one unit	Common stock 53,300	—	—
Total number of stocks issued	383,192,300	—	—
The number of voting rights of all shareholders	—	3,831,279	—

(*1) The common stock in the stocks with full voting rights (other) column includes 415,900 stocks (4,159 voting rights) of the Company stock held by the Board Benefit Trust (BBT).

(*2) The common stock in the shares of less than one unit column includes 51 shares of treasury stock owned by the Company.

Independent Auditor

As of March 31, 2023

Name of auditing firm	Continuous audit period (years)
KPMG AZSA LLC	17

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Data on Governance

Anti-corruption

Classification	FY2019	FY2020	FY2021	FY2022
Number of acts of bribery or other forms of corruption	0	0	0	0
Amount of fines imposed for bribery and other forms of corruption (yen)	0	0	0	0
Number of conflicts of interest*1	0	0	0	0
Number of cases of insider trading*2	0	0	0	0

(*1) The number of cases in which the interests of customers were found to have been unfairly harmed by transactions that may cause a conflict of interest, for which the Company was subject to administrative sanctions

(*2) The number of cases in which criminal penalties or administrative sanctions were imposed due to violations of insider trading regulations relating to Company business operations

Political Donations

Classification	FY2019	FY2020	FY2021	FY2022
Political donations (yen)	0	0	0	0