

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy

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Representative: Masami Ishii, Director and President, CEO, Representative Executive Officer
Stock exchange listing: Tokyo Stock Exchange (Code Number: 7181)

Application for Approval of New Operations

JAPAN POST INSURANCE Co., Ltd. (Chiyoda-ku, Tokyo; Masami Ishii, Director and President, CEO, Representative Executive Officer; hereinafter the “Company”) hereby announces that the Company has today submitted an application for approval of new operations, involving the revision of existing insurances including whole life insurance. The application was submitted to the Commissioner of the Financial Services Agency and the Minister for Internal Affairs and Communications, pursuant to provisions of Article 138, Paragraph 1 of the Postal Service Privatization Act (Act No. 97 of 2005).

- Outline of application for approval (as detailed in the Appendix)
 - ・ Revision of whole life insurance
 - ・ Revision of term annuity
 - ・ Revision of hospitalization riders, etc.

The Company believes that the new operations are essential to enhancing convenience of customers as well as to ensuring the stability of its business by securing revenue. The Company appreciates the understanding of parties concerned and will strive to obtain an approval early.

The Company is scheduled to commence underwriting of the above mentioned insurances including whole life insurance in October this year, subject to the approval thereof.

Outline of the Application for Approval
(Revision of Insurances including Whole Life Insurance)

1. Purpose

The Company has hereby applied for approval of the revision of the following insurance products it underwrites, pursuant to provisions of Article 138, Paragraph 1 of the Postal Service Privatization Act.

- (1) Whole life insurance
- (2) Term annuity
- (3) Hospitalization rider
- (4) Accidental rider

2. Reason

The Company has submitted an application for approval of the revision in order to enhance convenience of customers as well as to ensure the stability of its business by securing revenue as described below.

(1) Enhancement of customer convenience

- 1) Reduction of insurance premiums by using expected cancellation rate, etc.

In all the types of insurance listed above, lower premiums can be offered through the reduction or elimination of surrender benefits by using the expected cancellation rate to meet the customers' needs for the lowest possible premiums in the current low interest rate environment.

- 2) Encouraging independent efforts in an aging society by providing extended annuity payment periods

This revision of term annuity is designed to encourage independent efforts in an aging society by providing annuities with extended payment periods as a feature. This move is to meet the needs of customers facing increasing uncertainty caused by longer life expectancy and the state of the public pension system.

- 3) Meeting the needs for medical coverage by revising insured event of riders, including one for hospitalization

Customers' needs for medical coverage are changing. The average

number of hospitalization days is falling, while outpatient surgeries are becoming increasingly common. The needs for medical coverage can be met by revisions, including the provision of optional initial hospitalization benefits with concentrated benefit payments at the outset of hospitalization and no longer having hospitalization as prerequisite for the payment of surgery benefits (whereby outpatient surgeries are covered).

(2) Stabilizing business by securing revenue

The Company is scheduled to further reduce the assumed rates of return in April 2017, following the reduction of assumed rates of return in August 2016 due to the prolonged low interest rate environment. The move is primarily aimed at improving profitability. In the midst of the current adverse management environment, we believe it is essential to ensure stabilization of our business for the purpose of enhancing corporate value by securing revenue driven by an increase in the number of new policies. This goal can be achieved through product improvements to meet the aforementioned diversified needs of customers.

3. Outline of revision

(1) Revision of whole life insurance

For the type of insurance products set out in 1) below, the Company intends to underwrite insurance products for which the insurance premiums are lowered by reducing the surrender benefits for the period in 2) below (the existing whole life insurance will continue to be underwritten.).

1) Type of insurance products

Ordinary whole life insurance and special whole life insurance

2) Period when surrender benefits are reduced by using expected cancellation rate

Premium payment period

(2) Revision of term annuity

For the type of the insurance product set out in 1) below, the Company intends to reduce the surrender benefits for the period in 2) below as well as underwrite an insurance product for which annuity payment commences at the age, etc. as shown in the table below (underwriting of the existing term annuity insurance has been suspended.).

1) Type of insurance product

Differed term annuity

2) Period when surrender benefits are reduced by using expected cancellation rate

Premium payment period

3) Age at the date of annuity payment commencement, etc.

Age at the date of annuity payment commencement	Enrollment age	Premium payment period	Annuity payment period
60	50	10 years	30 years
65	50 - 55	10 - 15 years	30 years
70	50 - 60	10 - 20 years	30 years
75	50 - 65	10 - 25 years	20 years
80	50 - 70	10 - 30 years	20 years

(3) Revision of hospitalization rider

As for hospitalization rider, the Company intends to revise the benefits in 1) below as well as underwrite insurance products for which the insurance premiums are reduced by establishing a premium payment period as described in 2) below, and reducing or eliminating surrender benefits for the period in 3) below (underwriting of the existing hospitalization riders will be suspended.).

1) Benefits

(a) Addition of initial hospitalization benefit (optional)

In the event of the insured's hospitalization qualifies for payment of initial hospitalization benefit, an amount equivalent to five times the daily hospitalization benefit is to be paid, on top of the benefit.

(b) Changes to surgery benefit

- i. Surgery benefit is to be paid for surgeries listed as covered in the calculation of surgery fees as well as those covered as part of advanced medical care, in the table for medical fee points under the public health insurance system. Twenty times the daily

hospitalization benefit is to be paid for surgeries conducted during hospitalization, while five times the daily hospitalization benefit is to be paid for outpatient surgeries.

- ii. Radiotherapy benefit is to be paid for radiotherapy treatments listed as covered in the calculation of radiotherapy treatment as well as those covered as part of advanced medical care, in the table for medical fee points under the public health insurance system. Ten times the daily hospitalization benefit is to be paid.

2) Premium payment period

In the case of a rider for which the surrender benefits attached to the basic policy of whole life insurance or the revised term annuity are eliminated (hereinafter the “nil-surrender benefit type”), the premium payment period expires on the day before the date when the insured’s age reaches 95 or at the termination of the rider, regardless of the premium payment period of the basic policy to which the rider is attached.

3) Period when surrender benefits are reduced or eliminated by using expected cancellation rate

In the case of a rider for which the surrender benefits attached to the basic policy with whole life protection or annuity are reduced (hereinafter the “reduced-surrender benefit type”), the period starts after the expiry of the premium payment period of the rider. In the case of the nil-surrender benefit type, the period covers the entire policy period.

(4) Revision of accidental rider

As for accidental rider, the Company intends to underwrite insurance products for which the insurance premiums are reduced by eliminating the policyholder dividends as set out in 3) below, in addition to establishing a premium payment period as described in 1) below and reducing or eliminating the surrender benefits for the period in 2) below (underwriting of the existing accidental rider will be suspended.).

1) Premium payment period

In the case of nil-surrender benefit type, the premium payment period expires on the day before the date when the insured’s age reaches 95 or at the termination of the rider, regardless of the premium payment period of the basic policy to which the rider is attached.

2) Period when surrender benefits are reduced or eliminated by using expected cancellation rate

In the case of the reduced-surrender benefit type, the period starts after the expiry of the premium payment period of the rider. In the case of the nil-surrender benefit type, the period covers the entire policy period.

3) Policyholder dividends

This rider does not involve policyholder dividends.