

**UNOFFICIAL TRANSLATION**

Although Japan Post Insurance 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.

March 15, 2021

Company name: JAPAN POST INSURANCE Co., Ltd.

Representative: SENDA Tetsuya, Director and President, CEO, Representative Executive Officer

Stock exchange listing: Tokyo Stock Exchange First Section (Code Number: 7181)

**(Update on the Previous Disclosure) Progress of the Business Improvement Plan**

JAPAN POST INSURANCE Co., Ltd. (“Japan Post Insurance”; Chiyoda-ku, Tokyo; SENDA Tetsuya, Director and President, CEO, Representative Executive Officer) is hereby announcing that it submitted “Progress of the Business Improvement Plan (as of the end of February 2021)” based on the business improvement order (December 27, 2019), to the Financial Services Agency of Japan, today. The summary of the Progress of the Business Improvement Plan is described in the attachment.

An announcement will be made promptly if further related matters due for disclosure arise.

## Progress of the Business Improvement Plan

### 1. Results of the investigations of policies by Japan Post Insurance

#### (1) Status of the investigations of specified rewriting cases

In regard to the investigations of specified rewriting cases, we confirmed solicitation circumstances at the time of enrollment and customers' intentions about reinstatement by letters, phone calls and home visit to approximately 156 thousand customers. We finished responding to customers as of the end of March 2020, except for cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including the above cases that could not be finished due to reasons attributable to customers.

#### (2) Status of the sales personnel investigations in connection with the investigations of specified rewriting cases

In regard to the sales personnel investigations in connection with the investigations of specified rewriting cases, we have mostly completed the review of sales personnel investigations as of the end of April 2020. We have identified 415 sales personnel who had violated laws and regulations and 2,223 sales personnel who had violated internal rules as of February 28, 2021. Also, we have taken disciplinary actions in the form of termination of solicitation operations against 71 personnel (including 13 personnel\* who are involved in other cases and 45 retired personnel subjected to penalties equivalent to termination of solicitation operations), suspension of solicitation operations of 1 month to 6 months against 1,008 personnel, suspension of solicitation for 2 weeks or 3 weeks against 1,554 personnel and undetermined disciplinary actions in order to allow for appeals against 5 personnel as of the same date.

Meanwhile, we have already started remedial training for the sales personnel who were identified to have violated laws and regulations or internal rules, based on the results of the sales personnel investigations in connection with the investigations of specified rewriting cases (2,450 personnel were subject to training as of February 28, 2021).

\* 10 of 13 personnel who are involved in other cases, are involved in the portion of investigations of multiple policies which have been implemented since 2019 and the other 3 of 13 personnel are involved in the cases which have been found out from customers' voices.

#### (3) Status of the investigation of all insurance policies

In the investigations of all insurance policies, we sent notification documents with reply cards to approximately 19 million customers to confirm their intentions and received over 1 million replies. We completed responding to customers as of the end of March 2020, except for cases that could not be finished due to reasons attributable to customers. We continue responding to customer requests, such as the requests for compensation for disadvantages experienced, including those that could not be finished due to reasons attributable to customers.

#### **(4) Status of progress of additional investigations of all insurance policies**

##### **① Status of progress of investigations of multiple policies**

In regard to investigations of multiple policies, we finished responding to customers, except for the cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including cases that could not be finished due to reasons attributable to customers.

We are making progress in the investigation of the customers who are to receive priority responses (897 policyholders)<sup>\*1</sup> from February 2020 and other customers (5,532 policyholders)<sup>\*2</sup>. 6,369 customers (99%)<sup>\*3</sup> have confirmed their policy coverage, as of February 28, 2021. Of this number, 2,778 customers (44%) have requested compensation for their policies, and we have finished compensation for 2,696 customers (42%).

\*1. Customers who have applied for 15 or more policies, of which half or more have been cancelled, in the last five years (from April 2014 to March 2019; the same hereinafter).

\*2. Customers who have applied for 10 or more policies, of which 30% or more have been cancelled, in the last five years.

\*3. Including the number of customers to whom we resent letters for reconfirming.

##### **② Status of progress of Investigations other than the above investigations of multiple policies**

In regard to the investigations other than the investigations of multiple policies, we have contacted customers who have policies with high insurance premiums or who had changes of the insured or type of insurance when enrolling in new policies through visits by staff of Japan Post Insurance or sending letters explaining policy status to confirm the policy coverage, in proportion to the amount of premiums and the number of times policies were rewritten. We have completed responding to customers, except for cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including cases that could not be finished due to reasons attributable to customers.

We have made progress in the investigation in regard to the customers who have paid monthly premiums of 200,000 yen or more (5,103 policyholders)<sup>\*1</sup>. 5,075 customers (99%) have confirmed their policy coverage as of February 28, 2021. Of this number, 1,959 customers (39%) have requested compensation for their policies, and we have finished compensation for 1,883 customers (37%).

In regard to the investigation of the customers who had multiple changes of the insured or the type of insurance and enrolled in new policies (2,650 policyholders)<sup>\*2,3</sup>, 2,608 customers (98%) have confirmed their policy coverage as of February 28, 2021. Of this number, 841 customers (32%) have requested compensation for their policies, and we have finished compensation for 802 customers (30%).

Also, we have made progress in the investigation in regard to the customers who have paid monthly premiums of 100,000 yen or more (14,059 policyholders)<sup>\*4</sup>. 14,030 customers

(approximately 100%) have confirmed their policy coverage, as of February 28, 2021. Of this number, 1,147 customers (8%) have requested compensation for their policies, and we have finished compensation for 1,040 customers (7%).

In regard to the investigation of the customers who had a single change of the insured or the type of insurance and enrolled in a new policy, and the customers who used the policy rewriting system to shorten the maturities of existing contracts (32,814 policyholders), 32,195 customers (98%)\*<sup>5,6,7</sup> have confirmed their policy coverage as of February 28, 2021. Of this number, 1,218 customers (4%) have requested compensation for their policies, and we have finished compensation for 1,102 customers (3%).

In addition, we sent notification documents with reply questionnaires again to customers who had not replied on July 30, 2020.

\*1. As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 200,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.

\*2. In the last five years, cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled multiple times in a short period thereafter.

\*3. Cases where sales personnel led customers to repeat rewriting insurance ⇔ annuity multiple times.

\*4. As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 100,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.

\*5. In the last five years, cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled at once in a short period thereafter.

\*6. In the last five years, cases where sales personnel led customers to rewrite from annuity to insurance.

\*7. Cases where sales personnel led customers to shorten the maturity of existing policies and apply for a new policy, but the underwriting of the new policy was declined.

## **(5) Status of the sales personnel investigations in connection with the additional investigations of all insurance policies and other investigations**

In regard to the sales personnel investigations in connection with the additional investigations of all insurance policies and other investigations, we have identified 305 sales personnel who had violated laws and regulations and 149 sales personnel who had violated internal rules as of February 28, 2021.

Meanwhile the portion of investigations of multiple policies which have been implemented since 2019, we have completed except for two cases which we cannot investigate due to a salesperson's sick leave and so on.

We have identified 84 sales personnel who had violated laws and regulations and have taken disciplinary actions in the form of termination of solicitation operations against 76 personnel (including 9 retired personnel subjected to penalties equivalent to termination of solicitation operations), and suspension of solicitation operations of 1 month to 6 months against 8 personnel.

In addition the above, we have investigated sales personnel who have problems that they are related to cases including serious complaint since March 2021.

We have investigated sales personnel by letters who are not included in prior investigations in March 2021. We confirm the existence of problems in sales process by sales personnel answers and we will execute for investigations to sales personnel who answer that their sales process had problems.

**(6) Follow-up support activities to recover customer's trust**

In addition to the above cases being investigated, as the support activities to recover customers' trust and to confirm policy coverage, we have carried out the confirmation activities for 12,104 customers who experienced policy rewriting since April 2019. We have completed responding to customers, except for cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including cases that could not be finished due to reasons attributable to customers.

12,064 customers (approximately 100%) have confirmed their policy coverage. Of this number, 4,213 customers (35%) have requested compensation for their policies, and we have finished compensation for 2,452 customers (20%) as of February 28, 2021.

We have confirmed 34,201 customers with whole life insurance where the customer and the insured are different. We have completed responding to customers, except for cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including cases that could not be finished due to reasons attributable to customers.

34,002 customers (99%) confirmed their policy coverage. Of this number, 796 customers (2%) have requested compensation for their policies, and we have finished compensation for 478 customers (1%) as of February 28, 2021.

Also, we have confirmed 9,907 customers with policies that were cancelled and rewritten after the payment period had ended. We have completed responding to customers, except for cases that could not be finished due to reasons attributable to customers. We will continue responding to customer requests, including cases that could not be finished due to reasons attributable to customers.

9,667 customers (98%) confirmed their policy coverage. Of this number, 229 customers (2%) have requested compensation for their policies, and we have finished compensation for 51 customers (1%) as of February 28, 2021.

Through these support activities, we are listening carefully to customer's opinions and requests.

Furthermore, in addition to continued efforts to confirm contracts, we continue to carry out the confirmation activities after sending the annual "Notification of Policy Coverage" documentation to all customers in October, which provides guidance to confirm the policy coverage. We will continue to strive to ensure that customer's life insurance policies are useful to them while being suited to customers' intentions and changes in their life styles, through continuing initiatives to ensure that we hear our customers' voices in a wide range of situations.

**2. Appropriate actions toward sales personnel found to have engaged in improper solicitation in the investigations in 1 above (Includes increasing the strictness of criteria for fact-finding and for disciplinary action against sales personnel, and applying them thoroughly)**

**(1) Increase the strictness of fact-finding criteria**

**① Conduct fact-finding that does not rely on confession**

We are carrying out fact finding concerning improper solicitations of insurance contracts that appear to have caused disadvantages to customers, based on responses from affected customers as well as credible circumstantial evidence, even if the sales personnel in question denies such improper solicitation, to be followed up by disciplinary action as appropriate. [Implemented in November 2019]

**② Strengthen efforts for the investigative cooperation (self-declaration) system**

In conducting investigations, if sales personnel admit to violations or fully cooperate with the investigation, we reduce or exempt the sales personnel from the ordinary disciplinary actions. Through this, we will continue to make efforts to identify quickly the underlying causes of improper solicitation. [Implemented from November 2019 onward and continuously]

**(2) Increase the strictness of criteria for disciplinary action**

**① Addition of “suspension of solicitation” and “warning” in the disciplinary actions against sales personnel**

Disciplinary actions against sales personnel previously comprised only two levels, namely “termination of solicitation operations” and “strict warning.” We added additional disciplinary actions such as a disciplinary action which suspends solicitation activities for a certain period. We had revised the rules in March 2020 to ensure the measures are taken according to the condition and level of improper solicitation and have applied these rules from April 2020. [Implemented in April 2020]

**② Disciplinary actions for managers**

Japan Post Insurance had revised the rules in March 2020 which stipulated about disciplinary action for managers of sales personnel found to have engaged in improper solicitation, in order for Japan Post Insurance to request to Japan Post that these managers receive rigorous disciplinary actions in accordance with the degree of their dereliction and has applied these rules from April 2020. [Implemented in April 2020]

**③ Actions toward sales personnel found to have engaged in improper solicitation and sales personnel who have solicitation process problem**

We have conducted training for sales personnel found to have engaged in improper solicitation and sales personnel who have solicitation process problem, and they have been

registered in “sales pre-checking system” and follow-up work has been carried out to control the preparation of insurance policy documents in the process of solicitation and make confirmation of customers’ intentions by post office managers for a certain period of time. [Implemented in April 2020]

### **3. Progress of the main measures of Japan Post Insurance**

#### **(1) Establish an appropriate sales promotion scheme (Includes setting sales targets based on actual sales to avoid encouraging rewriting of policies)**

##### **① Set appropriate sales targets**

###### **A. Set sales targets according to the sales capability and review the allocation method**

We have resolved not to set sales targets for FY2020.

When setting sales targets for the FY2021 onward, sales targets will be determined based on the prospects for the life insurance market, etc., through discussion among the sales, corporate planning, and solicitation management departments by checking whether expected on-site sales potential includes improper solicitation, and calculating by incorporating the impact of changes in the number of sales personnel in the variables involved in setting various measures for the current and following fiscal years. This process also includes checking whether sales targets can be achieved with the sales capability that ensures appropriate solicitation quality.

In regard to the allocation of sales targets to branches of Japan Post and post offices, together with the optimization of the level of sales targets, we will check if the efforts of Japan Post are implemented appropriately.

###### **B. Shift from sales targets focused on new sales amounts (flow) to the sales targets focused on the policies in force (stock), etc.**

When setting sales targets for FY2021 onward, we have decided to revise our previous sales targets, which have heretofore overemphasized the monthly premium amounts for new contracts, and to shift to sales targets that focus on recording the results on a stock basis, equally considering the monthly premium amounts for new policies and cancelled policies to evaluate both new policies and policies in force.

Through the introduction of a three-year cancellation ratio and indexing of the number of new customers and working age customers, we will shift to sales activities that focus on working age customers.

###### **C. Review personnel evaluations**

We have unified personnel evaluation items of sales promotion and solicitation quality,

which we have heretofore evaluated separately, in order to evaluate sales promotion focusing on the securing solicitation quality. [Implemented in April 2020]

## ② Measures for policy rewriting

### A. Non-recording of sales results and non-payment of incentives for policy rewriting

We had abolished the recording of sales results for policy rewriting and reviewed the system to abolish the incentive payments for policy rewriting (50% of the allowances for normal new contract). [Implemented in April 2020]

### B. Prevent circumvention of required periods for policy rewriting

We had extended the policy rewriting qualifying period (before the change, the qualifying period was within three months before enrollment in a new policy or within six months after such enrollment, and it has been extended to within twelve months before enrollment in a new policy or within thirteen months after such enrollment) and launched a system to display alert messages and add a reconfirmation process for policy rewriting in close proximity to the relevant periods. [Implemented in April 2020]

## ③ Measures for solicitation of elderly customers

Solicitations from sales personnel to customers aged 70 or older are suspended in principle. When accepting an application from such customers, we require a family member to be present upon application or to give prior explanation to a family member. In addition, we require the acquisition of prior consent from the insured person when accepting an application from customers aged 70 or older (previously, 80 or older). [Implemented in April 2020]

## ④ Develop new products meeting our customers' insurance needs

Japan Post Insurance has been unable to develop a wide variety of insurance products. As a result, our main products have been "savings-type" products such as endowment insurance and annuities that are less attractive under the low interest rate environment. Going forward, we will aim for the development of new products that more closely meet our customers' insurance needs, including those of working age customers.

As part of the above, from the perspective of improving the attractiveness of products for the working generation, we are currently making efforts to add ordinary term insurance and special endowment insurance with extended term to existing insurance product line-up. [Scheduled implementation in April 2021]



**(2) Create a healthy corporate culture that puts a priority on compliance and policyholder protection (Includes creating an appropriate solicitation policy that is well understood by employees, and training for employees and sales personnel)**

**① Create an appropriate solicitation policy that is well understood by employees**

**A. Establish a code of conduct based on the customer-first philosophy**

In order to thoroughly implement basic actions based on the principle of providing insurance coverage founded on high ethical standards which take the original roles and mission of life insurance into account, the solicitation policy that reflects the customer-first philosophy was set by a resolution of the Board of Directors in February 2020.

In addition, we have announced our solicitation policy to customers on our website. [Implemented in April 2020]

**B. Set a “Standard of Japan Post Insurance sales”**

We set a “Standard of Japan Post Insurance sales” based on a solicitation policy that reflects the customer-first philosophy and made training materials that embody the model in February 2020.

Based on this standard, we produced a survey document and developed a practical method for confirming customer intentions by using it in order to make proposals that accurately reflect true customers’ needs based on their concerns for the future and their status of policy enrollment. [Implemented in April 2020]

**② Training for sales personnel, etc.**

We started training on the significance and basic concept of the “Standard of Japan Post Insurance sales” on February 21, 2020. [Training on the significance and basic concept of “Standard of Japan Post Insurance Sales” was implemented for all sales personnel, etc. of Japan Post Insurance and Japan Post as of the end of March 2020]

Furthermore, we will continue to work to make the “Standard of Japan Post Insurance sales” fully understood through various training sessions.

**③ Hearing the voices of our employees**

We already introduced a system that allows Japan Post Insurance employees to directly make suggestions to the President and we accepted 1,971 suggestions as of the end of February 2021. Based on the suggestions, we are examining ways to strengthen information transmission from headquarter, introducing personnel evaluation system that values the front-line, and develop a system to quickly respond to employee opinions.

In addition to the above, we started “Dialogue with Management” events, in which the management team of Japan Post Insurance visits branches and directly listens to the voices of front-line employees. [Started in February 2020]

**(3) Establish an appropriate solicitation quality control scheme (Includes the establishment of an effective control scheme for insurance agents)**

**① Check from contract applications to the conclusion of a contract in a multilayered manner**

In addition to expanding the existing pre-checking function for underwriting [Implemented in April 2019 onward and continuously], we have implemented a multi-layered system for the verification of customers' intentions for applications for which there are doubts about solicitation quality, conducted by post office managers [Implemented in September 2019], by a dedicated call center of Japan Post Insurance [Implemented in January 2020] and by the Service Center at the time of the underwriting process. [Implemented in August 2019]

Meanwhile, upon receiving cancellation requests from customers at their home, the dedicated call center of Japan Post Insurance confirms customers' intentions and whether or not customers received an explanation about potential disadvantages, in addition to the explanations and verifications by post office manager. [Implemented in January 2020]

Furthermore, in the future, we intend to consider implementing a system where we accept cancellations only at post office counters, and we also intend to consider accepting cancellations through direct channels to prevent service degradation at the time requests for cancellation are received.

**② Strengthen our organizational structure with a view to implementing appropriate solicitation management**

**A. Review functions of headquarters, etc.**

We had transferred planning and guidance operations aimed at realizing appropriate solicitation activities, that have been so far conducted by the second line (compliance and solicitation management departments), to the first line (sales department). This transfer holds the first line departments more accountable for sales activities focusing on the maintenance of the solicitation quality, while the second line departments focus on the verification of measures taken by the first line. Through these reorganization, we had built a system that will enable us to develop measures based on the customer-first philosophy under an appropriate check and balance mechanism. [Implemented in April 2020]

In addition, we had strengthened investigation functions by integrating command functions over the investigation of improper solicitation activities and other inappropriate actions into the Compliance Investigation Office (newly established). [Implemented in April 2020]

In addition to the above, we will strengthen the structure of the solicitation management, compliance and customer services departments at our headquarters. [Continue implementation starting in April 2020]

## **B. Review functions of branches, etc.**

We had been focusing on agency support for sales promotion, but we shifted to agency support/guidance conditioned upon securing solicitation quality and have strengthened the investigation of solicitation manner and solicitation guidance.

Branches are in charge of checking operation to confirmation activities about customer feedback. Each agency relations division in branches timely grasps the situation of checking operation and utilize for effective guidance based on the actual solicitation process. [Implemented in October 2020]

## **C. Increase sophistication of customer information management**

We will set up an arrangement at our branches and at post offices that will enable us to confirm more easily the customers' past policy enrollment and cancellation histories on our systems when accepting policy applications from the customers, and will utilize this arrangement for solicitation quality management.

As part of this, in April 2020, we extended the period available for checking the customers' past policy cancellation histories from the last three months to the last 24 months at post offices. [Implemented in April 2020 and improved functions in October 2020]

### **③ Introduction of a conditional cancellation system and policy conversion system**

For the adjustment of insurance policy content or products from a customer-first point of view, we introduced a conditional cancellation system [Implemented in January 2020]. We also proceed with system development etc. for a policy conversion system to enable transitions to new policies without the cancellation of existing policies. [Obtained approval in November 2020 and scheduled implementation in April 2021]

### **④ Record and keep a voice record and a video record of the solicitation process**

We will ensure transparency of the solicitation process by recording and keeping a voice record of the solicitation process using the mobile devices carried by sales personnel, in order to develop a system that can verify whether sales personnel's proposals have met the customer's intentions in the case of a customer complaint, and started trial implementation on March 2, 2020. After the improvement of this record system through trial implementation, we carried out full implementation for all sales personnel on August 24, 2020. [Implemented in August 2020]

### **⑤ Identify potential problems from complaints, etc.**

We will continue to strengthen our organizational structure to establish a framework in which we will provide follow-up support responsibly from start to finish, by increasing our risk sensitivity to detect complaints potentially involving problems with the circumstance of solicitation, and by clarifying the roles of the relevant departments. [Implemented from

December 2019 onward and continuously]

**⑥ Verify solicitation checking scheme**

From the perspective of prevention and early detection of improper solicitations, the second line has verified solicitation checking scheme based on the Business Improvement Plan and confirmed the effectiveness of it. [Implemented interim report in March 2020 and result report in August 2020]

**(4) Strengthen governance drastically to implement and ensure the success of the above initiatives**

**① Strengthen the investigation of circumstances of the solicitation process and thoroughly implement the PDCA cycle**

**A. Understand and analyze information on internal and external risks**

We have set up a dedicated team to understand and analyze customer complaints, employee opinions, posts on social media and various other information on risks. We have also been building a PDCA system to utilize these kinds of information for improvement, through the activities such as organizing report lines to management team. [Implemented from April 2020 onward and continuously]

**B. Comprehensively and horizontally expand the investigation of problem incidents to cases of a similar type and structure**

In order to ensure that materials risks do not go undetected, besides individually handling incidents where problems were detected, we collect and analyze all sources of inappropriate solicitations, and when we detect cases of a similar type and structure, our policy is to actively investigate such cases. We have clarified the division of roles with the above process and have started engaging in such efforts. [Implemented from April 2020 onward and continuously]

**C. Thoroughly implement the PDCA cycle**

When considering improvement measures, we will establish a system for the thorough implementation of a cycle of verifying the effects and reviewing our measures speedily to improve solicitation quality, based on deep discussions at the management level, including the priority of improvement measures, in light of evaluations of root causes.

In the meantime, we are conducting verifications of the effects of our current improvement measures in the business improvement plan and other initiatives in order to establish appropriate solicitation management. [Implemented from April 2020 onward and continuously]

## ② Strengthen internal controls

### A. Strengthen the governance function of the Board of Directors, etc.

#### (A) Establish a new “deliberation” within the Board of Directors

In order to broadly discuss management issues in advance, the establishment of a new “deliberation” which will leverage the expertise of Outside Directors from the resolution drafting stage as well as the existing “resolution” and “report” had been resolved at the Board of Directors’ meeting in March 2020. [Implemented in March 2020]

Furthermore, in addition to having the extraordinary meetings of the Board of Directors, we held social gatherings of Directors and meetings of Outside Directors for the purpose such as actively exchanging opinions, and discussed the status of operation of the internal control system, the evaluation of effectiveness of the Board of Directors and policy for resuming sales activity. [Implemented in February 2020 (to be held in the future as needed)]

#### (B) Strengthen the function of the Audit Committee

a. We had revised relevant rules, which require the advance agreement of the Audit Committee, for the decision and amendment of the internal audit plan and important personnel appointments (Executive officers in charge and General Managers) of the internal audit department in March 2020 and applied these rules starting in April 2020. [Implemented in March 2020]

b. We have created the scheme where the Audit Committee would order an investigation for verification, after receiving an in-depth report on the actual state of the circumstances of the solicitation process and customers’ disadvantages, and the Audit Committee would provide necessary advice to the executive officer in charge based on the results of the investigation. At a meeting of the Audit Committee held in February 2020, the executive officer in charge of internal audit submitted a report on the investigation, and the Audit Committee members discussed based on that. [Implemented in February 2020 (to be held in the future as needed)]

### B. Internal audit

In addition to strengthening the human resources and organizational structure for internal audit, we are engaging in strengthening our risk assessment and other measures with the cooperation of external experts. [Implemented from April 2020 onward and continuously]

## 1 Investigations of specified rewriting cases/ Investigations of all insurance policies

### A [Investigation of specified rewriting cases]

- In regard to the investigations of specified rewriting, we finished responding to customers as of the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers.
- In regard to the sales personnel investigations in connection with the investigations of specified rewriting cases, we have identified 415 sales personnel who had violated laws and regulations and 2,223 sales personnel who had violated internal rules as of February 28, 2021.

### B [Investigations of all insurance policies]

- In the investigations of all insurance policies, we received 1,038 thousand replies as of February 28, 2021. We completed responding to customers by the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers. We continue responding customer requests sincerely.

## 2 Additional investigations of all insurance policies

- In regard to the additional investigations of all insurance policies, we have completed responding to customers and continue responding to customers carefully for cases that cannot be finished due to reasons attributable to customers.
- In regard to the sales personnel investigations of additional investigations of all insurance policies and other investigations, we have identified 305 sales personnel who had violated laws and regulations and 149 sales personnel who had violated internal rules as of February 28, 2021.
- In addition, we have investigated sales personnel who have problems that they are related to cases including serious complaint since March 2021.
- We have investigated sales personnel by letters who are not included in prior investigations in end of March 2021. We confirm the existence of problems in sales process by sales personnel answers and we will execute for investigations to sales personnel who answer that their sales process had problems.

## A [Investigations of multiple policies]

- In regard to the investigations of multiple policies, we have confirmed 2,778 customers who request compensation for their policies and 2,696 customer's policies were compensated as of February 28, 2021.
- In regard to sales personnel investigations of multiple policies which have been implemented from two years ago※, we completed the investigations except for two cases which we cannot investigate due to a salesperson's sick leave and so on. We have identified 84 sales personnel who had violated laws and regulations as of February 28, 2021.

※ Refer to the press release dated June 27, 2019.

## B [Investigations other than the investigations of multiple policies]

- In regard to the investigations other than the investigations of multiple policies, we have contacted customers in proportion to the amount of premiums and the number of times policies were rewritten through visiting by staff of Japan Post Insurance or sending letters to confirm customer intentions. In regard to visiting investigation\*1, we have confirmed 2,800 customers who request compensation for their policies and 2,685 customer's policies were compensated as of February 28, 2021. In regard to letter investigation\*2, we have confirmed 2,365 customers who request compensation for their policies and 2,142 customer's policies were compensated.

\*1. Investigation for customers who have policy that is shown as follows

·As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 200,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.

·In the last five years (from April 2014 to March 2019; the same hereinafter), cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled multiple times in a short period thereafter.

·Cases where sales personnel led customers to repeat rewriting insurance ⇔ annuity multiple times.

\*2. Investigation for customers who have policy that is shown as follows

·As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 100,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.

·In the last five years, cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled at once in a short period thereafter.

·In the last five years, cases where sales personnel led customers to rewrite from annuity to insurance.

·Cases where sales personnel led customers to shorten the maturity of existing policies and apply for a new policy, but the underwriting of the new policy was declined.

### 3 Follow-up support activities

- In regard to activities to regain customers' trust and to confirm policy coverage, we have confirmed customers who experienced policy rewriting since April 2019, customers with whole life insurance where the customer and the insured are different, and customers with policies that were cancelled and rewritten after the payment period had ended. We have mostly completed responding to customers and continue responding to customers carefully for cases that cannot be finished due to reasons attributable to customers.

As of February 28, 2021

	Customers who experienced policy rewriting since April 2019	Customers with whole life insurance where the customer and the insured are different	Customers with policies that were cancelled and rewritten after the payment period had ended								
	Number of applicable customers (%)	Number of applicable customers (%)	Number of applicable customers (%)								
Customers whose policy coverage and intentions have been confirmed ...A	12,064 (100)	34,002 (99)	9,667 (98)								
<table border="1"> <tr> <td>Customers who request compensation for their policies ...B</td> <td>4,213 (35)</td> <td>796 (2)</td> <td>229 (2)</td> </tr> <tr> <td>Customers whose compensation for their policies have been finished ...C</td> <td>2,452 (58)</td> <td>478 (60)</td> <td>51 (22)</td> </tr> </table>	Customers who request compensation for their policies ...B	4,213 (35)	796 (2)	229 (2)	Customers whose compensation for their policies have been finished ...C	2,452 (58)	478 (60)	51 (22)			
Customers who request compensation for their policies ...B	4,213 (35)	796 (2)	229 (2)								
Customers whose compensation for their policies have been finished ...C	2,452 (58)	478 (60)	51 (22)								
Total	12,104 (100)	34,201(100)	9,907(100)								

\*Ratio of customers who request compensation for their policies is calculated as B/A. Ratio of customers whose compensation for their policies have been finished is calculated as C/B.

\*Number of A include customers to whom we resent letters for reconfirming.

- We have provided guidance to confirm the policy coverage by posting the policy coverage confirmation procedures on "Notification of Policy Coverage" sent to all policyholders in October 2020.