

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.

September 3, 2020

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 “Progress of the Business Improvement Plan” was reported to “Japan Post Group Reformation Committee”, as per the attachment.

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

Progress of the Business Improvement Plan

September 3, 2020

JAPAN POST INSURANCE Co., Ltd.

Progress of the Business Improvement Plan (As of the end of August, 2020)

- We are required to report the progress of the Business Improvement Plan which we submitted to regulators on January 31, 2020 periodically. We made our first report on March 13, 2020 and our second report on June 12, 2020 to regulators and announced them on same dates.
- On an ongoing basis, we are required to report our progress to the regulators every 3 months. We plan to report and announce the progress as of the end of August by September 15, 2020.
- Despite the impact of the novel coronavirus disease, we have progressed as scheduled for the most part and implemented most measures originally planned (including partial implementation) as of the end of August.
- The progress of each measure included in the Business Improvement Plan as of the end of August is following.

Heading	The end of May (Reported in 6/12)		The end of August (Report by 9/15)		Outlook for end of November (Report by 12/15)	
	Partially Implemented	Implemented	Partially Implemented	Implemented	Partially Implemented	Implemented
1.Actions toward Sales Personnel (6 measures)	0	6	0	6	0	6
2.Sales Promotion Scheme (7 measures)	3	3	3	3	1	5
3.Corporate Culture (9 measures)	1	7	1	8	1	8
4.Solicitation Quality Control Scheme (22 measures)	9	11	7	14	4	17
5.Governance (14 measures)	8	6	6	8	6	8
Total (58 measures)	21	33	17	39	12	44

※ Implemented: Internal rule revisions regarding measures, system releases, or issuance of correspondence are treated as "implementation" (as for training measures, as of the completion of the training)

Partially implemented: Starting certain tasks, such as starting a trial, are treated as "partially implemented"

Progress of the Business Improvement Plan (As of the end of August, 2020)

I . Create a healthy corporate culture and establish an appropriate sales promotion scheme

Measure	Deadline	"Implementation" Status	Status reported
Establish a code of conduct based on the customer-first philosophy	February 2020	Implemented	<ul style="list-style-type: none"> Changes to our solicitation policy were decided in February 2020 and revised in April 2020
Establish a "Standard of Japan Post Insurance Sales"	February 2020	Implemented	<ul style="list-style-type: none"> We defined solicitation principle based on solicitation policy which reflects the customer-first philosophy as "Standard of Japan Post Insurance Sales"
Training for sales personnel in accordance with "Standard of Japan Post Insurance Sales"	March 2020	Implemented	<ul style="list-style-type: none"> Training on the significance and basic concept of "Standard of Japan Post Insurance Sales" was implemented as of the end of March 2020 Trainings continued after April 2020
Set appropriate sales targets - Shift from sales targets focused on new sales amounts (flow) to the sales targets focused on the policies in force (stock) - Set sales targets according to our sales capability and review the allocation method	March 2020	Implemented	<ul style="list-style-type: none"> In fiscal year 2020, we decided not to set sales targets for sales personnel because we prioritize activities to regain customers' trust

Progress of the Business Improvement Plan (As of the end of August, 2020)

I . Create a healthy corporate culture and establish an appropriate sales promotion scheme

Measure	Deadline	"Implementation" Status	Status reported
Measures for policy rewriting 1.Non-recording of sales results and non-payment of incentives for policy rewriting* 2.Extend the policy rewriting qualifying period (3 month before·6 month after → 12 month before·13 month after) ※Non-recording of sales results was implemented in August 2019.	March 2020	Implemented	<ul style="list-style-type: none"> • Non-payment of incentives for policy rewriting and extension of the policy rewriting qualifying period were implemented in April 2020
Introduction of a conditional cancellation system	January 2020	Implemented	<ul style="list-style-type: none"> • As a system that enables policy coverage review from a customer-first perspective, a conditional cancellation system has been introduced
Introduction of policy conversion system	April 2021	Under preparation	<ul style="list-style-type: none"> • We will prepare for developing systems and acquiring an authority approval for the introduction in April 2021
Develop new products that meet our customers' insurance needs	Continue planning after April 2020	Under preparation	<ul style="list-style-type: none"> • The expansion of insurance product line-up which are in high demand by customers and whose market is expanding is still under consideration

Progress of the Business Improvement Plan (As of the end of August, 2020)

II. Checks and internal controls

Measure	Deadline	"Implementation" Status	Status reported
<p>Check contract applications</p> <p>1.Expand the target of system pre-checking</p> <p>2.Expand the target of pre-checking by post office managers</p> <p>3.Confirm customers' intentions in the enrollment process by call center</p> <p>4.Expand target of checking in underwriting process</p> <p>5.Confirm customers' intentions in the cancellation process through call center</p>	<p>1.2.4. March 2020</p> <p>3.5. January 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> • 1.2.4.were implemented in April 2020※ ※ <pre-checking system> We implemented "revising applicable standard of multiple policies", etc. <Check whole applications> We added "checking customer who uses policy holder loan service", etc. • 3.5.were implemented in January 2020
<p>System improvements</p> <p>Increase sophistication of customer information management</p> <p>- Set up systems which enable us to confirm customers' past policy enrollment and cancellation histories when accepting policy applications</p>	<p>After March 2020</p>	<p>Partially Implemented</p>	<ul style="list-style-type: none"> • In April 2020, we set up systems which enable us to confirm customers' past policy enrollment and cancellation histories when accepting policy applications. <u>We will set up a checking function for customer policies and past cancellation histories in the sales procedure confirmation process (pre-checking etc.) in October 2020</u>

Progress of the Business Improvement Plan (As of the end of August, 2020)

II. Checks and internal controls

Measure	Deadline	"Implementation" Status	Status reported
Review functions at Headquarters - Build sales structure to ensure the solicitation quality by transferring the first-line operations such as improving the solicitation flow to the sales department - Strengthen investigation functions by integrating investigation command functions	April 2020	Implemented	<ul style="list-style-type: none"> We transferred first-line operations such as improving the solicitation flow to the sales department (established Sales Quality Improvement Office in Sales Planning Department) and integrated investigation command functions to the Compliance Investigation Office (newly established) in April 2020
Verification of measures by second line - Second line (Solicitation Management Department) verifies each measure of the Business Improvement Plan and reports the results to various committees and suggest improvement plans as necessary	After April 2020	Implemented	<ul style="list-style-type: none"> We set up verification of measures by second line in February 2020, verified solicitation checking scheme from the perspective of prevention and early detection and suggested improvement plan
Review functions of branches - Strengthen the system for investigation of solicitation and appropriate solicitation	After July 2020	Partially Implemented	<ul style="list-style-type: none"> <u>We decided that Agency Relation Division is in charge of confirmation activities about customer feedback, etc. in July 2020 (To be implemented in October 2020)</u>
Strengthen instruction for Sales Instructors and review roles	After July 2020	Implemented	<ul style="list-style-type: none"> We abolished the role of Sales Instructor and <u>established the role of Training Specialist responsible for ensuring that the staff of Agency Relations Division and Post Office to implement appropriate solicitation which reflects the customer-first philosophy in August 2020</u>

Progress of the Business Improvement Plan (As of the end of August, 2020)

II. Checks and internal controls

Measure	Deadline	"Implementation" Status	Status reported
<p>Increase the strictness of fact-finding criteria and the strictness of criteria for disciplinary action</p> <ol style="list-style-type: none"> 1. Conduct fact-finding that does not rely on confessions 2. Strengthen efforts for the investigative cooperation (self-declaration) system 3. Add "suspension of solicitation " and "warning" in the disciplinary actions against sales personnel 4. Clarification of the responsibilities of management and disciplinary actions for managers 5. Select "sales personnel who have solicitation quality problem" and implement "follow up- sales personnel" 	<p>March 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> • We changed related internal rules in March 2020 and applied these rules in April 2020 • In regard to 5., sales personnel who have solicitation quality issues were registered in the sales pre-checking system on April 20, 2020 and follow-up work has been carried out to control the preparation of insurance policy documents for a certain period of time, including confirmation by managers
<p>System improvements Record and keep a voice record of the solicitation process</p>	<p>After August 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> • Trial implementation by post office managers was started on March 2020 and trial implementation by certain sales personnel was started on April 20, 2020. <u>We carried out full implementation for all sales personnel on August 24, 2020</u>

Progress of the Business Improvement Plan (As of the end of August, 2020)

II. Checks and internal controls

Measure	Deadline	"Implementation" Status	Status reported
<p>Strengthen internal controls</p> <p>1.Strengthen the involvement by Audit Committee with Internal Audit Department</p> <ul style="list-style-type: none"> - Require advance agreement by Audit Committee for the important personnel appointments of the internal audit department <p>2.Strengthen the function of the Audit Committee</p> <ul style="list-style-type: none"> - Receiving report about actual solicitation circumstances, order in-depth investigation for verification and provide necessary advice to the executive officers 	<p>1. March 2020</p> <p>2. After February 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> •In regard to 1., the changes of relevant internal rules were determined in March 2020 •In regard to 2., in response to a report from the executive officer in charge in February 2020, the internal Audit Department may be instructed to investigate as necessary, and a system has been put in place to allow in-depth discussions on the actual situation based on the report of the investigation

Progress of the Business Improvement Plan (As of the end of August, 2020)

III. Information sharing and governance

Measure	Deadline	"Implementation" Status	Status reported
<p>Hearing the voices of our employees</p> <p>1.Direct Suggestions to the President -Further activities to change the corporate culture by listening to the "Direct Suggestions to the President"</p> <p>2.Dialogue with Management -Managements visited Regional Headquarters, Branches, and Services Center and reviewed actual circumstances from the communication with employees</p>	<p>1.December 2019</p> <p>2. March 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> • In regard to 1., we started from December 2019. For the improvement of visibility and visualization of agreement with respect to suggestions etc., <u>we have constructed a system since July 2020</u> • In regard to 2., the Dialogue had been started in the late February 2020, was subsequently suspended in light of the growing effects of the novel coronavirus disease and <u>was re-started by a web meeting on May 28, 2020</u>
<p>Strengthen internal controls</p> <p>Establish a new "deliberation" within the Board of Directors -Establish "deliberation" and revise the scope of "Resolution" topic</p>	<p>March 2020</p>	<p>Implemented</p>	<ul style="list-style-type: none"> • The changes of relevant internal rules were determined in March, 2020