

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

October 16, 2018

Company Name: JAPAN POST INSURANCE Co., Ltd.

Representative: Mitsuhiro Uehira, 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; Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer; hereinafter, the “Company”) hereby announces that the Company has today submitted an application for the approval of new operations, involving the underwriting of new types of insurance, 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)
 - Underwriting of ordinary whole life insurance with revised benefits and relaxed underwriting criteria
 - Underwriting of special whole life insurance with revised benefits and relaxed underwriting criteria
 - Underwriting of ordinary endowment insurance with revised benefits and relaxed underwriting criteria
 - Underwriting of a comprehensive medical rider with revised benefits and relaxed underwriting criteria
 - Underwriting of an advanced medical rider

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 new types of insurance mentioned above in April 2019, subject to the approval thereof.

Outline of the Application for Approval
(Underwriting of New Types of Insurance)

1. Purpose

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

2. Reason

The Company has submitted an application for approval 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) Ordinary whole life insurance with revised benefits and relaxed underwriting criteria

While the Company's whole life insurance and endowment insurance are universal service products, as these products are for customers who are in good health, some customers who wish to obtain such coverage face declination because they are taking medication due to illness or for other health reasons. Since these customers also have a high possibility of being hospitalized, etc., we believe that there is a great need for medical care protection.

As such, the Company has decided to relax the underwriting criteria for its whole life insurance, endowment insurance, and comprehensive medical rider offering coverage for hospitalization, etc. due to illness, and to launch new products that offer benefits adjusted to the characteristics of each product. This will enable us to provide wide protection to those customers who were formerly unable to obtain coverage due to health reasons. We believe that this is another avenue toward the enhancement of customer convenience.

2) Advanced medical rider

Following the launch of the Advanced Medical Care System in 2006, which replaced the Highly Advanced Medical Care System established as part of

the revision of the Health Insurance Act in 1984, the number of advanced medical care carried out is increasing steadily each year.

However, technical service fees associated with advanced medical care are not covered under the public health insurance system, and the financial burden on patients could become excessive as they are wholly liable for paying these fees.

The Company will therefore launch an advanced medical rider that pays an amount equivalent to the technical service fee associated with advanced medical care, in order to mitigate the financial burden of customers who are in need of such treatment. By providing an advanced medical rider with a low premium, on top of the existing comprehensive medical rider that reinforces the coverage primarily provided by public health insurance, we believe that we can meet customer needs for protection against the cost of technical service fees associated with advanced medical care, thereby enhancing customer convenience.

The enhancement of customer convenience is one of the objectives of postal service privatization, as advocated in the guiding principles of Article 2 of the Postal Service Privatization Act, which specifically stipulates the necessity of “enhancement of public convenience through the provision of multifaceted, high quality service.”

(2) Stabilizing business by securing revenue

Following the reduction of assumed rates of return in April 2017 to ensure an improvement in profitability, the Company implemented a revision of products in October 2017, in an effort to meet diversifying customer needs under the current low interest rate environment. Nevertheless, the Company has continued to struggle to acquire new policies. In the midst of such an adverse business environment, we believe that it is essential to ensure revenue inflows by acquiring more new policies, through the provision of products that are further focused on customer needs, in order to realize management stability and enhanced corporate value.

3. Outline of the new types of insurance to be introduced

- (1) Ordinary whole life insurance, special whole life insurance, and ordinary endowment insurance with revised benefits and relaxed underwriting criteria
The Company shall underwrite the types of insurance named in 1) below

based on relaxed underwriting criteria, with the revised benefits as described in 2). Furthermore, a rider, as described in 3) may be attached to these types of insurance.

1) Types of insurance products

Ordinary whole life insurance (including low cash value type, limited to fixed amount type; hereinafter, the same), special whole life insurance (including low cash value type; hereinafter, the same), and ordinary endowment insurance

2) Revised benefits

(a) Both insurance benefits and a waiver of premiums due to severe disability are excluded.

(b) The amount of death benefit payment shall be an amount equivalent to 50% of the basic sum insured, in the event of death within one year of the policy inception date.

3) Attachable riders

Comprehensive medical rider with revised benefits and relaxed underwriting criteria (as described in (2) of 3, below)

(2) Comprehensive medical rider with revised benefits and relaxed underwriting criteria

The riders specified in 1) below shall be subjected to underwriting based on relaxed underwriting criteria, with the revised benefits described in 2), and the sums insured adjustable within the range set forth in 3).

1) Types of riders

Non-participation comprehensive medical rider (decreasing cash value type), non-participation comprehensive medical rider (no cash value type), and non-participation comprehensive medical rider

2) Revised benefits

(a) For the hospitalization benefit, initial hospitalization benefit, surgery benefit, and radiotherapy benefit, an amount calculated based on the basic insured sum of the rider reduced by 50% shall be paid for an insured event that occurs within one year of the policy inception date.

(b) For the surgery benefit for a surgery undertaken during hospitalization, an amount equivalent to ten times the daily hospitalization benefit shall be paid.

3) Range of allowable insured sums

- (a) Ratio of the sum insured of a non-participation comprehensive medical rider with relaxed underwriting criteria (decreasing cash value type), or a non-participation comprehensive medical rider with relaxed underwriting criteria (no cash value type), versus the sum insured of the basic policy
 - i. If the enrollment age and age at the completion of premium payment for the basic policy to which the rider is attached are within the range of the enrollment age and age at the completion of premium payment allowable for the fivefold-type whole life insurance, the sum insured of this rider shall not exceed five times the sum insured of the basic policy.
 - ii. If the enrollment age and age at the completion of premium payment for the basic policy to which the rider is attached are within the range of the enrollment age and age at the completion of premium payment allowable for the double-type whole life insurance (excluding case i., above), the sum insured of this rider shall not exceed two times the sum insured of the basic policy.
 - iii. If neither i. nor ii., above is applicable, the sum insured of this rider shall not exceed the sum insured of the basic policy to which the rider is attached.
- (b) Ratio of the sum insured of a non-participation comprehensive medical rider with relaxed underwriting criteria versus the sum insured of the basic policy
 - i. If the enrollment age and the policy termination of the basic policy to which the rider is attached are within the range of the enrollment age and the policy termination allowable for the fivefold-type special endowment insurance, the sum insured of this rider shall not exceed five times the sum insured of the basic policy.
 - ii. If the enrollment age and the policy termination of the basic policy to which the rider is attached are within the range of the enrollment age and the policy termination allowable for double-type special endowment insurance (excluding case i., above), the sum insured of this rider shall not exceed two times the sum insured of the basic policy.

- iii. If neither i. nor ii., above is applicable, the sum insured of this rider shall not exceed the sum insured of the basic policy to which the rider is attached.

(3) Advanced medical rider

1) Type of rider

Non-participation advanced medical rider (no cash value type)

2) Benefits

Advanced medical benefit

In the event the insured receives advanced medical care under public health insurance, an amount equivalent to the technical service fee associated with such treatment shall be paid by this rider. If such technical service fee is less than ¥10,000, the amount of ¥10,000 shall be paid.

3) Insurance period

The period covered by this rider shall be ten years, subject to automatic renewal at its expiry. However, the insurance period shall not extend beyond the day before the date on which the age of the insured reaches 95.

4) Premium payment period

The premium payment period shall be the entire policy period.

5) Sum insured

The sum insured covered by this rider shall be ¥3,000,000 (limit of indemnity) for all policies, without exception.

6) Method of risk selection

The insured shall be required to submit a declaration regarding the health condition.

7) Premium payment method

(a) Method of premium payment (number of payments)

Payment in installments

(b) In case a rider premium is required only for an advanced medical rider, a lump sum that covers the whole period, up to the termination of the premium payment period, must be paid in advance.

8) Surrender benefits/dividends

There are no surrender benefits or dividends.

9) Premium

The premium rate is established by gender and age.