

**Conference Call on Financial Results  
for the Three Months Ended June 30, 2020  
Summary of Q&A**

Date & Time: Friday, August 7, 2020, 5:45 to 6:20 p.m.

\* The statements have been partially edited for clarity.

**<Resume of Sales Activities>**

**Q:** On July 16, 2020, the Japan Post Group announced five criteria for resuming sales activities. How much have the Companies satisfied those conditions?

- Since we have not decided anything yet at this point in time with respect to resuming sales activities, we would like to refrain from answering to your question.
- As for the five criteria for resuming sales activities, the JP Reform Execution Committee concluded on July 16, 2020 that we generally satisfied minimum requirements.
- We decided that the Board of Directors at each Group company would decide whether we could restart sales activities, by considering the status of the frontline of post offices etc., in a comprehensive manner. We will immediately make an announcement if we have decided.

**Q:** What kind of sales method will you employ when you resume sales activities?

- For the current fiscal year, we will not set any sales targets or manage sales figures.
- We will undertake follow-up activities to regain customers' trust and confirm their policy coverage.

**Q:** How will you respond to the cross-selling of Japan Post Insurance's life insurance products and Japan Post Bank's investment trusts?

- We identified specific complaints from customers which indicated that sales

personnel had been possibly engaged in sales activities that were not based on customers-first principle, when they sold life insurance products and investment trusts to the same customers through analyzing complaints with regard to sales of multiple products relevant to solicitation problems.

- Japan Post Co., Ltd. will take the lead in confirming customers' intentions for the contracts in the past five years, because Japan Post Co., Ltd. sells both Japan Post Insurance products and Japan Post Bank investment trusts.
- The Board of Directors at each Group company will decide whether we can restart sales activities, by considering not only this particular issue of cross-selling but also the status of the frontline of post offices etc., in a comprehensive manner.

**<Financial results>**

Q: What was the main cause behind the year-on-year decrease in positive spread? How does the Company evaluate the financial results of the first quarter when you compare them with the full-year forecasts?

- The decrease in positive spread is mainly attributable to decreases in share dividends and distribution from foreign bond funds, which contributed to positive spread in the previous fiscal year.
- In the meantime, financial results forecasts for the current fiscal year are based on the market environment as of the end of March 2020. As market environment be in a recovery trend for the moment, the results of the first quarter are within our projected range.

Q: How does the Company evaluate the high progress against the full-year financial results forecasts in the first quarter?

- High progress against the full-year financial results forecasts is mostly attributable to larger-than-expected core profit attributable to life insurance activities, which was driven by three factors. They are the reversal of provisions associated with the policy investigation results, a decrease in the expenses for the Company's business activities, and less-than-anticipated insurance claims payment.

- With respect to the decrease in the expenses and insurance claims payment, we cannot rule out the possibility that these trends may be offset in the second quarter and beyond, depending on how customers will behave and how the Company will operate its business.

**<EV / ESR>**

Q: What were the factors behind an increase in EV from the end of March 2020? Also, ESR as of the end of March 2020 significantly decreased due to a decrease in its loss absorption effect. What levels of recovery in interest rates and stock prices are required for a recovery of ESR?

- As stated in page 22 of the conference call material, EV increased from the end of the previous fiscal year, due to changes in domestic interest rates, a rise in stock prices and other factors, despite some negative factors such as shareholder dividends from the Company.
- Recovery in economic assumptions would contribute to an improvement in ESR, although we would like to withhold specific answer to the question as we did not measure ESR as of the end of the first quarter.

Q: With reference to the economic variances, what were the factors behind negative 44.7 billion yen, excluding the impacts of changes in domestic interest rates and the increase in stock prices, etc.?

- This is due primarily to an increase of uncertainty in future associated with changes in the asset portfolio.

<Others>

Q: How has the discussions on the streamlining of operating expenses progressed?  
When will the Company be able to reflect streamlining measures in the assumptions for calculating ESR?

- We will discuss streamlining of operating expenses in the course of examination of our next medium-term management plan, which will start from FY2021.
- Therefore, we will reflect streamlining measures in EV and ESR when we review the assumptions for EV and ESR, based on the discussions on the next medium-term management plan as necessary.

<Disclaimer>

The financial results forecasts and other forward-looking statements herein are based on certain assumptions deemed reasonable by Japan Post Insurance at the time of the disclosure. Please note that actual results may differ from the forecast figures due to various factors including changes in assumptions regarding the operating environment.