

**Conference Call on Financial Results
for the Three Months Ended June 30, 2019
Summary of Q&A**

Date & Time: Friday, August 9, 2019, 5:45 to 6:30 p.m.

*The Statements have been partially edited for clarity.

<Financial Results Forecasts>

Q: The company announced that it does not modify the financial results forecasts in conjunction with investigation of rewritten insurance policies. Does that mean the range of net income forecast changes is within 30% and that is not the level that timely disclosure is required by the Tokyo Stock Exchange?

- We estimated the additional costs and other expenses related to the matter conservatively. At the same time, we took into consideration expected decrease in expenses for sales and underwriting, and current favorable investment performance. As a result, we confirmed that the whole impact on the financial outlook is limited, and decided that no modification was necessary to the current financial results forecasts at this time.

Q: If actual profit exceeds the company's forecast, mainly due to a decrease in expenses for sales and underwriting resulting from refraining from proactive sales activities, is the company planning to transfer such excess profit to retain earnings?

- Currently, no decision has been made regarding the reserve policy for year-end retain earnings.

Q: If the acquisition of new policies declines, is it likely that the commissions paid to Japan Post Co., Ltd. (Japan Post) will be flexibly reviewed?

- Regarding sales targets, Japan Post and the company will carry out a revision from the existing flow-based indicator to stock-based. The commission system shall be reviewed accordingly.

Q: How much additional cost is estimated for investigation of policies? Also, how will such expenses be shared with Japan Post?

- We expect that the largest expense will be the cost for sending letters, such as a notice to all of its approximately 18 million policyholders. The second largest will be the expenses related to dedicated call center operation. We will discuss with Japan Post regarding cost-sharing.
- In addition, apart from operating expenses, we also expect to reserve provisions for reinstating insurance policies and payment for benefits.

Q: Are there any anticipated additional costs for system investment from the next fiscal year onward, in connection with the introduction of a conditional cancellation system?

- Basically, we believe that the system investment should be implemented within the budget of the medium-term management plan, as it will be necessary to secure staff for development, as well as budget. For make sure, system investment will be amortized for a period of five years, which will be considered to stabilize yearly cost fluctuations.

Q: What is the future schedule of the investigation of rewritten insurance policies and related work you are currently engaged in?

- During August, Japan Post will hold training sessions for sales personnel. We are considering to restart sales activities in a manner that does not disrupt the investigation and customer services afterwards, which shall be finalized based on discussion with Japan Post.

Q: Is there a possibility of reviewing the medium-term management plan?

- Nothing has been decided at the moment. However, we might modify the medium-term management plan as the sales targets were reviewed.

<Financial Results>

Q: What is the assessment of annualized premiums from new policies for the first quarter?

- While annualized premiums from new policies for individual insurance, as a whole, are continuing to decline, annualized premiums from new policies for the medical care are achieving a level of performance comparable to that of same period of the previous fiscal year, which registered historically high as quarterly record. Accordingly, we evaluate the results as favorable.

Q: What was the actual excess provision of internal reserves in the first quarter?

- The company didn't carry out excess provision above legal requirement about contingency reserves during the period.

<Asset Management>

Q: What was the reason behind the favorable investment performance? Also, what is the outlook for the second quarter onward?

- Asset management for the first quarter was solid, thanks to factors including an improvement in performance of overseas credit funds, associated with a decline in the interest rate, along with higher than expected shareholder dividends. Going forward, while interest and dividends income may end up with lower than expected results due to a stronger yen, the impact of the fall in the interest rate is expected to contribute positively to sound asset management at the overseas credit funds.

Q: Will the decrease in hedge costs associated with a stronger yen contribute to an increase in profit?

- Capital gains or losses are offset by a reversal or provision for price fluctuations reserve, under our accounting practice. Accordingly, such a decrease in hedge costs will not contribute to net income.

<EV>

Q: How will products with a relaxed underwriting criteria contribute to the value of new business and the new business margin?

- With regard to the value of new business and the new business margin, we would also like to withhold disclosure in the same manner as for EV, at this time.

<Shareholder Return>

Q: Is there a possibility of share repurchase from the market?

- The company recognize that share repurchase is one of the effective methods for shareholder return. This matter bears further consideration, with respect to whether to purchase such shares from Japan Post Holdings Co., Ltd. or from the market. Accordingly, we will continue to review this matter.

Q: Your product line-up, which is less versatile than that of other companies, may be indirectly responsible for the series of problems. Is the company considering share repurchase toward deregulations of the Privatization Act?

- As our first priority, the company will do our best to implement the investigation of policies, in order to regain our customer's trust, as quickly as possible. On this basis, initiatives such as the launch of new products shall be considered afterwards.

Q: If the financial results for the current fiscal year turn out to be better than expected, can a special dividend be considered?

- As a special dividend will be considered based on the year-end financial results, nothing has been decided on this matter at the moment.

<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 environments.