**Conference Call on Financial Results**
**for the Six Months Ended September 30, 2017**
**Summary of Q & A**

Date & time: November 14, 2017, 6:00 to 6:55 p.m.

* The statements have been partially edited for clarity.

**[Financial Results]**

Q: The company has made steady progress on accounting income. Are there any factors that will cause a slowdown from the second half onward other than changes in net investment income?

- We can name elements of uncertainty such as the trend in sales of new products, but do not foresee any major elements of change in insurance-related income/expenses at present.

Q: Ordinary income for the first six months is ahead of plan at 68% of the forecast for the full year. Won't there be a revision to the financial result forecast?

- The upswing in ordinary income during the first six months was mainly due to improvement in net investment income. The full year forecast will be affected by the future market environment, so we are not revising the financial result forecast at present.

Q: What is the reason for the decline in sales commissions from the first quarter (43.8 billion yen) to the second quarter (40 billion yen)?

- Because sales commissions are installment payments, they reflect past sales (particularly in the first and second quarter of last fiscal year) in addition to new sales for the current fiscal year. Overall, the decline in new sales is showing up in commissions.

Q: What is the reason for the increase in maintenance commissions despite the decline in the number of policies in force?

- Maintenance commissions mainly track the number of policies in force. However, this fiscal year it is increasing due to enhanced follow-up activities with policyholders on life plan consultation, etc.

- Follow-up activities with policyholders is an important activity for securing new policies in the future, and the company anticipates growth in maintenance commissions this fiscal year from continuing stronger efforts in follow-up.

Q: Are there restrictions on price fluctuation reserve provisions for gains on the sale of real estate used for business purposes? Is it also possible to reverse provisions for a loss on the sale of real estate?

- There are no particular restrictions, and the company may, at its discretion, provision an amount equivalent to a gain on the sale of real estate to the price fluctuation reserve to prepare for fluctuations in the price of stocks, bonds, and other instruments.

- Because provisions are made to the price fluctuation reserves to prepare for fluctuations in the price of stocks, bonds, and other instruments, reserves cannot be reversed for a loss on the sale of real estate, in principle.

Q: If there is a gain on the sale of the former Tokyo Service Center (in Mita), would it be correct to understand this as an increase in the price fluctuation reserve?

- The actual amount of the gain on sale will depend on the results of the tender offer, but we plan to provision an amount equivalent to that to the price fluctuation reserves.

**[Products and Sales]**

Q: Please tell us your forecast for annualized premiums from new policies for the second half of the year, and what the status of sales is for new products launched in October.

- We developed the new products launched in October based on changing customer needs that accompanied the extended persistence of the low interest rate environment and aging population. Our goal from the second half onward is to utilize these new products to expand sales volume by continuing to pursue sales focused on the need for protection.

- We would like to explain the sales conditions from October onward at the time of the third quarter financial results announcement.

Q: Is it possible that the revision of the medical care rider in October will increase growth of the sales of medical care segment more? In regard to rider sales, can I think of rider sales as being mainly from approaching new customers, rather than add-on enrollment by existing policyholders?

- Existing policies can also be switched to the new rider if the policy was taken out within a certain time period (enrollment on or after October 1, 2015), so it covers some existing policyholders as well.

- A moderately-priced version of premiums was added with the revision in October. This made it easier to sell to new customers, so we would like to continue to pursue sales focused on the need for protection and improve the results for the medical care segment.

**[Investments]**

Q: I believe the company is anticipating a capital loss in the plan for this fiscal year. Are you thinking of rebalancing foreign bonds in the second half of the year?

- We are planning on rebalancing foreign bonds to a certain degree, and this may generate gains or losses on the sales, depending on the market environment.

**[EV]**

Q: Please explain breakdown of the incremental increase in value of new business (+ 96.5 billion yen).

- It includes an impact of around 30 billion yen due to higher interest rates, an increase of around 20 billion yen due to revision of insurance premiums, and an increase of around 50 billion yen due to the change in product mix.

Q: New business margin was 4.7% in the first half of the year, basically on level with the first quarter. Were there any changes in interest rates, macro-economic factors, product mix, or other factors?

- Sales of protection products were strong. There wasn't a major impact from a change in product mix from the first to the second quarter. There weren't any changes of particular note in other factors.

Q: New business margin on new products is estimated as roughly the same as on existing products, so is it correct to think that the value of new business will also rise if sales volume increases?

- A change in product mix could have a slight impact on new business margins, but we think that the value of new business will increase along with sales volume, generally speaking.

Q: The increase in risk assets had a negative impact on value of in-force covered business. How much of an impact has this had on the increase in EV at the end of September?

- There was some negative impact from the increase in risk assets (around -45 billion yen), but the positive factors from a turnaround in the stock prices, exchange rates, and other aspects of the market environment and the acquisition of new business outweighed this, and this is boosting the value of in-force covered business.

**[Policy on Management and Shareholder Return]**

| Q: What are the conceivable issues in the next medium-term management plan? |
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- We will explain our basic view on the next medium-term management plan at the financial results briefing on November 20, but that increasing sales efforts in collaboration with Japan Post Co. will be a major point.

| Q: Embedded value (EV) has rebounded substantially compared to the end of June last year. What is your view on capital adequacy? |
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- We are maintaining a certain level of internal reserves, and think that there are no problems with financial soundness, both on a regulatory basis, and on an economic value basis at present.

| Q: Please state your policy on treasury stock acquisition. Are there any restrictions if you buy the shares from Japan Post Holdings? |
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- The acquisition of treasury shares from Japan Post Holdings also involves the purpose of use policy on capital at Japan Post Holdings, so we cannot determine that.

- We will consider it while keeping the future financial forecast and capital regulations in mind, but we do not have a set policy at the present time.