

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.

July 10, 2019

Company name: JAPAN POST INSURANCE Co., Ltd.

Representative: Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer

Stock exchange listing: Tokyo Stock Exchange First Section (Code Number: 7181)

(Update on the Previous Disclosure)
Future Initiatives Relating to the Rewriting of Insurance Policies

JAPAN POST INSURANCE Co., Ltd. (“Japan Post Insurance”; Chiyoda-ku, Tokyo; Mitsuhiro Uehira, Director and President, CEO, Representative Executive Officer) and JAPAN POST Co., Ltd. (“Japan Post”; Chiyoda-ku, Tokyo; Kunio Yokoyama, President and CEO) released the “Notice Regarding Further Enhancement of Customer-first Business Operations at the Time of Insurance Coverage Revisions and Other Situations” on June 27, 2019. In relation to the notice, Japan Post Insurance is announcing that it will engage in initiatives in cooperation with Japan Post for the rewriting of insurance policies or other factors that caused disadvantages for customers, as per the attachment.

1. Initiatives relating to the rewriting of insurance policies in Japan Post Insurance

- Initiatives to confirm customers their intension to reinstate the previous insurance policies, etc. to address approximately 24,000 cases, in which undertaking of applications was declined at the time of rewriting an insurance policy, announced on June 27
 - To notify customers of this initiative, starting from July 2019
 - To dispatch staff to visit policyholders for confirmation of their intention at their convenience
 - To make insurance payments for hospitalization and medical operations, etc. after reinstating the previous insurance policies
- Initiatives to confirm customers their intention to reinstate the insurance policies, etc. to address other cases
 - Confirm customers' intention in the following similar cases apart from the cases announced on June 27:
 - Cases in which a new application submitted outside of the evaluation period of rewriting the insurance policy (three months prior to and six months after the date of the contract) was declined
 - Cases in which an existing insurance policy was cancelled after the evaluation period of rewriting the insurance policy
 - Cases in which a reconfirmation whether the insurance coverage and premium amounts are in accordance with customers' intention in such an occasion where the assumed rates of return was decreased as a result of rewriting the insurance policy
 - The number of the aforementioned cases is currently being investigated, and the results are to be disclosed separately.
- Initiatives to our customers who have questions about their policies.
 - To inform all customers that Japan Post Insurance will take the necessary measures to resolve their questions and anxieties.
 - To inform the specified contact point on Japan Post Insurance's website, etc.

- Organization and reporting

- To set up the "Customer-first Solicitation Headquarters" under the leadership of top management (headed by President, CEO, Representative Executive Officer) at Japan Post Insurance head office in an effort to promote customer support activities timely and carefully
- To establish an organization through company-wide efforts by approximately 40 members of a dedicated department at Post Office Insurance's head office, approximately 400 investigative staff throughout Japan, and employees from branches and service centers
- To report the progress of confirmation activities by the end of the year

2. Initiatives for improvement at Japan Post Insurance and Japan Post

- Implementation of the following improvement initiatives to thoroughly carry out customer-oriented sales activities:
 - To cease the proposal of rewriting of insurance policies^{*1} (July 2019)
 - To review the sales numerical targets and the way of accounting sales results (from August 2019 onwards)
 - To strengthen the checking function before the process of underwriting^{*2} (October 2019)
 - To introduce a conditional cancellation system^{*3} (April 2020)
 - To introduce a policy conversion system^{*4} (from April 2021 onwards)
 - To strengthen the current investigation process regarding issues outside of the evaluation period of rewriting the insurance policies
- Japan Post Insurance and Japan Post will work together to review the level of sales numerical targets and the allocation approach for each local organization, and improve the sale management.
- The customer-first principle shall be further disseminated and firmly understood by all employees through the verification and improvement process under these initiatives.
- Establishment of an independent third-party committee consisting of Japan Post Holdings Co., Ltd., Japan Post Insurance, and Japan Post shall be considered.

[Reference]

○ Initiatives taken by Japan Post Insurance and Japan Post in the past

1. Establishment of systems

- January 2017: Established the “Kampo Solicitation Quality Improvement Headquarters” headed by Presidents of both Japan Post Insurance and Japan Post
- December 2017: Implemented the “Kampo Comprehensive Measures to Improve Solicitation Activities and Quality”

2. Initiatives toward appropriate solicitation activities for the elderly and prevention of improper solicitation

- To introduce a procedure to have family members present upon solicitation, and strengthen the process to confirm the intention of customers aged 70 or older
- To make it obligatory to provide explanations regarding the policy to family members upon solicitation for customers aged 80 or older
- To ensure that customers fully understand the important matters upon application of a policy based on the “Policy Confirmation Form”^{*5}

3. Initiatives relating to the rewriting of insurance policies

- To introduce the “Confirmation Form on Important Matters upon Cancellation”^{*6}
- To implement the “Thank You Phone Call”^{*7}
- To introduce a three-year holding ratio

○ Initiatives in fiscal year 2019

- To promote sales activities focused on not only increasing new policies but also maintaining policies
- To “extend the scope defined as rewriting the insurance policy” and “set the extent to which sales personnel shall refrain from proactively soliciting to people aged 80 or older”
- To review sales benefits system in consideration of maintenance of policies

[Explanation of terms]

*1	Rewriting of insurance policies	To change the insurance coverage by cancelling the old policy and enrolling in a new policy contract during the period for rewriting of insurance policies
*2	Checking function before underwriting	Function to lock the system procedures upon application of a new policy, and to resume the system procedures only after customer's intention is confirmed and resumption is approved by a post office manager or Japan Post Insurance
*3	Conditional cancellation system	System to come into force of the cancellation of old policy, etc. according to the decision of underwriting of a new policy application in terms of preventing policyholders from being uninsured due to rewriting of insurance policies
*4	Policy conversion system	System to allow policyholders to shift from the current policy to a new policy with different coverage during the policy period without cancelling the current policy
*5	Policy Confirmation Form	Material to provide explanations regarding the important matters of the policy to customers aged 70 or older as well as his/her family members, where customer confirm the detail of policy and put his/her signature upon application
*6	Confirmation Form on Important Matters upon Cancellation	Material to fully explain the disadvantages associated with policy cancellation at the time of cancelling the current policy, where customer confirm the detail of policy and put his/her signature
*7	Thank You Phone Call	Service to confirm the details of application, the status of procedures at the signing of the policy, and other matters over the phone in an effort to enhance customer services