Conference Call on Financial Results
for the Nine Months Ended December 31, 2018
Summary of Q&A

Date & time: Thursday, February 14, 2019, 5:45 to 6:20 p.m.

* The statements have been partially edited for clarity.

<Financial Results>

Q: Looking at quarterly annualized premiums from new policies, the year-on-year change in the third quarter was marked by a decrease for medical care (down 0.6%) and an overall increase for individual insurance (up 4.1%). What was the reason for the decrease in medical care?

○ The main reason was that the effect from new products which began selling in October of last year came full circle. In addition, due to the younger age of insured persons, the premium per policy trended downward. As performance was flat in terms of the number of new policies, we are educating and training employees and working to raise the number of policies sold in order to gain even more policies in the future.

Q: Progress with net income was marked by higher performance than forecast (which ended up 87.1% after revision). Are there any foresight of provisions for policy reserves?

○ The reason for the high progress as of December 31, 2018 was that the decrease in new policies led to a decrease in commissions, but at the time being, we do not expect to revise the performance forecast because every year, costs typically mount in the fourth quarter due to seasonal factors.

Q: Although expenses may increase in the fourth quarter due to seasonal factors, I don't believe they increased very much in the fourth quarter of the previous year. How much cost do you forecast for this year?

○ We can't say anything specifically, but we do forecast a certain amount of costs due to seasonal factors.

<Asset Investment>

Q: Hedge costs remain high. What investment plan do you have for the next year?

○ That is currently under consideration, so we will refrain from answering.

Q: What is the breakdown of "Foreign bonds" and "Other" for credit products among return-seeking assets?

○ The other assets include bank loans, multi-asset items, real estate funds and so on. A little amount of credit products is included in the category of "Other ". Credit products make up around one-third of foreign bonds.

Q: With regard to the balance of return-seeking assets, foreign bonds and stocks are lower than in September 2018. While market factors may be at work, what other causes are there? In addition, cloud you tell me the future direction for management, taking into consideration the latest market environment.

○ While market factors are at work, we see open foreign bonds posing a higher risk from a stronger yen than at the beginning of the fiscal year, so we performed operations to lower foreign exchange exposure. Although we bought up stocks at the beginning of the fiscal year, we resolved this larger portion at the point when stock prices went down towards the end of 2018. Since we have largely concluded our planned investments for the fiscal year, we will not make any large additional investments. Plans for the next fiscal year are currently under consideration.

<Capital Policy>

> Q: With regard to subordinated unsecured bonds, your press release states that they will further strengthen Japan Post Insurance's "financial soundness" and that they will enable Japan Post Insurance "to respond flexibly to future strategies such as those pertaining to shareholder returns and investments for securing sustained earnings growth." Could you provide more details, for example, the relationship with the target ESR level, shareholder return and sustained earnings growth?

○ No specific decisions have been made on how to use the funds. The reasons for this action were to strengthen the financial base of us and to ensure flexibility in capital policy and financial strategy.

> Q: Is there any sense that the current ESR level is inadequate for conceivable risk scenarios?

○ We use ESR as an indicator for the medium- and long-term. At present, we do not believe there are any problems with our financial soundness. The decision to issue subordinated unsecured bonds was based on a comprehensive assessment of considerations such as our asset portfolio, the market environment and issuance by other companies.

<Business Alliance>

> Q: What will the impact be on Japan Post Insurance from the "Strategic Alliance Based on Capital Relationship" between Japan Post Holdings Co., Ltd., Aflac Incorporated and Aflac Life Insurance Japan Ltd. that was announced in December 2018? Also, the announcement mentions "cooperation in new product development to promote customer-centric business management." Is implementation underway?

○ With Japan Post Holdings being obligated by law to dispose of all stocks of two financial subsidiaries, we see the strategic partnership as ensuring consolidated earnings of Japan Post Holdings. Although there are no facts we can share on cooperation for new products, they will be restricted to those that contribute to raising the enterprise value of all the companies, including Japan Post Insurance.

<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.