

**Conference Call on Financial Results
for the Three Months Ended June 30, 2021
Summary of Q&A**

Date & Time: Wednesday, August 11, 2021, 5:45 to 6:20 p.m.

* The statements have been partially edited for clarity.

<Sales>

Q: How does the Company evaluate the sales results for FY22/3 1Q?

- As for actual sales results, we believe that it is not at a sufficient level as it is about 10% compared to the annualized premiums from new policies in FY20/3 1Q, immediately before the period of refraining from proactive sales activities.
- Although we are making steady progress in our follow-up support activities through "Confirmation Activities of Policy Coverage," etc., these activities do not lead to specific proposals to customers and we recognize this is the factor behind these sales results.
- We are working to further invigorate proposal activities by thorough confirmations of customers' ongoing needs for coverage whose policies are set to expire and whose coverage will be interrupted if it is left intact.
- Under the new Japan Post Insurance sales system, one of the initiatives in our Medium-Term Management Plan (FY2021 – FY2025), we will accept Japan Post Co.'s consultants as seconded employees and shift to a system in which we directly manage them. At the same time, we will aim to improve solicitation quality and productivity by strengthening management, such as introducing customer assignment systems and consolidating consultant operation bases. As part of these initiatives, we plan to have consultants focus exclusively on proposals for life insurance products.
- We will consider necessary measures in the future while looking at the situation. Through these initiatives, we would like to steadily lead to the revitalization of sales activities as a whole.

Q: Regarding the Conference Call materials P18, what is the reason that the medical care ratio to annualized premiums from new policies for individual insurance is the same as the previous fiscal year? Does the added ratio of riders affect this?

- In the current fiscal year, we did not set sales targets at the post offices, but set them at the directly-managed offices. Thus, the sales results of directly-managed offices has recovered ahead of post offices, and their share to the total of new policies is high.
- Although the results of new policy sales have increased year on year due to the early recovery in the sales results of directly-managed offices, directly-managed offices mainly sell benefit plans for corporate clients and riders tend to be difficult to add. On the other hand, since the recovery in the sales of individual insurance, which is expected to add riders, was moderate, the medical care ratio to annualized premiums from new policies for individual insurance remained at the same level as the previous fiscal year.

Q: As for confirmation activities of policy coverage, is the number of contact points with customers increasing compared to the past?

- From October 2020, we have begun operations aimed at regaining customers' trust through confirming their policy coverage. As a result, we believe that contact points with customers have increased compared to the same period of the previous fiscal year.

<Asset Management>

Q: Please explain the factors behind the increase in income gains, especially interest and dividends on foreign securities in the Conference Call materials P19.

- In FY22/3 1Q, we received a larger amount of dividend income from hedge funds within alternative investments compared to the same period of the previous fiscal year. The major factor for increase in interest and dividends on foreign securities is that distributions from such funds grew year on year.

- In addition, dividends on stocks and credit funds also rose year on year, and this can be cited as a factor behind the increase in income gains.
- In yen-denominated interest-earning assets and hedged foreign bonds, while interest and dividend income is trending downward due to the increase in maturity of high-yielding bonds, etc. in which we invested in the past, overall income gains have been firm as a result of efforts to diversify asset management, including alternative investments.

<EV >

Q: Regarding the Conference Call materials P21, what is the breakdown of the economic variances for the movement analysis of EV?

- We consider the following 3 items to be the major factors.
 - (1) Impact of rising domestic interest rates: Approx. + ¥ 30billion
 - (2) Increase in unrealized gains on foreign bonds due to a decline in foreign interest rates: Approx. + ¥ 20billion
 - (3) Increase in unrealized gains of investment trusts such as foreign bond funds due to a decline in foreign interest rates: Approx. + ¥ 35billion

Q: What is the level at which the value of new business becomes zero?

- We would like to withhold the answer for this question, as it could change depending on the level of expenses for new policy acquisition and the status of the policy portfolio.

<Financial Results>

Q: How does the Company analyze the factors behind the high progress toward the financial results forecast?

- Core profits progressed more than expected as a result of higher-than-expected positive spread, and net income progressed steadily as well. However, there is no change to our financial results forecasts for FY22/3 at this point of time due to

uncertainty about the future of financial markets, etc.

Q: How are decreases in core profit attributable to life insurance activities progressing against initial expectations? We would like to ask about the impact of the decrease in policies in force and the status of operating expenses.

- Although there are increases and decreases compared to the plan for each factor, such as the impact of a decrease in policies in force and the status of operating expenses, core profit attributable to life insurance activities is generally progressing in line with the plan.

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