

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 31, 2020

Company name: JAPAN POST INSURANCE Co., Ltd.

Representative: SENDA Tetsuya, Director and President, CEO, Representative Executive Officer

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

(Update on the Previous Disclosure) Status of Investigation of Policies

JAPAN POST INSURANCE Co., Ltd. (“Japan Post Insurance”; Chiyoda-ku, Tokyo; SENDA Tetsuya, Director and President, CEO, Representative Executive Officer) is hereby announcing the status of the investigation of policies, announced in the release entitled “Business Improvement Plan” dated January 31, 2020, as per the attachment.

An announcement will be made promptly if further related matters due for disclosure arise.

I Policy Investigations

1 Investigations of specified rewriting cases/ Investigations of all insurance policies

A [Investigation of specified rewriting cases]

- In regard to the investigations of specified rewriting cases and the investigations of all insurance policies, we have mostly finished responding to customers as of the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers.
- In regard to the sales personnel investigations in connection with the investigations of specified rewriting cases, we have identified 311 cases (the number of sales personnel involved: 413) of violations of laws and regulations and 3,286 cases (the number of sales personnel involved: 2,206) of violations of internal rules, and we have taken disciplinary actions in the form of termination of solicitation operations against 47 personnel (including 9 personnel* who are involved in other cases and 33 retired personnel subjected to penalties equivalent to termination of solicitation operations), suspension of solicitation operations of 1 month to 6 months against 1,081 personnel, suspension of solicitation 2 weeks or 3 weeks against 1,435 personnel and undetermined disciplinary action in order to allow for appeals against 56 personnel as of July 22, 2020. We will ensure appropriate solicitation quality by requiring that the sales activities of the affected personnel be monitored by their managers for a period of 4 months after restarting solicitation.

※ 7 of 9 personnel who are involved in other cases, are involved in the portion of investigations of multiple policies which have been implemented from last year and the other 2 of 9 personnel are involved in the cases which have been found out from customers' voices.

B [Investigations of all insurance policies]

- In the investigations of all insurance policies, we received approximately 1,031 thousand replies as of July 26, 2020. We completed responding to customers, by the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers. We continue responding customer requests sincerely.
- We contacted customers who replied with complaints, by sending letters of apology and by phone calls from our dedicated call center. The number of customers who complained about cases, who expressed doubt about violations of laws and regulations or internal rules, is 3,809 and we will respond to those customers after examining the complaints.

■ Replies from customers

As of July 26, 2020

Customers' responses	Number of customers (10,000)	Ratio
No responses because of being in line with customers' intentions	62.4	61
Complaints (* 1)	16.1	16
Some doubt about violations of laws and regulations or internal rules	0.4	0
Requests such as explanations about policy coverage and the procedure of address change, etc.	10.0	10
Thanks, encouragement	2.4	2
Customers whose intentions are being confirmed	0.4	0
Others	11.8	11
Total	103.1	100

* 1 Out of the policyholders who responded with complaints, approximately 8,000 policyholders requested reinstatement.

2 Additional investigations of all insurance policies

- In regard to the additional investigations of all insurance policies, we have mostly completed confirmations of policy coverage as of the end of the June 2020 and continue responding to customers carefully for cases that cannot be finished due to reasons attributable to customers.

A [Status of investigations of multiple policies]

- In regard to the portion of investigations of multiple policies which have been implemented from last year*, we have taken disciplinary actions in the form of termination of solicitation operations against 77 personnel at present (including 7 retired personnel subjected to penalties equivalent to termination of solicitation operations). We have taken disciplinary actions in the form of suspension of solicitation operations of 3 months or 6 months against 2 personnel.

※ Refer to the press release dated June 27, 2019.

As of July 26, 2020

Status of confirmations of policy coverage	Customers who are to receive priority responses (* 1)	Customers other than those receiving priority responses (* 2)	Total
	Number of applicable customers (%)	Number of applicable customers (%)	Number of applicable customers (%)
Customers whose policy coverage and intentions have been confirmed	883 (98)	5,375 (97)	6,258 (97)
Not in line with customers' intentions	508 (57)	2,538 (46)	3,046 (47)
Customers who request compensation for their policies	436 (49)	2,259 (41)	2,695 (42)
Total	897 (100)	5,532 (100)	6,429 (100)

- *1. Customers who have applied for 15 or more policies, of which half or more have been cancelled, in the last five years (from April 2014 to March 2019).
- *2. Customers who have applied for 10 or more policies, of which 30% or more have been cancelled, in the last five years.

B [Investigations other than the investigations of multiple policies]

- In regard to the investigations other than the investigations of multiple policies, we have contacted customers in proportion to the amount of premiums and the number of times policies were rewritten through visiting by staff of Japan Post Insurance or sending letters to confirm customer intentions.

As of July 26, 2020

Status of confirmations of policy coverage (Visiting by staff)	Policies for high insurance premiums (more than 200,000 yen) (* 1)	Policy rewriting involving multiple changes of the insured or the insurance type (*2,3)	Total
	Number of applicable customers (%)	Number of applicable customers (%)	Number of applicable customers (%)
Customers whose policy coverage and intentions have been confirmed	4,951 (97)	2,452 (93)	7,403 (96)
Not in line with customers' intentions	2,093 (41)	944 (36)	3,037 (39)
Customers who request compensation for their policies	1,809 (35)	804 (30)	2,613 (34)
Total	5,103 (100)	2,650 (100)	7,753 (100)

- *1. As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 200,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.
- *2. In the last five years, cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled multiple times in a short period thereafter.
- *3. In the last five years, cases where sales personnel led customers to rewrite from annuity to insurance, or to repeat rewriting insurance ⇔ annuity multiple times.

- In regard to investigations by mail, we sent notification documents with reply questionnaires to customers and the staff of Japan Post Insurance have visited and have investigated customers who replied their policies are not in line with their intentions. We sent notification documents again to customers who had not replied to these questionnaires on July 30, 2020.

As of July 26, 2020

Status of confirmations of policy coverage (Sending letters and visits by staff)	Policies for high insurance premiums (more than 100,000 yen) (*4)	Policy rewriting involving single change of the insured or the insurance type or policy rewriting using a system to shorten the maturities of existing contracts (*5,6,7)	Total
	Number of applicable customers (%)	Number of applicable customers (%)	Number of applicable customers (%)
Customers whose policy coverage and intentions have been confirmed	6,552 (98)	14,357 (99)	20,909 (99)
Not in line with customers' intentions	1,002 (15)	1,151 (8)	2,153 (10)
Customers who request compensation for their policies	793 (12)	825 (6)	1,618 (8)
Customers who replied letter	6,668 (100)	14,474 (100)	21,142 (100)
Total	14,059	32,814	46,873

- *4. As of December 2019, policyholders aged 65 or older who have paid monthly premiums of 100,000 yen or more, and have had at least 1 policy which was cancelled in a short period thereafter during the period from April 2014 to December 2019.
- *5. In the last five years, cases where sales personnel led the policyholders to change the insured at new enrollment without a change in policyholder, but the new policy was cancelled at once in a short period thereafter.
- *6. In the last five years, cases where sales personnel led customers to rewrite from annuity to insurance, or to repeat rewriting insurance ⇔ annuity at once.
- *7. Cases where sales personnel led customers to shorten the maturity of existing policies and apply for a new policy, but the underwriting of the new policy was declined.
- *8. Customers who did not reply (The number of customers who had policies for high insurance premiums (more than 100,000 yen):7,391, the number of customers who had policies for other than high insurance premiums (more than 100,000 yen):18,340.)

II Follow-up support activities to recover customer's trust

Basic policy

Japan Post Group will actively strive to ensure that all customers' life insurance policies are useful to them, through confirmation of whether their policies are in line with their intentions and seeking their opinions.

- In the past, for cases that appear to have caused disadvantages to customers, we have conducted the investigations of specified rewriting cases and the further investigation of all insurance policies. Going forward, based on the basic policy above, we will confirm whether customers' policies are in line with their intentions and compensate customers who have experienced disadvantages, and actively strive to ensure that their life insurance policies are useful to them.
- In order to regain customers' trust, we will not set sales targets in this fiscal year, and will focus on those follow-up activities even after the restart of sales activities.

3 Follow-up support activities : Activities to regain customers' trust and to confirm policy coverage

- We completed to confirm the policy coverage of the 1,838* corporate customers who experienced policy rewriting on July 17, 2020. We have confirmed that 1,829 customers' (99.5%) policies are in line with the intentions and the remaining 9 customers' (0.5%) policies are not in line with the intentions. We continue responding requests of customers who replied their policies are not in line with their sincerely.
- ※ The number includes 20 corporate customers that were investigated as a sample confirmation from March 2020.
- We have started to confirm customers who experienced policy rewriting in FY2019 and later on an ongoing basis through visits by staff of Japan Post Insurance or sending letters since July 2020.
- In addition, we will continue confirmations such as sending letters to customers with whole life insurance where the customer and the insured are different, or with policies that were cancelled and rewritten after the payment period had ended.

4 Follow-up support activities : Continuing follow-up support and improvement of policy coverage confirmation activities

- We will continue to strive to ensure that customer's life insurance policies are useful to them while being suited to customers' intentions and changes in their life styles, through continuing initiatives to ensure that we hear our customers' voices in a wide range of situations, such as by continued efforts to confirm contracts and the annual "Notification of Policy Coverage" documentation sent to customers, which will be enhanced by the inclusion of a complete list of the customer's contracts, including those that have already expired.