

**Conference Call on Financial Results
for the Nine Months Ended December 31, 2017
Summary Q&A**

Date & time: Wednesday, February 14, 2018, 6:00 to 6:35 p.m.

* The statements have been partially edited for clarity.

[Financial Results]

Q: Why has the full-year earnings forecast not been revised despite good progress on profits?

- Although there was good progress in the first three quarters due to better-than-expected performance from investment gains or losses--primarily from income and capital gains or losses--we have deferred on revising the full-year earnings forecast at present in light of the recent market environment.

Q: Other than investment gains or losses, is there anything else that could alter the full-year earnings forecast?

- At present there is nothing specific, but we will not be sure about matters such as required policy reserve levels until we close the book in the fourth quarter.

Q: Would it be correct to see full-year capital losses as finishing several tens of billions of yen, as initially forecast, due to trades to replace foreign bonds?

- Capital gains or losses are heavily influenced by exchange rate fluctuations. There is a possibility of trades to replace foreign bonds in the fourth quarter, depending on the market environment, but at present it is difficult to predict.
- Increases in overseas interest rates and the amount of hedged foreign bonds are forecast to somewhat raise hedge costs over the previous period, but price fluctuation reserve provisions in conjunction with capital gains or losses will offset, so we expect net profit to be fairly flat.

[Products and Sales]

Q: What is the monthly performance for medical-care annualized premiums from new policies that you launched in last October, excluding for the effect from switching to the new rider?

- The 43.6 billion yen in medical-care annualized premiums from new policies on page 4 of the documentation does not include the effect from switching to the new rider. These switches (including additional rider purchase) generated 8.4 billion yen for October-December, but we believe the effect will gradually decrease beginning in the fourth quarter.
- Note that we would like to refrain from disclosing monthly policy performance.

[EV]

Q: EV is up by 469 billion yen year-on-year. What is the breakdown?

- We gained 185.2 billion yen from gaining new policies, around 150 billion yen from stock price fluctuations, around 110 billion yen from changes in implied volatilities, around 60 billion yen from increase in real estate value (partially affected by transfers of fixed assets) and around 25 billion yen from exchange rate fluctuations, while losing around 60 billion yen from changes in the yen interest rate level.

Q: Why was there a large increase in the value of new business (185.2 billion yen) over the first three quarters?

- During that time, the value of new business increased by 83 billion yen from the previous 102.2 billion yen. These increases came from around 40 billion yen from gaining new policies, around 20 billion yen from switching to the new rider, and around another 20 billion yen from causes such as higher medical-care insurance premiums (with the new medical care rider offering wider coverage than conventional medical care rider).

Q: What is the new business margin for the first three quarters?

- It is 5.7%.

[Policy on Shareholder Return]

Q: What is your position in the event that net profit outperforms expectations? Is a dividend increase relative to outperformance conceivable?

- At present, we are not revising forecasts for earnings or dividends.
- As for the shareholder return for this term, we will make a decision after finalizing the results for the fiscal year, in accordance with the shareholder return policy in our current medium-term business plan.

Q: Will the timing of the next offering have an effect on matters such as policies concerning dividend increases?

- Matters such as when to make another offering are decided by Japan Post Holdings.
- When another offering is made in the future, I think we will consider a structure that the market will accept, such as an offering structure by combining a buy-back which Japan Post Holdings adopted at secondary offering last year, but at present we are not considering anything in detail.

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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.