

**Financial Results & Corporate strategy Meeting
for the Six Months Ended September 30, 2020
Summary of Q & A**

Date & time: Wednesday, November 25, 2020, 2:00 to 3:30 p.m.

* The statements have been partially edited for clarity.

[Growth Strategies]

<p>Q Is the Company considering the launch of protection-type products such as standalone medical care products even if the voting rights ratio of Japan Post Holdings holds above 50%?</p>

- As launched protection-type products such as products with relaxed underwriting criteria and advanced medical riders in the April 2019, we can provide new products even if the voting rights ratio of Japan Post Holdings holds above 50%. We will start examining revisions to term insurance in order to provide more generous protection at lower premiums, in light of the needs of young and working-age customers.
- With a view to enhancing our significance and value in society, we will also be actively engaged in developing products that support health of the elderly and middle-aged population, who are our main customers.

<p>Q In reducing premiums, is the Company going to make up for lost profits with volumes of policies? Instead, is the Company going to realize lower premiums through efforts to reduce costs?</p>
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- Aiming to attract a wider range of customers, we are considering to offer basic policies with lower premiums while enhancing medical protection under riders.

<p>Q As for the initiatives towards reducing costs, what are the Company's thoughts about reducing the level of commissions?</p>
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- We understand that the Japan Post Group, as a whole, has to discuss greater efficiency of work outsourced to post offices, as a basis for calculating commissions, in the course of the discussion for formulating the next Medium-Term Management Plan.

- On the other hand, for the areas which we can review on our own, such as system costs and personnel expenses, we will aim at substantial improvement in cost effectiveness through greater efficiency of work and improved productivity by means of creating a corporate culture that leads to voluntary cost reductions, promoting DX solutions and reforming operational workflow.

Q Can the Company possibly consider utilizing an online channel for selling insurance products?

- While we cannot deny the possibility of insurance sales online, we will consider the integration of face-to-face channels and digitalization.
- We will promote digitalization in the process from providing proposals of products to receiving applications. However, we believe that, for sales activities of life insurance products, trustful relationship with customers is vital and face-to-face channels will continue to be our priority.

Q Is M&A subjected to the future growth strategies?

- Additional regulatory restrictions under the Postal Service Privatization Act prohibited us from acquiring any insurance company, domestic or foreign, as a subsidiary. However, we do not deny the possibility of M&A that will contribute to our growth strategies, such as promotion of DX, unless it violates the intent of additional regulatory restrictions.

[Sales Forecasts]

Q What is the Company's outlook on the levels of new policies in and after the next fiscal year? What are the opinions of the Outside Directors regarding the Operations Aimed at Regaining Customers' Trust?

- The Japan Post Group, as a whole, is currently committed to implementing the Operations Aimed at Regaining Customers' Trust, which were started on October 5, 2020. As these initiatives are likely to require a considerable amount of time, and furthermore, customer impressions and situations of post offices and other sites need to be considered before we move on to ordinary sales activities, we cannot provide any specific schedule at present.

- We would like to withhold the forecast for the new policy sales at this point of time, as it will be discussed within the whole group toward the next Medium-Term Management Plan that begins in the next fiscal year (FY22/3).
- The progress in the Operations Aimed at Regaining Customers' Trust has been explained to Outside Directors, who have given an opinion to steadily implement these initiatives.

Q What actions does the Company think the customers of Japan Post Insurance were doing during the period of refraining from proactive sales proposal?

- Individual insurance cancellations increased temporarily in the 2Q of the previous fiscal year, but the downward trend has continued since then.
- Some of the customer responses regarding "Operations Aimed at Regaining Customers' Trust," which began on October 5, 2020, have been harsh, but we have received favorable comments such as support and appreciation.

Q When will the Company restart selling insurance products to elderly customers?

- Although restart of selling insurance products to elderly customers is a subject for the future, we cannot provide any specific schedule at present.

[Economic Value Indicators]

Q Are economic value indicators likely to be included as KPIs in the next Medium-Term Management Plan? What are the Company's views on economic value indicators as the basis for shareholder returns?

- We have not changed our basic policy regarding economic value indicators such as EV and ESR, which we consider as important indicators to represent our corporate value.
- However, from the perspective of shareholder returns, we believe KPIs for the next Medium-Term Management Plan would be based on financial accounting numbers.

- We will continue to examine the establishment of KPIs for the next Medium-Term Management Plan.

Q What does the Company think is an appropriate level of ESR?

- While we would like to withhold the comments on an appropriate level of ESR, we believe it is necessary to keep working on improving this indicator.

Q What factors contributed to the ¥ 600billion decrease in the integrated risk amount compared with the level at the end of March 2020? Also, what factors contributed to its increased sensitivity in response to events such as decreasing risk-free rates?

- The integrated risk amount decreased due primarily to an increase in the loss-absorbing effect attributable to policyholder dividends compared with the level at the end of March 2020. The amount of future policyholder dividends increased as the future balance improved due mainly to the improved market environment. As a result, there was an increase in the loss-absorbing effect attributable to policyholder dividends, which reduced the integrated risk amount.
- While a combination of various factors contributed to a change in sensitivity, ESR sensitivity is characteristically correlated to the current level of ESR, as in the case of all types of sensitivities. Thus, the higher the current level of ESR, the higher the ESR sensitivity, while the lower the current level of ESR, the lower the ESR sensitivity.
- On such basis, our model for quantifying interest rate risk incorporates a certain degree of downward interest rate rigidity. We assume that it is unlikely to materialize where the interest rate is 50 bps lower than the already low level. Accordingly, the model autonomously stops the interest rate risk from increasing.
- Due to room for the interest to go down derived by domestic interest rate on an increasing trend, ESR sensitivity to decrease in risk-free rate was higher than that of increased case.

[Reduction of Voting Rights Ratio, Capital Policy]

Q As the number of policies in force remains on a decreasing trend, the reduction of voting rights ratio of Japan Post Holdings is required for increasing the flexibility of management. What kind of discussion is the Company having with President MASUDA of Japan Post Holdings?

- We have long been asking for the reduction of voting rights ratio of Japan Post Holdings and remain unchanged in our stance to see the ratio going below 50% as soon as possible. We keep on requesting this move as we believe the deregulation is necessary for improving our products and services.

Q Does the Company envisage any negative impact if Japan Post Holdings completely sales the shares in Japan Post Insurance and the capital relationship between them is terminated? Also, does the Company intend to keep asking for the reduction of voting rights ratio of Japan Post Holdings even after the ratio goes below 50% in the future?

- We have traditionally been developing trustful relationship with our customers through post offices, with which they feel familiar. This business model would be kept regardless of the capital relationship. As for now, our aim is to restore as soon as possible customers' trust, which has been impaired due to the recent solicitation quality issues.
- In accordance with the purpose of the Postal Service Privatization Act, we will endeavor to achieve full privatization even after the voting rights ratio of Japan Post Holdings goes below 50%.

Q The Company has filed for a bond shelf registration on November 25, 2020. What are the Company's purpose and approach for raising capital through debt financing?

- We submitted shelf registration statements to ensure flexible bond issuance in view of factors such as a future market environment, as we need to secure capital necessary and sufficient for maintaining soundness of our business in examining and developing growth strategies under the next Medium-Term Management Plan starting next fiscal year.
- We plan to examine the timing and other specifics for raising capital by confirming factors including the market environment and investor demand.

[Shareholder Returns]

Q The financial results for the six months indicate faster progress than anticipated in the financial results forecasts. In the event that the actual results for the current fiscal year exceed the forecasts, is there any possibility of an increase in dividends?

- Due to the uncertainty of COVID-19, there is a continued possibility that the stock price will decline, and payment of insurance claims and others will increase. Considering the impact on ordinary profit and net income in such a case, the Company has currently made no revisions to the financial results forecast for the year ending March 31, 2021.
- We would like to withhold giving any comments on dividends for this fiscal year, including whether dividends will be increased or not, since it is scheduled to be decided in May 2021.

<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.