

Summary of Q&A Session for the Sustainability Meeting

Date and time: Wednesday, October 9, 2024 at 3:00 p.m.– 4:30 p.m.

*Partial additions and corrections have been made to the content for clarity.

<Opinions and Activities of Outside Directors>

Q. How do you perceive your role as an Outside Director?

- I believe that I am expected to supervise and provide checks on management based on my past experiences and insights.
- As an Outside Director, I aim to contribute to the sustainable improvement of the Company's corporate value by monitoring the execution of duties of Executive Officers from an objective standpoint and following up on matters raised at meetings of the Board of Directors.

Q. How is the diversity and independence of members of the Board of Directors demonstrated? Do you feel there are any differences from other companies, particularly based on your experience as an outside director at other companies?

- Although the structure of the Board of Directors has changed, there has always been a diverse mix of people in terms of age and background serving as Outside Directors since the time of my appointment up to the current structure, and I believe this allows for fairness in management decision-making while reflecting diverse opinions.
- As a difference from other companies, I feel that we have a significant advantage because seven out of our eleven Directors are Outside Directors. In addition, four of these Outside Directors are women, making up a majority, which, combined with the diverse background of the Board of Directors, contributes to a dynamic Board of Directors and further invigorates its activities.

Q. Is there anything you particularly focus on or specific actions you take to protect minority shareholders?

- I believe that it is important for Outside Directors to have independence and to engage in substantive discussions within the Board of Directors in order to protect minority shareholders, and in this regard, more than half of the members of the Board of Directors

are Outside Directors, and diverse discussions are actively conducted from an outside perspective.

- For example, regarding the review of our Medium-Term Management Plan, since the direction of the review was proposed in October 2023, the Board of Directors has held a total of seven discussions leading up to the resolution, and I also contributed various opinions based on my experience and knowledge.
- In addition, we confirm the appropriateness of transactions between the Company and each company within the Japan Post Group in accordance with the arm's length rule stipulated in the Insurance Business Act, and I believe that an appropriate framework for protecting minority shareholders has been established from this perspective as well.

Q. Life insurance companies are expanding into areas such as employee welfare, nursing care, and health care. Has Japan Post Insurance discussed the possibility of entering these new business areas?

- Although I have the impression that the Company is cautious toward new businesses, I feel that this is not about avoiding new initiatives, but rather that the Company has a system integrated into its management where decisions are made only after thorough investigation and screening.
- Venturing into entirely new businesses is a topic for future discussions, and currently, we are at a stage where we are working on increasing revenues by partnering with companies that have specialized expertise, in order to supplement any lacking expertise within our organization to grow our life insurance business as the core of our growth.
- Going forward, I believe it will be important to discuss the possibility of entering into new businesses in the future, after further discussions about the necessary businesses for the Company.

Q. As an institutional investor, I believe that the independence of each committee is extremely important. What is your view on the fact that the head of the parent company and the president themselves are currently members of the Nomination Committee and the Compensation Committee?

- The members of each committee (Nomination, Compensation, and Audit) are selected based on the expertise and career backgrounds of each Director.
- The majority of members of each committee are Outside Directors, and various opinions are expressed by the Outside Directors in practice, which leads to active discussions.
- In addition, the executive compensation system at Japan Post Insurance is not aligned

with that of the other three companies (Japan Post Holdings, Japan Post, and Japan Post Bank), and the current review of compensation was also decided after major revisions were made to the Office's original proposal in discussions led by the Outside Directors.

- I believe that the current system allows for both the integrity of the Group and the independence of each company, while ensuring that governance is effective.

Q. What is the evaluation from the supervisory side regarding the executive side's efforts since President TANIGAKI took office?

- It has been about one year and four months since President TANIGAKI took office, and the results are beginning to show from the various initiatives that have been implemented.
- In particular, in sales, individual efforts made up until now such as the introduction of a new human resource development system (Kampo GD System) and the start of sales of new products have led to concrete results including an increase in new policies. This has been well evaluated.
- In addition, these efforts have contributed to improving the score of the engagement score (ES) survey of our employees, whose engagement serves as the driving force of the Company, and this is a positive sign for our medium- to long-term growth.
- As the Board of Directors, we intend to continue supporting the reforms initiated by President TANIGAKI.

<Governance Reforms, etc.>

Q. What is the status of governance reform after the solicitation quality issues?

- I believe that the solicitation quality issues served as a turning point that led the Board of Directors to make better use of the knowledge of Outside Directors in management, for example, by holding multiple rounds of discussions on important matters such as management plans and the transition to a new sales system.
- As a result of these governance reform efforts along with various measures to prevent recurrence, the Company was no longer required to make regular reports based on the business improvement order in December 2023.
- On the other hand, the inappropriate use of non-public financial information at post offices was recently revealed and a press release was issued.
- This incident involved issues in the process of inviting customers to visit the post office. Although we had previously obtained the consent of customers to use personal

information held by Japan Post Bank before proposing Japan Post Insurance products when they visited the post office counters, we now recognize that using customers' information held by Japan Post Bank for system searches and creating lists of search results, including those for customers who had not provided prior consent during the process of inviting them to visit, was not an appropriate action and constituted a violation of laws and regulations.

- As the contracting entity, we recognize that we failed to insist that Japan Post implement measures to prevent the inappropriate use of non-public financial information during the solicitation of insurance.
- Going forward, we will thoroughly review and implement fundamental measures, including building system controls and ensuring the proper dissemination of handling rules that align with the intent of laws and regulations, and make improvements as soon as possible throughout the entire Group.

<p>Q. What issues have you raised from the supervisory side in light of the reports following the solicitation quality issues?</p>
--

- With the solicitation quality issues serving as a turning point, the Company made a fresh start under a new sales system, and at a time the management was under stress, the President and other executives travelled all around Japan to deepen communication directly with employees on the front lines. These sincere efforts to convey the direction of management, as well as to understand and address issues on the front lines are highly appreciated.
- In the course of these efforts, the Board of Directors has discussed a variety of timely matters, and for issues that were pointed out or for which individual reports were requested, I believe that the executive side has responded appropriately, such as by providing detailed reports separately.
- In addition, regarding the recent inappropriate use of non-public financial information at post offices, the Board of Directors and the Audit Committee are kept up to date by the executive side of the potential risks, and I believe that the approach to information sharing between the supervisory side and the executive side in response to such incidents has significantly improved since the solicitation quality issues. However, we take the fact that there has been a violation of laws and regulations very seriously, and we will continue to engage in discussions at the Board of Directors in coordination with the executive side to take immediate action based on feedback from the front lines to prevent such issues from recurring.
- We will also continue to closely monitor the situation through regular opportunities for

dialogue with employees on the front lines to directly understand their views and to ensure that the response by the executive side is based on feedback from the front lines.

Q. What governance mechanisms are in place to address the emergence of cross-group risks?

- With the solicitation quality issues serving as a turning point, we have established a cross-Group meeting body to function as a Group governance body. Each company shares the risks they have detected and discusses how to respond to them within this meeting body.

<Sustainability in General>

Q. What are the future challenges regarding sustainability initiatives in general?

- The social environment surrounding sustainability is changing at a dizzying pace, and we recognize the need to sequentially address new issues, such as biodiversity and human rights, in addition to climate change.
- In response to climate change, in addition to continuing efforts aimed at reducing GHG (greenhouse gas) emissions, we are also pursuing initiatives such as analyzing our dependence and impact on biodiversity and conducting human rights due diligence to address various issues. We will also continue to enhance external disclosures, including compliance with new sustainability disclosure standards.
- By pursuing initiatives in response to these sustainability issues, which are also positioned as the Company's materiality, we will contribute to solving social issues and realize the sustainable growth of the Company.

<Sustainable Investment>

Q. What are the future challenges for sustainable investments?

- Terms such as "sustainable investment" and "ESG investment" have become widely used recently. On the other hand, the question of what kind of investment activities truly lead to a better society is a difficult one, and conflicting opinions arise at times.
- In response to such challenges, by making impact-oriented investments that prioritize creating social impact and pursuing industry-academia collaboration initiatives that lead to creating innovation backed by academic expertise, we would like to truly contribute to solving social issues and, in turn, achieve a systemic change that will structurally solve

social issues.

- In addition to strengthening our own capabilities as asset owners, we will continue to make sustainable investments by deepening partnerships with various investor initiatives and universities and incorporating external expertise.

<Human Capital Management>

Q. What future issues do you see regarding corporate culture and employee engagement?

- Up until now, we have focused on communication with employees, and all executives including the President have been actively traveling to front lines throughout Japan.
- At the same time, we have focused on manager development, and have evaluated and promoted managers appropriately to ensure that they feel a sense of unity with management, as well as shared a variety of information with them and enhanced our training.
- I believe that employee engagement has improved as a result of these efforts.
- As the next phase, I want to create a cycle in which all employees think and act on their own initiative and feel a sense of fulfillment in doing so. This is not something that can be instilled through repeated training, but rather by changing the way we do our job one by one as a company, for example, by giving more substantial authority to younger employees and having them face experiences. By accumulating these experiences, we hope to ultimately realize and establish this as our corporate culture.

Q. How do you view the Company's corporate culture and employee engagement from the perspective of an Outside Director?

- Initially, there seemed to be a significant gap between the head office and the front lines. Since the solicitation quality issues, however, the executives themselves have traveled to the front lines and listened to the opinions of the employees there through Front-line Meetings, which I feel has completely changed the culture of not allowing opinions from the bottom to be communicated to the top.
- In particular, our efforts such as regular communication from top management to all employees through the President's Message and video broadcasts, as well as the operation of Direct Suggestions to the President of Japan Post Insurance, in which employees make various proposals directly to the President, seem to have conveyed to the front lines that "we want the opinions of the front lines to be shared with management." Outside Directors have also been given opportunities to visit the front lines and hear directly from employees, and they have heard comments that "changes have started to

occur in the Company.”

- These efforts have had a significant impact on employees’ motivation to work since they feel that their voices are being heard, as can be seen in the improvement in the scores of the engagement score (ES) survey.
- Going forward, I think that it would be great to continue initiatives that lead to improvements in systems and other aspects of the Company through dialogue with executives and the President, as well as to ensure that these efforts are felt by the employees.

<Market Evaluation>

Q. As you work to implement “management that is conscious of cost of capital and stock price,” how do you view the current stock price and PBR? What are the future challenges?

- I believe that the Company’s PBR is low because our ROE is lower than that of our competitors, and as stated in the “Reviewed Medium-Term Management Plan” announced on May 15, we have set adjusted ROE as a management indicator from FY2024, and are aiming for growth that exceeds the cost of shareholders’ equity (approximately 6%) over the medium to long term.
- In order to achieve the adjusted ROE target, we recognize that our top priority is to first steadily secure new policies and ensure that our policies in force bottom out and upturn. We intend to increase profits while capturing the positive environment change for our Company, namely the rising interest rates in Japan.
- Furthermore, we would like to increase ROE and improve PBR by engaging in capital policies to improve capital efficiency such as the use of reinsurance.

Q. What is the status of discussions at the Board of Directors toward implementing “management that is conscious of cost of capital and stock price”?

- It is our view that the current PBR is undervalued by the market due to the fact that we have not been able to achieve a return on equity (ROE) that exceeds the cost of capital.
- In response to requests from the Tokyo Stock Exchange in March 2023, the Board of Directors exchanged views on the current situation analysis, response measures, and disclosure content from respective viewpoints, and made a disclosure in November 2023 regarding efforts to enhance corporate value. In addition, alongside the review of the Medium-Term Management Plan, we also discussed specific initiatives and set adjusted ROE as a management indicator starting in FY2024, aiming for growth exceeding the

cost of shareholders' equity (approximately 6%) over the medium to long term.

- At the most recent meeting of the Board of Directors we have been discussing policies on updating the content of disclosure based on various opinions received through dialogue with investors and analysts in order to implement "management that is conscious of cost of capital and stock price."

Q. In terms of management that is conscious of the cost of capital, I believe you have received reports from the executive side on the various feedback from investors and analysts with whom you have held dialogue since the review of the Medium-Term Management Plan. What kind of reports have you received, and what is your response to these reports?

- Firstly, the supervisory side was informed by the executive side that the target ROE level was low. Although the target level is set based on factors such as the Company's lower stock volatility compared to other companies, we are aware that the market is calling for us to aim for approximately 8%, which is the level of other companies. In any case, we acknowledge that it is important to work toward improvements because we are currently below this level.
- Insurance companies are stock businesses and do not immediately generate profits, but we have expectations toward new product development, and although there are restrictions under the Postal Service Privatization Act, we are asking the executive side to pursue new initiatives. In this regard, incidents such as the recent violations of laws and regulations are an obstacle, so we will take appropriate measures.
- We have also heard opinions about shareholder returns. While we are aiming for a total payout ratio of 40 to 50%, in the May 2024 review of the Medium-Term Management Plan, we set adjusted profit as the denominator of the total payout ratio to further enhance shareholder returns. On the other hand, we have heard concerns from investors on the issue, and would like to consider how to respond, taking into account the outlook for future earnings and financial soundness, etc.

<Disclaimer>

This material has been prepared for the purpose of providing corporate information etc. on the Company and its consolidated subsidiaries, and does not constitute a solicitation of an offer to buy shares or other securities issued by any member of the Japan Post Group, whether in Japan or overseas.

Forward-looking statements herein are based on certain assumptions deemed reasonable by the Company at the time of this document's disclosure. Please note that actual results may differ materially from such forward-looking statements herein due to various factors including changes in assumptions related to the operating environment.

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.