

**Financial Results & Corporate strategy Meeting  
for the Year Ended March 31, 2021  
Summary of Q & A**

Date & time: Friday, May 28, 2021, 2:00 to 3:20 p.m.

\* The statements have been partially edited for clarity.

**[Medium-Term Management Plan]**

Q Customer satisfaction is one of the primary targets of the Medium-Term Management Plan. How much are customers satisfied now? Which of the measures to be taken under the Medium-Term Management Plan do you expect to help improve customer satisfaction and, ultimately increase the value of new business?

- Although the latest research shows that approximately 80% of the customers were satisfied, we aim to improve customer satisfaction for 90% or more in the final year of this Medium-Term Management Plan (FY2025.)
- Under the Medium-Term Management Plan, we will promote DX and boldly shift to a business model that gives top priority to customer experience value (CX). For example, we will create a business model that has procedures completed on the spot for new policy sales, follow-up support and payment consultations, etc.
- We are convinced that if we can make our services more convenient and improve customer experience value by providing services integrating face-to-face and digital processes, the value of new business will increase.

Q Of the targets set out under the Medium-Term Management Plan, are there any in particular that the Company would like investors to take note of?

- Although the number of policies in force, which is the stock-based target, is expected to decline over the medium-to long-term, we will aim for 20 million policies or more in force in the final year of the Medium-Term Management Plan.
- We believe that improving customer evaluation, “customer satisfaction” and “net promoter score (NPS),” will increase value of new business as well.

- Under the Medium-Term Management Plan, we will be engaged in high-quality sales activities and will boldly shift to a business model that gives top priority to customer experience value in order to achieve sustainable growth.

Q Could you share your views on the future prospects for the directly-managed channels?

- New policies sold through the directly-managed channels account for a larger part of the total new policies due to the impact of refraining from proactive sales activities until the previous fiscal year. However, there has been no change in the post office channel's importance for us.
- While focusing on the recovery of the post office sales force, we aim to improve our corporate value.

Q Could you provide a timeline and direction for new products the Company plan to launch in the future? Also, how much do you expect these new products to contribute to the increase in the value of new business?

- We will provide insurance services that respond to the various needs of customers and contribute to a shift to a product portfolio centered on protection-type products.
- By engaging in high-quality sales activities and selling protection-type products proactively, the Company aims to increase the value of new business and achieve a 6 to 8% growth in RoEV, which is the primary target of the Medium-Term Management Plan.

Q Please tell us an equity story that gives reasons for investors to invest in Japan Post Insurance.

- We believe it is important to gain competitiveness by shifting to a business model that gives top priority to customer experience value (CX), so that customers can feel "We have been pleased to enter into Japan Post Insurance" and choose us.
- In order to regain our customers' trust and achieve even greater brand value than before, we will provide services that our customers feel truly glad.

Q Are the Company considering replacing some of the Directors and executive officers in order to promote the transition of its business model as set out in the Medium-Term Management Plan?

- We will proactively engage in reformation of corporate culture, which is the foundations for reconstruction and sustainable growth.
- We believe it is essential to create an organizational culture in which all officers and employees across the Company work together and act autonomously/independently based on the customer-first principle by revitalizing communication between management and employees, including consultants of Japan Post Co. seconded to us, and by sharing the future vision such as the Medium-Term Management Plan.

**[Capital Policy]**

Q What are your views on the direction of capital policy during the period of the Medium-Term Management Plan?

- Although we anticipate an increase in the ratio of return seeking assets to total assets, and shift to a portfolio centering on protection-type products, we do not expect to change our risk portfolio. Half of our risk portfolio is currently asset management risk and the other half is insurance underwriting risk.

Q Are there any possibilities that you will increase internal reserve to prepare for further acquisition of treasury stocks from Japan Post Holdings?

- We are not in a position to comment on Japan Post Holdings policy on disposal of shares of Japan Post Insurance, we will respond appropriately in accordance with the Postal Service Privatization Act.
- We recognize that the way to decrease voting ratio of Japan Post Holdings are public offering, share repurchase and combination of both. However, we don't expect to increase internal reserve to prepare for further acquisition of treasury stocks from Japan Post Holdings at this point.

Q At what pace do you expect to increase the dividend per share? Is there a possibility of exceeding the total amount of dividends for FY2020 during the period of the Medium-Term Management Plan? Also, what indicators will you use as a basis to determine whether to increase dividends?

- As for dividends to shareholders during the period of the Medium-Term Management Plan, we aim to increase dividend per share in a stable manner, assuming that we aim to secure stable net income of around ¥80.0 billion to ¥90.0 billion from FY23/3 onward.
- As for dividend per share in each fiscal year, we would determine it by taking into comprehensive consideration factors such as the progress in the Medium-Term Management Plan (status of policies in force and product sales), payout ratio based on net income, and EV, in addition to the dividend policy indicated.

**[ERM]**

Q To what extent do you expect to reduce interest rate risks when you aim to stabilize ESR?

- Although we have indicated our direction to reduce interest rate risks as one of the measures to stabilize ESR, we are considering refining the method of measuring the risk amount in anticipation of the introduction of new capital regulations in 2025. We, therefore, would like to withhold comments on what extent we expect to reduce the risk amount.

Q What specific methods are you considering as ways to reduce interest rate risks?

- At present, the current amount of interest rate risks under the Postal Life Insurance category is larger than that under the new category. The Postal Life Insurance category is a closed account, so the duration of assets cannot be extended as expected due to a decrease in new money.
- In anticipation of the introduction of new capital regulations in 2025, we aim for the medium- to long-term stability of ESR by taking various measures.

<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.