

**Management Policy Meeting for the Fiscal Year Ended March 31, 2019**  
**Summary of Q & A**

Date: May 22, 2019 (Wed.), 2:00-3:10 p.m.

Place: Otemachi Place, Otemachi Conference Center

\* The statements have been partially edited for clarity.

**[Financial Results]**

Q The financial results forecasts for the fiscal year ending March 31, 2020 indicate the decrease in net income and the Company explained that came from the decrease of positive spread. What is the cause of the decrease, assuming that the balance of investment in foreign bonds does not decline? In addition, does an increase in the commission amount resulting from the change of the decision making process and the formula have a negative impact to net income forecast?

- Decreases in overall assets and gross investment income and others have a negative impact on positive spread forecast.
- The total amount of commissions, including contributions payments to the Postal Management and Support Organization, is at the same level as the amount in the fiscal year ended March 31, 2019. The decrease of the number of policies in force also affects profit levels.

**[EV]**

Q What is the percentage of the medical care riders' contribution in the ¥223.8 billion of the value of new business in the fiscal year ended March 31, 2019?

- The majority is from medical care riders, though the breakdown of the value of new business varies depending on the method how we allocate fixed costs to each product and policy.

### **[Additional Restrictions & System]**

Q Although the secondary offering did not reduce the voting rights ratio of Japan Post Holdings Co., Ltd. (assume it JPH as follows,) to below 50%, is it possible to offer new products?

- The Company had obtained approval to launch new products despite additional regulatory restrictions under the circumstances that the voting rights ratio of JPH was 89%.
- We believe that the reduction of the voting rights ratio to 64.48% as a result of the secondary offering will grow awareness of a progress in privatization, and that this awareness will give us greater flexibility in obtaining approval in the future.
- We therefore believe that it is fully possible to provide new products even at the current voting rights ratio.

Q We understand that the voting rights ratio of JPH is still over 50%, and the new products will be discussed in the Postal Service Privatization Committee through the approval process. What is your view of the risk that you will expose the details of new products to other competitors?

- We consider that failing to obtain approval of new products due to no progress in privatization incurs a greater risk than the exposure of details of new products. On this view point, we believe that the fall in the voting rights ratio of JPH through the secondary offering will be judged as a real progress in privatization. We intend to strengthen our products lineups and appeal to customers by providing new products.

### **[Acquisition of Treasury Stock]**

Q If you make an additional share repurchase in the future and the number of shares declines, will you consider increase the dividends per share?

- Basically, we aim to increase the dividends per share by increasing net income.
- When we decided the dividend per share for FY2019, we considered the decrease of the total number of shares resulting from the share repurchase in April 2019. We will take this case into account regarding future dividends.

Q JPH's voting rights ratio did not become less than 50% as a result of secondary offering in April 2019. How was the size of the offering decided? Also, are you considering additional public offerings that would bring the voting rights ratio at 50% or less?

- The company understands that JPH decided the size of the public offering based on the impact on its consolidated financial results and how the funds are to be used. We view this secondary offering, through which the voting rights ratio became below 65%, was the process to less than 50% in the future. We intend to take maximum advantage of this environment and reflect it in our management strategies.
- We will coordinate with JPH, regarding future offerings.

Q. For future share repurchase, the questioner recognized that direct purchase from the market is difficult because it raises the voting rights ratio of JPH. As a result, will the method be limited to ToSTNeT, assuming that the shares will be acquired mainly from JPH?

- As you pointed out, the voting rights ratio of JPH rises if we purchase our shares directly from the market. Therefore, our basic way is to combine share repurchase with third offering. However, we don't deny the possibility of the direct purchase from the market, and will study the various way for the future.

Q Are you considering reduction of the voting rights ratio to less than 50% through share repurchase from JPH?

- We need to coordinate with JPH, but we intend to proceed with efforts and examine various methods to reduce the voting rights ratio to less than 50% including your proposal.

<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.