

**Conference Call on Financial Results
for the Nine Months Ended December 31, 2019
Summary of Q & A**

Date & time: Friday, February 14, 2020, 5:45 to 6:25 p.m.

* The statements have been partially edited for clarity.

<Sales Activities>

Q: Will the conducting of additional investigation of multiple policies, announced on January 31, affect the timing of the restart of sales activities? Accomplishment of the additional investigation is necessary for restarting the sales activities?

- At this time, no decisions have been made regarding the prospects or the method of restarting sales activities, so we would like to withhold from answering the question.
- The highest priority is that the entire Japan Post Group works on responses and preventive measures concerning the policy investigation as mentioned in the business improvement plan in order to promptly regain our customers' trust.
- The restart of regular sales activities will be decided on a Group basis in accordance with the status of these initiatives. The announcement will be made once it is decided.

Q: In deciding whether to restart the sales activities, does the status of investigations of specified rewriting cases carry more weight than the status of additional investigations?

- We aim to complete our customer responses regarding the investigation of specified rewriting cases and the investigation of all insurance policies by the end of March.
- As for the additional investigation of all insurance policies, we will commence detailed investigations in phases. We will verify customers' intentions for multiple policies that especially require priority responses, those for the other multiple policies, and those except multiple policies by the end of February, the end of April, and the end of June, respectively.

- Although we cannot give any specifics at this time, with respect to the additional investigation, we intend to carry out customer responses including the procedures related to policy reinstatement, and sales personnel investigations, as in the investigation of specified rewriting cases.

Q: Regardless of the policy investigation, has there been an increase in cancellations of insurance policies?

- Cancellations have decreased year on year for both the nine months ended December 31, 2019 and the third quarter alone. Looking at each quarter, cancellations increased from the first to the second quarter but decreased from the second to the third quarter.

<Policy Investigation>

Q: As of the third quarter, how much has been recorded as expenses related to the policy investigation and expenses to compensate customers for their disadvantages? Also, what is the Company's year-end estimate?

- As of the third quarter, approximately ¥6.0 billion has been recorded as expenses related to the policy investigation, and we expect the annual expenses to be approximately ¥9.0 billion.
- With regard to expenses to compensate customers for their disadvantages, approximately ¥0.6 billion of impact on profit and loss accrued from the payments to customers arising from reinstatement of policies. Additionally, we also recognized approximately ¥ 4.0billion of provision based on the reasonable assumption at present in order to compensate for customers' disadvantages in future.
- For the expenses to compensate customers for their disadvantages, we may reserve provisions at the end of the current fiscal year, in accordance with the progress of the additional investigation. Reasonable estimates could not be made for such provisions at this time, and therefore, we have not reserved provisions as of the third quarter.
- At this quarter, we have not modified our financial forecasts for the fiscal year ending March 31, 2020 based on a conservative estimate of such provisions.

Additionally, the progress to net income forecast as of the third quarter is as high as 85.8%, and the upswing is expected to offset the expenses to compensate customers for their disadvantages, to a certain extent.

<Capital Policy>

Q: Is the Company discussing share repurchases with Japan Post Holdings Co., Ltd. and the regulatory authorities, in preparation for lowering the ratio of voting rights held by Japan Post Holdings Co., Ltd.?

- At this time, we take first priority over recompense for customers' disadvantages and the investigations. We have not changed our stance of welcoming the lowering of the ratio of voting rights, as it will relax the additional regulatory restrictions on us. Ultimately, this will require the decision of Japan Post Holdings Co., Ltd., but we will prepare for making it possible.

<Shareholder Return>

Q: Is the Company considering returning the upswing from positive spread to shareholders through a special dividend or share repurchase?

- Our shareholder return policy remain unchanged: We aim for a steady increase in dividends considering earning prospects and financial soundness. Currently, we are discussing earning prospects within the company, and based on such discussion, we would like to make a decision at the end of the current fiscal year. Therefore, we would like to withhold from answering the question at this time.

<Internal Reserves>

Q: Is there a possibility of excess provision for the contingency reserve and price fluctuations reserve in the future?

- We have continued to carry out excess provision for price fluctuations reserve since the first half.
- We have suspended excess provision for contingency reserve from the current fiscal year, and at this time, we have no plans to resume it.

Q: Given the increase in return-seeking assets, is there a possibility that excess provision for price fluctuations reserve will be increased at the end of the current fiscal year?

- We have been carrying out excess provision for price fluctuations reserve due to the insufficiency of the reserve under the new category, but we have no plans for any further increases at this time.

Q: With regard to the contingency reserve, has the Company decided on a policy to reverse the contingency reserve under the Postal Life Insurance category in and after the following fiscal year?

- While the contingency reserve under the Postal Life Insurance category has been reversed for the purpose of covering the provision for the additional policy reserve, given that this additional policy reserve was determined to be provided over 10 years from the fiscal year ended March 31, 2011, this operation will end in the current fiscal year.
- The amount equivalent to the required amount prescribed in the laws and regulations related to the contingency reserve under the Postal Life Insurance category will continue to be accumulated in and after the following fiscal year.

<Others>

Q: It was reported that allowance payments would be reviewed. Can the Company tell us the fact situations and the Company's estimate of its possible impact on profit and loss?

- The media report about the revision of allowance for sales personnel (adjustments of basic salary/allowance balance) was for employees of Japan Post Co., Ltd. and there have been no particular changes to the employees of Japan Post Insurance. Therefore, there will be no impact on our profit and loss.

<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.