

**Conference Call on Financial Results
for the Three Months Ended June 30, 2022
Summary of Q&A**

Date & Time: Wednesday, August 10, 2022, 5:45 to 6:30 p.m.

* The statements have been partially edited for clarity.

<Matters concerning COVID-19>

Q: What was the projected amount of insurance claims payments for COVID-19, on a full-year basis?

- The financial results forecast for FY23/3 was calculated based on past financial results, and the amount of insurance claims payments for COVID-19 is expected to remain largely the same as in the previous fiscal year.

Q: In which of the two categories, New category or Postal Life Insurance category, are insurance claims payments for COVID-19 mainly arising?

- Payments of death benefits arise largely from the Postal Life Insurance category, while more payments of hospitalization benefits arise in the New category.

Q: Are you considering reversing contingency reserves in the event that insurance claims payments for COVID-19 increase significantly for the full year?

- Reversal of contingency reserves is permitted by law, when it is necessary to compensate for mortality loss or interest loss, or other events including unavoidable circumstances in light of the conditions of operations or assets of a life insurance company.
- Not just reversal of contingency reserves, we will continue to monitor the situation closely, and carry out proper payments of insurance claims, while engaging in adequate financial maneuvers, as appropriate.

Q: In view of the spread of COVID-19 infections since July, are you prepared to consider revising eligibility requirements for new medical riders? Also, how do you assess the moral risk associated with insurance claims involving COVID-19?

- We are not considering a revision of the eligibility requirements for new medical riders, at this point. New medical riders do not yet represent a sizable percentage of the hospitalization benefits payments at this time, as they were launched in April.
- We offer small-lot products with the limit on coverage amount, which sets ceiling to lump-sum hospitalization benefit, deterring moral risk to some extent. That is our understanding.

<Sales>

Q: What is the progress of actual sales results in 1Q? Going forward, how quickly do you expect to make up for the delay in progress?

- Sales results in 1Q proved to be at roughly 40% of the projected level, and were impacted by delays in the retail channels (Japan Post Insurance Services Department and post office counters).
- On the other hand, surrenders and other cancelled policies are trending lower than the projections, and net increase in life insurance in 1Q proved to be at roughly 60% of the projected level, in consideration of cancelled policies.
- We recognize that the delay in progress is attributable to the fact that the sales style under the new Japan Post Insurance sales system has not yet become fully ingrained in each individual consultant, resulting in variations in their activities.
- We will be working on solving these problems, to ensure that the management at each branch/department can function properly, and each individual consultant can demonstrate their abilities.
- While we will be tackling these problems with a view toward recovering sales results as quickly as possible, a considerable amount of time may be necessary to catch up with the originally projected pace of progress.

Q: Annualized premiums from new policies have been improving each month throughout 1Q. Is that your assessment?

- We saw sluggish results in new policies in April, as it was immediately after the transition to the new system. However, we have been on a gradual recovery from May onward.
- If you glance at the results for medical care on page 18 of the Conference Call materials, you will see that the results show a gradual recovery in the retail channels, with a higher added ratio of riders.

< Shareholder Return >

Q: There was a preliminary announcement that the acquisition of treasury stock would be implemented in 2Q or later. Why did you choose this timing for the official announcement?

- We adopt the method of combining ToSTNeT-3 with market purchases, this time. This is the first time we are using this scheme, and as the ratio of voting rights in the Company's shares held by JAPAN POST HOLDINGS Co., Ltd. will need to remain at the same level before and after the acquisition of treasury stock, careful preparation and coordination with JAPAN POST HOLDINGS Co., Ltd. was necessary.

Q: On page 12 of the Conference Call material, there is a statement that the amount of the acquisition of treasury stock might end up being significantly less than ¥35.0 billion. On the other hand, it has already been announced that JAPAN POST HOLDINGS Co., Ltd. will sell ¥17.5 billion worth of shares via ToSTNeT-3. If this announcement materializes, acquisition from the market is likely to be achieved as planned, and the amount of share repurchase is not likely to be significantly less than ¥35.0 billion. Is this correct?

- In the current acquisition of treasury stock, we will need to maintain the voting rights ownership ratio of JAPAN POST HOLDINGS Co., Ltd. after the acquisition at the same level as before the acquisition, and the number of shares that can be acquired from the market is subject to certain limitations. This means the amount of acquisition may go down, if the share price falls as we purchase the shares in the market.

Q: If the share price falls on or after August 12, the amount of the acquisition is expected to be constrained by the maximum number of shares to be acquired. Is it possible to control the pace of acquisition, in view of the trend of the share price?

- As the market purchases shall be executed based on a discretionary transaction contract, we will not be able to control the pace of repurchase, depending on the market price trend.

<Financial Result>

Q: Please elaborate on the originally anticipated reasons, as well as the unexpected reasons (presumably, primarily COVID-19) for the decrease in core profit attributable to life insurance activities, with reference to a year-on-year comparison for both.

- Core profit attributable to life insurance activities on a full-year basis is expected to decrease by ¥130.0 billion year on year. In 1Q, operating expenses were lower than expected, thanks to lower-than-expected personnel expenses and policy expenses, while insurance claims payments for COVID-19 increased.
- As a result, while core profit remained firm, core profit attributable to life insurance activities were lower than expected.

Q: While profit decreased year on year, total income taxes remained largely the same year on year. Could you explain why?

- While net capital losses are offset by reversal of price fluctuation reserves under our accounting practice, impairment losses of securities, which was the factor behind the decrease in profit in question, was taxable (not deductible for tax purpose), resulting in no difference to taxable income. Thus, total income taxes remained largely the same year on year.

Q: The amount of net capital gains (losses) does not match that of the reversal of price fluctuation reserves. Could you explain why?

- Under our accounting practice, the amount equivalent to net capital gains (losses) (excluding gains from cancellation of investment trusts), and exchange-related hedging costs are offset by

the price fluctuation reserves.

- On the other hand, for price fluctuation reserves, provision of the statutory standard amount plus a certain amount in excess thereof is recorded. This is why the amount of net capital gains (losses) does not necessarily match the amount of provision or reversal of the price fluctuation reserves on financial statements.

<Asset Management>

Q: Please provide more details regarding the impairment losses. Also, are you not considering a reduction of the tax burden by selling the funds that are recording impairment losses?

- Impairment losses were incurred in the privately held investment trusts, as well as stocks and investment trusts held as money held in trust.
- While we would like to refrain from making comments on specific investment activities concerning individual funds, we will engage in investment activities based on a comprehensive consideration of all factors.

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