Questions and Answers Topic (5-1): Insurance product strategy of automobile insurance

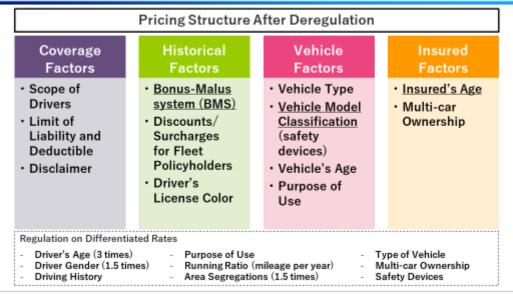
Q-1: [From Insurance Company-Underwriting]

As we know, in Japan, risks used to be classified by type, size and engine displacement of the insured vehicle, how do these factors directly affect to the premium rating plan?

A-1:

We don't directly use factors like size and engine displacement. However, we do have Vehicle Model Classification (as shown in slide 18 and 26) for each type of vehicle, and it includes the risks of these factors.

3. Pricing Structure

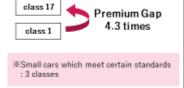


3. Pricing Structure

Vehicle Model Classification

Features of Vehicle Model Classification

- Adopted by the General Insurance Rating Organization (Reference Loss Cost Rate)
- For only passenger cars for personal use (17 classes or 3 classes)
- Revised in every January with each vehicle model's historical accident data
- Classes of 3rd Party (Bodily Injury)/3rd Party (Property Damage)/Bodily Injury Indemnity/Own Vehicle Damage are separately set for each vehicle model



	3rd Party Bodily Injury	3rd Party Property Damage	Bodily Injury Indemnity	Vehicle Own Damage
Model A	class 7	class 5	class 5	class 7
Model B	class 9	class 5	class 10	class 6
Model C	class 10	class 3	class 6	class 9

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Q-2: [From Insurance Company-Loss Adjustment]

In term of self-driving vehicle in Japan, is there any law revised to state the liability of driver? If any, how do Japanese insurance company response?

A-2

The Road Traffic Act was revised in April 2020, and some obligations and driving-related customs while self-driving are stipulated (e.g. Drivers can use cellphones while driving!).

Japanese insurance companies and the GIROJ are now sorting out the various legal relationships to establish a prompt compensation regime when accidents occur during self-driving.