

(Note) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

JAPAN POST HOLDINGS

**NOTICE OF THE 16TH ANNUAL GENERAL
MEETING OF SHAREHOLDERS**

Date and Time	Friday, June 18, 2021 at 10:00 a.m. (JST) (The reception of the attendees to the meeting at the reception desk shall start at 9:00 a.m.)
Place	Ballroom, B2F, The Prince Park Tower Tokyo 4-8-1 Shibakoen, Minato-ku, Tokyo *Please see the information map on the back cover.

< Preventing the spread of the novel coronavirus >

We request your understanding and cooperation with the following countermeasures to prevent the spread of the novel coronavirus infection.

- We strongly recommend that you exercise your voting rights in advance via the Internet, etc. or by returning your voting form, and refrain from attending the meeting in person.
- On the day of the General Meeting of Shareholders, meeting will be streamed live on the Internet so that you can view it at your home.
- We will accept questions from shareholders in advance. Details will be announced on the Company website as soon as they are decided.

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Exercise due date by mail:

To be received no later than 5:15 p.m. on Thursday, June 17, 2021 (JST)

Exercise due date via the Internet:

No later than 5:15 p.m. on Thursday, June 17, 2021 (JST)

Japan Post Holdings Co., Ltd.

Securities Identification Code: 6178

The main details of this Notice of General Meeting of Shareholders can be viewed on PCs and smartphones.
<https://p.sokai.jp/6178/>

Japan Post Group Management Philosophy

Stressing the security and confidence of the Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees.

The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.



“Everything for Our Customers”

To Our Shareholders

I would like to express our sincere gratitude to all our shareholders.

My name is MASUDA Hiroya, I am Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.

I would like to express my deepest sympathies to all those affected by the novel coronavirus (COVID-19).

Regarding Japan Post Insurance’s products, investment trusts, and tie-up financial products (variable annuity insurance, medical insurance with relaxed underwriting conditions, and accident insurance), which we have refrained from selling at post offices, etc. since last fiscal year, we apologize for the inconvenience this has created for our customers since October 5 of last year and we aim to restore trust with the shift since April 1 to a new approach to business of financial products.

In this new approach, we will build a relationship of trust with our customers by providing information of financial products that meet their needs, while continuing our business operations in a way that restores their trust and meets their expected needs.

The entire Group will continue to make concerted efforts to regain the trust of our customers so that they can once again use our products and services with peace of mind.

In addition, we announced our new medium-term management plan, “JP Vision 2025,” which is scheduled to run from fiscal 2021 to fiscal 2025, with the aim of increasing the corporate value toward the new growth of the Group.

We aim to be a “co-creation platform” that supports customers and local communities. By promoting digital transformation (DX), and by promoting unprecedented collaboration with various companies outside the Group through combining the post office’s actual network, which is our strength with “digital post office,” we aim to provide new value to customers of a wide range of ages and all communities.

In addition to enhancing and strengthening core businesses such as postal services, logistics, banking, and life insurance, we will transform our business portfolio by expanding our real estate business and promoting new businesses, thereby realizing new growth for the Group.

In 2021, the Japan Post Group celebrates the 150th anniversary of the founding of the postal service in 1871. Under the slogan “Everything for Our Customers” we will return to the starting point and make every effort to reform ourselves so that we can be loved and chosen by our local customers.

I kindly ask that our shareholders continue to support and provide encouragement to the Japan Post Group.

Japan Post Holdings Co., Ltd.
Director and Representative Executive Officer, President & CEO
MASUDA Hiroya



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June 2, 2021

Dear Shareholders,

MASUDA Hiroya
Director and Representative Executive Officer,
President & CEO
Japan Post Holdings Co., Ltd.
2-3-1 Otemachi, Chiyoda-ku, Tokyo

NOTICE OF THE 16TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 16th Annual General Meeting of Shareholders of Japan Post Holdings Co., Ltd. (hereinafter referred to as the “Company”), which will be held as described below.

In order to prevent the spread of infection, we encourage shareholders as far as possible to exercise your voting rights for this General Meeting of Shareholders by electromagnetic means (via the Internet, etc.) or in writing (voting form), and we ask that you refrain from attending the General Meeting of Shareholders in person.

Please review the attached Reference Documents for the General Meeting of Shareholders (pages 12 to 27) and follow the Instructions for the Methods of Exercise of Voting Rights to exercise your voting rights by 5:15 p.m. on Thursday, June 17, 2021 (JST).

<Instructions for the Methods of Exercise of Voting Rights>

By the exercise of voting rights via the Internet, etc.

“Smart voting” by scanning the QR code or access the Internet voting website and input your approval or disapproval by 5:15 p.m. on Thursday, June 17, 2021 (JST), which is the day immediately preceding the Annual General Meeting of Shareholders.

→Please refer to the attached “Instructions for Exercise of Voting Rights via the Internet, etc.” on page 8.

By submitting the voting form by mail

Please indicate your approval or disapproval on the voting form enclosed to exercise your voting rights, and return it to us by mail so it will arrive by 5:15 p.m. on Thursday, June 17, 2021 (JST), which is the day immediately preceding the Annual General Meeting of Shareholders.

Details

1. Date and Time: Friday, June 18, 2021 at 10:00 a.m. (JST)
(The reception of the attendees to the meeting at the reception desk shall start at 9:00 a.m.)

2. Place: Ballroom, B2F, The Prince Park Tower Tokyo
4-8-1 Shibakoen, Minato-ku, Tokyo

* Seats are spaced apart in order to prevent the spread of COVID-19. Therefore, depending on the number of visitors, there may be a shortage of seats and some people may be refused admission. We thank you for your understanding in advance.

* This Annual General Meeting of Shareholders will be conducted live online and questions will be accepted in advance, so please check page 6 and consider using this service.

3. Meeting Agenda

Matters to be reported:

1. The Business Report, Consolidated Financial Statements and results of audits by the Independent Auditor and the Audit Committee on the Consolidated Financial Statements for the Company's 16th Term (April 1, 2020 to March 31, 2021)
2. Non-consolidated Financial Statements for the Company's 16th Term (April 1, 2020 to March 31, 2021)

Proposals to be resolved:

Proposal: Election of Thirteen (13) Directors

* If you plan to attend in person, please submit the enclosed voting form at the reception desk upon your arrival.

* Among the documents to be provided to this notice, the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements are posted on the Company's Web site (<https://www.japanpost.jp/en>) pursuant to laws and regulations, as well as Article 16 of the Articles of Incorporation of the Company, and are accordingly not included with the documents attached with this notice. The Consolidated Financial Statements and Non-consolidated Financial Statements, which have been audited by the Audit Committee and Independent Auditor, include the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements posted on the Company's Web site.

* Any amendments to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements and the Non-consolidated Financial Statements will be disclosed on the Company's Web site (<https://www.japanpost.jp/en/>).

* The meeting will be held in Japanese. We allow shareholders to be accompanied by an interpreter (sign-language interpreters included). If you wish to be accompanied by an interpreter, please apply for permission at the reception on the day.

* We will not be handing out small gifts to the shareholders at the meeting.

Responses to Prevent the Spread of the Novel Coronavirus Infection at the 16th Annual General Meeting of Shareholders of the Company

The following is an explanation of the responses being implemented to prevent the spread of the novel coronavirus infection at the 16th Annual General Meeting of Shareholders of the Company.

We hope for the understanding and cooperation by all shareholders.

<Request and explanation to shareholders>

- At the venue of General Meeting of Shareholders, we request your cooperation with measures including always wearing a mask and using disinfectant. If you do not cooperate, you may be asked to refrain from entering the venue.
- We ask for your cooperation in taking your temperature when you enter the venue. In addition, attendees found to be with fever may be questioned and assisted by the staff, and may be asked to refrain from entering the venue.
- We will ensure spacing between the seats at the meeting venue. As a result, the number of seats has decreased. Please note that shareholders may be refused entry.
- To enable the meeting to proceed smoothly, please refrain from questions concerning matters other than the purpose of the meeting.

<Company's response>

- Staff will check their physical condition physical condition.
- Staff shall attend with masks on.
- In addition to the reception area, we will install alcohol disinfectant in various places in the venue.

Should there be any major change to the holding and management plan of the General Meeting of Shareholders due to future circumstances, it will be announced on the Company's website (<https://www.japanpost.jp/>) (in Japanese only). Please be sure to check the latest information before coming to the venue.

**Information on live streaming over the internet and accepting questions in advance
(in Japanese only)**

1. Live Internet Streaming

The 16th Annual General Meeting of Shareholders will be streamed live on the Internet so that shareholders who have refrained from attending will be able to view the meeting at home.

<How to view>

To view the proceedings, access the information page below and click on the link, labelled “Annual General Meeting of Shareholders Live Internet Streaming” to access the viewing site.

<Date of meeting>

Friday, June 18, 2021 from 10:00 a.m. (JST)

[Notes]

Please keep the following points in mind.

- You may neither exercise your voting rights nor ask a question via live streaming.
- The proceedings will be streamed from the back of the venue, and due care will be taken not to include images of shareholders attending the meeting. However, please be aware that some shareholder images may inevitably appear in the streaming.
- Comments made by shareholders attending the meeting will also be broadcast as audio. Please be conscious of personal information.
- When viewing the meeting, there may be problems with video and audio for any of various reasons, including your computer environment (function, performance), Internet connection, and concentrated accesses to the website by numbers of shareholders.
- Shareholders will be responsible for the communication charges, etc. incurred when viewing the meeting.
- We strictly prohibit filming or recording the live broadcast, or posting it on the Internet.

2. Accepting questions in advance

We will accept questions from our shareholders regarding matters to be reported and matters to be resolved at the 16th Annual General Meeting of Shareholders.

Details will be announced on the following information page as soon as they are decided.

Information page	https://www.japanpost.jp/ir/stock/meetings/ The Company’s website > Investor Relations > Stock Information > General Meeting of Shareholders
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Instructions for Exercise Method of Voting Rights

A voting right at the General Meeting of Shareholders is an important right of shareholders.

Please refer to the Reference Documents for the General Meeting of Shareholders later in this document (pages 12 to 27) and exercise your voting rights. You may exercise your voting rights by one of the following three methods:

1. By the exercise of voting rights via the Internet, etc.

Please scan the QR code on the voting form using your smartphone, etc., or access the website (<https://www.web54.net/>) and exercise your voting rights following the on-screen instructions.

Exercise due date: No later than 5:15 p.m. on Thursday, June 17, 2021 (JST)

■ Handling duplicate vote

If you exercise your voting rights both by mail and electromagnetic means (via the Internet, etc.), then your electromagnetic means will be the vote that is recorded.

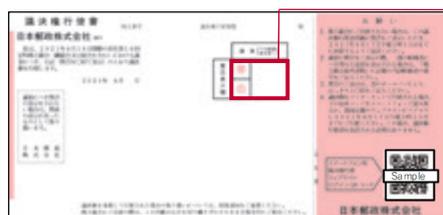
Furthermore, if you exercise your voting rights via the Internet more than once or in duplicate through personal computers, smartphones or mobile phones, the last vote received shall be deemed valid.

2. By submitting the voting form by mail

To exercise your voting right in writing, please indicate your approval or disapproval on the voting form and post it to the Company without a postage stamp.

Exercise due date: To be received no later than 5:15 p.m. on Thursday, June 17, 2021 (JST)

■ Instructions for entry method of the voting form



Please indicate your approval or disapproval for each proposal.

Proposal

If you approve all candidates:

Mark a in the box marked “賛”

If you disapprove all candidates:

Mark a in the box marked “否”

If you disapprove of some candidates:

Mark a in the box marked “賛” and write the candidates' number of whom you disapprove.

[Handling of the exercise of voting rights]

In the event that no indication of approval or disapproval on the voting form has been made, this shall be treated as the intent of approval for the Proposal.

3. By attending the General Meeting of Shareholders

Please submit the enclosed voting form to the reception desk of the meeting. (A personal seal will not be required.)

Date and Time: Friday, June 18, 2021 at 10:00 a.m. (The reception of the attendees to the meeting at the reception desk shall start at 9:00 a.m.) (JST)

Place: Ballroom, B2F, The Prince Park Tower Tokyo
4-8-1 Shibakoen, Minato-ku, Tokyo
(Please see the information map at the end)

To Institutional Investors

The electronic voting platform for institutional investors operated by Investor Communications Japan Inc. is available for institutional investors that have applied to use such platform in advance.

[Diverse exercise of voting rights]

Shareholders who will make a diverse exercise of voting rights are requested to notify the Company in writing of their intention to do so and state their reason for this no later than three (3) days before the General Meeting of Shareholders.

Instructions for Exercise of Voting Rights via the Internet, etc.

How to Scan the QR Code of “Smart Vote”

You can log in to the voting website without entering your voting code and password.

1. Please scan the QR code on the lower right of the voting form.

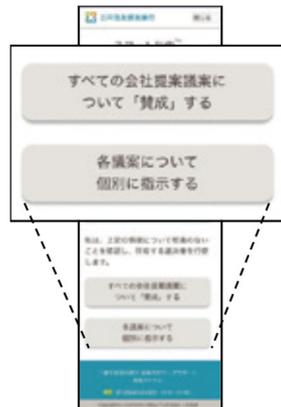
* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.



2. Input your approval or disapproval by following the instructions displayed on the screen.

You may exercise your voting rights by “Smart Vote” only once.

If you wish to change your vote after exercising your voting rights, please access the voting website, log in by entering the voting rights exercise code and password indicated on the voting form, and exercise your voting rights again.



* You can access the website for exercising voting rights by scanning the QR code again.

How to Enter the Voting Code and Password

Internet voting website: <https://www.web54.net>

1. Please access the internet voting website.

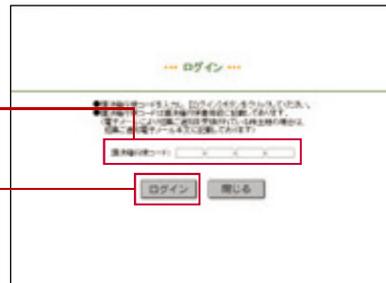
Click on “次へすすむ (NEXT).”



2. Enter the “議決権行使コード (voting code)” indicated on the voting form

Enter the “議決権行使コード (voting code)”

Click on “ログイン (Log in).”



3. Enter the “パスワード (password)” indicated on the voting form and click on “次へ (NEXT).”

[Note]

If you received this notice by MyPost, the password column on the right hand side of the voting rights exercise card is displayed as “*****.” Please enter the password you selected when confirming registration of MyPost receipt.

4. Input your approval or disapproval by following the instructions displayed on the screen.

If you have any technical inquiries regarding the operation of a PC, mobile phone or smartphone for voting via the Internet, please contact the following:

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-652-031 (toll-free and available from 9:00 a.m. to 9:00 p.m., only in Japan)

- * If you vote both by post and via the Internet, etc., we will treat only the vote submitted via the Internet, etc. as valid.
- * If you exercise your voting rights via the Internet, etc. multiple times, only the last vote exercised will be treated as valid.
- * The Internet voting website may not be available depending on usage environment of the Internet, etc., services to which you subscribe, or device model you use.
- * The costs incurred when accessing the Internet voting website, including Internet access fees and communication expenses will be borne by the shareholder.

**If you have any technical inquiries regarding the operation of a PC, etc.
for voting via the Internet, etc., please contact the following:**

Stock Transfer Agency Web Support, Sumitomo Mitsui Trust Bank, Limited

Tel: 0120-652-031 (toll-free and available from 9:00 a.m. to 9:00 p.m., only in Japan)

**You can also receive this notice in digital format using MyPost. If you desire, please access the
following website from your computer and follow the directions.**

***MyPost is the name of an online postal mail receipt service provided by Japan Post.**

<https://www.mypost.post.japanpost.jp>

Inquiries on “MyPost”

Tel: 0120-343-389 (toll-free and available from 10:00 a.m. to 6:00 p.m. excluding Saturdays, Sundays, holidays and the new year holidays (December 29 - January 3); only in Japan)

About the 16th Term Year-end Dividend

We hereby notice that a resolution was passed by the Board of Directors Meeting held on May 14, 2021 as follows:

1. Year-end Dividend
¥50 per share
2. Effective date
June 15, 2021

A resolution was passed by the Board of Directors Meeting held on May 14, 2021 setting the year-end dividend at ¥50 per share, with the date of entry into force (payment start date) set as June 15, 2021, per the provisions of the Articles of Incorporation.

Since there has not been an interim dividend and the year-end dividend is paid once a year, the annual dividend for the fiscal year under review will be ¥50 per share.

“Annual Dividend Receipt” (“Dividend Calculation Sheet” and “Payment of Dividend via Bank Transfer” for shareholders who have requested dividend payment via account transfer) will be enclosed and delivered with the “Notice Regarding Year-end Dividends for the 16th Term.”

Since this dividend will be paid from capital surplus rather than the usual retained earnings, the tax treatment is different.

Details on the treatment are provided in the “Notice Regarding Year-end Dividends for the 16th Term.”

Description of main procedures, queries and other matters	Description of main procedures, queries and other matters
<ul style="list-style-type: none"> ▪ Procedures for designating the method of receiving dividend payments ▪ Procedures for change of address, name and other details ▪ Procedures for requesting the buyback or additional purchase of shares constituting less than one unit 	<ul style="list-style-type: none"> ▪ Queries about dividends after the payment period has passed ▪ Queries about the shipping and return of shipment ▪ General inquiries regarding dividends from the capital surplus ▪ General inquiries about other stock handling matters
▼	
Contact	Contact
<p style="text-align: center;">Securities companies and other entities where brokerage accounts are opened</p>	<p style="text-align: center;">2-8-4 Izumi, Suginami-ku Tokyo, 168-0063, Japan Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited 0120-580-840 (toll free in Japan) (Open weekdays except holidays from 9:00 a.m. to 5:00 p.m.)</p>

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal: Election of Thirteen (13) Directors

The terms of office of all of the current thirteen (13) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of thirteen (13) directors is proposed on the basis of the decision by the Nomination Committee.

The candidates for Directors are as follows:

Candidate No.	Name	Current position and responsibilities in the Company	
1	MASUDA Hiroya	Director and Representative Executive Officer, President & CEO, Member of the Nomination Committee, Member of the Compensation Committee	Reelection
2	IKEDA Norito	Director	Reelection
3	KINUGAWA Kazuhide	Director	Reelection
4	SENDA Tetsuya	Director	Reelection
5	MIMURA Akio	Outside Director, Chairperson of the Nomination Committee	Reelection Outside Independent
6	ISHIHARA Kunio	Outside Director, Member of the Nomination Committee, Member of the Compensation Committee	Reelection Outside Independent
7	Charles Ditmars Lake II	Outside Director	Reelection Outside Independent
8	HIRONO Michiko	Outside Director	Reelection Outside Independent
9	OKAMOTO Tsuyoshi	Outside Director, Chairperson of the Compensation Committee, Member of the Nomination Committee	Reelection Outside Independent
10	KOEZUKA Miharu	Outside Director, Member of the Audit Committee	Reelection Outside Independent
11	AKIYAMA Sakie	Outside Director	Reelection Outside Independent
12	KAIAMI Makoto	Outside Director, Member of the Audit Committee	Reelection Outside Independent
13	SATAKE Akira	Outside Director, Chairperson of the Audit Committee (standing)	Reelection Outside Independent

- Notes: 1. The Company has entered into limited liability agreement with Mr. IKEDA Norito, Mr. KINUGAWA Kazuhide, Mr. SENDA Tetsuya, Mr. MIMURA Akio, Mr. ISHIHARA Kunio, Mr. Charles Ditmars Lake II, Ms. HIRONO Michiko, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto and Mr. SATAKE Akira to limit their liabilities, to the minimum liability amount stipulated by Article 425, paragraph 1 of the Companies Act. If they are reelected as directors, the Company plans to continue the above limited liability agreement with them.
2. The Company has concluded indemnity agreement with each director as provided for in Article 430-2, paragraph 1 of the Companies Act, and the Company shall compensate for the expenses set forth in item 1 of the same paragraph and the losses set forth in item 2 of the same paragraph within the scope prescribed by laws and regulations. If they are reelected, the Company plans to continue the above indemnity agreement with them.
3. The Company has entered into a directors and executive officers liability insurance policy with an insurance company. The insurance policy covers indemnification for damages and lawsuit expenses, etc. incurred by the insured, including the directors, if they are subject to claims for indemnification for damages arising from their

action (including omission) related to their duties as officers of the Company. In addition, the Company plans to renew the policy with the same terms at next renewal.

4. Mr. MIMURA Akio, Mr. ISHIHARA Kunio, Mr. Charles Ditmars Lake II, Ms. HIRONO Michiko, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto and Mr. SATAKE Akira are Independent Directors, whose appointment is required by the Tokyo Stock Exchange, Inc. to ensure the protection of general shareholders' interests.
5. Ms. HIRONO Michiko's name on her family register is FUJII Michiko.

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">1</p> <p style="text-align: center;">MASUDA Hiroya (Dec. 20, 1951)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Director 1 year</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Nomination Committee's meetings 1/1 (100%)</p> <p>Attendance at Compensation Committee's meetings 5/5 (100%)</p> <p>[Reelection]</p>	<p>Apr. 1977 Joined the Ministry of Construction</p> <p>Jul. 1994 Director for Construction Disputes Settlement of Construction Industry Division of Ministry of Construction, Economic Affairs Bureau</p> <p>Apr. 1995 Governor of Iwate Prefecture</p> <p>Aug. 2007 Minister for Internal Affairs and Communications Minister for State for Special Missions of Cabinet Office</p> <p>Apr. 2009 Advisor of Nomura Research Institute, Ltd. Visiting Professor of Graduate School of Public Policy at the University of Tokyo (to present)</p> <p>Jan. 2020 Representative Executive Officer, President & CEO of the Company</p> <p>Jun. 2020 Director and Representative Executive Officer, President & CEO of the Company (to present) Director of Japan Post Co., Ltd. (to present) Director of Japan Post Bank Co., Ltd. (to present) Director of Japan Post Insurance Co., Ltd. (to present)</p> <p>[Position and responsibilities] Director and Representative Executive Officer, President & CEO, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>[Significant concurrent positions] Director of Japan Post Co., Ltd., Director of Japan Post Bank Co., Ltd., Director of Japan Post Insurance Co., Ltd., Visiting Professor of Graduate School of Public Policy at the University of Tokyo</p> <p>[Reasons for nomination as candidate for Director] Mr. MASUDA Hiroya has held key positions in public administration including Governor of Iwate Prefecture and Minister for Internal Affairs and Communications and also has been leading overall management of Japan Postal Group as Director and Representative Executive Officer, President & CEO of the Company. Therefore, he has sufficient knowledge about Japan Postal Group and he can thus be expected to fulfill the responsibilities of making key executive decisions and executing duties of the Company by utilizing his extensive professional experience and track record.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">2</p> <p style="text-align: center;">IKEDA Norito (Dec. 9, 1947)</p> <p>Number of the Company's Shares Owned 2,400 shares</p> <p>Tenure as Director 5 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>[Reelection]</p>	<p>Apr. 1970 Joined The Bank of Yokohama, Ltd.</p> <p>Jun. 1996 Director of The Bank of Yokohama, Ltd.</p> <p>Apr. 2001 Representative Director of The Bank of Yokohama, Ltd.</p> <p>Jun. 2003 Director of The Bank of Yokohama, Ltd and Representative Director and Chairman of Yokohama Capital Co., Ltd.</p> <p>Dec. 2003 President of The Ashikaga Bank, Ltd. (Representative Director)</p> <p>Jun. 2004 President of The Ashikaga Bank, Ltd. (Chief Executive Officer)</p> <p>Sep. 2008 Special Advisor of A.T. Kearney</p> <p>Feb. 2012 President and Representative Director of the Organization to Support Revitalization of Businesses Affected by the Great East Japan Earthquake.</p> <p>Apr. 2016 Representative Executive Officer, President & CEO of Japan Post Bank Co., Ltd.</p> <p>Jun. 2016 Director, Representative Executive Officer, President & CEO of Japan Post Bank Co., Ltd. (to present) Director of the Company (to present)</p> <p>[Position and responsibilities] Director</p> <p>[Significant concurrent positions] Director, President and Representative Executive Officer of Japan Post Bank Co., Ltd.</p> <p>[Reasons for nomination as candidate for Director] Mr. IKEDA Norito has held key management positions including President of the Ashikaga Bank, Ltd. (Representative Director), and has been a member of the management team of Japan Post Bank Co., Ltd., a major subsidiary of the Company, as Director, President and Representative Executive Officer. He can thus be expected to fulfill the responsibilities of making key executive decisions and supervising the execution of duties of executive officers by utilizing his extensive professional experience and track record.</p> <p>[Special interest between candidate for Director and the Company] Mr. IKEDA Norito is currently President and Representative Executive Officer of Japan Post Bank Co., Ltd., which has entered into an agreement concerning group operations with the Company. Under the terms of the agreement, the Company receives payment of brand value usage fees from Japan Post Bank. The two companies also engage in business transactions such as the leasing of real estate.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">3</p> <p style="text-align: center;">KINUGAWA Kazuhide (May 3, 1957)</p> <p>Number of the Company's Shares Owned 14,000 shares</p> <p>Tenure as Director 1 year</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>[Reelection]</p>	<p>Apr. 1980 Joined the Ministry of Posts & Telecommunications</p> <p>Oct. 2007 Executive Officer and Senior General Manager of Human Resources Department of Japan Post Insurance Co., Ltd.</p> <p>Oct. 2010 Managing Executive Officer and Senior General Manager of Human Resources Department of Japan Post Insurance Co., Ltd.</p> <p>Apr. 2011 Managing Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>Feb. 2013 Managing Executive Officer and Senior General Manager of Human Resources Department of Japan Post Insurance Co., Ltd.</p> <p>Jul. 2013 Managing Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>Jul. 2014 Senior Managing Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>Jun. 2016 Senior Managing Executive Officer of the Company (to Jan. 2020)</p> <p>Dec. 2019 Director of Japan Post Co., Ltd.</p> <p>Jan. 2020 President & CEO (Representative Executive Officer) of Japan Post Co., Ltd. (to present)</p> <p>Jun. 2020 Director of the Company (to present)</p> <p>[Position and responsibilities] Director</p> <p>[Significant concurrent positions] President & CEO (Representative Executive Officer) of Japan Post Co., Ltd.</p> <p>[Reasons for nomination as candidate for Director] Mr. KINUGAWA Kazuhide has extensive career experience in the Company and Japan Post Insurance Co., Ltd., a major subsidiary of the Company and has been a member of the management team of Japan Post Co., Ltd., a major subsidiary of the Company, as President & CEO (Representative Executive Officer). He can thus be expected to fulfill the responsibilities of making key executive decisions and supervising the execution of duties of executive officers of the Company by utilizing his extensive professional experience and track record.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">4</p> <p style="text-align: center;">SENDA Tetsuya (Apr. 22, 1960)</p> <p>Number of the Company's Shares Owned 5,200 shares</p> <p>Tenure as Director 1 year</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>[Reelection]</p>	<p>Apr. 1984 Joined the Ministry of Posts & Telecommunications</p> <p>Jul. 2011 Executive Officer and Senior General Manager of Corporate Planning Department of Japan Post Insurance Co., Ltd.</p> <p>Jun. 2013 Managing Executive Officer of the Company (to Jun. 2016)</p> <p>Jul. 2013 Managing Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>Jun. 2016 Senior Managing Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>Nov. 2017 Senior Managing Executive Officer of the Company</p> <p>Apr. 2019 Representative Executive Officer and Executive Vice President of Japan Post Insurance Co., Ltd. (to Jan. 2020)</p> <p>Aug. 2019 Managing Executive Officer of the Company (to Jun. 2020)</p> <p>Jan. 2020 Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd.</p> <p>Jun. 2020 Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd. (to present)</p> <p style="text-align: center;">Director of the Company (to present)</p> <p>[Position and responsibilities] Director</p> <p>[Significant concurrent positions] Director, President and Representative Executive Officer of Japan Post Insurance Co., Ltd.</p> <p>[Reasons for nomination as candidate for Director] Mr. SENDA Tetsuya has extensive career experience in Japan Post Insurance Co., Ltd., a major subsidiary of the Company and has been a member of the management team of Japan Post Insurance Co., Ltd. as Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd. He can thus be expected to fulfill the responsibilities of making key executive decisions and supervising the execution of duties of executive officers of the Company by utilizing his extensive professional experience and track record.</p> <p>[Special interest between candidate for Director and the Company] Mr. SENDA Tetsuya is currently Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd., which has entered into an agreement concerning group operations with the Company. Under the terms of the agreement, the Company receives payment of brand value usage fees from Japan Post Insurance. The two companies also engage in business transactions such as the leasing of real estate.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">5</p> <p style="text-align: center;">MIMURA Akio (Nov. 2, 1940)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Outside Director 8 years</p> <p>Attendance at Board of Directors' meetings 13/14 (92.9%)</p> <p>Attendance at Nomination Committee's meetings 2/2 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	Apr. 1963 Joined Fuji Iron & Steel Co., Ltd. (currently NIPPON STEEL CORPORATION)
	Jun. 1993 Director of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
	Apr. 1997 Managing Director of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
	Apr. 2000 Representative Director and Executive Vice President of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
	Apr. 2003 Representative Director and President of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
	Apr. 2008 Representative Director and Chairman of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION)
	Oct. 2012 Director and Senior Advisor to the Board of Nippon Steel & Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION)
	Jun. 2013 Director of the Company (to present)
	Nov. 2013 Senior Adviser to the Board and Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION)
	Jun. 2018 Honorary Company Fellow and Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (currently NIPPON STEEL CORPORATION)
Apr. 2019 Honorary Company Fellow and Honorary Chairman of NIPPON STEEL CORPORATION (to present)	
<p>[Position and responsibilities]</p> <p>Outside Director, Chairperson of the Nomination Committee</p>	
<p>[Significant concurrent positions]</p> <p>Honorary Company Fellow and Honorary Chairman of NIPPON STEEL CORPORATION, Chairman of the Japan Chamber of Commerce and Industry, Chairman of the Tokyo Chamber of Commerce and Industry, Outside Director of Development Bank of Japan Inc., Outside Director of INCJ (Innovation Network Corporation of Japan), Ltd., Outside Director of Tokio Marine Holdings, Inc., Outside Director of Nisshin Seifun Group Inc.</p>	
<p>[Reasons for nomination as candidate for and expected role as Outside Director]</p> <p>Mr. MIMURA Akio has many years' experience on the management team of Nippon Steel Corporation (currently NIPPON STEEL CORPORATION) as President and Chairman & Representative Director. He can thus be expected to supervise and check the management of the Company by utilizing his knowledge and experience as a management expert.</p>	
<p>[Special interest between candidate for Director and the Company]</p> <p>There is no special interest between the candidate and the Company.</p>	

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">6</p> <p style="text-align: center;">ISHIHARA Kunio (Oct. 17, 1943)</p> <p>Number of the Company's Shares Owned 11,400 shares</p> <p>Tenure as Outside Director 6 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>Attendance at Nomination Committee's meetings 2/2 (100%)</p> <p>Attendance at Compensation Committee's meetings 6/6 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1966 Joined Tokio Marine and Fire Insurance Co., Ltd.</p> <p>Jun. 1995 Director of Tokio Marine and Fire Insurance Co., Ltd.</p> <p>Jun. 1998 Managing Director of Tokio Marine and Fire Insurance Co., Ltd.</p> <p>Jun. 2000 Senior Managing Director of Tokio Marine and Fire Insurance Co., Ltd.</p> <p>Jun. 2001 Director and President of Tokio Marine and Fire Insurance Co., Ltd.</p> <p>Apr. 2002 Director and President of Millea Holdings, Inc.</p> <p>Oct. 2004 Director and President of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p>Jun. 2007 Director and Chairman of the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd.</p> <p> Director and Chairman of the Board of Millea Holdings, Inc.</p> <p>Jul. 2008 Director and Chairman of the Board of Tokio Marine Holdings, Inc.</p> <p>Jun. 2013 Senior Adviser to the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. (to present)</p> <p>Jun. 2015 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director, Member of the Nomination Committee, Member of the Compensation Committee</p> <p>[Significant concurrent positions] Senior Adviser to the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd., Outside Audit & Supervisory Board Member of Tokyu Corporation, Outside Director and Audit and Supervisory Committee Member of NIKON CORPORATION, Outside Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. ISHIHARA Kunio has many years' experience on the management team of Tokio Marine & Nichido Fire Insurance Co., Ltd. as Director and President/Chairman. He can thus be expected to supervise and check the management of the Company by utilizing his knowledge and experience as a management expert.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">7</p> <p>Charles Ditmars Lake II (Jan. 8, 1962)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Outside Director 5 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Aug. 1992 Director for Japan Affairs of Office of the U.S. Trade Representative</p> <p>Jul. 1993 Director for Japan Affairs and Special Counsel to the Deputy U.S. Trade Representative</p> <p>Jan. 1995 Attorney at Dewey Ballantine LLP</p> <p>Jun. 1999 Vice President and Counsel of Japan Branch, American Family Life Assurance Company of Columbus (Aflac Japan)</p> <p>Jul. 2001 Deputy President of Aflac Japan</p> <p>Jan. 2003 President and Representative of Aflac Japan</p> <p>Apr. 2005 Vice Chairman and Representative of Aflac Japan</p> <p>Jul. 2008 Chairman and Representative of Aflac Japan</p> <p>Jan. 2014 President and Member of the Board of Directors of Aflac International Incorporated (to present)</p> <p>Jun. 2016 Director of the Company (to present)</p> <p>Apr. 2018 Chairman and Representative Director of Aflac Life Insurance Japan Ltd. (to present)</p> <p>[Position and responsibilities] Outside Director</p> <p>[Significant concurrent positions] Chairman and Representative Director of Aflac Life Insurance Japan Ltd., President and Member of the Board of Directors of Aflac International Incorporated, Outside Director of Tokyo Electron Ltd.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. Charles Ditmars Lake II has many years' experience of corporate management as Chairman and Representative Director and other senior management positions in Aflac Life Insurance Japan Ltd. He can thus be expected to supervise and check the management of the Company by utilizing his experience and knowledge as a highly experienced management expert.</p> <p>[Special interest between candidate for Director and the Company] Mr. Charles Ditmars Lake II is Chairman and Representative Director of Aflac Life Insurance Japan Ltd., which has entered into a comprehensive business alliance agreement etc. with the Company. There are transactions between the said company and the Group related to a solicitation agent agreement and other agreements based on the said business alliance agreement. However, the business entrustment fees, etc. that the said company pays to the Group is immaterial and less than 1% of the average annual consolidated ordinary income of the Company for the past three fiscal years.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">8</p> <p style="text-align: center;">HIRONO Michiko (FUJII Michiko) (Mar. 18, 1961)</p> <p>Number of the Company's Shares Owned 4,900 shares</p> <p>Tenure as Outside Director 5 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Feb. 1989 Joined Venture Link Co., Ltd.</p> <p>Jul. 1993 Joined Plaza Create Co., Ltd.</p> <p>May 1997 Managing Director of PokkaCreate Co., Ltd.</p> <p>Jul. 1998 Senior Vice-President, K.K. MVC</p> <p>Jul. 1998 Vice President of Tully's Coffee Japan Co., Ltd.</p> <p>Mar. 2000 Found 21 Lady Co., Ltd, President</p> <p>Jun. 2002 Representative Director and President of HIROTA Co, Ltd.</p> <p>Mar. 2010 Representative Director and President of Illums Japan Co., Ltd.</p> <p>Nov. 2011 Representative Director, Chairman and President of HIROTA Co, Ltd.</p> <p>Jun. 2014 Outside Director of Japan Post Co., Ltd.</p> <p>Jun. 2016 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. HIRONO Michiko has many years' experience on the management teams of business corporations such as 21 Lady Co., Ltd. as President. She can thus be expected to supervise and check the management of the Company by utilizing her knowledge and experience as a management expert.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>
<p style="text-align: center;">9</p> <p style="text-align: center;">OKAMOTO Tsuyoshi (Sep. 23, 1947)</p> <p>Number of the Company's Shares Owned 3,200 shares</p> <p>Tenure as Outside Director 3 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>Attendance at Nomination Committee's meetings 2/2 (100%)</p> <p>Attendance at Compensation Committee's meetings 6/6 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1970 Joined Tokyo Gas Co., Ltd.</p> <p>Jun. 2002 Executive Officer of Tokyo Gas Co., Ltd.</p> <p>Apr. 2004 Senior Executive Officer of Tokyo Gas Co., Ltd.</p> <p>Jun. 2004 Director, Senior Executive Officer of Tokyo Gas Co., Ltd.</p> <p>Apr. 2007 Representative Director, Executive Vice President of Tokyo Gas Co., Ltd.</p> <p>Apr. 2010 Representative Director, President of Tokyo Gas Co., Ltd.</p> <p>Apr. 2014 Director, Chairman of Tokyo Gas Co., Ltd.</p> <p>Jun. 2016 Outside Director of Japan Post Bank Co., Ltd.</p> <p>Apr. 2018 Director, Senior Corporate Advisor of Tokyo Gas Co., Ltd.</p> <p>Jun. 2018 Director of the Company (to present)</p> <p>Jul. 2018 Senior Corporate Advisor of Tokyo Gas Co., Ltd. (to present)</p> <p>[Position and responsibilities] Outside Director, Chairperson of the Compensation Committee, Member of the Nomination Committee</p> <p>[Significant concurrent positions] Senior Corporate Advisor of Tokyo Gas Co., Ltd., Outside Director of Asahi Kasei Corporation, Outside Director of Mitsubishi Estate Co., Ltd.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. OKAMOTO Tsuyoshi has many years' experience on the management team of Tokyo Gas Co., Ltd. as Representative Director, President and Chairman. He can thus be expected to supervise and check the management of the Company by utilizing his knowledge and experience as a management expert.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">10</p> <p style="text-align: center;">KOEZUKA Miharu (Sep. 2, 1955)</p> <p>Number of the Company's Shares Owned 3,000 shares</p> <p>Tenure as Outside Director 3 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>Attendance at Audit Committee's meetings 20/20 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1979 Joined Takashimaya Company, Limited</p> <p>May 2007 Executive Officer of Takashimaya Company, Limited</p> <p>Mar. 2009 Senior Executive Officer of Takashimaya Company, Limited</p> <p>Feb. 2010 President (Representative Director) of Okayama Takashimaya Co., Ltd.</p> <p>May 2013 Director of Takashimaya Company, Limited</p> <p>Sep. 2013 Senior Managing Director (Representative Director) of Takashimaya Company, Limited Director of Okayama Takashimaya Co., Ltd. (to present)</p> <p>Mar. 2016 Director of Takashimaya Company, Limited</p> <p>May 2016 Advisor of Takashimaya Company, Limited</p> <p>Oct. 2016 Representative Director and President of Dear Mayuko Co., Ltd.</p> <p>Mar. 2018 Advisor of Dear Mayuko Co., Ltd.</p> <p>Jun. 2018 Director of the Company (to present)</p> <p>Mar. 2020 Counselor of Takashimaya Company, Limited (to present)</p> <p>[Position and responsibilities] Outside Director, Member of the Audit Committee</p> <p>[Significant concurrent positions] Counselor of Takashimaya Company, Limited, Director of Okayama Takashimaya Co., Ltd., Outside Director of Nankai Electric Railway Co., Ltd., Outside Director of Nippon Paint Holdings Co., Ltd.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. KOEZUKA Miharu has many years' experience on the management team of Takashimaya Company, Limited as Senior Managing Director (Representative Director). She can thus be expected to supervise and check the management of the Company by utilizing her knowledge and experience as a management expert.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>
<p style="text-align: center;">11</p> <p style="text-align: center;">AKIYAMA Sakie (Dec. 1, 1962)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Outside Director 2 years</p> <p>Attendance at Board of Directors' meetings 14/14 (100%)</p> <p>Attendance at Audit Committee's meetings 5/5 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1987 Joined Arthur Andersen & Co. (currently Accenture Japan Ltd)</p> <p>Apr. 1994 Found Saki Corporation, Representative Director and President</p> <p>Sep. 2018 Founder (Advisor) of Saki Corporation (to present)</p> <p>Jun. 2019 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director</p> <p>[Significant concurrent positions] Founder (Advisor) of Saki Corporation, Outside Director of Sony Corporation, Outside Director of ORIX Corporation, Outside Director of Mitsubishi Corporation</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. AKIYAMA Sakie has many years' experience in the management of Saki Corporation as Representative Director and President. She can thus be expected to supervise and check the management of the Company by utilizing her knowledge and experience as an expert in management developed throughout her career.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">12</p> <p style="text-align: center;">KAIAMI Makoto (Oct. 5, 1951)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Outside Director 1 year</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Audit Committee's meetings 15/15 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1978 Appointed as a judge</p> <p>Apr. 2000 Division-head Judge of Tokyo District Court</p> <p>Jul. 2007 Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, Ministry of Justice</p> <p>Jul. 2009 Judge of Tokyo High Court</p> <p>Dec. 2009 President of Wakayama District / Family Court</p> <p>Jan. 2011 President of Nagano District / Family Court</p> <p>Nov. 2012 Division-head Judge of Tokyo High Court</p> <p>Jul. 2014 President of Tokyo Family Court</p> <p>Jun. 2015 President of Tokyo District Court</p> <p>Feb. 2017 Registered as Attorney (to present)</p> <p>Sep. 2018 Joined Otemachi Law Office (to present)</p> <p>Jun. 2020 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director, Member of the Audit Committee</p> <p>[Significant concurrent positions] Attorney, Outside Audit & Supervisory Board Member of SEIREN, Co., Ltd., Outside Director of Tokyu Fudosan Holdings Corporation</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. KAIAMI Makoto has many years' experience in the legal profession, including serving as President of Tokyo District Court. He can thus be expected to supervise and check the management of the Company by utilizing his knowledge and experience as a legal expert developed throughout his career. He has not been involved in corporate management other than as an Outside Director, but we consider him to be a suitable candidate to perform the duties of Outside Director of the Company for the reasons stated above.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company	
13 SATAKE Akira (Dec. 8, 1955) Number of the Company's Shares Owned – shares Tenure as Outside Director 1 year Attendance at Board of Directors' meetings 12/12 (100%) Attendance at Audit Committee's meetings 15/15 (100%) [Reelection] [Outside] [Independent]	Apr. 1979 Apr. 2011 Apr. 2013 Apr. 2016 Jun. 2017 Jun. 2018 Apr. 2019 Jun. 2019 Jun. 2020	Joined SUMITOMO CORPORATION Executive Officer and General Manager of Planning & Administration Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit of SUMITOMO CORPORATION Managing Executive Officer, General Manager of Finance Dept. of SUMITOMO CORPORATION Senior Managing Executive Officer of SUMITOMO CORPORATION Director and Senior Managing Executive Officer of Sumitomo Precision Products Co., Ltd. Director and Executive Vice President of Sumitomo Precision Products Co., Ltd. Adviser of SUMITOMO CORPORATION Outside Director of Japan Post Insurance Co., Ltd. Director of the Company (to present) [Position and responsibilities] Outside Director, Chairperson of the Audit Committee (standing) [Reasons for nomination as candidate for and expected role as Outside Director] Mr. SATAKE Akira has many years' experience in management and finance divisions of Sumitomo Precision Products Co., Ltd., etc. as Director and Executive Vice President and has deep and extensive knowledge of finance and accounting. He can thus be expected to supervise and check the management of the Company by utilizing his knowledge and experience as an expert in management developed throughout his career. [Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.

- Notes: 1. Attendance at Board of Directors' meetings, Nomination Committee's meetings, Audit Committee's meetings, and Compensation Committee's meetings refers to attendance in the fiscal year ended March 31, 2021. In case where a person has assumed office in the middle of the fiscal year, attendance after assuming office is stated.
2. Tenure refers to the number of years served as of the date of the conclusion of this Annual General Meeting of Shareholders.
3. Ms. HIRONO Michiko will assume the position as Outside Director of Nissin Manufacturing Co., Ltd. on June 25, 2021.
4. Tokyo Gas Co., Ltd., at which Mr. OKAMOTO Tsuyoshi serves as Senior Corporate Advisor, received a cease and desist order from the Consumer Affairs Agency in July 2017, which was during Mr. OKAMOTO's tenure as Director and Chairman. The order was issued because a leaflet for an event held in November 2016 contained misleading representation of advantages prohibited under the Act against Unjustifiable Premiums and Misleading Representations.
5. Takashimaya Company, Limited, at which Ms. KOEZUKA Miharuru serves as Counselor, received cease and desist order and payment surcharge order by Japan Fair Trade Commission in July 2018 and in October 2018 for its acts violating Article 3 of the Anti-monopoly act (Prohibition of Undue Restriction on Business Activities) in taking orders of office wears and uniforms and setting shipping charges for products up to fiscal 2018, including the term when she served the company as Director.
6. Sumitomo Precision Products Co., Ltd. at which Mr. SATAKE Akira served as Director and Executive Vice President until June 2019, was found, on January 29, 2019, to have overcharged for expenses relating to its contract for defense equipment with the Ministry of Defense (MOD). Mr. SATAKE Akira fulfilled his responsibilities by directing a thorough investigation in the process of the discovery of this fact.
7. Since incidents were identified in which the switching of policies with respect to Japan Post Insurance products was carried out in a manner that may have caused disadvantages to customers, not in line with their intentions, the Company and Japan Post Co., Ltd. were imposed on administrative dispositions by the Minister of Internal Affairs and Communications and the Financial Services Agency, and Japan Post Insurance Co., Ltd. was imposed on the same by the Financial Services Agency on December 2019 based on the Insurance Business Act, etc. Mr. MIMURA Akio, Mr. ISHIHARA Kunio, Mr. Charles Ditmars Lake II, Ms. HIRONO Michiko, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharuru and Ms. AKIYAMA Sakie who served as Outside Directors of the Company and Mr. SATAKE Akira who served as Outside Director of Japan Post Insurance Co., Ltd. at the time of revelation of such incidents

have been fulfilling their duties such as presenting their proposals on our daily operations from the viewpoint of group governance, internal control and legal compliance and also giving instructions for thorough inspection and prevention of such incidents after such incidents came to light. Since then, Mr. MIMURA Akio and the other 7 outside officers stated above have been receiving reports on the progress of the business improvement plan at Board of Directors' meetings of the Company on a periodic basis and monitoring the contents of various measures and the progress thereof appropriately.

Reference: Japan Post Holdings Co., Ltd. Standards for Designating Independent Directors

The Company shall designate Independent Directors as specified by the Tokyo Stock Exchange among those who do not fall under any of the following categories.

1. Person who has been an Executive of the Japan Post Group
2. Party for whom the Japan Post Group is a major business partner, or an Executive (or other) thereof
3. Major business partner of the Japan Post Group, or an Executive (or other) thereof
4. Member, partner, or employee of the independent auditor of the Japan Post Group
5. Consultant, accounting expert or legal expert who receives or has received a large amount of monetary consideration or other property from the Japan Post Group other than director compensation (if the recipient of the said consideration is a corporation, partnership, or other organization, a person who is or was a member of the organization)
6. Major shareholder of the Company (if the shareholder is a corporation other than the government, an Executive (or other) thereof)
7. Executive (or other) of a corporation of which the Company is a major shareholder
8. Major creditor of the Japan Post Group or an Executive (or other) thereof
9. Spouse or relative within the second degree of kinship of the following persons (other than persons of low importance)
 - (1) Persons who fall under any of the categories 1. – 8. above
 - (2) Executives of subsidiaries of the Company
10. Executive (or other) of another company in which an Executive (or other) of the Japan Post Group serves as an outside director/ outside auditor
11. Person who receives a large amount of donations from the Japan Post Group (if the recipient of the said donations is a corporation, partnership, or other organization, a person who executes business thereof, or an equivalent person).

(Notes)

1. Terms appearing in “Japan Post Holdings Co., Ltd. Standards for the Independence of Outside Directors” are defined as follows.

The Group	Japan Post Holdings Co., Ltd. and its subsidiaries
Executive	Executive as defined in Article 2, paragraph 3, item 6 of the Ordinance for Enforcement of the Companies Act
Executive (or other)	Executive or a person who was previously an Executive
Party for whom the Group is a major business partner	Party who has received an average annual payment in the past three fiscal years from the Japan Post Group that is 2% or more of the average annual consolidated gross sales of the past three fiscal years of the said party
Major business partner of the Group	Party whose average annual payment to the Japan Post Group in the past three fiscal years is 2% or more of the average annual consolidated ordinary income of the past three fiscal years of the Company
Large amount of monetary consideration	Individuals: Monetary consideration of an average annual amount in the past three fiscal years is ¥10 million or more Organization: Monetary consideration in the event that the average annual payment in the past three fiscal years from the Japan Post Group to a party is more than 2% of the average annual consolidated gross sales of the past three fiscal years of the said party
Major shareholder	Major shareholder as provided in Article 163, paragraph 1 of the Financial Instruments and Exchange Act
Large creditor	Financial institution or other major creditor that is essential for the Company’s financing, which the Company is dependent on to the extent that it cannot be replaced with another party
Large amount of donations	Donations of an average annual amount in the past three fiscal years of ¥10 million or more

2. Regarding attribute information of Independent Directors, entry of the said attribute information will be omitted if the transaction or donation concerning the said Independent Director falls under any of the “insignificance criteria” below, because they are considered to have no effect on the independence of the said Independent Director.

(1) Business transactions

- 1) Average annual payment in the past three fiscal years by the Group to the business partner is less than 1% of the average annual consolidated gross sales in the past three fiscal years of the said business partner.
- 2) Average annual payment in the past three fiscal years to the Group by the business partner is less than 1% of the average annual consolidated gross ordinary income of the Company in the past three fiscal years.

(2) Donations

Average annual donations given by the Group in the past three fiscal years is less than ¥5 million.

Business Report

(April 1, 2020 – March 31, 2021)

1. Items Relating to the Company's Current State

(1) Progress and Results of the Group's Businesses and Others

Contents of Major Businesses of the Group

The main business entities of the Japan Post Group (hereinafter referred to as the "Group") are Japan Post Co., Ltd. (hereinafter referred to as, "Japan Post Co."), Japan Post Bank Co., Ltd. (hereinafter referred to as, "Japan Post Bank"), and Japan Post Insurance Co., Ltd. (hereinafter referred to as, "Japan Post Insurance"). These business entities are engaged in the postal and domestic logistics business, the post office business, the international logistics business, the banking business, and the life insurance business.

Financial and Economic Environment

Looking at the economic climate in Japan during the fiscal year ended March 31, 2021, the economy saw a sharp temporary decline due to the spread of the novel coronavirus disease (COVID-19), causing a decrease in corporate profits, deteriorated employment conditions and other severe consequences; however, signs of recovery were observed thanks to the effect of various policies and the resumption of economic activities in a stepwise manner.

The global economy also deteriorated rapidly for some time due to the global spread of COVID-19, and although signs of recovery were observed thereafter, the recovery was slow due partly to restraints on economic activities caused by an impact of COVID-19 rebound in the Eurozone since November.

In the financial and capital markets, the yield of ten-year Japanese government bonds has generally stably remained close to zero because of Quantitative and Qualitative Monetary Easing with Yield Curve Control policy. The Nikkei Stock Average had fallen below the ¥20,000 range due to the global spread of COVID-19, but then recovered to the ¥23,000 range in June thanks to such factors as the economic recovery trend observed mainly in developed countries and an impact of the lifting of the declaration of a state of emergency in Japan. After that, it rose above the ¥26,000 range in November despite COVID-19 rebound thanks to an impact of news concerning the progress of vaccine development, among others, and kept growing steadily thereafter to hit the ¥30,000 range in about 30 and a half years.

In the logistics industry, the courier services market is growing with the expansion in e-commerce markets. At the same time, the industry must deal with labor shortages, while there is severe competition as companies work to improve the quality of services in response to growing customer needs for service quality while leveraging AI, robots and other cutting-edge technology. In the postal business, the volume of mail continues to decline due to such factors as the widespread use of the Internet and the impact of the spread of COVID-19 on economic activities. In addition, unit personnel expenses are rising mainly as a result of the tight labor market.

In the banking industry, during the fiscal year ended March 31, 2021, real deposits at banks nationwide increased year-on-year and loans also increased for about ten consecutive years. The financial system remains stable as a whole, despite the significant impact of the spread of COVID-19 persisting on economic and financial aspects in Japan and overseas.

The life insurance industry is experiencing diversification of customer needs and growing selectivity which mainly reflect the continuing low interest rate environment, progress of super-aging society, and changes in lifestyle.

Progress and Results of the Group's Businesses

In the fiscal year ended March 31, 2021, the Group worked on various measures based on the business improvement plan it formulated in January 2020 with respect to issues concerning solicitation quality of Japan Post Insurance products. With respect to the main measures in said plan, the Group has implemented improvement measures with the aim of regaining the trust of customers, while being monitored by the JP Reform Execution Committee consisting of external experts which verifies various measures from a fair and neutral standpoint (established in April of the same year). The Group formulated our “Commitments to Regain Customers’ Trust” in September of the same year, and in addition, commenced operations aimed at regaining customers’ trust starting from October of the same year. The Group expressed our sincere apologies to customers for the inconvenience and concerns caused by the issues and explained our “Commitments to Regain Customers’ Trust,” and along with the foregoing, placed a top priority on conducting after-sales follow-ups concerning financial products and worked to eliminate concerns and questions which customers may have.

In addition, in moving ahead with the operations aimed at regaining customers’ trust, the Group decided a transition to a new sales stance in which we build a relationship of trust with customers through sales activities where we confirm anticipated needs of customers and provide information on and propose financial products according to such needs.

Moreover, the Group received advice on our improvement measures for strengthening governance through the “Verification report on governance of the Japan Post Bank Co., Ltd.” received from the JP Reform Execution Committee in January 2021 with respect to incidents of an improper use of the instant transfer service of Japan Post Bank, among others, and has been working to address the matters advised.

As the Group’s holding company, the Company worked on Group management with the aim of improving the corporate value of the Group. This included steadily promoting the expansion of income and management efficiency, etc. of group companies, as well as making efforts to achieve our goals, such as securing universal service in postal services, postal savings and life insurance services, and providing steady services preserving and using the post office network.

The Company made efforts to understand the status of formulation and promotion of compliance programs for each group company and their internal audit structure and audit status. The Company also entrusted indirect operations outsourced from group companies, consolidation of which helps increasing the efficiency, and worked to improve the management and operation of its hospital and hotel businesses.

In addition, the Group announced the “Japan Post Group Basic Approach to the Group Medium-term Management Plan (2021–2025)” in November 2020, which serves as the basis for the next Group Medium-term Management Plan.

Furthermore, Japan Post Co. and Rakuten, Inc. (currently Rakuten Group, Inc.; hereinafter the same shall apply) signed a letter of intent in December 2020 toward strategic alliance in the field of logistics. In March 2021, the Company, Japan Post Co., and Rakuten, Inc. signed a business alliance agreement to provide greater convenience for customers, contribute to local communities, and grow their businesses, as well as to strengthen their collaborations across a range of fields, including logistics, mobile, digital transformation (DX)* and more. The Company also invested in Rakuten, Inc. to strengthen ties between the Japan Post Group and the Rakuten Group.

Moreover, in order to contribute to the maintenance of the utility and public value of the services each group company offers and the realization of a sustainable society and creation of the future, the entire Group has been working together to implement ESG (Environment, Social and Governance) initiatives based on the Sustainable Development Goals, a set of international goals adopted by the United Nations, and CSR activities, and provide reconstruction aid to disaster areas. As part of our measures against COVID-19, the Group implemented measures such as non-face-to-face delivery of mail, etc., installment of plastic curtains over customer counters and shortening of operating hours at certain post offices and offices directly operated by Japan Post Bank, among others, to secure the safety of customers and employees.

DX means establishment of competitive advantage by a corporation through efforts to respond to drastic changes in the business environment, reform their products, services and business models based on needs of customers and society by utilizing data and digital technology and transform their operation itself, organization, processes and corporate culture and custom.

As a result of these initiatives, in the fiscal year under review, the Group posted consolidated ordinary income of ¥11,720.4 billion (a year-on-year decrease of 1.92%), consolidated net ordinary income of ¥914.1 billion (a year-on-year increase of 5.74%), and net income attributable to Japan Post Holdings of ¥418.2 billion (a year-on-year decrease of 13.53%).

(Reference) Business Results for the Fiscal Year Ended March 31, 2021

Consolidated ordinary income	¥11,720.4 billion	(Year-on-year decrease of 1.92%)
Consolidated net ordinary income	¥914.1 billion	(Year-on-year increase of 5.74%)
Net income attributable to Japan Post Holdings	¥418.2 billion	(Year-on-year decrease of 13.53%)

Postal and Domestic Logistics Business

At Japan Post Co., we strove to maintain the use of mail through SNS-linked services using smartphones and other devices for New Year's greeting cards and activities promoting the pleasure of using letters. We also worked to increase revenue by providing highly convenient drop-off and pick-up services and proposing solutions for problems faced by customers in order to address increasing demand for delivery services driven by the growth in e-commerce. These included launch of "Yu-Packet Post" which enables posting of parcels via mailbox by using dedicated boxes, an increase in handling of "SMARI Boxes" which enable shipping of parcels for trade between individuals via e-commerce sites without the need of lining up in front of customer counters and the introduction of cashless payments at the customer counters at the increased number of post offices.

From an operational aspect, we pushed forward with the improvement of customer convenience, while making efforts such as promotion, an increase, etc. of the use of a service for leaving parcels in designated areas with the aim of improving the work efficiency and the reduction of the incidence rate of re-deliveries triggered by recipients not being home at the time of delivery. We also worked on total cost control through measures including sophistication of management of personnel expenses and staffing by job duty commensurate with the volume of work as well as collection and delivery outsourcing fees.

We also worked to promote safety and optimize operations by utilizing telematics devices (services using mobile telecommunications systems). In addition, we commenced sophistication of parcel delivery operations through the introduction of a delivery operations support system (limited to certain post offices) as well as an automated re-delivery requests system using voice-recognition AI (all post offices), and pushed forward with efforts toward utilizing cutting-edge technology.

Moreover, the Act for Partial Revision to the Postal Act and the Act on Correspondence Delivery by Private Business Operators was promulgated in December 2020, and Japan Post Co. pushed forward with preparations for revision of various services.

Furthermore, based on the fundamental idea that "compliance is the most important management task," we worked to eradicate internal crimes including abandonment and concealment of postal mail, etc. as well as inappropriate receipt of fees and protect customer information, among other things.

As a result of these initiatives, in the fiscal year under review, the postal and domestic logistics business, on a consolidated basis of the Company, posted ordinary income of ¥2,071.8 billion (a year-on-year decrease of 2.64%) and net ordinary income of ¥126.5 billion (a year-on-year decrease of 15.14%). The postal and domestic logistics business, on a consolidated basis of Japan Post Co., posted operating income of ¥2,068.4 billion (a year-on-year decrease of 2.67%) and net operating income of ¥123.7 billion (a year-on-year decrease of 16.12%).

With regard to the volume of items handled for the fiscal year ended March 31, 2021, the volume of mail handled decreased by 6.76% year-on-year to 15,244.03 million, the volume of Yu-pack handled increased by 11.93% year-on-year to 1,090.79 million and the volume of Yu-Mail parcels handled decreased by 7.54% year-on-year to 3,299.31 million.

Post Office Business

In fiscal 2019, the issue was identified related to the solicitation quality of Japan Post Insurance products. We decided to start with operations aimed at regaining customers' trust for Japan Post Insurance products, investment trusts, affiliated financial products (variable annuity insurance, medical insurance for which underwriting criteria were loosened and personal accident insurance) of which we had posed voluntary restraints on sales at post offices, etc. on ourselves, and worked on the operations starting from October 2020.

More specifically, we expressed the company's sincere apologies and explained our determination to adhere to our "Commitments to Regain Customers' Trust" by placing posters at post offices, etc. and distributing commitments flyers to customers. Also, we placed a top priority on policy coverage confirmation activities and conducted after-sales follow-ups concerning investment trusts and variable annuity insurance and eliminating concerns and questions which customers who have already signed a contract may have.

In addition, aiming at eradicating inappropriate solicitation, we conducted multi-layered verification between the application and the execution of the insurance policy, strengthened the scheme for proper solicitation management, etc., implemented checks and balances through such means as adopting stricter criteria for determination of incidents and disciplinary actions, strengthened the internal audit division and worked on other such efforts. Along with the foregoing, we conducted various types of training which contributes to customer-oriented sales activities and comprehensive consulting services, and in addition, we provided training for managers on how new ways of management should be and management and guiding techniques adopting coaching methods.

Moreover, we have worked to optimize the network through such measures as opening new post offices in shopping centers, etc. and reviewing the existing post office placement. In order to increase value of the foregoing, we have also pushed forward with operation of unique and diversified post offices in response to local and customer needs in collaboration with local public entities and other corporations by, for example, conducting administrative work comprehensively contracted by local public entities, accepting procedural work for regional financial institutions at post office counters and realizing integrated operation of train stations and post offices.

Furthermore, based on the fundamental idea that "compliance is the most important management task," we not only worked on the above-mentioned insurance solicitation issue but also protection of customer information and measures against money laundering, financing of terrorism, etc. We are also working to eradicate internal crimes; however, it was revealed that a management employee committed a large amount of money crime, including an incident of swindling of money discovered at a post office in Nagasaki. We will continue making our best efforts on the eradication by taking appropriate measures to prevent recurrence.

As a result of these initiatives, in the fiscal year under review, the post office business, on a consolidated basis of the Company, posted ordinary income of ¥1,245.1 billion (a year-on-year decrease of 4.21%) and net ordinary income of ¥38.7 billion (a year-on-year decrease of 13.95%). The post office business, on a consolidated basis of Japan Post Co., posted operating income of ¥1,243.4 billion (a year-on-year decrease of 4.25%) and net operating income of ¥37.7 billion (a year-on-year decrease of 15.40%).

International Logistics Business

Japan Post Co. continued working to improve the management of its subsidiary, Toll Holdings Limited (hereinafter referred to as “Toll”).

Additionally, we continued utilizing JP TOLL LOGISTICS Co., Ltd. to work toward expanding the B-to-B business (*2) in Japan mainly focused on contract logistics (*1).

However, downtrodden financial results continued due to not only the severe external environment including the slowdown in Australia’s economy, US-China trade friction and COVID-19, but also the impacts of cyberattacks, among others.

Toll had been considering selling the express business*3 which had suffered continued deficits and it was decided in April 2021 to transfer the business to affiliates of Allegro Funds Pty Ltd.

*1 Contract logistics refers to services for increasing the efficiencies of transport, inventory and shipping operations under a contract which a third party not involved in buying or selling enters into with a specific shipper to provide services.

*2 B-to-B business stands for Business-to-Business and refers to business by companies for companies.

*3 The express business is the business that provides freight delivery services that utilize a network of roads, railways, the sea and the air domestically in Australia and New Zealand.

As a result of these initiatives, in the fiscal year under review, the international logistics business, on a consolidated basis of the Company, generated ordinary income of ¥750.0 billion (a year-on-year increase of 18.08%) and net ordinary loss of ¥7.0 billion (net ordinary loss of ¥21.4 billion in the previous fiscal year). The international logistics business, on a consolidated basis of Japan Post Co., generated operating income of ¥749.8 billion (a year-on-year increase of 18.09%) and net operating profit (EBIT) of ¥3.5 billion (net operating loss (EBIT) of ¥8.6 billion in the previous fiscal year).

Overall, in the fiscal year under review, Japan Post Co. generated consolidated operating income of ¥3,837.6 billion (a year-on-year decrease of 0.04%) and consolidated net operating income of ¥155.0 billion (a year-on-year decrease of 13.38%).

Banking Business

As for the banking business, Japan Post Bank continued to work on “Providing high-quality customer-oriented financial services,” “Sophistication and Diversification of investment management,” “Funds flow to local communities,” and “Strengthening of the business management systems.”

In relation to “Providing high-quality customer-oriented financial services,” incidents occurred where the Japan Post Bank’s instant transfer service and mijica (Visa debit/prepaid card) were used improperly by malicious third parties. In response to the incidents, we suspended a part of the services and compensated customers who were affected by the incidents, and in addition, conducted verification of the robustness of security of the cashless payment services and of the system for monitoring the status of use by customers, etc. once again. Subsequently, the provision of the instant transfer service has been resumed in succession since January 2021, for service providers whose security system were validated, and in addition, for mijica, the preparation for transition to new brand debit cards in spring of 2022 is underway.

In addition, we worked to provide “New Convenience” that can be used anywhere and anytime, through the use of new technologies in addition to enhancing and expanding financial channels for the convenience of customers. More specifically, we pushed forward with addition of functions to “Yucho Bank Book App” and increasing the number of stores where the smartphone payment service “Yucho Pay” is made available for use, and worked on improvement of quality and operation efficiency of customer handling by utilizing digital technology such as introduction of AI into call centers. In addition, in order to meet needs of customers in wide range of generations, we submitted applications for approval toward commencement of new services such as direct handling of “Flat 35*1” and “overdraft services*2” to the Financial Services

Agency and the Ministry of Internal Affairs and Communications in December 2020, and obtained the approved in April 2021.

Furthermore, from the perspective of further penetration of customer-oriented business operations, we worked to sophisticate our consulting level according to customer needs with the aim of contributing to customers' asset formation.

*1. Flat 35 is fixed interest rate housing loans for individuals provided by Japan Housing Finance Agency.

*2 The overdraft service is a service in which an amount in short is automatically loaned to an account when various types of payment services are used for refund, automated payment and other purposes in the amount exceeding the account balance.

With respect to “Sophistication and Diversification of investment management,” amid the difficult operating environment, we expanded the balance of risk assets to ¥90.5 trillion as of the end of March 2021, and in the meantime, increased the balance of investment in strategic investment areas*(1) among the risk assets to ¥4.2 trillion by investing in high-grade targets selectively, taking into account risks and returns, and credit quality (credibility of investees, etc.). In addition, even while promoting enhanced and diversified asset management operations, we secured a necessary sufficient capital adequacy ratio from the standpoint of financial soundness. We also utilized a risk appetite framework (RAF)*2 and determined our investment policy in consideration of the balance between stable profits and financial soundness, upon clarifying the risk types and levels appropriate for Japan Post Bank.

*1 A strategic investment area is an area consisting of private equity funds (funds that invest in unlisted private companies, etc. with growth expectations), real estate funds, etc. in which strategic investment is made.

*2 A risk appetite framework (RAF) is a corporate management framework that aims for executive management approval of the type and amount of risk to be taken to achieve a business plan and enhance corporate value by avoiding unexpected losses, improving risk and return, and securing accountability.

As an initiative for “Funds flow to local communities,” Japan Post Bank newly joined four (32 in total) regional vitalization funds with the goal of assisting business succession, start-ups and new business establishment, and companies suffering an impact of the spread of COVID-19 by continuing to link with regional financial institutions, in order to circulate customers' precious funds within the community and thereby contribute to vitalization of local economy. In addition, Japan Post Bank made equity participation in “Japan Platform of Industrial Transformation, Inc. (JPiX),” an investment and business management company which engages in initiatives towards regional revitalization from a long-term perspective, in January 2021.

As for “Strengthening of the business management systems,” with the aim of realizing customer-oriented business operations, the Audit Committee of Japan Post Bank and the JP Reform Execution Committee conducted verification of the status of establishment and operation of governance in relation to the incidents of improper use of cashless payment services, and reported their advice for improvement. Based on the advice, we established a system to centrally manage everything from acceptance to settlement of complaints and inquiries from customers. While the group is working together as a group on operations aimed at regaining customers' trust, we have been seriously aware of the increasing number of internal crimes, including an incident of swindling of money discovered at the post office in Nagasaki and compensated customers for damage who were affected by the incidents. And at the same time, we have analyzed the causes of such matters occurred and considered measures to prevent recurrence in collaboration with Japan Post Co. Through these and other efforts, we are working to ensure and strengthen compliance aiming at eradication of misconduct.

As a result of these initiatives, in the fiscal year under review, the banking business, on a consolidated basis of the Company, posted ordinary income of ¥1,946.7 billion (a year-on-year increase of 8.17%) and net ordinary income of ¥394.2 billion (a year-on-year increase of 3.97%).

Life Insurance Business

At Japan Post Insurance, we suspended proactive solicitation due to the issue of solicitation quality of Japan Post Insurance products found in fiscal 2019 and placed the top priority on efforts to regain customers' trust. As part of measures to prevent recurrence, we steadily implemented investigations of insurance policies and sales personnel as well as "Creation of a healthy corporate culture and Establishment of an appropriate sales promotion scheme," "Strengthening of proper solicitation management systems" and "Strengthening of governance by the Board of Directors, etc." which were laid out in the business improvement plan submitted to the Financial Services Agency.

With an eye on "Creation of a healthy corporate culture and Establishment of an appropriate sales promotion scheme," we formulated the principles of action for sales of Japan Post Insurance products based on the solicitation policy which reflects the customer-oriented philosophy, and have provided training for sales personnel, etc. to promote their understanding and penetration of said principles on an ongoing basis.

In addition, we obtained approval for a policy conversion system in which insurance coverage may be modified without cancelling policies in force in November 2020, and launched the system in April 2021. While our mainstay had been savings-type products so far, we are also working to improve the contents of our products in order to meet customer needs to a greater extent even in the low-interest rate environment. Specifically, we worked to enhance the product lineup so that we can offer to customers mainly who are young to middle-aged adults and request long-term insurance coverage with low insurance premiums, and launched ordinary term insurance and special endowment insurance with extended insurance period in April 2021. In addition to the foregoing, we are working to create an organization with atmosphere of openness by continually implementing a system for employees to make proposals directly to President and "officer dialogues" in which the management team members of Japan Post Insurance visit to each branch, etc. to listen to voices of front-line employees directly, and by ascertaining voices of employees and issues through ES* surveys to improve operations and consider measures to improve ES.

* ES is employee satisfaction.

To achieve "Strengthening of proper solicitation management systems," we have worked to reinforce our check-and-balance function based on checking and control conducted at the frontline and the headquarters, including establishment of systems, etc. to prevent policies not in line with the customer's intentions from being signed. We have established a system for multi-layered confirmation of intentions of customers by post office managers, dedicated call centers and service centers of Japan Post Insurance and expanded the scope of recording of solicitation to all the consultants at post offices from August 2020 in order to ensure the visibility of the status of solicitation.

With the aim of "Strengthening of governance by the Board of Directors, etc.," we worked on establishment of a system which enables the management team to understand risks appropriately, enhancement of internal controls and other measures to strengthen the governance.

Moreover, while we have continued suspension of proactive sales activities for Japan Post Insurance products at post offices and offices directly operated by Japan Post Insurance during the fiscal year under review, upon receipt of evaluation from the JP Reform Execution Committee to the effect that we have satisfied minimum necessary conditions for the resumption of sales, and after having confirmed such things as that the idea of operations aimed at regaining customers' trust is shared among and thoroughly understood by entire company, we commenced operations aimed at regaining customers' trust in October 2020. We expressed our sincere apologies to customers for the inconvenience and concerns caused by the issues and explained our "Commitments to Regain Customers' Trust," and along with the foregoing, placed a top priority on conducting after-sales follow-ups concerning financial products and worked to eliminate concerns and questions which customers may have. In addition, in moving ahead with the operations aimed at regaining customers' trust, the Group decided a transition to a new sales stance in which we build a relationship of trust with customers through sales activities where we confirm anticipated needs of customers and provide information on and propose financial products according to such needs.

In addition to addressing the issue related to the solicitation quality of its products, Japan Post Life Insurance focused mainly on "Measures against COVID-19" and "Diversification of asset management."

As part of the “Measures against COVID-19,” following the spread of COVID-19, we have undertaken various emergency treatments since March 2020, and in addition, decided to pay insurance benefits in addition to death benefits in the case of death due to COVID-19, starting from April of the same year, deeming such cases as eligible for “double payment of insurance benefits” by which the insured amount prescribed in the general conditions is paid. In addition, in order to meet increased demand for use of services, etc. on a non-face-to-face basis, we enhanced the function for requesting documents necessary for claiming hospital and surgery benefits in November of the same year and the function for taking procedures to report the current status necessary for annuity payment in March 2021 on a web service (My Page) for insured customers.

As to “Diversification of asset management,” we have been continuing with investments in profit-focused assets within a risk buffer based on ALM, with the goal of securing stable asset management returns in the continuing low interest rate environment. As for promoting diversification of asset management, as part of our efforts to expand overseas credit management, we are continuing to work on in-house management of US corporate bonds and also continuing with in-house management of equities, alternative investment, etc. These asset management initiatives are being carried out within an ERM* framework to secure financial soundness and improve risk return balance.

* ERM stands for Enterprise Risk Management, which refers to a form of risk management encompassing a company’s entire operations by comparing and contrasting the company’s risks with the equity of the company’s shareholders and other indicators, based on a holistic view that includes latent and material risks.

As a result of these initiatives, in the fiscal year under review, the life insurance business, on a consolidated basis of the Company, posted ordinary income of ¥6,786.2 billion (a year-on-year decrease of 5.89%) and consolidated net ordinary income of ¥345.7 billion (a year-on-year increase of 20.63%).

Issues to Be Addressed

The Group announced the new Medium-term Management Plan “JP Vision 2025” covering the period from fiscal 2021 to fiscal 2025 with the aim of working to regain the trust of customers which had been lost as a result of solicitation quality of Japan Post Insurance products, among other reasons, and enhancing its corporate value toward new growth of the Group. Taking into consideration changes in the social environment surrounding the Group, such as increased needs for supporting super-aging society following progress of aging population combined with low birthrates, heightened social unrest caused by an increase in the number of elderly single-person households, concerns over the sustainability of the social foundation, increased needs for use of various services everything for which can be completed through a smartphone alone owing to progress of digitalization, wider spread of use of cashless payment and materialization of an issue of the digital divide, the Group will work to fusion of the real-world post office network and digital technologies (“digital post offices”) through the promotion of digital transformation with the aim of becoming a “Co-creation Platform” to support customers and local communities, achieve new growth for our Group by enhancing and strengthening our core business (the postal and domestic logistics business, banking business, and life insurance business), including universal services. We will also transform our business portfolio through the expansion of our real estate business and the promotion of new businesses, etc. to achieve this goal. In taking these measures, we conduct business management in consideration of risks and returns based on the RAF and thereby aim to improve corporate value for the Group.

The Group will also make such efforts as to strengthen functions of governance, group compliance and audit divisions and implement the business improvement plan steadily, along with taking measures against the issues of solicitation quality of Japan Post Insurance products for which the Group is working toward implementation of improvement measures based on the business improvement plan as well as some intergroup sales activities for Japan Post Insurance products and investment trusts conducted in a way which cannot be said to be customer-oriented, which were revealed in fiscal year 2020 and the issues of improper use of cashless payment services of Japan Post Bank, among other issues, which were newly revealed, based also on evaluation, advice, etc. from the “JP Reform Execution Committee” consisting of external experts which verifies various measures from a fair and neutral standpoint. In addition, with the aim of regaining the trust of customers, the Group will thoroughly implement customer-oriented business operation through such means as to make use of voices of customers and employees in improving management and sales operations in accordance with our “Commitments to Regain Customers’ Trust” announced in September 2020.

By harnessing subsidies and contribution, we will fulfill our duty to ensure universal services for postal mail, savings and insurance and contribute to local communities. We established a basic management policy for each group company which we are now working to implement, in order to provide stable services by further utilizing and maintaining the post office network.

In accordance with the Postal Service Privatization Act, we will make required preparations to dispose of the shares held by Japan Post Holdings in Japan Post Bank and Japan Post Insurance as early as possible, upon consideration of the condition of business of both companies, impact on fulfilling our obligation to secure universal services and other factors. We will also make preparations to offer the shares held by the government as necessary.

Together with this, in order to resolve the management challenges faced by each of the group companies, management as a holding company is being carried out to provide necessary support with deepening the collaboration between each group company.

To ensure the properness of operations, with the goal of further strengthening corporate governance, the Company continues to promote the enhancement of internal controls in the entire group. Also, with improvement of compliance standards as the main challenge, necessary support and guidance is provided to each group company. In light of the issue of solicitation quality of Japan Post Insurance products in particular, the measures listed in the business improvement plan will be undertaken, and measures for preventing money laundering and funding of terrorist activities, etc. will be further promoted and handled as one of the highest priority issues.

In addition, in preparation for the intensifying risk of cyber-terrorism, we will work on the sophistication of cyber-security measures and the strengthening of governance through information sharing on a group-wide basis.

Moreover, we will continue making efforts to maintain the utility and public value of the services each group company offers and to increase customer satisfaction, and work to further enhance corporate value by having the entire group promotes ESG (Environment, Social and Governance) initiatives based on the Sustainable Development Goals, a set of international goals adopted by the United Nations. More specifically, in light of the moves toward “achieving carbon neutrality by 2050” advocated by the Japanese Government, we will work to reduce environmental load through our business services by, for example, increasing the number of electric vehicles (EVs) across the Group to reduce CO2 emissions. In addition to the foregoing, we will introduce a Group CxO system which provides a group-wide horizontal functionality and strengthen Group governance through integrated human resources of Japan Post Holdings and Japan Post Co. Furthermore, in recognition that human resources are the most important management resource for the Group which provides services that are highly dependent on humans, we will promote human resource development through training, etc. to improve comprehensive consulting services for customers; work style reforms that aim to guarantee work-life balance; and diversity management that utilizes the diverse abilities and personalities of our employees.

In preparation for a crisis such as a natural disaster and pandemic of an infectious disease, we will also put in place a crisis management system and, when a crisis occurs, respond swiftly and appropriately to ensure business continuity. Under the circumstances of the COVID-19 pandemic in particular, the Group is committed to securing of the safety of employees and continuation of business operation through measures to prevent infection and spread of infection, with the aim of fulfilling our social mission as a group of a highly public nature.

Issues to be addressed by each operating segment are as follows.

(1) Postal and Domestic Logistics Business

At Japan Post Co. we will implement the following measures to respond to a decline in the volume of mail and an increase in demand for delivery services.

1) Integrated review of products and operation systems and addition of high value to services

We will work to maintain the use of mail on a continuous basis through SNS-linked services using smartphones and other devices for New Year’s greeting postcards, etc. and development of activities aimed at conveying the joy of writing letters. In addition, to address increasing demand for delivery services driven by the growth in e-commerce, we will provide services designed to offer highly convenient drop off and pick-up and strengthen solution sales designed to solve logistics problems faced by customers through such means as increasing our sales warehouses with a view to expanding earnings.

In addition, we will push forward with the promotion and increase in the use of a service for leaving parcels in designated areas with the aim of improving the work efficiency and reducing the incidence rate of re-deliveries triggered by recipients not being home at the time of delivery. We will also aim for establishing competitive operation by working to sophisticate management of personnel expenses and staffing by job duty commensurate with the volume of work.

2) Convenience and productivity improvement through active use of cutting-edge technology

In order to review the operation system and improve productivity by utilizing cutting-edge technology, we will utilize data obtained through the use of telematics technology to secure the safety of employees, provide mutual support in delivery operation and for other purposes, and also to review mail delivery routes and areas. In addition to the foregoing, we also work to realize low-cost operation through such initiatives as automated delivery route generation using AI.

Moreover, in collaboration with other companies, we will work to build a highly efficient delivery system as well as a new logistics platform which enables such services as the provision of a highly convenient pick-up service, and conduct a series of testing and experiments of robotics (unmanned transport vehicles, piece-picking robots, etc.), drones, delivery robots, etc. for future commercialization.

3) Changes to services associated with the revisions to the Postal Act

We will take administrative procedures such as an application for approval of the revised conditions of domestic postal mail without omission, and proceed with provision of detailed explanations to customers and preparations for securing of normal business operations, etc.

(2) Post office business

At Japan Post Co., we will implement the following measures.

1) Reform into a system to realize comprehensive consulting services

With the aim of realizing “comprehensive consulting services” which combine the specialization and the breadth of coverage, as the Japan Post Group, Japan Post Co. clarifies the roles shared between consultants who have expertise and flexibility and customer counter employees who provide the lineup of a wide range of products, and push forward with preparations for placing the former (limited to those who engage in sales operations, etc. of Japan Post Insurance products) under the direction of Japan Post Insurance.

2) Increasing value of the post office network utilizing brick-and-mortar post offices

We will strive to increase value of the post office network by operating unique and diversified post offices in response to local and customer needs in collaboration with local public entities and other corporations by, for example, strengthening of collaboration with regional financial institutions, etc. and integrated operation of train stations and post offices.

3) Efforts toward expansion of the real estate business

We will conduct the business of leasing JP Towers, etc. and, as the business of effectively using land located in residential tracts, the business of leasing housing, daycare facilities and senior care facilities. In addition, we will work to make the real estate business as one of the pillars of earnings by promoting the Hiroshima Station South Gate Plan, Umeda 3-chome Plan, etc. from the viewpoints of increasing new opportunities for earnings and the effective use of real estate held.

(3) International Logistics Business

At Japan Post Co., we will strengthen and thoroughly implement business management of Toll. In addition, we will push forward with the efforts to improve management such as thoroughly implementing measures to reduce costs and reviewing business domains and work to make a transition to a business model centered around Asian markets which are growing areas.

(4) Banking Business

Japan Post Bank positions the period covered by the new Medium-term Plan as the five years for “deepening trust, and taking on the challenge for financial innovations,” and aims for innovations to the business model and enhancements to business sustainability amid drastic changes in the business environment.

1) Reform into a new retail business through mutual complement between real and digital

While placing the top priority on the security and safety, we will proceed with the enhancement of digital services which are friendly to all customers and the widespread use of digital services by utilizing the post office network. We also work to utilize our customer base to build an open “co-creation platform” which provides optimal services through collaboration with diverse business providers.

More specifically, we will strengthen the security of identity verification functions, etc. of various digital services, enhance functions of the “bankbook app,” create a “household account book and household account consultation app” and work on other such efforts.

In addition, as part of the asset-formation support business, we will provide optimal services to customers under customer-oriented business operations through the “face-to-face channel” which

allows customers to consult familiar employees and the “digital channel” which is easy to access, convenient and low cost. In the face-to-face channel, we will sort out the lineup of asset management products in line with the customer segments and propose mainly savings-type investment to customers who are beginner investors, etc. In addition, we will push forward with introduction and enhancement of online consultation functions, development of asset management consultants, etc., and thereby implement a life plan consulting system attuned to customers even more. On the other hand, in the digital channel, we work to establish an asset management platform friendly to anyone, including the expansion of services with competitive fee standards which are provided through websites and apps.

Moreover, we will add new services to support long life of customers or to increase convenience for them, such as “overdraft services” and direct handling of “Flat 35” which commenced in May 2021.

2) Operational reforms and productivity improvement utilizing digital technology

At post offices, we will increase the use of a setup which enables self-processing of standardized transactions by, for example, introducing tablets at customer counters, and at the same time, push forward with efforts to make customer counter operations more efficient by improving the digital channel and increasing transaction channel options made available to customers. At the Savings Administration Centers, we will promote comprehensive automation of operations combining digital technologies by, for example, expanding AI-OCR*1 and introducing BPMS*2.

Through these efforts, we will work to reduce the volume of work at directly-operated offices and the Savings Administration Centers while transferring personnel to the areas of strengthened efforts, and thereby improve the productivity.

In addition, we aim to improve management efficiency by reducing fixed expenses while strengthening investment in areas of focus by, for example, making strategic IT investment.

*1 AI-OCR is an optical character recognition (OCR) function which utilizes artificial intelligence (AI) to increase the recognition rate of ad hoc ledgers, handwritten letters, etc.

*2 BPMS: Abbreviation for Business Process Management System. A system of managing processes automatically by conducting system-based control of workflows such as launching RPA automatically and requiring human verifications, etc.

3) Flow of funds to local communities through diverse frameworks and strengthening of functions of local relationship

We will strive to contribute to regional revitalization by supplying funds through diverse frameworks so that valuable funds deposited by customers flow into local communities. Specifically, we will respond to local needs for equity-based funds (risk capital) by supplying funds through “Japan Platform of Industrial Transformation, Inc.” and other companies in addition to our subsidiary “Japan Post Investment Corporation.”

In addition, as a “local financial platform,” we will respond to financial needs according to the actual local situation such as utilization of our ATM network and cooperation in administrative matters in collaboration with local financial institutions.

4) Advancement of market operation and risk management in consideration of stress tolerance

Amid the severe business environment with prolonged low interest rate, we will increase diversified investment in international markets with the aim of improving profitability, while taking into account risk and return and upon clarifying the type of risk exposures and levels based on the risk appetite framework (RAF).

More specifically, we will increase the risk asset balance mainly in investment grade areas. We will also work to expand the balance of investment in strategic investment areas among the risk assets by selectively investing in targets.

In addition, in preparation for stress events, we will push forward with portfolio selection with stress tolerance, while advancing risk management by, for example, sophistication of stress tests and strengthening of monitoring.

(5) Life Insurance Business

At Japan Post Insurance, we will implement the following measures to fulfill our social mission as a life insurance company.

1) Measures aimed at reconstruction

In order to reconstruct Japan Post Insurance as a company truly trusted by customers, we will thoroughly implement customer-oriented business operations and continue with efforts to regain the trust.

In order to continue our efforts to regain the trust, we will make a fundamental shift to a new sales style with appropriate solicitation processes and thoroughly implement our activities aimed at “allowing customers to use our products and services with consent and satisfaction.” More specifically, we will make a shift to management through which evaluation is conducted also on activities based on the Standard of Japan Post Insurance Sales (such as customer-oriented product offering) and processes of activities for continuation of policies and follow-ups, among other things. In addition, we will work to build a relationship of trust with customers once again by pursuing finely-tuned follow-ups under the concept of “providing a service called life insurance” throughout the insured period.

With respect to strengthening the business foundation, in addition to continuing our efforts to regain the trust, with the aim of reconstructing Japan Post Insurance to an ideal life insurance company, we will work to strengthen the business foundation by, for example, “building a new Japan Post Insurance sales system,” “enhancing the product lineup,” “improving the business operation efficiency,” and “advancing and sophisticating asset management.”

With the aim of “building a new Japan Post Insurance sales system,” we will build a new sales system which provides services in line with the coming future with diversified customer needs and combines the specialization and the breadth of coverage, and thereby realize comprehensive consulting services provided by the entire Japan Post Group. Our consultants who offer highly-specialized insurance services will concentrate on proposal and follow-ups related to life insurance and provide high-quality, finely-tuned follow-ups for customers under a system introduced to assign a consultant to each customer. Our customer counter employees who confirm needs of customers who visited the post office and offer a wide variety of financial products including insurance products will continue providing a broad range of products and services.

In addition, with the aim of “enhancing the product lineup,” we will enhance the product lineup by developing insurance services which satisfy insurance coverage needs of customers of all age groups. More specifically, we will provide well-balanced insurance coverage at low insurance premiums to meet needs of young to middle-aged adults, increase products to meet needs of the elderly and middle-aged and senior adults for insurance coverage, etc. in light of the age of the 100-year life, and conduct research of products which contribute to longer healthy life expectancy.

Furthermore, with the aim of “improving the business operation efficiency,” we will improve operation efficiency and reduce expenses by utilizing digital technology. Management resources generated from such efforts will be used in the areas of strengthened efforts such as promotion of customer support operations and DX.

With the aim of “advancing and sophisticating asset management” and aspiring for becoming “one of the top institutional investors in the whole world,” we will advance and sophisticate asset management from both aspects of each investment area including alternatives and the portfolio selection, while appropriately responding to moves towards introduction of new economic value-based capital regulations planned in 2025. In addition, starting from April 2021, we will take various ESG elements into consideration for all assets under management, and conduct theme-focused investment such as “improvement of well-being,” “development of local communities and society,” and “addressing climate change.”

2) Measures aimed at sustainable growth

In order to increase customer experience (CX)* value, while reconstructing itself to an ideal insurance company, Japan Post Insurance will reaffirm its own social mission and create new social value unique to itself, and thereby increase its competitiveness in the market and aim to achieve sustainable growth.

From the viewpoint of increasing customer experience value, we are committed to gaining high marks from existing customers by fundamentally reforming our insurance services and improving convenience for customers and solicitation quality, to expanding our customer base through words of mouth of such high marks to their families and friends, and further to the local communities and society as a whole.

More specifically, we will work to “make appropriate proposals attuned to each customer,” “provide simplified procedures which can be completed on the spot,” “provide finely-tuned support as a unified team,” and “enhance our follow-up practice focused on connection with customers.” In order to “make appropriate proposals attuned to each customer,” we will enable ourselves to make appropriate proposals to each customer by making customer needs and required insurance coverage, etc. visible through tools which utilize digital technology. In addition, in order to “provide simplified procedures which can be completed on the spot,” by utilizing digital technology, we will provide online, face-to-face and various other options for applications and claims according to customer needs, and make it possible to complete various procedures and the like on the spot with, for example, remote attendance of specialized staff. In order to “provide finely-tuned support as a unified team,” we will build a database which consolidates customers’ contract information, inquiry information, etc. for each customer and create an environment in which all employees who take care of customers such as consultants, customer counter employees at post offices, and employees at customer service centers are able to provide finely-tuned and friendly support as a unified team.

Furthermore, in order to “enhance our follow-up practice focused on connection with customers,” we will conduct careful follow-ups through telephone and video conferences and various other means and follow-ups at an optimal timing for each customer through email, SNSs, etc. in addition to face-to-face customer care through visits to meet wide-ranging customer needs, and thereby aim to win trust of customers including people around them.

- * Customer experience (CX) value is an approach which focuses on pursuit of not only “reasonable value” meaning functionality, performance, and price of products and services but also “emotional value” meaning experience in the process up to the purchase, up to the use, and during follow-ups after the purchase, among others.

The Group will make every effort to achieve sound results for the initiatives outlined above and hopes that in doing so it fully meets the expectations of our shareholders.

To all our shareholders, we greatly appreciate your understanding and support and look forward to your continued support in the future.

(2) Trends of Assets and Profit and Loss Accounts of the Group and the Company

a. The Group's trends of assets and profit and loss accounts

(Millions of yen)

Classification	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Ordinary income	12,920,375	12,774,999	11,950,185	11,720,403
Net ordinary income	916,144	830,696	864,457	914,164
Net income attributable to Japan Post Holdings	460,623	479,419	483,733	418,238
Comprehensive income	118,564	291,836	(2,225,078)	3,567,160
Net assets	14,743,234	14,788,654	12,616,774	16,071,067
Total assets	290,640,154	286,170,709	286,098,449	297,738,131

Note: Figures are rounded down to the nearest million yen.

b. The Company's trends of assets and profit and loss accounts

(Millions of yen)

Classification	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Operating income	280,850	274,551	289,447	167,933
Dividend income	198,891	203,163	219,083	97,209
Japan Post Co., Ltd.	–	–	–	–
Japan Post Bank Co., Ltd.	166,851	166,851	166,851	83,425
Japan Post Insurance Co., Ltd.	32,040	36,312	52,231	13,783
Other subsidiaries, etc.	–	–	–	–
Subsidiaries	–	–	–	–
Net income	196,232	220,791	397,647	(2,129,989)
Net income per share	(Yen) 48.13	(Yen) 54.61	(Yen) 98.35	(Yen) (526.79)
Total assets	8,127,442	8,079,602	8,129,402	5,997,547
Shares of Japan Post Co., Ltd.	1,000,000	970,761	869,470	825,892
Shares of Japan Post Bank Co., Ltd.	5,780,141	5,780,141	5,780,141	3,550,602
Shares of Japan Post Insurance Co., Ltd.	890,039	890,039	604,580	604,580
Shares of other subsidiaries, etc.	10,714	59,195	59,195	59,136
Shares of subsidiaries	10,714	59,195	59,195	59,136

Notes: 1. Figures are rounded down to the nearest million yen.

2. Japan Post Bank Co., Ltd. operates banking business, and Japan Post Insurance Co., Ltd. operates life insurance business.
3. The main reason for a decrease in the operating income and dividend income (dividends paid) year on year is non-payment of interim dividends by Japan Post Insurance Co., Ltd. and Japan Post Insurance Co., Ltd.
4. The main reason for accrual of net loss and decreases in total assets and shares of Japan Post Bank Co., Ltd. year on year is booking of an impairment loss of shares of Japan Post Bank Co., Ltd. held by the Company.

(3) The Group's Principal Offices

a. The Company

Company name	Office name	Location	Date of establishment
Japan Post Holdings Co., Ltd.	Head Office	2-3-1, Otemachi, Chiyoda-ku, Tokyo	October 1, 2007

b. Postal and domestic logistics business, post office business and international logistics business

Company name	Office name	Location	Date of establishment
Japan Post Co., Ltd.	Head Office	2-3-1, Otemachi, Chiyoda-ku, Tokyo	October 1, 2007

Note: Japan Post Co., Ltd., as of the end of this fiscal year, in addition to the above office, has established 13 regional offices and 23,812 post offices (including 3,742 contracted post offices).
Also, there are 43 temporarily closed post offices (including 10 contracted post offices) due to the Great East Japan Earthquake.

c. Banking business

Company name	Office name	Location	Date of establishment
Japan Post Bank Co., Ltd.	Head Office	2-3-1, Otemachi, Chiyoda-ku, Tokyo	October 1, 2007

Note: Japan Post Bank Co., Ltd., as of the end of this fiscal year, in addition to the above office, has established 13 regional headquarters and 234 branches.

d. Life insurance business

Company name	Office name	Location	Date of establishment
Japan Post Insurance Co., Ltd.	Head Office	2-3-1, Otemachi, Chiyoda-ku, Tokyo	October 1, 2007

Note: Japan Post Insurance Co., Ltd., as of the end of this fiscal year, in addition to the above office, has established 13 regional headquarters and 82 branches.

(4) The Group's Employees

(Persons)

Classification	As of March 31, 2020	As of March 31, 2021	Increase (decrease)
Postal and domestic logistics business	99,110	100,599	1,489
Post office business	97,188	97,285	97
International logistics business	25,298	21,887	(3,411)
Banking business	12,517	12,451	(66)
Life insurance business	8,283	8,252	(31)
Other	3,076	3,138	62
Other of the Company	2,031	2,039	8
Total	245,472	243,612	(1,860)

Note: The number of employees represents the number of persons actually at work, excluding non-regular employees (including the indefinite-term employees (associates, etc.) based on the indefinite-term employment conversion system).

(5) The Group's Principal Lenders

None.

(6) The Group's Financing Activities

None.

(7) The Group's Capital Investment Activities

a. Total capital investments

(Millions of yen)

Classification	Amount
Postal and domestic logistics business	26,936
Post office business	67,491
International logistics business	27,587
Banking business	40,665
Life insurance business	33,110
Other	44,403
Total	240,194

Note: Figures are rounded down to the nearest million yen.

b. Establishment of principal facilities, etc.

(Millions of yen)

Classification	Description	Amount
Post office business	Toranomon-Azabudai District Category 1 Urban Redevelopment Project	56,000
Other	Upgrade of Group Shared Network System (PNET)	12,619

Note: Figures are rounded down to the nearest million yen.

(8) Parent and Principal Subsidiaries

a. Parent

None.

b. Principal subsidiaries

(As of March 31, 2021)

Name	Location	Major business	Date of establishment	Capital stock	The Company's ownership ratio of voting rights	Other
Japan Post Co., Ltd.	Chiyoda-ku, Tokyo	Postal and domestic logistics business, post office business (including bank agent and life insurance solicitation), and international logistics business	October 1, 2007	¥400,000 million	100.00%	—
Japan Post Bank Co., Ltd.	Chiyoda-ku, Tokyo	Banking business	September 1, 2006	¥3,500,000 million	89.00%	—
Japan Post Insurance Co., Ltd.	Chiyoda-ku, Tokyo	Life insurance business	September 1, 2006	¥500,000 million	64.47%	—

Note: The ratio of voting rights is rounded down to the second decimal place.

(9) The Group's Acquisition and Transfer of Business

None.

2. Directors and Executive Officers of the Company

(1) Status of the Directors and Executive Officers of the Company

(As of March 31, 2021)

Name	Position and responsibilities	Significant concurrent positions	Others
MASUDA Hiroya	Director, Representative Executive Officer, President & CEO Member of the Nomination Committee Member of the Compensation Committee	Director of Japan Post Co., Ltd. Director of Japan Post Bank Co., Ltd. Director of Japan Post Insurance Co., Ltd. Visiting Professor of Graduate School of Public Policy at the University of Tokyo	Became Director of the Company on June 17, 2020
IKEDA Norito	Director	Director, Representative Executive Officer, President & CEO of Japan Post Bank Co., Ltd.	
KINUGAWA Kazuhide	Director	President & CEO (Representative Executive Officer) of Japan Post Co., Ltd.	Became Director of the Company on June 17, 2020
SENDA Tetsuya	Director	Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd.	Became Director of the Company on June 17, 2020
MIMURA Akio	Director (Outside Director) Chairperson of the Nomination Committee	Honorary Company Fellow and Honorary Chairman of NIPPON STEEL CORPORATION Chairman of Japan Chamber of Commerce and Industry Chairman of Tokyo Chamber of Commerce and Industry Director of Development Bank of Japan Inc. (Outside Director) Director of INCJ, Ltd. (Outside Director) Director of Tokio Marine Holdings, Inc. (Outside Director) Director of Nisshin Seifun Group Inc. (Outside Director)	
ISHIHARA Kunio	Director (Outside Director) Member of the Nomination Committee Member of the Compensation Committee	Senior Adviser to the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Audit & Supervisory Board Member of Tokyu Corporation (Outside Audit & Supervisory Board Member) Director and Audit and Supervisory Committee Member, of NIKON CORPORATION (Outside Director) Audit & Supervisory Board Member, Mitsubishi Research Institute, Inc. (Outside Audit & Supervisory Board Member)	
Charles Ditmars Lake II	Director (Outside Director)	Chairman and Representative Director of Aflac Life Insurance Japan Ltd. President and Member of the Board of Directors of Aflac International Incorporated Corporate Director of Tokyo Electron Limited (Outside Director)	
HIRONO Michiko	Director (Outside Director)		

(As of March 31, 2021)

Name	Position and responsibilities	Significant concurrent positions	Others
OKAMOTO Tsuyoshi	Director (Outside Director) Chairperson of the Compensation Committee Member of the Nomination Committee	Senior Corporate Advisor, Tokyo Gas Co., Ltd. Director of Asahi Kasei Corporation (Outside Director) Director of Mitsubishi Estate Co., Ltd. (Outside Director)	
KOEZUKA Miharū	Director (Outside Director) Member of the Audit Committee	Counselor, Takashimaya Co., Ltd. Director, Okayama Takashimaya Co., Ltd. Director, Nankai Electric Railway Co., Ltd. (Outside Director) Director of the Board, Nippon Paint Holdings Co., Ltd. (Outside Director)	
AKIYAMA Sakie	Director (Outside Director)	Founder of Saki Corporation (Advisor) Director of Sony Corporation (Outside Director) Director of ORIX Corporation (Outside Director) Director of Mitsubishi Corporation (Outside Director)	
KAIAMI Makoto	Director (Outside Director) Member of the Audit Committee	Attorney Audit & Supervisory Board Member of SEIREN, Co., Ltd (Outside Audit & Supervisory Board Member) Director of Tokyu Fudosan Holdings Corporation (Outside Director)	Became Director of the Company on June 17, 2020
SATAKE Akira	Director (Outside Director) Chairperson of the Audit Committee		Became Director of the Company on June 17, 2020
KOMATSU Toshihide	Representative Executive Officer, Executive Vice President (In charge of) the DX Project Office, the Group IT Management Department, and the Group Cyber Security Office		
IWASAKI Yoshifumi	Representative Executive Officer, Executive Vice President (In charge of) the Group Real Estate Management Department and the Facility Department		
TANIGAKI Kunio	Senior Managing Executive Officer (In charge of) the Accounting & Finance Department, the Hotels Management Department, and Special assignment		
INASAWA Toru	Senior Managing Executive Officer (In charge of) the Internal Audit Department		

(As of March 31, 2021)

Name	Position and responsibilities	Significant concurrent positions	Others
IIZUKA Atsushi	Senior Managing Executive Officer (In charge of) the Internal Control the New Business Planning Office, the Corporate Planning Department, the IR Office, the Legal Affairs Department, and the Public Relations Department In sub-charge of the DX Project Office	Director of TOENEC CORPORATION (Outside Director)	Became Senior Managing Executive Officer of the Company on June 17, 2020
KAWAMOTO Hiroaki	Senior Managing Executive Officer (In charge of) the Compliance Department, the Liaison Office, the Risk Management Department, the Customer Satisfaction Promotion Department, the Olympics and the Paralympics Department, and Special assignment		
FUKUMOTO Kenji	Managing Executive Officer (In charge of) the Hospitals Management Department and the Corporate Planning Department (government relations)		
OKU Kimihiko	Managing Executive Officer (In charge of) In sub-charge of the Group Real Estate Management Department and the Facility Management Department		
OGATA Kenji	Managing Executive Officer (In charge of) In sub-charge of the New Business Planning Office, the Corporate Planning Department, the IR Office, and the Legal Affairs Department		
FURUSATO Hiroyuki	Managing Executive Officer (In charge of) In sub-charge of the Group IT Management Department and the Group Cyber Security Office		
SHIMA Toshitaka	Managing Executive Officer (In charge of) the Secretaries Office, the General Affairs Department, and the Human Resources Department		

(As of March 31, 2021)

Name	Position and responsibilities	Significant concurrent positions	Others
KINOSHITA Noriko	Managing Executive Officer (In charge of) In sub-charge of the Public Relations Department, the Olympics and the Paralympics Department, and Special assignment		
NISHIGUCHI Akihito	Managing Executive Officer (In charge of) In sub-charge of the New Business Planning Office, the Corporate Planning Department, and IR Office		Became Managing Executive Officer of the Company on March 1, 2021
HAYASHI Toshiyuki	Managing Executive Officer (In charge of) Special assignment		
YONEZAWA Tomohiro	Managing Executive Officer (In charge of) Special assignment	Representative Director, Vice President, and Senior Executive Vice President of Japan Post Co., Ltd.	Became Managing Executive Officer of the Company on June 17, 2020
ISAYAMA Chikashi	Managing Executive Officer (In charge of) Special assignment	Director and Executive Vice President of Japan Post Co., Ltd.	
TANAKA Susumu	Managing Executive Officer (In charge of) Special assignment	Director and Representative Executive Vice President of Japan Post Bank Co., Ltd.	
ICHIKURA Noboru	Managing Executive Officer (In charge of) Special assignment	Director and Representative Executive Officer Vice President of Post Insurance Co., Ltd.	Became Managing Executive Officer of the Company on June 18, 2020
SAKURAI Makoto	Executive Officer (In charge of) In sub-charge of the Hotel Business Department		
SHOMURA Tsutomu	Executive Officer (In charge of) In sub-charge of the Group IT Management Department (information security) and the Group Cyber Security Office		
IZUMI Mamiko	Executive Officer (In charge of) In sub-charge of the General Affair Department (Senior General Manager of the General Affair Department)		
OTAKA Kozo	Executive Officer (In charge of) In sub-charge of the Facility Management Department		

(As of March 31, 2021)

Name	Position and responsibilities	Significant concurrent positions	Others
TSURUDA Nobuo	Executive Officer (In charge of) In sub-charge of the Secretaries Office (Senior General Manager of the Secretaries Office), the Corporate Planning Department (sustainability), and the IR Office (Senior General Manager of the IR Office)		
KAZAMATSURI Makoto	Executive Officer (In charge of) In sub-charge of the Corporate Planning Division (Senior General Manager of the Corporate Planning Department)		
MEGURO Kenji	Executive Officer (In charge of) In sub-charge of the Group IT Management Department (Senior General Manager of the Group IT Management Department)		
ASAI Tomonori	Executive Officer (In charge of) In sub-charge of the Accounting & Finance Division (Senior General Manager of Accounting & Finance Department)		
YOKOYAMA Akihiko	Executive Officer (In charge of) In sub-charge of the Group Real Estate Management Department	Executive Officer of Japan Post Co., Ltd.	Became Executive Officer of the Company on June 17, 2020
KAWANO Youichi	Executive Officer (In charge) In sub-charge of the Compliance Department, the Liaison Office, the Risk Management Department, and the Customer Satisfaction Promotion Department		Became Executive Officer of the Company on August 1, 2020

- Notes: 1. Director Mr. SATAKE Akira possesses suitable knowledge relating to finance and accounting, which he has gained through serving in such roles as Director and Executive Vice President of Sumitomo Precision Products CO., LTD., etc.
2. With the aim of further enhancing the effectiveness of the Audit Committee's activities, the Company appointed Mr. SATAKE Akira as standing member of the Audit Committee.
3. The Company's outside directors, Mr. MIMURA Akio, Mr. ISHIHARA Kunio, Mr. Charles Ditmars Lake II, Ms. HIRONO Michiko, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto and Mr. SATAKE Akira are such Independent Directors as provided for by Tokyo Stock Exchange, Inc.
4. Director HIRONO Michiko's name on her family register is FUJII Michiko.

5. Major change in officers during this fiscal year is as follows:

Name	Position after change	Position before change	Date of change
KAWAMOTO Hiroaki	Senior Managing Executive Officer	Managing Executive Officer	June 17, 2020
KINOSHITA Noriko	Managing Executive Officer	Executive Officer	June 17, 2020

Directors and Executive Officers of the Company that Resigned during this Fiscal Year

Name	Position and responsibilities	Significant concurrent positions	Others
HORIIE Yoshito	Managing Executive Officer (In charge of) Special assignment	Senior Managing Executive Officer of Japan Post Insurance Co., Ltd.	Resigned from Executive Officer of the Company on June 15, 2020
KOZUKA Kenichi	Managing Executive Officer (In charge of) Special assignment		Resigned from Executive Officer of the Company on March 31, 2021
ASAMI Kanako	Executive Officer (In charge of) Special assignment	Executive Officer of Japan Post Co., Ltd.	Resigned from Executive Officer of the Company on March 31, 2021

Note: The position, responsibilities, and significant concurrent positions stated above are the ones held at the time of resignation.

(2) Compensation for the Directors and Executive Officers of the Company

(Millions of yen)

Classification	Number of persons paid (Persons)	Compensation, etc.	Compensation, etc.	
			Basic remuneration	Performance-linked stock compensation
Director	12	84	84	-
Executive Officer	29	683	581	101
Total	41	767	666	101

Notes: 1. Figures are rounded down to the nearest million yen.

2. The Company does not pay compensation for being a director of the Company to 1 director who concurrently hold office as an executive officer and 3 directors who concurrently hold positions at major subsidiaries and solely execute business at the respective subsidiary. Also, the Company does not pay compensation for being an executive officer of the Company to 9 executive officers who concurrently hold positions at major subsidiaries and solely execute business at the respective subsidiaries.
3. The retirement benefits or bonuses for officers are not paid.
4. Performance-linked stock compensation is the expense recorded in the fiscal year under review. There are no performance-linked compensation or non-monetary compensation other than the above-mentioned stock compensation.
5. With regard to performance-based stock compensation, the points awarded to executive officers are calculated by multiplying basic points based on the duties of an executive officer and individual evaluation points based on the execution of their responsibilities by a coefficient that changes based on company performance each fiscal year (achievement status of management plans, etc.). Individual evaluations are made by individually evaluating the results and status of initiatives in the business that executive officer is responsible for. With regard to indicators related to company performance, in order to enable comprehensive judgment of the degree of achievement of management, the Compensation Committee has set indicators from multiple different categories, using “consolidated net income attributable to Japan Post Holdings” as a profitability indicator, “consolidated ordinary income ratio” as an efficiency indicator and “dividend per share” as a shareholder return indicator that are suitable for the business format and content of the Company. There is no policy for determining the payment ratio of performance-based compensation and other forms of compensation.

[Target and results of performance-based compensation indicators for the fiscal year under review]

Performance indicators	Target	Actual
Net income attributable to Japan Post Holdings	260,000 million yen or more	418,238 million yen
Ratio of consolidated ordinary income	4.606% or more	7.800%
Dividend per share	50 yen or more	50 yen

Amount of Compensation, etc. paid to the Directors and Executive Officers of the Company and Decision on the Method of Calculating the Amount

The Compensation Committee establishes the “Policy regarding decision on the amount of compensation for each director and executive officer” as follows, and the amount of compensation paid to all the directors and executive officers of the Company is determined on the basis of this policy.

1. Compensation Structure

- (1) Only the executive officer compensation is paid to the executive officers who concurrently hold office as a director.
- (2) Fixed compensation is paid to the directors of the Company on the basis of their responsibilities, considering the scope and weight of their responsibility in management and other activities.
- (3) Compensation paid to the Company’s executive officers shall comprise basic compensation (fixed compensation) based on their responsibilities and performance-linked stock compensation as a mechanism to function as a sound incentive for the sustained growth of the Company.

2. Director's Compensation

Fixed compensation of a certain amount is paid to directors on the basis of their responsibilities considering their major role as a management supervisor, and the amount of the compensation needs to be reasonable in light of the weight of their responsibilities as directors and the current situation of the Company.

3. Executive Officer's Compensation

Compensation for the Company's executive officers is paid out as basic compensation (fixed compensation) following a predefined standard based on their responsibilities and performance-linked stock compensation that considers the extent to which the management plan has been achieved, considering the differences in responsibilities for each position.

The level of basic compensation is commensurate with the extent of the executive officer's responsibilities and the current situation of the Company; provided, however that in the case of executive officers who take charge of fields that demand special knowledge and skill, if the amount of the basic compensation based on his/her responsibilities is considerably lower than the standard level of compensation generally received by officers in charge of such field in other companies, the amount of the basic compensation will be determined taking into account the compensation level of other companies as a standard.

Stock compensation shall be paid out in the form of stock based on the total number of points accumulated at retirement and a cash amount obtained from the realization of a certain percentage of such stock, from the perspective of providing a sound incentive for the sustained growth of the Company. The points are calculated every year by multiplying (i) the sum of basic points determined based on roles and responsibilities and evaluation points determined based on individual evaluations by (ii) a coefficient that fluctuates based on the extent to which the management plan has been achieved.

In the case that a national government official who has been seconded to the Company takes up the position of an executive officer, a retirement benefit may be provided. The retirement benefit shall be determined in accordance with the rules for retirement benefits for employees by adding the period of his/her service as a national government official to the length of his/her service in the Company at the time of his/her retirement (excluding the case where he/she returns to the capacity of national government official after retirement from the Company).

4. Other

In case any of the Company's Directors or Executive Officers serve concurrently as Director(s), Audit & Supervisory Board Member(s), Executive Officer(s) of a group company, the said Director(s) or Executive Officer(s) will receive compensation from the company at which they perform their main duties.

Reason Why the Compensation Committee Judges that the Individual Compensation, etc. of Executive Officers is in Accordance with the Policy

The Company's Compensation Committee has conducted a multifaceted examination regarding the appropriateness, etc., of the compensation levels according to the responsibilities and positions of the directors and executive officers, and has set out the "Officer Compensation Standards," which stipulates the amounts of basic compensation for each position, and the "Officer Stock Payment Regulations," which stipulate the performance-linked stock compensation for executive officers.

Based on these standards and regulations, the amount of basic compensation and points to be granted for stock compensation, etc. for each individual are determined by the Compensation Committee, and the committee has determined that the respective details are in line with the above policy.

(3) Limited Liability Agreements

Name	Summary of Limited Liability Agreement
IKEDA Norito	In accordance with Article 427, paragraph 1 of the Companies Act and the Articles of Incorporation, the Company may enter into an agreement with directors (limiting to non-executive directors as stipulated in such article and provision) to limit their liability under Article 423, paragraph 1 of the said Act. The limit of liability under such agreement shall be the total amount of each item provided in the Article 425, paragraph 1 of the said Act.
KINUGAWA Kazuhide	
SENDA Tetsuya	
MIMURA Akio	
ISHIHARA Kunio	
Charles Ditmars Lake II	
HIRONO Michiko	
OKAMOTO Tsuyoshi	
KOEZUKA Miharuru	
AKIYAMA Sakie	
KAIAMI Makoto	
SATAKE Akira	

Note: The names in the above list are those of directors who executed limited liability agreement as of March 31, 2021.

(4) Indemnity Agreements

Indemnity Agreements with Directors and Executive Officers of the Company in office

Name	Summary of the indemnity agreements
MASUDA Hiroya	The directors have concluded an indemnity agreement with the Company as provided for in Article 430-2, paragraph 1 of the Companies Act, and the Company shall compensate for the expenses set forth in item 1 of the same paragraph and the losses set forth in item 2 of the same paragraph within the scope prescribed by laws and regulations.
IKEDA Norito	
KINUGAWA Kazuhide	
SENDA Tetsuya	
MIMURA Akio	
ISHIHARA Kunio	
Charles Ditmars Lake II	
HIRONO Michiko	
OKAMOTO Tsuyoshi	
KOEZUKA Miharuru	
AKIYAMA Sakie	
KAIAMI Makoto	
SATAKE Akira	
KOMATSU Toshihide	
IWASAKI Yoshifumi	
TANIGAKI Kunio	
INASAWA Toru	
IIZUKA Atsushi	
KAWAMOTO Hiroaki	
FUKUMOTO Kenji	
OKU Kimihiko	
OGATA Kenji	
FURUSATO Hiroyuki	
SHIMA Toshitaka	
KINOSHITA Noriko	
NISHIGUCHI Akihito	
KOZUKA Kenichi	
HAYASHI Toshiyuki	
YONEZAWA Tomohiro	
ISAYAMA Chikashi	

Name	Summary of the indemnity agreements
TANAKA Susumu	
ICHIKURA Noboru	
SAKURAI Makoto	
SHOMURA Tsutomu	
IZUMI Mamiko	
OTAKA Kozo	
TSURUDA Nobuo	
KAZAMATSURI Makoto	
MEGURO Kenji	
ASAI Tomonori	
YOKOYAMA Akihiko	
KAWANO Youichi	
ASAMI Kanako	

Fulfillment of the indemnity agreements

None.

(5) Directors and Executive Officers Liability Insurance

Scope of insureds	Summary of the Directors and Executive Officers liability insurance
All of the Directors, Executive Officers, and Audit & Supervisory Board Members of the Company and the Company's subsidiary, Japan Post Co., Ltd.	The policy covers the insured, being officers of the company (including executive officers) for claims for damages and litigation expenses, etc. incurred by the insured due to receiving claims for damages arising from action (including omission) carried out in regard to their duties as officers. However, criminal acts such as bribery, and damages to officers who committed intentionally illegal acts are excluded from the scope of indemnification as a measure to ensure that the appropriate execution of duties by officers, etc. is not impaired. Insurance premiums are paid in full by the companies in which the officers perform their duties.

3. Outside Directors

(1) Concurrent Positions and Other Statuses of Outside Directors

(As of March 31, 2021)

Name	Concurrent Positions and Other Status
MIMURA Akio	Honorary Company Fellow & Chairman Emeritus of NIPPON STEEL CORPORATION Chairman of Japan Chamber of Commerce and Industry Chairman of Tokyo Chamber of Commerce and Industry Director of Development Bank of Japan Inc. (Outside Director) Director of INCJ, Ltd. (Outside Director) Director of Tokio Marine Holdings, Inc. (Outside Director) Director of Nisshin Seifun Group Inc. (Outside Director)
ISHIHARA Kunio	Senior Adviser to the Board of Tokio Marine & Nichido Fire Insurance Co., Ltd. Audit & Supervisory Board Member of Tokyu Corporation (Outside Audit & Supervisory Board Member) Director and Audit and Supervisory Committee Member of NIKON CORPORATION (Outside Director) Audit & Supervisory Board Member of Mitsubishi Research Institute, Inc. (Outside Audit & Supervisory Board Member)
Charles Ditmars Lake II	Chairman and Representative Director of Aflac Life Insurance Japan Ltd. President and Member of the Board of Directors of Aflac International Incorporated Corporate Director of Tokyo Electron Limited (Outside Director)
HIRONO Michiko	
OKAMOTO Tsuyoshi	Senior Corporate Advisor of Tokyo Gas Co., Ltd. Director of Asahi Kasei Corporation (Outside Director) Director of Mitsubishi Estate Co., Ltd. (Outside Director)
KOEZUKA Miharuru	Counselor of Takashimaya Co., Ltd. Director of Okayama Takashimaya Co., Ltd. Director of Nankai Electric Railway Co., Ltd. (Outside Director) Director of the Board, Nippon Paint Holdings Co., Ltd. (Outside Director)
AKIYAMA Sakie	Founder of Saki Corporation (Advisor) Director of Sony Corporation (Outside Director) Director of ORIX Corporation (Outside Director) Director of Mitsubishi Corporation (Outside Director)
KAIAMI Makoto	Attorney Audit & Supervisory Board Member of SEIREN, Co., Ltd (Outside Audit & Supervisory Board Member) Director of Tokyu Fudosan Holdings Corporation (Outside Director)
SATAKE Akira	

Note: There is no relationship to be disclosed between the Company and corporations at which the outside directors hold concurrent positions.

(2) Major Activities of Outside Directors

Name	Term of office	Attendance at Board of Directors' meetings, etc.	Statement and other activities at Board of Directors' meetings, etc.
MIMURA Akio	7 years and 9 months	Attended 13 of 14 Board of Directors' meetings and all 2 Nomination Committee meetings during this fiscal year.	Mr. MIMURA Akio has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that he has cultivated throughout his career. In addition, he performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.
ISHIHARA Kunio	5 years and 9 months	Attended all 14 Board of Directors' meetings, all 2 Nomination Committee meetings, and all 6 Compensation Committee meetings during this fiscal year.	Mr. ISHIHARA Kunio has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that he has cultivated throughout his career. In addition, he performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.
Charles Ditmars Lake II	4 years and 9 months	Attended all 14 Board of Directors' meetings during this fiscal year.	Mr. Charles Ditmars Lake II has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that he has cultivated throughout his career. In addition, he performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.

Name	Term of office	Attendance at Board of Directors' meetings, etc.	Statement and other activities at Board of Directors' meetings, etc.
HIRONO Michiko	4 years and 9 months	Attended all 14 Board of Directors' meetings during this fiscal year.	Ms. HIRONO Michiko has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that she has cultivated throughout her career. In addition, she performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.
OKAMOTO Tsuyoshi	2 years and 9 months	Attended all 14 Board of Directors' meetings, all 2 Nomination Committee meetings, and all 6 Compensation Committee meetings during this fiscal year.	Mr. OKAMOTO Tsuyoshi has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that he has cultivated throughout his career. In addition, he performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.
KOEZUKA Miharu	2 years and 9 months	Attended all 14 Board of Directors' meetings, all 20 Audit Committee meetings during this fiscal year.	Ms. KOEZUKA Miharu has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that she has cultivated throughout her career. In addition, she performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.
AKIYAMA Sakie	1 year and 9 months	Attended all 14 Board of Directors' meetings and all 5 Audit Committee meetings during this fiscal year.	Ms. AKIYAMA Sakie has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that she has cultivated throughout her career. In addition, she performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.

Name	Term of office	Attendance at Board of Directors' meetings, etc.	Statement and other activities at Board of Directors' meetings, etc.
KAIAMI Makoto	9 months	Attended all 12 Board of Directors' meetings and all 15 Audit Committee meetings during this fiscal year since taking office.	Mr. KAIAMI Makoto has been in the legal profession for many years and can be expected supervise and check the management of the Company based on the experience and insight as a legal expert that he has cultivated throughout his career. In addition, he performs an appropriate role as an outside director of the Company, providing supervision and advice on business execution, including making necessary comments on the Company's management issues, etc., based on his knowledge and experience in the legal profession.
SATAKE Akira	9 months	Attended all 12 Board of Directors' meetings and all 15 Audit Committee meetings during this fiscal year since taking office.	Mr. SATAKE Akira has been involved in corporate management for many years and can be expected supervise and check the management of the Company based on the experience and insight as a management expert that he has cultivated throughout his career. In addition, performs his role as an outside director of the Company appropriately, supervising and providing advice on business execution, including making necessary comments on the Company's management issues, etc., from a management viewpoint.

Notes: 1. The terms of office stated above are the current terms as of March 31, 2021.

2. The terms of office stated above have been rounded down to eliminate periods less than one month.
3. Since incidents were identified in which the switching of policies with respect to Japan Post Insurance products was carried out in a manner that may have caused disadvantages to customers, not in line with their intentions, the Company and Japan Post Co., Ltd. were imposed on administrative dispositions by the Ministry of Internal Affairs and Communications and the Financial Services Agency, and Japan Post Insurance Co., Ltd. was imposed on the same by the Financial Services Agency on December 2019 based on the Insurance Business Act, etc. Each Outside Director has been fulfilling his/her duties such as presenting proposals on our daily operations from the viewpoint of group governance, internal control and legal compliance at the Board of Directors' meetings and also giving instructions for thorough inspection and prevention of such incidents after such incidents came to light. Since then, each outside officer has been receiving reports on the progress of the business improvement plan at Board of Directors' meetings of the Company on a periodic basis and monitoring the contents of various measures and the progress thereof appropriately.

(3) Compensation for Outside Directors

(Millions of yen)

	Number of persons paid (Persons)	Compensation paid by the Company	Compensation paid by the parent of the Company
Total amount	11	79	—

Notes: 1. Figures are rounded down to the nearest million yen.

2. The retirement benefits or bonuses are not paid.

6. Matters Concerning the Independent Auditor

(1) Status of Independent Auditor

(Millions of yen)

Name	Compensation, etc. for this fiscal year	Other
KPMG AZSA LLC Designated Limited Liability Partner AZAMI Kazuhiko Designated Limited Liability Partner MAENO Atsuji Designated Limited Liability Partner TOYAMA Takahiro	228	The Company pays a fee to the independent auditor for advisory services related to adoption of accounting treatment for revenue recognition which are services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Act (non-auditing services).

Notes: 1. Figures are rounded down to the nearest million yen.

2. Within the accounting audit contract between the Company and accounting auditor, the compensation paid for the audit under the Companies Act and the compensation paid for the audit under the Financial Instruments and Exchange Act are not distinguished, and as such the total amount is presented because these categories cannot be distinguished effectively.
3. The Audit Committee has reviewed the appropriateness of the contents of the audit plan, the status of execution of the accounting audit and the calculation basis of the estimated compensation amount of the independent auditor. As the aforementioned was judged to be appropriate as a result, the compensation amount and other amounts payable to the independent auditor have been agreed.
4. Total amount of money and other economic benefits to be paid by the Company and its subsidiaries is ¥919 million.

(2) Limited Liability Agreements

None.

(3) Indemnity Agreements

None.

(4) Other Matters Concerning the Independent Auditor

■ Policy regarding decisions to dismiss or not to reappoint an independent auditor

The Audit Committee shall dismiss the independent auditor if the independent auditor is deemed to fall under any of the items of Article 340, paragraph 1 of the Companies Act. Also, the Audit Committee comprehensively evaluates the independent auditor's execution of its duty and, if deemed necessary, shall determine a proposal for the dismissal or non-reappointment of the independent auditor to be submitted to the general meeting of shareholders.

■ Audit of financial statements of major subsidiaries of the Company by certified public accountants or audit corporations other than the Independent Auditor of the Company

None.

7. Systems to Ensure the Properness of Operations

The Board of Directors has resolved, as outlined below, the “Fundamental Policy for Establishment of Internal Control Systems” as the basic policy to establish the systems to ensure the properness of operations.

1. System to ensure the properness of operations in the Group which consists of the Company and its subsidiaries
 - (1) The Company has concluded agreements on the Japan Post Group’s operation and management (“JP Group Management Agreements”) with Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. (hereinafter collectively referred to as the “Three Business Companies”). The Company seeks from them the application for prior approval or reporting (prior consultation or reporting with respect to Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.) concerning matters necessary to achieve proper and smooth operation of the Group (including important matters that may seriously affect the management of the Group).
 - (2) Among information recognized through (1) above or other methods, important matters that may seriously affect the management of the Group are promptly reported to the Management Meeting and Board of Directors.
 - (3) In order for intragroup transactions be appropriately carried out without having significant effect on the soundness of each group companies, the Company states the basic policy regarding intragroup transactions as well as matters to be complied by each group companies in JP Group Management Agreements.
2. System to ensure that executive officers and employees of the Company, and directors, executive officers and employees of its subsidiaries execute their duties in accordance with laws and regulations and the Articles of Incorporation
 - (1) The Company establishes the management philosophy, management policy and Charter of Corporate Conduct of the Group and strives to disseminate them so that officers and employees of each group company comply with laws and regulations in every aspect of business operations. Also, the Company develops a basic framework of a compliance system in JP Group Management Agreements.
 - (2) The Company establishes a department supervising the Group compliance and makes efforts to promote compliance. Concurrently, the Company establishes the Compliance Committee and Group Compliance Committee, which discuss compliance policy on Group management, its specific application, and coping with various problems including issues related to sales and operations, and reports important matters to the Management Meeting, Audit Committee, and Board of Directors.
 - (3) The Company strives to be thorough with compliance through preparation of a compliance manual mentioning explanations about laws and regulations related to the Company’s business activities and implementation of training regarding laws and regulations as well as internal regulations officers and employees must comply with. Also, in JP Group Management Agreements, the Company requires the Three Business Companies to be thorough with compliance through preparation of a compliance manual and implementation of training.
 - (4) As for antisocial elements, which threaten the order and the safety of civil society, in accordance with the Charter of Corporate Conduct of the Group, the Group as a whole is resolved to fight against them, not to have any relations with them, and to exclude them. Also, the Company regularly cooperates with each group company and outside professional institutions such as police and firmly copes with illegal activities and unreasonable demands.
 - (5) To secure the properness of the Group’s financial statements and other relevant information, the Company establishes rules on establishment, operation, evaluation, and reporting of internal controls over financial reporting in JP Group Management Agreements. Also, the Company establishes a department supervising the establishment of internal controls over financial reporting and a department independently evaluating internal controls over financial reporting, makes efforts to secure the reliability of the Group’s financial reporting, and reports important matters, if necessary, to the Management Meeting, Audit Committee and Board of Directors.

- (6) In addition to establishing a reporting rule in case of violations of laws and regulations and internal rules, the Company establishes internal hotline inside and outside the Company and disseminates the use of them to officers and employees.
 - (7) The internal audit division, which is independent of the other divisions audited, executes effective internal audit, including the situation of compliance with laws and regulations. Also, the Company requires the Three Business Companies to execute effective internal audit in JP Group Management Agreements, monitors the situation of execution of internal audit and internal audit system, and reports the results to the Management Meeting, Audit Committee and Board of Directors.
3. Policies and other systems on management of risk of the Company and its subsidiaries
- (1) The Company provides in JP Group Management Agreements, fundamental principles of risk management and basic matters which are to be complied with in risk management such as risks subject for management as the basic policy of Group's risk management.
 - (2) The Company establishes a department supervising risk management of the Group, grasps the situation of risks in the Group, and analyzes and manages the risks. Concurrently, the Company implements correction of the handling and management method of outstanding risks. Also, the Company reports the situation of execution of risk management of the Group to the Management Meeting, Audit Committee and Board of Directors.
 - (3) Regarding the risk management of the Company, the Company establishes and executes classification of risks, management methods, and management system in accordance with its risk management policy and risk management rules. Also, the Management Meeting deliberates important matters regarding risk management.
 - (4) To swiftly and properly cope with risks and take corrective measures in case of the occurrence of such risks that seriously affect the management, the Company establishes rules regarding crisis management system and crisis handling measures in JP Group Management Agreements.
4. System for the storage and management of information related to the execution of duties by executive officers
- In the Management Meeting Regulations and the Document Management Rules, the Company clarifies method and system for the storage and management of information related to the execution of duties by executive officers such as the minutes of the Management Meeting and approval documents and strives to properly store and manage such information. Concurrently, according to requests by the Audit Committee and the internal audit division, the Company provides the requested documents for reading and copying.
5. System to ensure that executive officers of the Company, and directors and executive officers of its subsidiaries efficiently execute their duties
- (1) The Management Meeting consisting of executive officers is held every week as a rule and discusses matters delegated by the Board of Directors and matters to be discussed by the Board of Directors. Also, the Company establishes a special committee as an advisory body to the Management Meeting, if necessary.
 - (2) The Company establishes the Organization Rules and Management Authority Rules, clarifies roles of each organization, and management authorities and responsibilities of executive officers, and strives to make execution of duties by executive officers efficient.
 - (3) For the purpose of promoting an efficient and effective Group management, the Company establishes a Group Steering Committee so that important matters concerning Group management may be discussed and information shared on an issue-by-issue basis.

6. Matters concerning employees who assist the Audit Committee in fulfilling its duties

The Company establishes an Office of Audit Committee to assist the Audit Committee in fulfilling its duties and place exclusive employees with necessary knowledge and ability to assist the Audit Committee.

7. Matters concerning the independence of employees who assist the Audit Committee from the executive officers

Employment, transfer, evaluation, and discipline of employees belonging to the Office of Audit Committee require prior consent of the Audit Committee or a member thereof designated by the Audit Committee.

8. Matters concerning to ensure the effectiveness of instructions for employees who assist the Audit Committee

Employees of the Office of Audit Committee follow orders and instructions of the Audit Committee or the members thereof designated by the Audit Committee, and perform their duties such as conducting investigations and receiving reports.

9. System to report to the Audit Committee

(1) The executive officer supervising internal controls periodically reports the situation of execution of his/her duties concerning internal controls of the Group to the Audit Committee.

(2) The executive officer supervising the internal audit division periodically reports the situation of execution of internal audit of the Group and results to the Audit Committee, and promptly reports matters that may seriously affect the management to the members of the Audit Committee. In this case, if the Audit Committee deems it necessary, the Audit Committee shall request the executive officer responsible for the internal audit division to conduct an investigation or give specific instructions on the execution of duties.

(3) An executive officer in charge of the Compliance Division periodically reports to the Audit Committee regarding the situation of promoting Group's compliance and occurrences of compliance violations.

Also, the Group's material compliance violation cases (including cases which may result in a material compliance violation) revealed through internal hotline and other means are promptly reported to the members of the Audit Committee.

(4) Executive officers and employees promptly report matters that may seriously affect the management of the Group to the members of the Audit Committee.

(5) Executive officers and employees report the situation of execution of their duties of the Group upon the Audit Committee's request.

(6) Person engaged in the reporting to the Audit Committee or the members of the Audit Committee shall not be treated disadvantageously by reason of being engaged in such reporting.

10. Matters concerning procedures for advance payments or reimbursement arising from execution of duties relating to the Audit Committee and policy regarding the handling of expenses or debts arising from other such execution of duties

If any member of the Audit Committee requests necessary expenses to the Company for seeking opinion to lawyers, certified public accountants and other outside professionals, or entrusting investigations, appraisals, and other administrations in executing the Audit Committee's duties, executive officers and employees shall not refuse the request except where the Company proves that such requested expenses are unnecessary for the Audit Committee to execute its duties.

11. Other systems to ensure effective auditing by the Audit Committee

- (1) The representative executive officers periodically exchange opinions and make efforts to foster mutual understanding with the Audit Committee about important management matters including the basic policy of the Company's management, issues to be addressed, and the situation of functioning of the internal control systems.
- (2) The Audit Committee receives explanations on audit plan from the independent auditor in advance, periodically receives audit reports, and makes efforts to cooperate through exchange of opinions, if necessary, to always grasp important points of financial audit.
- (3) In executing its duties, the Audit Committee makes efforts to cooperate with audit committees or Audit & Supervisory Board Members of the Three Business Companies by periodically exchanging information and opinion.
- (4) Appointment of key personnel of the internal audit division requires prior consent of the Audit Committee.
- (5) Drawing up of the medium-term audit plan and audit plans for the fiscal year, etc., which are parts of the internal audit plan, requires prior consent of the Audit Committee.

The operating status of "systems to ensure the properness of operations" is as follows:

1) Overall internal control systems

- For the purpose of further fortifying the internal control and corporate governance of the Group, the Company has established an "Internal Control General Meeting" where necessary issues regarding internal control or corporate governance are being discussed.
- The Company confirms whether the internal control system is effectively functioning through reporting the operational status of the "Fundamental Policy for Establishment of Internal Control Systems" by Executive Officer in charge of Internal Control Division to the Internal Control General Meeting, the Board of Directors' meetings, etc. (Board of Directors' meeting, Audit Committee and Management Meeting; the same shall apply hereinafter) on a quarterly basis.
- Also, considering problems such as inappropriate solicitation practices of Japan Post Insurance products revealed during the fiscal year ended March 31, 2020, the Company strengthened several functions, including those related to internal audits, compliance, and operational risk, in order to further reinforce the systems to ensure the properness of operations.

2) Group operation system

- The Company has concluded agreements on the Japan Post Group's operation and management ("JP Group Management Agreements") with Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. (hereinafter collectively referred to as the "Three Business Companies"), whereby a consensus has been reached on basic matters related to the Group's common philosophy, policies and other aspects of Japan Post Group's management, and a system is in place for approving or consulting, or reporting, necessary matters for achieving proper and smooth operation of the Group.
- In addition, the items in reports on orders from regulatory authorities and reports on sales and operations added in the fiscal year ended March 31, 2020 are operated appropriately.
- In accordance with the JP Group Management Agreements, the Company receives reports of important intragroup transactions from the Three Business Companies, and verifies that intragroup transactions are carried out appropriately after conducting its own inspection.

3) Compliance system

- The Group acknowledges compliance as one of the highest management issues and each group company has built an effective compliance framework by establishing a Compliance Committee, and a Compliance Department that is independent from departments related to business execution, among others.
- In addition, the Company established the Group Compliance Committee for various purposes such as information sharing and deliberating about the compliance policy on Group management, its specific application, and coping with various problems including issues related to sales and operations such as internal crimes including a financial crime by the head of a post office, and reports important matters to the Board of Directors, etc.
- Each group company draws up a “Compliance Program,” a plan for specific actions to promote compliance, every fiscal year and the initiatives and progress are reported quarterly to the Board of Directors’ meetings, etc.
- Each group company has prepared and distributed a “Compliance Handbook,” and is taking initiatives to enhance awareness of compliance to officers and employees through training programs and other means.
- Reporting rules are in place for compliance violations, while an internal hotline, external hotline and improper financial product sales hotline have been set up both inside and outside the Company. The use of such hotline is made known to executive officers and employees through training and other means. At the improper financial product sales hotline newly established externally in the fiscal year ended March 31, 2020, as a hotline dedicated to financial product sales handled by group companies such as Japan Post Insurance products, investment trusts, etc., reports including events which are not clearly deemed as compliance violations, etc. may be accepted as well.
- The Group has expanded the scope of persons who may report issues in line with the revisions to the Whistleblower Protection Act and is working to strengthen the protection of whistleblowers based on verification reports, etc. by the JP Reform Execution Committee, in such a way that the internal hotline is trusted by its users, and along with the foregoing, revising the guidelines for establishment of internal hotlines.

4) System for exclusion of antisocial forces

- The Group has posted “Japan Postal Group Charter of Corporate Conduct,” and “Declaration by Top Management (“Basic Rules on Dealings with Antisocial Forces”)” on the website of each group company, and internally and externally declares to prevent possible damages by eliminating any and all relationships with antisocial forces.
- With regard to responding to antisocial forces, the Group has established an office for managing its response to antisocial forces and mainly conducted integrated management of related information, preparation of the response manual and guidance of introduction of a clause regarding the exclusion of “boryokudan” (organized crime group) in agreements. Also, in liaison with each group company and outside professional institutions, the Group is implementing elimination and exclusion of the relationships with such forces as an organization in its entirety.

5) Risk management system

- In accordance with the Basic Policy for Group Risk Management, the Company reports the situation of risk management in the Group and the Company on a quarterly basis to the Board of Directors’ meetings, etc.
- Through the Japan Post Group Operational Risk Management Liaison Committee, etc., the Company also reinforced its system for sharing information on risks at each group company.

- The Company selected risks of business, etc. of the Group on which the management team of the Company places a particular focus and disclosed them in its annual securities report.
- In addition, as part of measures to sophisticate the risk management framework of the Group, the Company worked to establish the risk appetite framework (RAF).
- In accordance with the rules regarding crisis management systems and crisis response measures provided in JP Group Management Agreements, the Company implements checking on the effectiveness of crisis management system of each group company, reporting and sharing of information in the event of a disaster, and checking on the system of communication in the event of an emergency, and the Company reports the situation of development and training of crisis management systems to the Japan Post Group Crisis Management Committee.
- During the fiscal year ended March 31, 2021, various measures have been implemented after deciding on the unified response policy within the Group to the spread of COVID-19.

6) Internal audit system

- In accordance with the audit plan, internal audits are conducted and results are reported to the Board of Directors' meetings, etc.
- The status of corrective actions and improvement of the internal audit findings are checked, and the results are reported quarterly to the Board of Directors.
- The auditing activities of the Three Business Companies are recognized and evaluated quarterly, and reported to the Board of Directors.
- The Company conducts preliminary monitoring interview activities (onsite monitoring activities), which started on an experimental basis from the fiscal year ended March 31, 2020, to understand the actual frontline operation at post offices, etc.

7) System of internal controls over financial reporting

- In accordance with the Financial Instruments and Exchange Act, the Company designs, implements and operates internal controls over financial reporting of the Group, and in order to secure reliability of such financial reporting, it performs assessments of internal controls regarding financial reporting pursuant to the "On the Setting of the Standards and Practice Standards for Management Assessment and Audit concerning Internal Control Over Financial Reporting (Council Opinions)" (Business Accounting Council). Also, the Company reports assessment plans for the fiscal year, its progress status, results of evaluation of the effectiveness of internal controls over financial reporting of the Group to the Board of Directors' meetings, etc.

8) Information preservation and management system

- The Company provides rules and measures for preservation and management of various types of information in the Document Management Rules.
- The Company appropriately operates the "Integrated Document Management System" which digitizes processes from document approvals to retention.
- Minutes for Management Meeting, special committee, etc. are accurately recorded and prepared, information being appropriately preserved and managed.

9) System for efficient execution of duties

- The Management Meeting is held every week as a rule and deliberates matters delegated by the Board of Directors and matters to be discussed by the Board of Directors. Also, the Company periodically holds Group Steering Committee and discusses issues pertaining to important matters in the Group management. In addition, during the fiscal year ended March 31, 2021, its

functions have been further strengthened by, for example, holding discussions upon receiving not only reports on management information concerning routine items but also reports from each company on matters such as the status of voices of customers and employees offered to each company, the status of occurrence of operational risks, results of analysis of data posted on SNSs, etc.

- The Company establishes the Organization Rules and Management Authority Rules, clarifies roles of each organization, management authorities and responsibilities of executive officers, and strives to ensure efficient execution of duties by executive officers.

10) System relating to the Audit Committee

- Executive officers who are in charge of internal control departments such as the Internal Audit Division and Compliance Division periodically report to the Audit Committee, while officers and employees report information necessary for the Audit Committee audit, whenever necessary. Furthermore, from the perspective of further reinforcing cooperation between the Audit Committee and the internal audit division, from the fiscal year ended March 31, 2021, if the Audit Committee deems it necessary, the Audit Committee will require the executive officer in charge of the internal audit division to conduct investigations or give the officer specific instructions on execution of their duty.
- In order to assist the Audit Committee in fulfilling its duties, the Company has established an executive office independent from execution departments and has posted the necessary personnel. Also, regarding the expenses necessary in executing duties of the Audit Committee, the Company appropriates the necessary amounts in the budget so that activities of the Audit Committee may be conducted without constraints.
- Representative executive officers and the Audit Committee periodically exchange opinions regarding important management matters and are making efforts to deepen mutual understandings. The Audit Committee makes efforts to cooperate with the independent auditor and audit committees or Audit & Supervisory Board Members of the Three Business Companies by periodically exchanging information and opinion.

8. Policy on Exercise of Authority if Articles of Incorporation Allow Distribution of Surplus by Resolution of the Board of Directors

The Company considers returning profits to shareholders to be an important management issue and sets out its basic policy to continuously provide stable return to shareholders, in accordance with the results of operation.

With regard to dividends of surplus, the Company has aimed to pay stable dividends with an annual dividend of around ¥50 per share until the end of the fiscal year ending March 31, 2026 in order to realize a steady return of profits to shareholders while paying attention to capital efficiency and remembering to enhance internal reserves.

In order to ensure flexible management operations, the decision-making body concerning dividends from surplus is set to be the Board of Directors as per the provisions of the Articles of Incorporation. In addition, it is stipulated that dividends from surplus be paid with March 31 and September 30 of each year as record dates.

The full-year dividend for the fiscal year under review will be 50 yen per share for common stock, based on a comprehensive determination of earnings and other matters.

Internal reserves will be utilized mainly for investments to capture growth opportunities and capital policies with awareness on capital efficiency, aiming at enhancement of corporate value.

In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from surplus or other appropriation of surplus (excluding disposition of loss) of the Company shall not be effective without approval of the Minister of Internal Affairs and Communications.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Cash and due from banks	62,719,113	Deposits	187,984,760
Call loans	1,520,000	Payables under repurchase agreements	14,886,481
Receivables under resale agreements	9,721,360	Policy reserves and others	61,159,597
Receivables under securities borrowing transactions	2,585,087	Reserve for outstanding claims	419,021
Monetary claims bought	638,985	Policy reserves	59,397,720
Trading account securities	13	Reserve for policyholder dividends	1,342,855
Money held in trust	10,029,932	Payables under securities lending transactions	6,092,013
Securities	193,703,491	Borrowed money	4,228,180
Loans	9,655,811	Foreign exchanges	514
Foreign exchanges	80,847	Bonds	300,000
Other assets	2,716,321	Other liabilities	2,851,705
Tangible fixed assets	3,153,739	Reserve for bonuses	126,149
Buildings	1,106,006	Liability for retirement benefits	2,210,273
Land	1,543,915	Reserve for employee stock ownership plan trust	535
Construction in progress	136,149	Reserve for management board benefit trust	952
Other tangible fixed assets	367,668	Reserve for reimbursement of deposits	73,830
Intangible assets	240,194	Reserve for insurance claims and others	2,851
Software	217,282	Reserve for price fluctuations	904,816
Goodwill	2,383	Deferred tax liabilities	844,400
Other intangible assets	20,528		
Asset for retirement benefits	64,184	Total liabilities	281,667,063
Deferred tax assets	919,448	Net assets	
Reserve for possible loan losses	(10,400)	Capital stock	3,500,000
		Capital surplus	4,085,191
		Retained earnings	4,374,229
		Treasury stock	(831,661)
		Total shareholders' equity	11,127,759
		Net unrealized gains (losses) on available-for-sale securities	2,893,921
		Net deferred gains (losses) on hedges	(329,275)
		Foreign currency translation adjustments	(104,433)
		Accumulated adjustments for retirement benefits	206,389
		Total accumulated other comprehensive income	2,666,601
		Non-controlling interests	2,276,705
		Total net assets	16,071,067
Total assets	297,738,131	Total liabilities and net assets	297,738,131

Consolidated Statement of Income
(For the fiscal year ended March 31, 2021)

(Millions of yen)

Items	Amount	
Ordinary income		11,720,403
Postal business income	2,778,065	
Banking business income	1,944,878	
Life insurance business income	6,786,210	
Other ordinary income	211,248	
Ordinary expenses		10,806,238
Operating expenses	7,822,474	
Personnel expenses	2,473,924	
Depreciation and amortization	286,283	
Other ordinary expenses	223,557	
Net ordinary income		914,164
Extraordinary gains		13,697
Gains on sales of fixed assets	7,243	
Compensation for transfer	1,482	
Insurance claim income	1,973	
Compensation income	1,795	
Other extraordinary gains	1,202	
Extraordinary losses		167,871
Losses on sales and disposal of fixed assets	3,259	
Losses on impairment of fixed assets	93,545	
Provision for reserve for price fluctuations	46,477	
Post office refurbishment expenses	4,915	
Other extraordinary losses	19,673	
Provision for reserve for policyholder dividends		65,465
Income before income taxes		694,525
Income taxes current	224,804	
Income taxes deferred	(38,998)	
Total income taxes		185,806
Net income		508,718
Net income attributable to non-controlling interests		90,480
Net income attributable to Japan Post Holdings		418,238

Consolidated Statement of Changes in Net Assets

(For the fiscal year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	3,500,000	4,084,763	4,057,087	(831,707)	10,810,143
Changes in the fiscal year					
Cash dividends			(101,096)		(101,096)
Net income attributable to Japan Post Holdings			418,238		418,238
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		428			428
Disposals of treasury stock				45	45
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	428	317,142	45	317,616
Balance at the end of the fiscal year	3,500,000	4,085,191	4,374,229	(831,661)	11,127,759

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Foreign currency translation adjustments	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income (loss)		
Balance at the beginning of the fiscal year	295,671	(291,823)	(89,698)	209,860	124,008	1,682,622	12,616,774
Changes in the fiscal year							
Cash dividends							(101,096)
Net income attributable to Japan Post Holdings							418,238
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							428
Disposals of treasury stock							45
Net changes in items other than shareholders' equity in the fiscal year	2,598,250	(37,452)	(14,734)	(3,470)	2,542,592	594,083	3,136,675
Net changes in the fiscal year	2,598,250	(37,452)	(14,734)	(3,470)	2,542,592	594,083	3,454,292
Balance at the end of the fiscal year	2,893,921	(329,275)	(104,433)	206,389	2,666,601	2,276,705	16,071,067

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	252,101	Current liabilities	29,247
Cash and deposits	189,791	Accounts payable	25,758
Inventories	386	Accrued expenses	884
Prepaid expenses	242	Income taxes payable	150
Short-term loan	22,949	Reserve for bonuses	1,634
Accounts receivable	13,938	Reserve for point service program	390
Income taxes receivable	24,097	Others	429
Others	1,292	Long-term liabilities	55,330
Reserve for possible loan losses	(596)	Reserve for retirement benefits	24,401
Non-current assets	5,745,446	Reserve for management board benefit trust	281
Tangible fixed assets	166,149	Reserve for compensation for accidents in the course of duty	16,701
Buildings	48,722	Deferred tax liabilities	5,989
Structures	2,033	Others	7,956
Machinery and equipment	843	Total liabilities	
Vehicles	72		84,577
Tools and fixtures	23,606	Net assets	
Land	89,889	Shareholders' equity	5,905,066
Construction in progress	981	Capital stock	3,500,000
Intangible assets	23,450	Capital surplus	4,503,856
Software	19,408	Capital reserve	875,000
Others	4,042	Other capital surplus	3,628,856
Investments and other assets	5,555,845	Retained earnings	(1,267,127)
Investment securities	186,890	Other retained earnings	(1,267,127)
Stocks of subsidiaries and affiliates	5,040,211	Retained earnings brought forward	(1,267,127)
Money held in trust	293,063	Treasury stock	(831,661)
Long-term loan	20,926	Valuation and translation adjustments	7,903
Claims provable in bankruptcy	61	Net unrealized gains (losses) on available-for-sale securities	7,903
Long-term prepaid expenses	1,842		
Prepaid pension costs	17,890	Total net assets	
Others	172		5,912,969
Reserve for possible loan losses	(61)	Total liabilities and net assets	
Allowance for investment loss	(5,152)		5,997,547
Total assets	5,997,547		

Non-consolidated Statement of Income
(For the fiscal year ended March 31, 2021)

(Millions of yen)

Items	Amount	
Operating income		167,933
Brand royalty income	13,397	
Dividend income from subsidiaries and affiliates	97,209	
Income from business consignment	37,045	
Subsidy income equivalent to deposit insurance premiums	329	
Income from hospital business	13,042	
Income from hotel business	6,908	
Operating expenses		63,061
Expenses for business consignment	38,972	
Expenses for hospital business	16,936	
Expenses for hotel business	18,481	
Administrative expenses	(11,328)	
Net operating income		104,871
Other income		12,180
Interest income	87	
Dividend income	7,102	
Rent income	2,665	
System modification fees	166	
Others	2,158	
Other expenses		2,250
Rent expenses	1,276	
System modification fees	161	
Provision of allowance for doubtful accounts	596	
Others	216	
Net ordinary income		114,800
Extraordinary gains		2,005
Gains on sales of fixed assets	1,636	
Others	369	
Extraordinary losses		2,245,349
Losses on sales and disposal of fixed assets	468	
Losses on impairment of fixed assets	5,429	
Losses on valuation of stocks of subsidiaries and affiliates	2,229,597	
Share of post office refurbishment expenses	5,518	
Others	4,335	
Loss before income taxes		(2,128,543)
Income taxes current	1,446	
Total income taxes		1,446
Net loss		(2,129,989)

Non-consolidated Statement of Changes in Net Assets

(For the fiscal year ended March 31, 2021)

(Millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings
					Retained earnings brought forward	
Balance at the beginning of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	963,958	963,958
Changes in the fiscal year						
Cash dividends					(101,096)	(101,096)
Net loss					(2,129,989)	(2,129,989)
Disposals of treasury stock						
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	-	-	(2,231,085)	(2,231,085)
Balance at the end of the fiscal year	3,500,000	875,000	3,628,856	4,503,856	(1,267,127)	(1,267,127)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(831,707)	8,136,107	(104,439)	(104,439)	8,031,667
Changes in the fiscal year					
Cash dividends		(101,096)			(101,096)
Net loss		(2,129,989)			(2,129,989)
Disposals of treasury stock	45	45			45
Net changes in items other than shareholders' equity in the fiscal year			112,342	112,342	112,342
Net changes in the fiscal year	45	(2,231,040)	112,342	112,342	(2,118,697)
Balance at the end of the fiscal year	(831,661)	5,905,066	7,903	7,903	5,912,969

Report of Independent Auditor on Consolidated Financial Statements (Copy)

[English Translation of the Auditor's Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 12, 2021

The Board of Directors
Japan Post Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

AZAMI Kazuhiko (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

MAENO Atsuji (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

TOYAMA Takahiro (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST HOLDINGS Co., Ltd. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiaries which are required to be disclosed pursuant to the provisions for the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Report of Independent Auditor on Non-consolidated Financial Statements (Copy)
[English Translation of the Auditor's Report Originally Issued in the Japanese Language]

Independent Auditor's Report

May 12, 2021

The Board of Directors
Japan Post Holdings Co., Ltd.

KPMG AZSA LLC
Tokyo Office

AZAMI Kazuhiko (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

MAENO Atsuji (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

TOYAMA Takahiro (Seal)
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST HOLDINGS Co., Ltd. ("the Company") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of JAPAN POST HOLDINGS Co., Ltd. for the period, for which the financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions for the Certified Public Accountants Act of Japan.

Notes to the Reader of Independent Auditor's Report:

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.

Audit Report of Audit Committee (Copy)

[English Translation of the Audit Report Originally Issued in the Japanese Language]

Audit Report

We, the Audit Committee of Japan Post Holdings Co., Ltd., have audited the execution of duties by directors and executive officers at the end of, and during, its 16th business year, the period from April 1, 2020 to March 31, 2021. Our audit method and results are as follows.

1. Auditing Method and Details Thereof

The Audit Committee periodically received reports on the resolutions of the Board of Directors and the status of establishment and operation of the system (Internal Control System) developed under such resolutions with regard to matters referred to in Article 416, paragraph 1, item 1, sub-items (b) and (e) of the Companies Act and requested explanations when necessary from directors and executive officers as well as employees, etc., and expressed our opinions to them. At the same time, the Audit Committee performed audits by the following method:

- (i) In accordance with the auditing policies, etc. established by the Audit Committee, working closely with the internal audit division and other related organizations, the Audit Committee attended important meetings, received reports from directors, executive officers, and other related persons on the matters regarding the execution of their duties and requested explanations when necessary, inspected important written approvals and other documents, and examined the status of business operations and assets of the Company. As for the subsidiaries of the Company, the Audit Committee communicated and exchanged information with the directors, audit committee members, and audit & supervisory board members of the subsidiaries and received reports from the subsidiaries regarding their business when necessary.
- (ii) The Audit Committee monitored and inspected whether the independent accounting auditor performed proper audits while assuring said auditor's independence, and received reports from the independent accounting auditor on the execution of its duties, requesting explanations when necessary. The Audit Committee was also informed by the independent accounting auditor that the "System to ensure proper execution of its duties" (as set forth in items of Article 131 of the Ordinance on Accounting of Companies) has been developed in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005) and others, requesting explanations when necessary.

Through the above method, the Audit Committee reviewed the business report and its supplementary schedules, the financial statements, comprising the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and their supplementary schedules in addition to the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes for said business year.

2. Audit Results

(1) Audit Results of Business Report, etc.

- (i) In our opinion, the business report and its supplementary schedules fairly present the situation of the Company in accordance with laws and regulations as well as the Articles of Incorporation.
- (ii) We found no wrongful act or material fact in violation of laws and regulations, or the Articles of Incorporation regarding the execution of duties by directors and executive officers.
- (iii) In our opinion, the resolutions of the Board of Directors with respect to the internal control system are appropriate. We found no matter that needed to be addressed regarding the content of the business report or the execution of duties by the directors and executive officers, with respect to the internal control system.

Audit Committee will continue to pay close attention to thorough enhancement of customer-oriented business operations regarding solicitation quality of Japan Post Insurance products and improper use of cashless payment services of Japan Post Bank shown in the business report. In addition, we will also continue to pay close attention that appropriate measures are taken to prevent recurrence of the crime gaining a high amount of proceeds committed by a management employee of Japan Post Co.

(2) Audit Results of the Financial Statements and its Supplementary Schedules

In our opinion, the auditing method of KPMG AZSA LLC, the Accounting Auditor, and the results of its audit are appropriate.

(3) Audit Results of the Consolidated Financial Statements

In our opinion, the auditing method of KPMG AZSA LLC, the Accounting Auditor, and the results of its audit are appropriate.

May 12, 2021

Audit Committee of Japan Post Holdings Co., Ltd.

Member of the Audit Committee
SATAKE Akira (Seal)

Member of the Audit Committee
KOEZUKA Miharuru (Seal)

Member of the Audit Committee
KAIAMI Makoto (Seal)

Note: Members of the Audit Committee SATAKE Akira, KOEZUKA Miharuru and KAIAMI Makoto are outside directors as stipulated in Article 2, item 15, and Article 400, paragraph 3 of the Companies Act.

Information Map of the General Meeting of Shareholders

Place **Ballroom, B2F, The Prince Park Tower Tokyo**
 4-8-1 Shibakoen, Minato-ku, Tokyo

- * Please note that the Prince Park Tower Tokyo is located some distance away from The Tokyo Prince Hotel.
- * Please do not come to the venue by car.
- * We will not be handing out small gifts to the shareholders at the meeting.

Should there be any major change to the holding and management of the General Meeting of Shareholders due to future circumstances, it will be announced on the Company’s website. Please check it to confirm.

