

(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 18TH ANNUAL GENERAL
MEETING OF SHAREHOLDERS**

Date and Time	Wednesday, June 21, 2023 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.

Due to the implementation of the system for providing informational materials for the general meeting of shareholders in electronic format in line with the amendment of the Companies Act, the provision of informational materials for the general meeting of shareholders has been changed to be on websites in principle. In accordance with the purpose of this system, the Company shall deliver paper-based documents that exclude the Notes to Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements to shareholders who have requested the delivery of paper-based documents, and shall deliver paper-based documents that exclude a portion of the Business Report and the entirety of the Consolidated Financial Statements and the Non-consolidated Financial Statements to all other shareholders. Please confirm the complete set of the informational materials for the general meeting of shareholders at the websites stated in this notice.

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Exercise due date via the Internet, etc.:

No later than 5:15 p.m. on Tuesday, June 20, 2023 (JST)

Exercise due date by mail:

To be received no later than 5:15 p.m. on Tuesday, June 20, 2023 (JST)

The main details can be viewed on PCs and smartphones.

<https://p.sokai.jp/6178/>

Japan Post Holdings Co., Ltd.

Securities Identification Code: 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.

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.

Fiscal 2023 is the third year of “JP Vision 2025,” the Japan Post Group’s Medium-term Management Plan announced in May 2021.

For the past two years, we have been working on utilizing digital technology to provide optimal products and services that satisfy customer needs and promoting cooperation with various companies and local communities.

The fiscal year ended in March 2023, which will mark the completion of half of the “JP Vision 2025” period, would offer good timing to move on to the next step for further growth.

We will work to increase in the Japan Post Group’s corporate value and improve customer service by promoting the Group’s cross-sectional, unified DX measure and training Group DX personnel, arranging the Group’s data infrastructure and digitalization of the contact points with customers and expediting the creation of new business that assist in resolving social issues through the cooperation with various companies out of the Group.

Regarding the improper solicitation of Japan Post Insurance products, etc., which we have been tackling as the most crucial issue, we aim to regain trust through the measures such as the steady implementation of the business improvement plan.

For over 150 years, we have been moving forward with customers having post offices throughout Japan as a contact point.

By providing products and services that align with the times under the Group’s common slogan, “Evolving warmth,” the Japan Post Group will unite to become a corporate group that is needed and chosen by the people in the communities more than ever.

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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Securities Identification Code: 6178

June 5, 2023

(Commencement date of the Provision by Electronic Means: May 22, 2023)

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 18TH 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 18th Annual General Meeting of Shareholders of Japan Post Holdings Co., Ltd. (hereinafter referred to as the “Company”), which will be held as described below.

For convocation of this General Meeting of Shareholders, the Company has adopted the electronic provision of information contained in the Reference Documents, etc. for the General Meeting of Shareholders (Matters Concerning Electronic Provision), which is posted on the Company’s website as the “Notice of the 18th Annual General Meeting of Shareholders.” Please access the Company’s website below for your confirmation.

The Company’s website

<https://www.japanpost.jp/en/ir/stock/meetings/>

In addition to the above website, the Matters Concerning Electronic Provision is also available on the website of the Tokyo Stock Exchange (TSE). If you would like to confirm from the latter, please access the Tokyo Stock Exchange website (Listed Company Search) shown below, enter and search by the issue name (Company name) “Japan Post Holdings” or the code “6178.” Then, click “Basic information” and select “Documents for public inspection/PR information” for your confirmation.

The Tokyo Stock Exchange website (Listed Company Search)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you do not attend the meeting in person on the day, you may exercise your voting rights by electromagnetic means (via the Internet, etc.) or in writing (voting form). Please review the attached Reference Documents for the General Meeting of Shareholders (pages 10 to 31) and follow the Instructions for Exercise Method of Voting Rights from pages 5 to 7 to exercise your voting rights by 5:15 p.m. on Tuesday, June 20, 2023 (JST).

Details

1. **Date and Time:** Wednesday, June 21, 2023 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

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 18th Term (April 1, 2022 to March 31, 2023)
2. Non-consolidated Financial Statements for the Company's 18th Term (April 1, 2022 to March 31, 2023)

A proposal to be resolved:

Proposal: Election of Fifteen (15) Directors

-
- * If you plan to attend in person, please submit the enclosed voting form at the reception desk upon your arrival.
 - * Among the Matters Concerning Electronic Provision, in accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation of the Company, "Notes to Consolidated Financial Statements" under Consolidated Financial Statements and "Notes to Non-consolidated Financial Statements" under Non-consolidated Financial Statements are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents as they are provided at the Company's website and TSE website. The Consolidated Financial Statements and the Non-consolidated Financial Statements audited by the Audit Committee and the Independent Auditor include "Notes to Consolidated Financial Statements" under Consolidated Financial Statements and "Notes to Non-consolidated Financial Statements" under Non-consolidated Financial Statements, which are posted on the Company's website and TSE website.
 - * If revisions to the Matters Concerning Electronic Provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company's website and TSE website.
 - * 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.
 - * You can also receive this notice in digital format using MyPost. If you desire, please access the following website 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)

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

Instructions for Exercise Method of Voting Rights

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 Tuesday, June 20, 2023 (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 enclosed 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 Tuesday, June 20, 2023 (JST)

■ Instructions for entry method of the voting form

Please indicate your approval or disapproval for the 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 voting form to the reception desk of the meeting. (A personal seal will not be required.)

Only one other shareholder with voting rights of the Company may attend the meeting as a proxy. Please note that the submission of a document certifying your proxy's power of representation will be required at the reception desk.

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 or by electromagnetic means (via the Internet, etc.) 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

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.

*** ようこそ、議決権行使ウェブサイトへ! ***

- 本サイトのご利用にあたっては、「インターネットによる議決権行使のご案内」の記載内容をよくお読みください。ご了承いただいた方は「次へすすむ」ボタンをクリックしてください。
- 画面を閉じる場合は、Webブラウザを閉じてください。

Click on “次へすすむ (NEXT).”

次へすすむ

<その他の案内>

- 投票ご通知簿の電子伝送ご利用のお届出の履歴や投票番号は [ここ](#) をクリックしてください。
- 投票ご通知簿の電子伝送をオフにする目的をご希望の方で、すでにご登録いただいているメールアドレスなどの変更・電子伝送の中止を希望される方は、[ここ](#) をクリックしてください。
- 住所変更や株主名簿様式の異動請求などの機能送付のご依頼は [ここ](#) をクリックしてください。

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.

* 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 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)

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

1. Live Internet Streaming

The 18th Annual General Meeting of Shareholders will be streamed live on the Internet so that shareholders will be able to view the meeting at home or from other locations.

<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>

Wednesday, June 21, 2023 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 18th 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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About the 18th Term Year-end Dividend

We hereby notice that a resolution was passed by the Board of Directors Meeting held on May 15, 2023 as follows:

1. Year-end Dividend
¥50 per share
2. Effective date
June 22, 2023

A resolution was passed by the Board of Directors Meeting held on May 15, 2023 setting the year-end dividend at ¥50 per share, with the date of entry into force (payment start date) set as June 22, 2023, 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 of Resolution at the 18th Annual General Meeting of Shareholders to be held on June 21, 2023.

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 about other stock handling matters
▼	▼
Contact	Contact
Securities companies and other entities where brokerage accounts are opened	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.)

Reference Documents for the General Meeting of Shareholders

Proposal and Reference Information

Proposal: Election of Fifteen (15) Directors

Of the thirteen (13) directors elected at the 17th Annual General Meeting of Shareholders, one (1) resigned on February 28, 2023, and the terms of office of all of the current twelve (12) directors will expire at the conclusion of this General Meeting of Shareholders. In that regard, increasing the number of directors by three (3) including two (2) outside directors to further enhance the management system, the election of fifteen (15) directors is proposed on the basis of the decision by the Nomination Committee.

The candidates for Directors are as follows:

Candidate No.	Name	Age	Current position and responsibilities in the Company	
		Tenure as Director		
1	MASUDA Hiroya	71	Director and Representative Executive Officer, President & CEO, Member of the Nomination Committee, Member of the Compensation Committee, Group CEO (Group Chief Executive Officer)	Reelection
		3 years		
2	IIZUKA Atsushi	64	Representative Executive Officer, Executive Vice President, Group CFO (Group Chief Financial Officer), (In charge of) Internal Control	New election
		-		
3	IKEDA Norito	75	Director	Reelection
		7 years		
4	SENDA Tetsuya	63	Director	Reelection
		3 years		
5	TANIGAKI Kunio	63	-	New election
		-		
6	OKAMOTO Tsuyoshi	75	Outside Director, Chairperson of the Compensation Committee, Member of the Nomination Committee	Reelection Outside Independent
		5 years		
7	KOEZUKA Miharuru	67	Outside Director	Reelection Outside Independent
		5 years		
8	AKIYAMA Sakie	60	Outside Director	Reelection Outside Independent
		4 years		
9	KAIAMI Makoto	71	Outside Director, Member of the Audit Committee	Reelection Outside Independent
		3 years		
10	SATAKE Akira	67	Outside Director, Chairperson of the Audit Committee (standing)	Reelection Outside Independent
		3 years		
11	SUWA Takako	52	Outside Director, Member of the Audit Committee	Reelection Outside Independent
		1 year		
12	ITO Yayoi	59	-	New election Outside Independent
		-		
13	OEDA Hiroshi	66	-	New election Outside Independent
		-		
14	KIMURA Miyoko	59	-	New election Outside Independent
		-		

Candidate No.	Name	Age	Current position and responsibilities in the Company	
		Tenure as Director		
15	SHINDO Kosei	73	-	New election Outside Independent
		-		

*Age and Tenure of Director refer to the number of years served as of the date of the conclusion of this Annual General Meeting of Shareholders.

- Notes: 1. The Company has entered into limited liability agreement with Mr. IKEDA Norito, Mr. SENDA Tetsuya, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto, Mr. SATAKE Akira and Ms. SUWA Takako 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. Furthermore, the Company plans to enter into limited liability agreement with Mr. TANIGAKI Kunio, Ms. ITO Yayoi, Mr. OEDA Hiroshi, Ms. KIMURA Miyoko and Mr. SHINDO Kosei, if their appointments are approved.
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. Furthermore, the Company plans to enter into indemnity agreement with Mr. IIZUKA Atsushi, Mr. TANIGAKI Kunio, Ms. ITO Yayoi, Mr. OEDA Hiroshi, Ms. KIMURA Miyoko and Mr. SHINDO Kosei, if their appointments are approved.
3. The Company has entered into a directors and executive officers liability insurance policy as provided for in Article 430-3, paragraph 1 of the Companies Act 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. The insurance policy is to include each candidate as the insured if their appointment is approved. In addition, the Company plans to renew the policy with the same terms at next renewal.
4. Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto Mr. SATAKE Akira and Ms. SUWA Takako are Independent Directors, whose appointment is required by the Tokyo Stock Exchange, Inc. to ensure the protection of general shareholders' interests. Ms. ITO Yayoi, Mr. OEDA Hiroshi, Ms. KIMURA Miyoko and Mr. SHINDO Kosei satisfy the Tokyo Stock Exchange, Inc.'s requirements for Independent Directors as well as the Company's own criteria for Independent Directors. The Company thus intends to register them as Independent Directors with the Tokyo Stock Exchange, Inc.
5. Ms. KIMURA Miyoko's name on her family register is SAKAGAWA Miyoko.

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 3 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Nomination Committee's meetings 2/2 (100%)</p> <p>Attendance at Compensation Committee's meetings 4/4 (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</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, Group CEO (Group Chief Executive Officer)</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.</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 possesses sufficient insight related to the Group derived from his experience in having served as Chairman of the Postal Privatization Committee.</p> <p>He has also been leading overall management of Japan Post Group as Representative Executive Officer, President & CEO of the Company since January 2020.</p> <p>The Company has nominated him as a candidate for reelection as Director given expectations that he will fulfill the responsibilities of making key executive decisions and supervising the execution of duties of executive officers of the Company by utilizing his insight, 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>2</p> <p>IIZUKA Atsushi (May 12, 1959)</p>	<p>Apr. 1983 Joined Ministry of Finance</p> <p>Jul. 2011 Deputy Director-General of the Financial Bureau, Ministry of Finance</p> <p>Dec. 2012 Deputy Director-General of the Headquarters for Japan's Economic Revitalization, Cabinet Secretariat</p> <p>Jul. 2014 Deputy Director-General of the Financial Bureau, Ministry of Finance</p> <p>Jul. 2015 Director-General of the Tokai Local Finance Bureaus</p> <p>Jun. 2016 Deputy Director-General of National Tax Agency</p> <p>Jul. 2017 Director-General of the Customs and Tariff Bureau, of Ministry of Finance</p> <p>Nov. 2018 Adviser of Sompo Holdings, Inc.</p> <p>Jan. 2019 Chairman of Sompo Japan Nipponkoa Research Institute Inc. (currently Sompo Institute Plus Inc.)</p> <p>Jun. 2020 Senior Managing Executive Officer of the Company (to Jun. 2021)</p> <p>Apr. 2021 Senior Managing Executive Officer of Japan Post Co., Ltd.</p> <p>Jun. 2021 Representative Executive Officer, Executive Vice President of the Company (to present)</p>
<p>Number of the Company's Shares Owned – shares</p>	<p>[Position and responsibilities] Representative Executive Officer, Executive Vice President, Group CFO (Group Chief Financial Officer), (In charge of) Internal Control</p>
<p>[New election]</p>	<p>[Significant concurrent positions] Outside Director of TOENEC CORPORATION</p>
	<p>[Reasons for nomination as candidate for Director] Mr. IIZUKA Atsushi has held key positions including Deputy Director-General of the Financial Bureau and Director-General of the Customs and Tariff Bureau of Ministry of Finance and possesses abundant experience and advanced expertise particularly in the area of financial administration. In June 2020, he was appointed as Senior Managing Executive Officer of the Company. Since June 2021, he has been serving as Representative Executive Officer and Executive Vice President and leading overall management of the Japan Post Group by assisting the President & CEO. The Company has nominated him as a candidate for election as Director given expectations that he will fulfill the responsibilities of making key executive decisions and supervising the execution of duties of executive officers of the Company by utilizing his insight, 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;">3</p> <p style="text-align: center;">IKEDA Norito (Dec. 9, 1947)</p> <p>Number of the Company's Shares Owned 3,600 shares</p> <p>Tenure as Director 7 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>[Reelection]</p>	Apr. 1970 Joined The Bank of Yokohama, Ltd.
	Jun. 1996 Director of The Bank of Yokohama, Ltd.
	Apr. 2001 Representative Director of The Bank of Yokohama, Ltd.
	Jun. 2003 Director of The Bank of Yokohama, Ltd and Representative Director and Chairman of Yokohama Capital Co., Ltd.
	Dec. 2003 President of The Ashikaga Bank, Ltd. (Representative Director)
	Jun. 2004 President of The Ashikaga Bank, Ltd. (Chief Executive Officer)
	Sep. 2008 Special Advisor of A.T. Kearney
	Feb. 2012 President and Representative Director of the Organization to Support Revitalization of Businesses Affected by the Great East Japan Earthquake.
	Apr. 2016 Representative Executive Officer, President & CEO of Japan Post Bank Co., Ltd.
	Jun. 2016 Director, Representative Executive Officer, President & CEO of Japan Post Bank Co., Ltd. (to present) Director of the Company (to present)
<p>[Position and responsibilities]</p> <p>Director</p>	
<p>[Significant concurrent positions]</p> <p>Director, President and Representative Executive Officer of Japan Post Bank Co., Ltd.</p>	
<p>[Reasons for nomination as candidate for Director]</p> <p>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 Representative Executive Officer, President & CEO since April 2016.</p> <p>The Company has nominated him as a candidate for reelection as Director given expectations that he will fulfill the responsibilities of making key executive decisions while also supervising the execution of duties of executive officers of the Company by utilizing his insight related to the Group's businesses, including banking business, and drawing on his extensive professional experience and track record in corporate management.</p>	
<p>[Special interest between candidate for Director and the Company]</p> <p>Mr. IKEDA Norito is currently Director, Representative Executive Officer, President & CEO 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 Co., Ltd. The two companies also engage in business transactions such as those involving information sharing services and other aspects of systems access.</p>	

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">4</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 Jul. 2017)</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 style="text-align: center;">SENDA Tetsuya (Apr. 22, 1960)</p>	<p>[Position and responsibilities]</p>
<p>Number of the Company's Shares Owned 5,200 shares</p>	<p>Director</p>
<p>Tenure as Director 3 years</p>	<p>[Significant concurrent positions]</p> <p style="text-align: center;">-</p>
<p>Attendance at Board of Directors' meetings 12/12 (100%)</p>	<p>[Reasons for nomination as candidate for Director]</p> <p>Mr. SENDA Tetsuya has held key management positions in operations that include corporate planning divisions and business divisions at Japan Post Insurance Co., Ltd., a major subsidiary of the Company. He has also been a member of the management team of Japan Post Insurance Co., Ltd. as Representative Executive Officer, President & CEO since January 2020.</p>
<p>[Reelection]</p>	<p>The Company has nominated him as a candidate for reelection as Director given expectations that he will fulfill the responsibilities of making key executive decisions while also supervising the execution of duties of executive officers of the Company by utilizing his knowledge of the Group's businesses, including the insurance business, and drawing on his extensive professional experience and track record in corporate management.</p>
	<p>Additionally, Mr. SENDA Tetsuya will retire as Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd. and assume the position as President & CEO (Representative Executive Officer) of Japan Post Co., Ltd. on June, 2023.</p>
	<p>[Special interest between candidate for Director and the Company]</p>
	<p>Mr. SENDA Tetsuya is currently Director, 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 Co., Ltd. The two companies also engage in business transactions such as those involving information sharing services and other aspects of systems access.</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;">TANIGAKI Kunio (Aug. 26, 1959)</p> <p>Number of the Company's Shares Owned 17,900 shares</p> <p>[New election]</p>	<p>Apr. 1984 Joined the Ministry of Posts & Telecommunications</p> <p>Jan. 2006 Senior General Manager of the Company (In charge of Implementation Plan)</p> <p>Oct. 2007 Senior General Manager of the General Affair and Human Resources Department of the Company</p> <p>Jun. 2008 Executive Officer, Senior General Manager of the Corporate Planning Department of the Company</p> <p>Jun. 2009 Managing Executive Officer, Senior General Manager of the Corporate Planning Department of the Company</p> <p>Jan. 2013 Senior Managing Executive Officer of the Company</p> <p>Jun. 2016 Executive Officer and Executive Vice President of Japan Post Insurance Co., Ltd.</p> <p>Jan. 2017 Executive Officer and Executive Vice President of Japan Post Co., Ltd.</p> <p>Apr. 2019 Senior Managing Executive Officer of the Company</p> <p>Nov. 2021 Executive Officer and Executive Vice President of Japan Post Bank Co., Ltd. (to present)</p> <p>[Position and responsibilities] -</p> <p>[Significant concurrent positions] -</p> <p>[Reasons for nomination as candidate for Director] Mr. TANIGAKI Kunio has held key positions including Senior Managing Executive Officer of the Company, Representative Executive Officer and Executive Vice President, etc. of Japan Post Insurance Co., Ltd. and Japan Post Co. Ltd., which are our important subsidiaries, Since November 2021, he has been engaged in the management of Japan Post Bank Co., Ltd., one of our important subsidiaries, as Executive Officer and Executive Vice President.</p> <p>The Company has nominated him as a candidate for election as Director given expectations that he will fulfill the responsibilities of making key executive decisions while also supervising the execution of duties of executive officers of the Company by utilizing his greater insight related to the Group's businesses, and drawing on his extensive professional experience and track record.</p> <p>Additionally, Mr. TANIGAKI Kunio will retire as Executive Officer and Executive Vice President of Japan Post Bank Co., Ltd. and assume the position as Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd. on June, 2023.</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;">6</p> <p style="text-align: center;">OKAMOTO Tsuyoshi (Sep. 23, 1947)</p> <p>Number of the Company's Shares Owned 5,600 shares</p> <p>Tenure as Outside Director 5 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Nomination Committee's meetings 2/2 (100%)</p> <p>Attendance at Compensation Committee's meetings 4/4 (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 teams of business corporations, having served in positions that include Representative Director, President and Director, Chairman of Tokyo Gas Co., Ltd., an integrated energy company. He has also developed greater insight into the Group's businesses, having assumed the position of Outside Director of Japan Post Bank Co., Ltd., a major subsidiary of the Company, in June 2016.</p> <p>He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors, Nomination Committee, and Compensation Committee, based on his extensive experience and knowledge in corporate management developed throughout his career.</p> <p>The Company has nominated him as a candidate for reelection as Outside Director given expectations that he will supervise and check the management of the Company.</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 style="text-align: center;">KOEZUKA Miharu (Sep. 2, 1955)</p> <p>Number of the Company's Shares Owned 5,500 shares</p> <p>Tenure as Outside Director 5 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Audit Committee's meetings 5/5 (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.</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</p> <p>[Position and responsibilities] Outside Director</p> <p>[Significant concurrent positions] 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 teams of business corporations, having served as Senior Managing Director (Representative Director) of Takashimaya Company, Limited, after having held other key positions including those in sales divisions at Takashimaya Company, Limited, which engages in the department store business in Japan and overseas.</p> <p>She also involved in auditing the execution of duties of executive officers and directors as a member of the Audit Committee of the Company from June 2018 to June 2022.</p> <p>She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors, based on her extensive experience and knowledge in corporate management developed throughout her career.</p> <p>The Company has nominated her as a candidate for reelection as Outside Director given expectations that she will supervise and check the management of the Company.</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;">8</p> <p style="text-align: center;">AKIYAMA Sakie (Dec. 1, 1962)</p> <p>Number of the Company's Shares Owned 1,600 shares</p> <p>Tenure as Outside Director 4 years</p> <p>Attendance at Board of Directors' meetings 11/12 (91.7%)</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 Group 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 on the management team of a business corporation, having founded Saki Corporation, a company that manufactures industrial inspection robots, and served as its Representative Director and President.</p> <p>She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors, based on her insight related to fields such as the technology domain developed throughout her career, and also based on her extensive experience and knowledge in corporate management.</p> <p>The Company has nominated her as a candidate for reelection as Outside Director given expectations that she will supervise and check the management of the Company.</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;">9</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 3 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Audit Committee's meetings 20/20 (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 furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on his many years' experience in the legal profession, including serving as President of Tokyo District Court, and also based on his experience and knowledge as a legal expert, developed throughout his career.</p> <p>The Company has nominated him as a candidate for reelection as Outside Director given expectations that he will supervise and check the management of the Company.</p> <p>He has not been involved in corporate management other than as an Outside Director and Outside Audit & Supervisory Board Member, 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
<p style="text-align: center;">10</p> <p style="text-align: center;">SATAKE Akira (Dec. 8, 1955)</p> <p>Number of the Company's Shares Owned – shares</p> <p>Tenure as Outside Director 3 years</p> <p>Attendance at Board of Directors' meetings 12/12 (100%)</p> <p>Attendance at Audit Committee's meetings 20/20 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Apr. 1979 Joined SUMITOMO CORPORATION</p> <p>Apr. 2011 Executive Officer and General Manager of Planning & Administration Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit of SUMITOMO CORPORATION</p> <p>Apr. 2013 Managing Executive Officer, General Manager of Finance Dept. of SUMITOMO CORPORATION</p> <p>Apr. 2016 Senior Managing Executive Officer of SUMITOMO CORPORATION</p> <p>Jun. 2017 Director and Senior Managing Executive Officer of Sumitomo Precision Products Co., Ltd.</p> <p>Jun. 2018 Director and Executive Vice President of Sumitomo Precision Products Co., Ltd.</p> <p>Apr. 2019 Adviser of SUMITOMO CORPORATION</p> <p>Jun. 2019 Outside Director of Japan Post Insurance Co., Ltd.</p> <p>Jun. 2020 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director, Chairperson of the Audit Committee (standing)</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. SATAKE Akira has many years' experience on the management team of business corporations, having served as Director and Executive Vice President of Sumitomo Precision Products Co., Ltd., after having held other key positions including those in business divisions and finance divisions at SUMITOMO CORPORATION.</p> <p>He has also developed greater insight into the Group's businesses, having assumed the positions of Outside Director and member of the Audit Committee of Japan Post Insurance Co., Ltd., a major subsidiary of the Company, in June 2019.</p> <p>He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on his insight related to fields such as finance and accounting, developed throughout his career, and also based on his extensive experience and knowledge in corporate management.</p> <p>The Company has nominated him as a candidate for reelection as Outside Director given expectations that he will supervise and check the management of the Company.</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;">11</p> <p style="text-align: center;">SUWA Takako (May 10, 1971)</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 10/10 (100%)</p> <p>Attendance at Audit Committee's meetings 2/2 (100%)</p> <p>[Reelection] [Outside] [Independent]</p>	<p>Oct. 1995 Joined Unisia Jecs Corporation (currently Hitachi Astemo, Ltd.)</p> <p>Apr. 2004 Representative Director of Daiya Seiki Co., LTD. (to present)</p> <p>Jun. 2018 Outside Director of Japan Post Co., Ltd.</p> <p>Jun. 2022 Director of the Company (to present)</p> <p>[Position and responsibilities] Outside Director, Member of the Audit Committee</p> <p>[Significant concurrent positions] Representative Director of Daiya Seiki Co., LTD.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. SUWA Takako has many years' experience on the management teams of business corporations as Representative Director of Daiya Seiki Co., LTD., which engages in precision metal machining and manufacturing.</p> <p>She has also developed greater insight into the Group's businesses, having assumed the position of Outside Director of Japan Post Co., Ltd., a major subsidiary of the Company, in June 2018.</p> <p>She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on her insight related to fields such as the technology domain developed throughout her career, and also based on her extensive experience and knowledge in corporate management.</p> <p>The Company has nominated her as a candidate for reelection as Outside Director given expectations that she will supervise and check the management of the Company.</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;">ITO Yayoi (March 1, 1964)</p> <p>Number of the Company's Shares Owned – shares</p> <p>[New election] [Outside] [Independent]</p>	<p>Apr. 1986 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>Jul. 1988 Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation)</p> <p>Apr. 2008 Chief of Business Planning and Promotion Office, Public System Sector of NTT DATA Corporation</p> <p>Apr. 2016 Senior Business Development Manager of Enterprise Partner Sales Division of Microsoft Japan Co., Ltd.</p> <p>Feb. 2017 Senior Promotion Manager of Yamato Digital Innovation Center of YAMATO HOLDINGS CO., LTD.</p> <p>Jun. 2018 Senior Strategy Manager in charge of IT Strategy of YAMATO HOLDINGS CO., LTD.</p> <p>May 2019 Managing Executive Officer of UNIZO Holdings Company, Limited</p> <p>Nov. 2020 Joined SG SYSTEMS CO.,LTD.</p> <p>Apr. 2021 Executive Officer of SG SYSTEMS CO.,LTD.</p> <p>[Position and responsibilities] -</p> <p>[Significant concurrent positions] Outside Director of KANADEN CORPORATION, Outside Director of SUMIKEN MITSUI ROAD CO.,LTD.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. ITO Yayoi has been engaged in management planning and IT strategy business at Japan's major telecommunication company and logistics company, etc. over many years. The Company has nominated her as a candidate for election as Outside Director given expectations that she will supervise and check the management of the Company, based on her extensive experience and knowledge in logistics industry and IT field, etc. developed throughout her career. She has not been involved in corporate management other than as an Outside Director, but we consider her 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
<p style="text-align: center;">13</p> <p style="text-align: center;">OEDA Hiroshi (March 12, 1957)</p> <p>Number of the Company's Shares Owned – shares</p> <p>[New election] [Outside] [Independent]</p>	Apr. 1980 Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)
	Jun. 2008 Executive Officer of Nisshin Seifun Group Inc. Managing Director and Division Executive (Operations & Planning Division) of Nisshin Flour Milling Inc.
	Jun. 2009 Director of Nisshin Seifun Group Inc.
	Jun. 2010 Senior Managing Director and Division Executive (Operations & Planning Division) of Nisshin Flour Milling Inc.
	Apr. 2011 President of Nisshin Seifun Group Inc.
	Apr. 2012 Additionally appointed to Director and President of Nisshin Flour Milling Inc.
	Apr. 2015 Additionally appointed to Director and Chairman of Nisshin Flour Milling Inc.
	Apr. 2017 Director and Advisor of Nisshin Seifun Group Inc.
	Jun. 2017 Special Advisor of Nisshin Seifun Group Inc. (to present) Director and President of Seifun-Kaikan
	-
	[Significant concurrent positions]
	Special Advisor of Nisshin Seifun Group Inc., Outside Director of EBARA CORPORATION, Outside Director of SEKISUI CHEMICAL CO., LTD.
	Chairman of Hitotsubashi Daigaku Koenkai
	[Reasons for nomination as candidate for and expected role as Outside Director]
	Mr. OEDA Hiroshi has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President, etc. of Nisshin Seifun Group Inc. and Nisshin Flour Milling Inc., which are Japan's largest flour milling companies.
	The Company has nominated him as a candidate for election as Outside Director given expectations that he will supervise and check the management of the Company, based on his extensive experience and knowledge in corporate 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.

Name (Date of birth)	Career Summary, Position and Responsibilities in the Company
<p style="text-align: center;">14</p> <p>KIMURA Miyoko (SAKAGAWA Miyoko) (June 12, 1964)</p> <p>Number of the Company's Shares Owned – shares</p> <p>[New election] [Outside] [Independent]</p>	<p>Apr. 1988 Joined PLUS Corporation</p> <p>May 1999 Joined ASKUL Corporation</p> <p>Feb. 2010 Representative Director and President of ASUMARU Corporation</p> <p>Aug. 2017 Director, Chief Marketing Officer (CMO), Executive Officer, Executive Officer of Life Creation Center Unit, B-to-C Company of ASKUL Corporation</p> <p>Mar. 2020 Director, Supervisor of Merchandising Unit, Chief Marketing Officer (CMO), Executive Officer of ASKUL Corporation</p> <p>May 2021 Director in charge of branding, design, and supplier relations of ASKUL Corporation</p> <p>Sep. 2022 Director and Managing Executive Officer, General Manager of R&D Division of KING JIM CO., LTD. (to present)</p> <p>[Position and responsibilities] -</p> <p>[Significant concurrent positions] Director and Managing Executive Officer, General Manager of R&D Division of KING JIM CO., LTD., Audit and Supervisory Committee Member of Asahi Holdings, Inc.</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Ms. KIMURA Miyoko started the business of ASKUL Corporation as one of the founding members. She has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President of ASUMARU Corporation, a subsidiary of ASKUL Corporation, and Director of ASKUL Corporation and KING JIM CO., Ltd.</p> <p>The Company has nominated her as a candidate for election as Outside Director given expectations that she will supervise and check the management of the Company, based on her insight related to fields such as the marketing domain, developed throughout her career, and also based on her extensive experience and knowledge in corporate management.</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>15</p> <p>SHINDO Kosei (September 14, 1949)</p> <p>Number of the Company's Shares Owned 10,000 shares</p> <p>[New election] [Outside] [Independent]</p>	<p>Apr. 1973 Joined NIPPON STEEL CORPORATION</p> <p>Jun. 2005 Director, General Manager of Corporate Planning Department of NIPPON STEEL CORPORATION</p> <p>Jun. 2006 Executive Officer, General Manager of Corporate Planning Department of NIPPON STEEL CORPORATION</p> <p>Apr. 2007 Executive Officer, General Manager of General Affairs Department of NIPPON STEEL CORPORATION</p> <p>Apr. 2009 Executive Vice President of NIPPON STEEL CORPORATION</p> <p>Jun. 2009 Representative Director and Executive Vice President of NIPPON STEEL CORPORATION</p> <p>Oct. 2012 Representative Director and Executive Vice President of NIPPON STEEL & SUMITOMO METAL CORPORATION (currently NIPPON STEEL CORPORATION)</p> <p>Apr. 2014 Representative Director and President of NIPPON STEEL & SUMITOMO METAL CORPORATION</p> <p>Apr. 2019 Representative Director and Chairman of NIPPON STEEL CORPORATION (to present)</p> <p>[Position and responsibilities] -</p> <p>[Significant concurrent positions] Representative Director and Chairman of NIPPON STEEL CORPORATION</p> <p>[Reasons for nomination as candidate for and expected role as Outside Director] Mr. SHINDO Kosei has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President and Representative Director and Chairman, etc. of NIPPON STEEL CORPORATION, which is Japan's leading steel company. The Company has nominated him as a candidate for election as Outside Director given expectations that he will supervise and check the management of the Company, based on his extensive experience and knowledge in corporate management developed throughout his career.</p> <p>[Special interest between candidate for Director and the Company] There is no special interest between the candidate and the Company.</p>

- 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, 2023. 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. Takashimaya Company, Limited, at which Ms. KOEZUKA Miharu had served as Director from May 2013 to May 2016, 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.
4. 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.
5. Ms. ITO Yayoi will assume the position as External Director (Audit and Supervisory Committee Member) of NISHIMATSU CONSTRUCTION Co., Ltd. in late June, 2023.
6. Mr. SHINDO Kosei will assume the position as Outside Director of Tokio Marine Holdings, Inc. in late June, 2023.
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. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharu, Ms. AKIYAMA Sakie who served as Outside Directors of the Company, Mr. SATAKE Akira who served as Outside Director of Japan Post Insurance Co., Ltd. and Ms. SUWA Takako who served as Outside Directors of Japan Post 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. OKAMOTO Tsuyoshi and the other 5 outside officers stated above have been receiving reports on the progress of the business improvement plan at Board of Directors' meetings of the Company, etc. on a periodic basis and monitoring the contents of various measures and the progress thereof appropriately.

Reference: Nomination Criteria for Candidates for Directors

(Objective)

Article 1 The criteria shall set out the standards for nominating candidates for the position of director at the Nomination Committee.

(Size and Composition of Candidates for the Position of Director)

Article 2 The Nomination Committee shall nominate a variety of candidates for the position of director who are different from one another in aspects such as expertise and experience while considering the optimal balance of the Board as a whole.

2. The number of candidates for the position of director shall be optimal but limited to 20 or less as stated in the Articles of Incorporation, with a majority the candidates for the post of director being outside candidates who have independence in principle.

(Grounds for Disqualification)

Article 3 The Nomination Committee shall not nominate any person who falls under the following conditions as a candidate for the position of director.

- (1) Any person who falls under the categories for disqualification provide for by Article 331, paragraph 1 in the Companies Act.
- (2) Any person who has been adjudicated as bankrupt and whose rights have not been restored or who is treated in the same manner under laws and regulations in foreign countries.
- (3) Any person who has been found to have relationships with anti-social forces.

(Criteria for Nomination of Candidate for the Position of Inside Director)

Article 4 The Nomination Committee shall nominate persons who satisfy the following conditions as candidates for the position of inside director in the Company.

- (1) Those with expertise in the business of the Company.
- (2) Those who excel in making management judgments and executing management responsibilities.
- (3) Those with excellent leadership, decisiveness, foresight, and planning ability.
- (4) Those with appropriate personalities and insights as a director.
- (5) Those with no health problems in performing duties as an inside director.

(Criteria for Nomination of Candidate for the Position of Outside Director)

Article 5 The Nomination Committee shall nominate persons who satisfy the following conditions as candidates for the position of outside director in the Company.

- (1) Those with specialized knowledge of and considerable proven track records in professional fields (corporate management, legal affairs, financial affairs/accounting, human resources/labor management, information technology etc.) necessary to exercise the management supervision function.
- (2) Those with appropriate personalities and insights as director.
- (3) Those with no health or business problems in performing duties as external director.

(Revision and Abolition)

Article 6 Revision to and abolition of the criteria shall be resolved by the Nomination Committee.

Reference: Skill Matrix of Directors

The Board of Directors shall recognize effective supervision of Executive Officers from an independent and objective standpoint as one of their major roles and responsibilities.

The Board of Directors shall be diversely comprised of Directors with a wealth of knowledge and experience as well as deep insight to fulfill the appropriate supervisory function toward the realization of sustainable growth of the Group and generation of corporate value over the medium to long term.

If Directors are elected as proposed in the proposal, the following table will represent the key skills and experience possessed by each Director.

		Key skill and experience						
		Corporate management	Legal/ Compliance	Financial affairs/ Accounting	Human resources/ Labor management	IT/DX/ Technology	Business knowledge (finance, insurance, etc.)	Community contribution/ Public policy
Directors	MASUDA Hiroya	●					●	●
	IIZUKA Atsushi	●		●			●	
	IKEDA Norito	●					●	●
	SENDA Tetsuya	●					●	●
	TANIGAKI Kunio		●	●			●	
Outside Directors	OKAMOTO Tsuyoshi	●			●			●
	KOEZUKA Miharu	●	●		●			
	AKIYAMA Sakie	●				●		
	KAIAMI Makoto		●		●			
	SATAKE Akira	●	●	●			●	
	SUWA Takako	●				●		●
	ITO Yayoi					●	●	●
	OEDA Hiroshi	●		●	●			
	KIMURA Miyoko	●					●	
	SHINDO Kosei	●			●			●

*The table above does not shows all the skills and experience of each Director.

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 outside directors 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 Designating Independent 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, 2022 – March 31, 2023)

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

During the fiscal year ended March 31, 2023, the Japanese economy kept its trend to turn around the sluggish economic activities constrained due to the novel coronavirus disease (COVID-19). However, it was still under the conditions with high uncertainty, such as the influence of the increase in prices of resources and other items.

The global economy, as a whole, also maintained its momentum for revitalization, but the pace of the recovery declined affected by monetary tightening, a rise in prices and the war in Ukraine.

In the financial and capital markets, the yield on 10-year Japanese government bond was around 0% because of the quantitative and qualitative monetary easing with yield curve control, but rose to around 0.5% due to the Bank of Japan's decision to modify the operation of yield curve control in December 2022. Afterwards, there was a temporary fall due to the concern over the financial system triggered by the bankruptcy of the Silicon Valley Bank in the U.S. in March 2023, etc. The Nikkei Stock Average once declined to the ¥25,000 range in June 2022 due to the monetary tightening in the world, however recovered to the ¥29,000 range as concern over economic slowdown receded in August 2022. Then, it temporarily dipped affected by the Bank of Japan's modification of the operation of yield curve control. However, it has been relatively steady mostly moving within the range between ¥26,000 to ¥28,000.

In the logistics industry, while fierce competition continues, the environment surrounding the industry is extremely severe due to factors such as the increase in personnel expenses as a result of the revision of the minimum wage and the increased procurement cost caused by the hike of prices. In addition, it is necessary for the industry to promote efforts to establish an appropriate partnership for collection, delivery etc. with partner companies. The industry is also forced to respond to the regulations regarding drivers' overtime work, which will be enforced in 2024. Under these circumstances, just like other industries, the logistics industry is also observing the trend to increase prices such as home delivery rates. In the postal business, in addition to the decline in the volume of mail due to the diffusion of digital technology, the environment surrounding the postal business remains severe due to the factors such as the increase in personnel expenses as a result of the revision of the minimum wage and the increased procurement cost caused by the hike of prices just like the logistics industry.

In the banking industry, during the fiscal year ended March 31, 2023, real deposits at banks nationwide increased year on year for the 24th consecutive year and loans also rose year on year for the 12th consecutive year. The financial system remains stable as a whole, although it is exposed to the stress of interest rate increases by the central banks in the U.S. and Europe, the concern for the economic slowdown, etc.

In the life insurance industry, customer needs are becoming more diverse, and customers are growing more selective, which mainly reflect society becoming even more super-aged and changes in lifestyles.

Progress and Results of the Group's Businesses

The Group announced its medium-term management plan JP Vision 2025 (2021–2025) in May 2021. Considering changes in society that the Group operates in, including declining birth rate, graying society, and diffusion of digital technology, the Group aims to create a Co-creation Platform that supports both customers and local communities and is working to meld its real post office network and digital (digital post offices) by promoting DX*¹. In addition to expanding and reinforcing its core businesses, including universal services, the Group is working to generate new growth by transforming its business portfolio due to the expansion of the real estate business and promotion of new businesses, and other endeavors.

In July 2022, the Company, Japan Post Co. and JP Digital Co., Ltd. began a demonstration project of “post office in the future,” which integrates its real post office network with digital post office to realize a post office that considerably enhances customer experience value.

The Group also continued to work 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. In April 2022, the Group Conduct Improvement Committee was established to engage in improvements and so forth with advice from external experts regarding efforts to improve Group conduct with the aim of realizing the Japan Post Group Management Philosophy and practicing the Charter of Corporate Conduct.

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 the Group's 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 ascertain the status of formulation and promotion of compliance programs for each group company and their internal audit structure and audit status. The Company also handled indirect operations outsourced from group companies, consolidation of which helps increase efficiency, and worked to improve the management and operation of its hospital businesses. For the hotel business, all lodging facilities, the Kanpo-no-Yado, ended operations in January 2023. Furthermore, in March 2023, the offering of the common stock of Japan Post Bank was conducted.

Moreover, in order to contribute to ensuring the utility and public nature 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 provide reconstruction aid to disaster areas. The Group has been advancing carbon neutrality in regional areas. For example, Japan Post Co. opened environmentally friendly post offices with heat utilization facilities that use wooden biomass *² (Plus-Eco Post Office) in February 2023.

About countermeasures for COVID-19, the Company continued the necessary efforts to prevent its infections and maintain operations and services, etc.

*1 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.

*2 Biomass means biological resource mass, which is renewable organic resources of biological origin (excluding fossil fuel). Among them, biomass made of wood is called “wooden biomass.”

As a result of these initiatives, in the fiscal year under review, the Group posted consolidated ordinary income of ¥11,138.5 billion (a year-on-year decrease of 1.12%), consolidated net ordinary income of ¥657.4 billion (a year-on-year decrease of 33.68%), and net income attributable to Japan Post Holdings of ¥431.0 billion (a year-on-year decrease of 14.07%).

(Reference) Business Results for the Fiscal Year Ended March 31, 2023

Consolidated ordinary income	¥11,138.5 billion	(Year-on-year decrease of 1.12%)
Consolidated net ordinary income	¥657.4 billion	(Year-on-year increase of 33.68%)
Net income attributable to Japan Post Holdings	¥431.0 billion	(Year-on-year increase of 14.07%)

Postal and Domestic Logistics Business

Japan Post Co. reviewed its services in accordance with the enforcement of the Act for Partial Amendments to the Postal Act and the Act on Correspondence Delivery by Private Business Operators (Act No. 70 of 2020), by changing the conditions for the area discount of simplified registration postage and revising the postage.

In addition to working to maintain the use of mail through efforts such as expanding support for “letter-writing workshop programs,” offering New Year’s greeting card services that make use of smartphones, and conducting activities that promote the pleasure of using letters, Japan Post Co. improved customer convenience through measures such as increasing the number of Pick Up & Drop Off (PUDO) stations that can be used as “HAKO POST,” that enables the receipt and shipping of freight at locations outside the home in order to steadily capture the growing EC market and flea-market.

Furthermore, JP Rakuten Logistics, Inc., which both Japan Post Co. and Rakuten Group Inc. have invested in, worked on the establishment of an efficient delivery network and opened a new warehouse to cope with the increase in the volume of shipments. Moreover, as the projects with SAGAWA EXPRESS CO., LTD., Japan Post Co. started handling “Hikyaku Yu-Packet Express” and “Hikyaku Global Post Express” and provide the goods listed on “Yubinkyoku Catalogue,” which is a mail order service by Japan Post Co. using “Hikyaku Cool Express (frozen).”

Moreover, while promoting transport digital transformation (DX) including transport telematics* and the optimization of transport diagrams, the Company has been working on the demonstration experiment and test of robotics (automatic guided vehicle (AGV), etc.) and more advanced delivery (drones, delivery robots, etc.) with an eye toward future commercialization. In February 2023, Japan Post Co. opened Ichikawaminami Post Office as the next-generation post office to manage the full-scale operation of DX in a real business situation to promote DX such as AGV and the operation of a control system.

At the same time, based on the fundamental idea that “compliance is the most important management issue,” Japan Post Co. worked on the elimination of internal crimes including abandonment and concealment of postal mail, etc., the protection of customer information, the improvement of the whistleblowing system, etc.

* Transport telematics utilizes smartphone applications, GPS information, etc. to achieve dynamic tracking inventory management for deliveries, etc.

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 ¥2,001.6 billion (a year-on-year decrease of 2.05%) and net ordinary income of ¥35.2 billion (a year-on-year decrease of 66.10%). The postal and domestic logistics business, on a consolidated basis of Japan Post Co., posted operating income of ¥1,997.8 billion (a year-on-year decrease of 2.12%) and net operating income of ¥32.8 billion (a year-on-year decrease of 67.86%).

With regard to the volume of items handled for the fiscal year ended March 31, 2023, the volume of mail handled decreased 2.77% year on year to 14,445.10 million, the volume of Yu-pack handled fell 0.83% year on year to 980.32 million and the volume of Yu-Mail parcels handled decreased 6.97% year on year to 3,112.90 million.

Post office business

Japan Post Co. decided to start with operations aimed at regaining customers’ trust for Japan Post Insurance products, investment trusts, and affiliated financial products (variable annuity insurance, medical insurance for which underwriting criteria were loosened and personal accident insurance), which Japan Post Co. stopped active solicitation at post offices, etc., and have continued to work on these operations since October 2020.

As for these initiatives, Japan Post Co. proposed financial assets only if desired by customers, and from April 2021, Japan Post Co. have shifted to a new sales stance that continue to build trust with customers through sales activities by confirming the envisioned needs of customers and then providing information on and proposing financial products that meet the needs of customers as Japan Post Co. continue to conduct business operations to regain trust.

Regarding eradicating inappropriate solicitation, Japan Post Co. continued to implement initiatives to improve solicitation quality and increase the sophistication of solicitation management, which includes conducting multi-layered verification for new policy applications, building a solicitation quality data management foundation, and reinforcing guidance for sales personnel and risk management.

Moreover, the Company promoted the digitalization of customer counter operations and started online consultation for investment trusts, etc. to meet the growing need for remote and contactless services. In addition, Japan Post Co. introduced electronic applications for cancer insurance, medical insurance with less underwriting requirements and car insurance, digital ticket issuing machine, self checkout machine at post office counter, etc.

Moreover, Japan Post Co. worked to optimize the post office network through such measures as opening new post offices in shopping centers, etc. and reviewing the placement of existing post offices. In order to enhance the value of the post office network, Japan Post Co. moved forward with opening post offices with individuality and diversity that meet the needs of local communities and customers while collaborating with local public entities and other companies, which included, for example, conducting administrative work 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.

At the same time, based on the fundamental idea that “compliance is the most important management task,” Japan Post Co. worked on not only the solicitation issues related to Japan Post Insurance products, but also the elimination of internal crimes, such as embezzlement of funds, protection of customer information, and measures against money laundering, financing of terrorism, and proliferation financing*, and improvement of the whistleblowing system, etc.

* Proliferation financing is the provision of funds and financial services to people concerning the proliferation of weapons of mass destruction, etc.

As a result of these initiatives, in the fiscal year under review, the post office business, on a consolidated basis of the Company, generated ordinary income of ¥1,075.7 billion (a year-on-year decrease of 6.99%*) and net ordinary income of ¥50.4 billion (a year-on-year increase of 106.10%*). The post office business, on a consolidated basis of Japan Post Co., generated operating income of ¥1,074.0 billion (a year-on-year decrease of 6.75%) and net operating income of ¥49.3 billion (a year-on-year increase of 100.69%).

* From the fiscal year under review, the business conducted by Japan Post Building Management Co., Ltd., which was previously included in the “post office business,” has been reclassified as part of “other business,” and figures for the previous fiscal year have been reclassified in accordance with this change in segmentation.

International Logistics Business

Japan Post Co. continued working to improve the management of the subsidiary Toll Holdings Limited (hereinafter referred to as “Toll”), and has moved forward with a transition to a business model centered on Asia, including Japan, by promoting measures to increase efficiency, such as streamlining the Australian business and the expansion of businesses that focuses on countries and business in Asia, particularly those projected to see growth.

Additionally, Japan Post Co. continued utilizing JP Toll Logistics Co., Ltd. to work toward expanding the B-to-B business*² mainly focused on contract logistics*¹.

To increase the efficiencies of transport, inventory and shipping operations and to promote “expansion of the domestic B-to-B business,” JP Toll Logistics Co., Ltd. and TOLL EXPRESS JAPAN Co., Ltd. conducted business reorganization in April 2023 and converted a company name to JP LOGISTICS GROUP Co., Ltd. and JP LOGISTICS Co., Ltd., respectively.

*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 commercial transactions between companies and business that companies provide to other companies.

As a result of these initiatives, in the fiscal year under review, the international logistics business, on a consolidated basis of the Company, posted ordinary income of ¥600.1 billion (a year-on-year decrease of 12.74%) and a net ordinary loss of ¥0.7 billion (net ordinary income of ¥21.2 billion in the previous fiscal year). The international logistics business, on a consolidated basis of Japan Post Co., generated operating income of ¥599.4 billion (a year-on-year decrease of 12.80%) and net operating income (EBIT) of ¥10.7 billion (a year-on-year decrease of 62.71%).

Overall, in the fiscal year under review, Japan Post Co. generated consolidated operating income of ¥3,451.5 billion (a year-on-year decrease of 5.61%) and consolidated net operating income of ¥83.7 billion (a year-on-year decrease of 43.48%).

Banking Business

Japan Post Bank worked to steadily expand and strengthen businesses based on the five key strategic points stipulated in the medium-term management plan (from fiscal 2021 to fiscal 2025) “Innovating retail business into a new form by realizing complementarity between the physical and the digital,” “Business reforms and productivity increases through the active utilization of digital technology,” “Enhancing funds flows to regional communities and the regional relationship function through various frameworks,” “Deepening market operations and risk management with an awareness of stress tolerance,” and “Strengthening the management base to become a more trusted bank.”

To be more specific, Japan Post Bank made efforts as follows in each of the three business engines that are positioned as the growth engines to support the continuous improvement of the corporate value of the Bank: “retail business,” “market business” and “new corporate business (Σ business).”

In the first engine, “retail business,” mainly targeting individual customers, Japan Post Bank worked to provide “safe and secure” and “kind and attentive” financial services all over Japan through a network of about 24,000 offices, approximately 31,000 units of ATMs in Japan and digital channels that every customer can conveniently use, etc.

While satisfying customer needs, Japan Post Bank promoted the improvement of work efficiency. For the office network, it allocated “Madotab,” which is a self-service branch terminal and allows users to smoothly conduct business transactions such as opening an account by himself/herself, to all offices that are directly operated by Japan Post Bank (233 offices). For the ATM network, it took measures such as installing ATMs that can automatically issue new bankbooks with balance carried over.

As for digital services, the number of accounts of “Yucho Bank Book App,” which allow users to do basic bank transactions including the check of current balance, details of deposits/withdrawals, money transfer, deposit and withdrawal of fixed amount and fixed-time savings, purchase of investment trust products, update of home address and phone number at any time using a smartphone, exceeded 7 million. In addition, the service of “Yucho Reco,” which is a household account book app that allows users to manage financial assets and monthly balance of payment using a smartphone, began. Moreover, Japan Post Bank promoted cashless initiatives by starting the issuance of “Yucho Debit,” the Visa debit card that integrates cash card function, etc.

As for the asset-formation support business, Japan Post Bank started offering “Yucho Fund Wrap,” which provides an optimal portfolio tailored to changes, etc. in customer life plans and household situations.

As for our second engine, “market business,” considering the changes in the market environment, Japan Post Bank worked on the enhancement of internationally diversified investment, etc. under prudent and appropriate risk management.

To be more precise, Japan Post Bank has been securing profit with flexible portfolio management while the market environment kept changing drastically due to the swift monetary tightening by the central banks in the U.S. and Europe responding to the advancement of inflation, subsequent concern for economic slowdown and growing concern for the financial systems in the U.S. and Europe, etc.

Furthermore, while being aware of strengthening return to risk ratio and stress tolerance, Japan Post Bank expanded the balance of risk assets, mainly the foreign corporate bonds, etc. in the investment grade area. At the same time, among the risk assets, in strategic investment areas*¹ such as private equity funds, etc., Japan Post Bank made efforts to make selective investments in quality projects and increased the balance.

Moreover, as the market environment drastically fluctuated, Japan Post Bank promoted the advancement of stress tests and the strengthening of monitoring for the further improvement of risk management.

To reinforce the mid-and long-term business sustainability, as the third new growth engine that follows “retail business” and “market business,” Japan Post Office announced “the new corporate business (Σ business) that makes investment utilizing the characteristics of Japan Post Bank” in November 2022.

Σ business is the new corporate business that satisfies Japan Post Bank’s purpose, “Contribute to the development of society and the region” and utilizes its strength such as the office network that covers all corners of Japan. Σ business has three business pillars. Firstly, with the GP*² business, which has gone into full swing mainly managed by its subsidiary, Japan Post Investment Corporation, Japan Post Bank would invest in small and medium-sized enterprises that hold promise of the future growth in Japan (the supply of equity funds) and further boost the flow of funds into Japan. Secondly, Japan Post Bank will introduce and mediate (market) convenient products and services of venture companies invested, etc. through its office network in Japan and support the growth of invested companies, etc. Thirdly, utilizing its office network, Japan Post Bank will explore (source) potential investment targets.

During the fiscal year under review, as a part of the start of full-scale GP business, Japan Post Bank invested in “Japan Post Investment Regional Development and Impact Fund 1” established by Japan Post Investment Corporation as well as Frontier Capital Inc. of which investment guidelines, etc. reflect Σ business’ approach.

Moreover, as the introduction/mediation (marketing) business of invested companies, Japan Post Bank signed a business partnership agreement with Pie Systems Japan, which provide foreigners visiting Japan with easy and convenient digital tax refund application service using a smartphone, and started developing affiliated member stores.

*1. Strategic investment areas are investment areas consisting of private equity funds (funds which invest in unlisted companies with growth potential), real estate funds, etc. in which strategic investment is made.

*2. GP stands for General Partner. It is an investment fund operator who is responsible for the selection of investment target companies and investment decisions, etc.

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 ¥2,064.1 billion (a year-on-year increase of 4.37%) and net ordinary income of ¥455.5 billion (a year-on-year decrease of 7.20%).

Life Insurance Business

Japan Post Insurance continued to work to regain the trust of customers related to the quality of solicitation of Japan Post Insurance products that came to light in fiscal 2019. As part of measures to prevent recurrences, Japan Post Insurance steadily worked to create a healthy corporate culture and establish an appropriate sales promotion scheme, to strengthen proper solicitation management systems, and to reinforce governance by the Board of Directors, etc., which was laid out in the business improvement plan submitted to the Financial Services Agency.

Furthermore, in April 2022, New Japan Post Insurance sales system was established and the Group started providing “comprehensive consulting services” that combine expertise and breadth.

In addition to the above initiatives to regain trust, Japan Post Insurance worked primarily to reinforce the business foundation, which consisted of building “Enhancing insurance services,” and “Deepening and Increasing the sophistication of asset management,” and “Improving the customer experience (CX) value*¹.”

In terms of “Enhancing insurance services,” to meet the coverage needs of customers of all generations in the age of the 100-year life, Japan Post Insurance launched the new medical rider, “Motto-Sono- hi-kara Plus,” in April 2022, and introduced a policy renewal system to meet the need of customers whose term of insurance is maturing for the continuation of the coverage, etc. in October 2022. In addition, an educational endowment insurance product, “Hajime no Kampo,” was revised mainly to improve the maturity refund rate*² in April 2023.

Turning to “Deepening and Increasing the sophistication of asset management,” Japan Post Insurance continues to invest in profit-focused assets within the range of risk tolerance based on ALM to secure the

payment of claims, etc., with the goal of securing stable asset management returns in the continuing low-interest rate environment. So far, to promote the deepening and increasing the sophistication of diversified asset management, Japan Post Insurance has been continuously working on the investment of overseas corporate bond, in-house management of domestic equities, alternative investment, etc. These asset management initiatives are being carried out based on an ERM*³ framework to ensure financial soundness and improve return to risk ratio. Furthermore, in the area of ESG investments, Japan Post Insurance makes investments that offer warmth typical of Japan Post insurance, and related priority issues include “Improving Well-being,” “Developing local communities and society,” and “Contributing to environmental protection.”

To improve the customer experience (CX) value, Japan Post Insurance worked to impress customers so that they feel secure to have purchased Japan Post insurance products by fundamentally revising insurance services and increasing customer convenience and solicitation quality. As for concrete initiatives, in response to the demand for remote channels, etc., which are not restricted by time and place, Japan Post Insurance is working on the provision of convenient and easy procedures using a customer’s smartphone, etc. Japan Post Insurance started cashless settlement service for the payment of the amount equivalent to the first insurance premium in April 2022. At the same time, it enabled claims for hospitalization benefits due to COVID-19 infection on the web services (“My Page”) for policyholders from May 2022 and expanded the loan repayment function on the web services in September 2022.

*1 The customer experience (CX: an abbreviation for Customer Experience) value means not only the functional value, such as the price and performance of products and services but also all values experienced by customers, including the emotional and psychological values, such as satisfaction brought about throughout the entire process, from follow-up before and after customers take out an insurance policy to the insurance payment.

*2 The maturity refund rate is the rate of the educational fund to be received against the total insurance premium to be paid.

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

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 ¥6,379.5 billion (a year-on-year decrease of 1.15%) and net ordinary income of ¥117.8 billion (a year-on-year decrease of 66.89%).

Issues to Be Addressed

In the Group medium-term management plan JP Vision 2025, the Group set the vision of forming “Co-creation Platform” that supports customers and local communities. In addition to providing integrated services throughout the Group utilizing its post office network, the Group’s greatest strength, the Group would provide support so that customers living in local communities could realize safe, pleasant, and rich lives that offer security by working with an unprecedented wide range of companies and other entities.

Since the environment surrounding the Group is significantly changing due to factors such as the advancement of digital technology, Russia’s invasion of Ukraine, global monetary tightening, the rise of prices and personnel expenses in about two years after the announcement of the JP Vision 2025, the Group will promote discussion for the review of JP Vision 2025 scheduled for fiscal 2024.

For the integration of the real post office network and digital post office, the Group works on DX in a cross-sectional unified manner for the issues such as the enhancement of online services and the utilization of data by the whole Group.

In addition, 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 particular, the Company continues to work to steadily implement the business improvement plan developed in response to problems with the quality of solicitation of Japan Post Insurance products.

At the same time, the Group would not only continue but also strengthen efforts related to preventing internal crimes, employee misconduct, and improper sales activities; protecting personal information; and implementing measure to prevent money laundering.

The Group would fulfill the Group’s duty to ensure universal services for postal mail, savings, and insurance and contribute to local communities while making use of the system of subsidies and contributions. The Group would also work to implement a basic management policy which was formulated for each group company in order to provide stable services by further utilizing and maintaining the post office network.

In accordance with the Postal Service Privatization Act, the Group would make required preparations to dispose of the shares of Japan Post Bank and Japan Post Insurance held by the Company as early as possible, while taking into consideration the condition of business at both companies, impact on fulfilling the Group’s obligation to secure universal services, and other factors.

As for ESG initiatives, in light of “the Sustainable Development Goals (SDGs)” and the moves toward achieving carbon neutrality by 2050 advocated by the Japanese Government, the Group would make efforts to improve the corporate value as the Group as a whole. More specifically, the Group would work to reduce the environmental burden through its business services by, for example, increasing the number of electric vehicles (EVs) across the Group to reduce the CO2 emissions and gradually switching to power that boasts a low carbon emissions factor.

Furthermore, in recognition that human resources are the most important management resource for the Group, which provides services that are highly dependent on humans, the Group would promote diversity management that leverages the diverse skills and individuality of employees by developing human resources with training, etc., to provide the most appropriate service and products to customers and planned training for female employees with the goal of promoting them to management and building a workplace environment that makes it possible to balance work and life.

In preparation for a crisis such as a natural disaster and pandemic of an infectious disease, the Group would also put in place a crisis management system and, when a crisis occurs, respond swiftly and appropriately to ensure business continuity.

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

Postal and Domestic Logistics Business

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

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

Japan Post Co. would continue to work on keeping mail use through the measures such as expanding support for letter-writing workshop programs, offering New Year's greeting card services that make use of smartphones and conducting activities that promote the pleasure of using letters. In addition, Japan Post Co. would provide services that offer highly convenient drop-off and pick-up and try to expand revenue through various efforts such as expanding logistics solutions that make use of sales warehouses and strengthening services between companies in order to steadily capture the growing EC market and flea-market market.

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

As the volume of mail continues to decline, Japan Post Co. would move forward with a shift in resources to the field of parcels, a growth market, and work to improve productivity by deepening efforts to control costs in response to work volume, promoting DX, and implementing other measures.

Specifically, in addition to switching a terminal carried by delivery staff to a smartphone, Japan Post Co. would use data obtained with telematics technology to ensure the safety of employees, mutually supported delivery, review delivery routes and areas for mail and move forward with improving the efficiency of the collection and delivery of Yu-Packs and other items through automated route generation by AI and reducing manpower and streamlining work at post offices by, for example, introducing automated guided vehicles (AGV). Moreover, in collaboration with other companies, Japan Post Co. would work to build a highly efficient delivery system as well as a new logistics platform that makes services such as highly convenient pickup possible.

Furthermore, the increase in prices including fuel prices and costs such as personnel expenses significantly affecting the management of Japan Post Co. Although the Company would keep working on the improvement of productivity by utilizing digital technology and promoting the improvement of the work efficiency, etc., to provide stable postal service, which is universal service, and achieve the improvement of services for customers while the volume of mail is declining, Japan Post Co thinks that postage fees need to be revised in the future. In fiscal 2023, Japan Post Co. would consider revising postage fees based on the income/expenses balance by business classification of fiscal 2022. In addition, to provide stable and high-quality logistics service over many years, Japan Post Co. views that it is also necessary to revise the fees for Yu-Packs. In fiscal 2023, for sustainable growth, Japan Post Co. would revise the notified fee, etc., promote the investment in capital and human resources and strive to improve customer services.

Post office business

Japan Post Co. would implement the following measures.

1) Customer-first consulting in sales activities

Following the fiscal year under review, Japan Post Co. would steadily execute business improvement plan and reinforce "customer-first sales activities" and provide customer-first consulting in sales activities by understanding the characteristics of each product and presenting proposals that satisfy customer needs. To do so, Japan Post Co would promote training and license acquisition support, etc. for the proposal of financial products that satisfy customer needs while communicating with customers.

Moreover, to strengthen and expand the contact points with customers, Japan Post Co. would increase corporate sales and area sales to develop more customers of young to middle-aged adults, prepare sales tool including consulting app and work on attracting more customers to a post office. Furthermore, Japan Post Co. would prepare a system to explain products and process application as a proxy at Financial Services Contact Center and the environment to implement effective and efficient sales activities such as the utilization of customer's negotiation data and the arrangement of online interview system.

2) Enhancing value of the post office network utilizing post offices as a real presence

To enhance the value of the post office network and realize sustainable growth, it is probably important to leverage existing real post offices and enhance the value of the post office network while promoting greater digitalization. With this awareness, Japan Post Co. would provide various products and services that meet the needs of communities and customers, such as comprehensive administrative work contracts with local public entities, strengthening collaboration with regional financial institutions and integrated management of post offices and local train stations, while cooperating with other companies.

In addition, Japan Post Co. would arrange the best office layout considering customers' convenience and set up flexible office opening hours based on local need.

3) Efforts toward expansion of the real estate business

In addition to leasing JP Towers and other properties, Japan Post Co. would lease housing, daycare facilities, and senior care facilities to make effective use of land located in residential areas. From the perspective of expanding new earnings opportunities and making effective use of the owned real estate, Japan Post Co. would also work to transform the real estate business into an earning pillars by promoting Toranomon-Azabudai District Category 1 Urban Redevelopment Project, Umeda 3-chome Project, and similar projects.

International Logistics Business

Japan Post Co. would maintain its position for consumer goods and retail business, etc., where Toll's strength lies, in Asia. In addition, Japan Post Co. would improve response capability in the healthcare area to establish a more balanced portfolio. Moreover, Japan Post Co. would further work on cost reduction with the streamlining of operations, etc.

Banking Business

During fiscal 2023, the third year of the medium-term management plan, in the market environment with high uncertainty, Japan Post Bank would steadily secure profit with the most profitable "market business." At the same time, to build the stable and robust business foundation, Japan Post Bank would expand "the retail business" and focus on establishing the base for "Σ business," which is considered a new growth engine.

1) The first engine "retail business"

For the first engine, "retail business," under the basic policy, "complementarity between the physical and the digital," Japan Post Bank would maintain its office network and expand self-transaction and digital channels, such as a self-service branch terminal, "Madotab," highly advanced ATM, and bankbook app and household account book app with enhanced functions. In addition, for customers' easy and convenient transactions, Japan Post Bank would provide detailed explanation depending on customer needs. Moreover, as a new retail business strategy, Japan Post Bank will gradually initiate "Co-creation Platform Strategy," which introduces products and services that match customer needs the most via bankbook app and household account book app through collaboration with various businesses. Furthermore, as for asset-formation support business, considering the enhancement of the NISA (Nippon Individual Savings Account) system from 2024, Japan Post Bank would reinforce the proposal capability for customers particularly those for accumulated NISA.

2) The second engine "market business"

For the second engine, "market business," Japan Post Bank would flexibly restructure the portfolio of the products with interest in the Japanese yen considering the possibility that domestic interest rates, which have been hovering at low levels for a long time, would go up. In addition, from the viewpoint of reinforcing risk tolerance, as for credit assets, Japan Post Bank would continuously focus on the investment grade area. As for strategic investment areas, Japan Post Bank would make selective

investments in quality funds targeting debt products (bonds), of which tolerance for market volatility is relatively high to secure stable profit.

3) The third engine, “Σ business”

As for the third engine, “Σ business,” before the full-fledged development starting in the fiscal year ending in March 2027, two years from October 2022 until the end of September 2024 is positioned as a pilot period. During this period, Japan Post Bank prepares for the promotion base, strengthens domestic GP-related investment for the start of full-scale GP business and steadily develops marketing support targets.

Through the three business engines, “retail business,” “market business” and “Σ business,” Japan Post Bank would deepen trusting relationships with customers, challenge financial innovation and aim to establish the mid- to long-term sustainable profit foundation.

Moreover, Japan Post Bank would continue to work to lessen the environmental burden and promote work-style reforms and more-advanced governance as measures to promote ESG management. To be more specific, to reduce the environmental burden, Japan Post Bank would continue to promote a switch, etc. to renewable energy for the electricity use by Japan Post Bank. It would also promote investment and loan programs for green bonds, etc. Furthermore, based on the basic idea of human resource strategy, which allows each of the employees of any gender (social and cultural gender), etc., with various values, to voluntarily grow through challenges, fully demonstrate its potential to improve the corporate value, Japan Post Bank would promote human resource management by actively opening the offices to female employees and improving childcare leave rate, etc.

Life Insurance Business

Japan Post Insurance would implement the following measures to fulfill Japan Post Insurance ‘s social mission as a life insurance company.

1) Measures aimed at reconstruction

New Japan Post Insurance sales system was established with specialty and extensiveness and Japan Post Insurance has realized comprehensive consulting services across the entire Group. In fiscal 2023, considering the meaning of the establishment of the New Japan Post Insurance sales system, Japan Post Insurance would work to achieve the sales target for fiscal 2023 and build the foundation of sales with a view to the next three years. To be more precise, for the development of salespeople, a qualitative evaluation system for each salesperson’s growth would be established to increase each one’s capability from the viewpoint of the mid and long term. In addition, in order to work on sales promotion on a company-wide basis, which is one of the management issues, Japan Post Insurance would reform the organization to have the head office and front lines work and promote the sales as one organization. On top of that, the head office would demonstrate the means for achieving the targets, and by proactively communicating its intentions, would constantly align the information and approach of the head office and front lines to promote sales across the company. Through the measures above, Japan Post Insurance would stabilize the New Japan Post Insurance sales system and aim to secure the total amount of insurance in force by further increasing proposals aligned with customers’ intentions and recovering the number of new deals.

As for reinforcing the business foundation, Japan Post Insurance would work to enhance insurance services, deepen and increase the sophistication of asset management, and boosting efficiency and sophistication of business operations.

Japan Post Insurance would progress the development of insurance services that respond to the coverage needs of customers of all generations in the age of the 100-year life and work to further enhance insurance services.

More specifically, the product “Hajime no Kampo” was revised in April 2023. Offering more attractive products to customers will help to expand usage among young customers. In addition, we hope to increase customer numbers by having customers who have subscribed starting with educational endowment insurance recommend Japan Post Insurance products to their family and friends. Japan Post Insurance would work continuously to develop insurance services that meet customer needs.

As for asset management, Japan Post Insurance aims to ensure the stable investment returns based on ALM and within an ERM framework and deepen and increase the sophistication of asset management in terms of both investment fields, such as alternative investments, and portfolio construction, while appropriately responding to the expected introduction of new capital regulations based on economic value in 2025.

As for investment in profit-focused assets, in the Medium-Term Management Plan (2021–2025), Japan Post Insurance projects that the weight of profit-focused assets in the overall portfolio to be around 16% since Japan Post Insurance properly responded to recent changes in the market environment and reviewed portfolio. Japan Post Insurance would continue investing in profit-focused assets such as alternative investments depending on risk tolerance and investment opportunities.

As for ESG investments, to strengthening engagement with entities invested in with an eye toward achieving greenhouse gas emission reduction targets, aggressively make investments to achieve the target total energy output from renewable energy sources at entities invested in, a KPI in the medium-term management plan, and enhance impact investments and loans*, Japan Post Insurance shall promote impact investments to solve social issues through “impact “K” project,” which is an investment framework that was independently defined by Japan Post Insurance.

Furthermore, Japan Post Insurance would work to improve customer service, increase efficiency, and reduce expenses by promoting DX, review internal administration work by the frontline of Japan Post Insurance and promote the improvement of efficiency.

2) Measures aimed at sustainable growth

To enhance customer experience (CX) value, Japan Post Insurance would implement a sweeping review of insurance services from the perspective of boosting customer experience value and improve customer convenience and solicitation quality to ensure customers feel truly glad they chose Japan Post Insurance. Japan Post Insurance would also expand the number of Japan Post Insurance’s customers by customers who are satisfied with the customer experience value to communicate the experience to their family members, friends, regions and society as a whole.

More specifically, Japan Post Insurance would work to provide optimal proposals attuned to each and every customer, provide simplified procedures that could be completed on the spot, provide finely-tuned support as a unified team, and enhance Japan Post Insurance’s follow-up practice focused on connection with customers.

In order to provide optimal proposals attuned to each and every customer, Japan Post Insurance would make aspects such as customer needs and required coverage visible using digital technology and introduce a system so that even family members living far away could also participate in meetings. In addition, regarding providing simplified procedures that could be completed on the spot, Japan Post Insurance would make it possible so that customers could choose to submit applications and submit claims in any of various ways, such as online or in person, by making use of digital technology to meet the needs of customers. In fiscal 2023, Japan Post Insurance would enhance functions of the web services “My Page” to allow users to repay part of the loan and receive a loan even if a policyholder and an insured of an insurance agreement are different. In addition, it would be possible for a family member of a policyholder to view “My Page.” In regard to providing “finely-tuned support as a unified team,” Japan Post Insurance would create an environment in which all employees who take care of customers, such as consultants, customer counter employees at post offices, and customer center staff, are able to provide finely-tuned and friendly support as a unified team. Furthermore, in order to “enhance Japan Post Insurance’s follow-up practice focused on connection with customers,” Japan Post Insurance would conduct careful follow-ups through online conferences and various other means and follow-ups at the best time for each customer through email etc., in addition to face-to-face customer care through visits to meet wide-ranging customer needs, and thereby aim to win the trust of customers including people around them.

* Impact investments and loans mean investment behavior to create measurable social and environmental positive impact and financial return.

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

To all the Group's shareholders, the Group greatly appreciate shareholders' understanding and support and look forward to shareholders' continued support in the future.

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

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

(Millions of yen)

Classification	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Ordinary income	11,950,185	11,720,403	11,264,774	11,138,580
Net ordinary income	864,457	914,164	991,464	657,499
Net income attributable to Japan Post Holdings	483,733	418,238	501,685	431,066
Comprehensive income	(2,225,078)	3,567,160	(805,187)	(305,224)
Net assets	12,616,774	16,071,067	14,688,981	15,098,256
Total assets	286,098,449	297,738,131	303,846,980	296,111,587

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

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

(Millions of yen)

Classification	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating income	289,447	167,933	284,688	257,559
Dividend income	219,083	97,209	203,393	184,610
Japan Post Co., Ltd.	–	–	–	–
Japan Post Bank Co., Ltd.	166,851	83,425	166,851	166,851
Japan Post Insurance Co., Ltd.	52,231	13,783	36,541	17,758
Other subsidiaries, etc.	–	–	–	–
Subsidiaries	–	–	–	–
Net income	397,647	(2,129,989)	325,460	293,787
Net income per share	(Yen) 98.35	(Yen) (526.79)	(Yen) 85.59	(Yen) 82.35
Total assets	8,129,402	5,997,547	5,848,650	5,762,311
Shares of Japan Post Co., Ltd.	869,470	825,892	799,184	705,967
Shares of Japan Post Bank Co., Ltd.	5,780,141	3,550,602	3,550,602	2,367,257
Shares of Japan Post Insurance Co., Ltd.	604,580	604,580	332,391	318,287
Shares of other subsidiaries, etc.	59,195	59,136	55,051	55,051
Shares of subsidiaries	59,195	59,136	55,051	55,051

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 reason for the year-on-year decrease in shares of Japan Post Bank Co., Ltd. within total assets is that the Company sold a portion of its holdings of common shares of Japan Post Bank Co., Ltd.

(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 23,645 post offices (including 3,589 contracted post offices).
Also, there are 38 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 235 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, 2022	As of March 31, 2023	Increase (decrease)
Postal and domestic logistics business	98,887	98,216	(671)
Post office business	96,471	81,396	(15,075)
International logistics business	13,584	13,673	89
Banking business	12,219	11,807	(412)
Life insurance business	8,144	19,776	11,632
Other	2,807	2,501	(306)
Other of the Company	1,994	1,485	(509)
Total	232,112	227,369	(4,743)

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 Capital Investment Activities

a. Total capital investments

(Millions of yen)

Classification	Amount
Postal and domestic logistics business	75,715
Post office business	105,043
International logistics business	34,654
Banking business	54,223
Life insurance business	36,794
Other	60,779
Total	367,211

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

b. Establishment of principal facilities, etc.

(Millions of yen)

Classification	Description	Amount
Postal and domestic logistics business	Update of the mission-critical system for the next term	23,083
	Renovations of aging post office buildings and other structures and facilities	19,919
Post office business	Toranomon-Azabudai District Category 1 Urban Redevelopment Project	48,866
	Umeda 3-chome Project,	46,610
Banking business	Japan Post Bank Total Information System	42,202
Other	Kuramae JP Terrace	26,532

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

(7) Parent and Principal Subsidiaries

a. Parent

None.

b. Principal subsidiaries

(As of March 31, 2023)

Name	Location	Major business	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	¥400,000 million	100.00%	—
Japan Post Bank Co., Ltd.	Chiyoda-ku, Tokyo	Banking business	¥3,500,000 million	60.62%	—
Japan Post Insurance Co., Ltd.	Chiyoda-ku, Tokyo	Life insurance business	¥500,000 million	49.83%	—

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

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

The Company transferred the business related to 32 facilities of the “Kanpo no Yado” lodging facilities it owns to Chateraise Holdings Co., Ltd., Nozawa World Co, Ltd. and Hita Tenryo-Sui Co., Ltd. on April 1, 2022 and to MYSTAYS HOTEL MANAGEMENT Co., Ltd., Yakushima Tokutei Mokuteki Kaisya, Fuji G.K. and Ren G.K. on April 5, 2022.

2. Directors and Executive Officers of the Company

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

(As of March 31, 2023)

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 (In charge of) Group CEO	Director of Japan Post Co., Ltd. Director of Japan Post Bank Co., Ltd. Director of Japan Post Insurance Co., Ltd.	
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.	
SENDA Tetsuya	Director	Director, Representative Executive Officer, President & CEO of Japan Post Insurance Co., Ltd.	
ISHIHARA Kunio	Director (Outside Director) Chairperson 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 Director of Shiseido Company, Limited (Outside Director)	
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 Miharuru	Director (Outside Director) Member of the Audit Committee	Director, Nankai Electric Railway Co., Ltd. (Outside Director) Director of SEKISUI CHEMICAL CO., LTD. (Outside Director)	
AKIYAMA Sakie	Director (Outside Director)	Founder of Saki Corporation (Advisor) Director of Sony Group Corporation (Outside Director) Director of ORIX Corporation (Outside Director) Director of Mitsubishi Corporation (Outside Director)	

(As of March 31, 2023)

Name	Position and responsibilities	Significant concurrent positions	Others
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)	
SATAKE Akira	Director (Outside Director) Chairperson of the Audit Committee		
SUWA Takako	Director (Outside Director) Member of the Audit Committee	Representative Director of Daiya Seiki Co., LTD.	Became Director of the Company on June 17, 2022
IIZUKA Atsushi	Representative Executive Officer, Executive Vice President (In charge of) Group CFO and the Internal Control	Director of TOENEC CORPORATION (Outside Director)	
YAMASHIRO Yasuhiko	Senior Managing Executive Officer (In charge of) the Group Real Estate Management Department and the Facility Management Department	Senior Managing Executive Officer of Japan Post Co., Ltd.	
FUKUMOTO Kenji	Managing Executive Officer (In charge of) the Hospitals Management Department, the Hotels Management Office, the Corporate Planning Department (government relations), and Special assignment	Managing Executive Officer of Japan Post Co., Ltd.	
FURUSATO Hiroyuki	Managing Executive Officer (In charge of) Group CIO and the Group IT Management Department	Managing Executive Officer of Japan Post Co., Ltd.	
NISHIGUCHI Akihito	Managing Executive Officer (In charge of) the Corporate Planning Department, the Legal Affairs Department, and the Public Relations Department	Managing Executive Officer of Japan Post Co., Ltd.	
KATO Nobuyasu	Managing Executive Officer (In charge of) Group CAO and the Internal Audit Department	Managing Executive Officer of Japan Post Co., Ltd.	
SHOMURA Tsutomu	Managing Executive Officer (In charge of) Group CISO, the Group IT Management Department (information security), and the Group Cyber Security Office	Managing Executive Officer of Japan Post Co., Ltd.	
ASAI Tomonori	Managing Executive Officer (In charge of) the Accounting & Finance Division and Sustainability Management Department	Managing Executive Officer of Japan Post Co., Ltd.	

(As of March 31, 2023)

Name	Position and responsibilities	Significant concurrent positions	Others
NAKATA Hirohito	Managing Executive Officer (In charge of) the JP Strategic Foresight Laboratory and Special assignment		
HAYAKAWA Masataka	Managing Executive Officer (In charge of) Group CCO, the Compliance Department, and the Group Conduct Management Office	Managing Executive Officer of Japan Post Co., Ltd.	Became Managing Executive Officer of the Company on April 1, 2022
TATEBAYASHI Satoru	Managing Executive Officer (In charge of) Special assignment	Senior Managing Executive Officer (Representative Director) 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 Japan Post Insurance Co., Ltd.	
OGATA Kenji	Managing Executive Officer (In charge of) Special assignment	Managing Executive Officer of Japan Post Co., Ltd.	
SAKURAI Makoto	Executive Officer (In charge of) In sub-charge of the Hotels Management Office (Senior General Manager of the Hotels Management Office)		
KAZAMATSURI Makoto	Executive Officer (In charge of) In sub-charge of the Corporate Planning Division (Senior General Manager of the Corporate Planning Department) and in sub- charge of the Legal Affairs Department (Senior General Manager of the Legal Affairs Department)		
KAWANO Youichi	Executive Officer (In charge of) In sub-charge of the Accounting & Finance Department (Senior General Manager of the Accounting & Finance Department)	Executive Officer of Japan Post Co., Ltd.	
IIDA Yasuhisa	Executive Officer (In charge of) Group CDO and the DX Project Department	Executive Officer of Japan Post Co., Ltd.	
MITANI Masanobu	Executive Officer (In charge of) In sub-charge of the Public Relations Department	Executive Officer of Japan Post Co., Ltd.	
ITAGAKI Tadayuki	Executive Officer (In charge of) In sub-charge of the Group Real Estate Management Department		

(As of March 31, 2023)

Name	Position and responsibilities	Significant concurrent positions	Others
TAKEMOTO Tsutomu	Executive Officer (In charge of) In sub-charge of the Facility Management Department		
SUNAYAMA Naoki	Executive Officer (In charge of) the Business Kyoso Department (Senior General Manager of the Business Kyoso Department)	Executive Officer of Japan Post Co., Ltd.	
MAKI Hirohisa	Executive Officer (In charge of) Group CHRO, the Secretaries Office, and the Human Resources Department (Senior General Manager of the Human Resources Department)	Executive Officer of Japan Post Co., Ltd.	Became Executive Officer of the Company on June 23, 2022

- 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. ISHIHARA Kunio, Mr. Charles Ditmars Lake II, Mr. OKAMOTO Tsuyoshi, Ms. KOEZUKA Miharuru, Ms. AKIYAMA Sakie, Mr. KAIAMI Makoto, Mr. SATAKE Akira and Ms. SUWA Takako are such Independent Directors as provided for by Tokyo Stock Exchange, Inc.
4. Director Mr. Charles Ditmars Lake II retired as Corporate Director of Tokyo Electron Ltd. on June 21, 2022.
5. Director Ms. KOEZUKA Miharuru assumed the position of Director of SEKISUI CHEMICAL CO., LTD. on June 22, 2022. Moreover, she retired as Director of the Board of Nippon Paint Holdings Co., Ltd. on March 28, 2023.
6. Major change in officers during this fiscal year is as follows:

Name	Position after change	Position before change	Date of change
KAWAMOTO Hiroaki	Representative Executive Officer, Senior Managing Executive Officer	Senior Managing Executive Officer	June 17, 2022

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

Name	Position and responsibilities	Significant concurrent positions	Others
HIRONO Michiko	Director (Outside Director)	Director of Nissin Manufacturing Co., Ltd. (Outside Director)	Resigned from Director of the Company on February 28, 2023
ONO Taneki	Senior Managing Executive Officer (In charge of) the New Business Planning Office and Special assignment	Senior Managing Executive Officer of Japan Post Co., Ltd.	Resigned from Senior Managing Executive Officer of the Company on June 22, 2022
SHIMA Toshitaka	Managing Executive Officer (In charge of) the Secretaries Office, the General Affairs Department, and the Human Resources Department	Managing Executive Officer of Japan Post Co., Ltd.	Resigned from Managing Executive Officer of the Company on June 22, 2022

Name	Position and responsibilities	Significant concurrent positions	Others
KINOSHITA Noriko	Managing Executive Officer (In charge of) the Public Relations Department and Special assignment	Managing Executive Officer of Japan Post Co., Ltd.	Resigned from Managing Executive Officer of the Company on June 22, 2022
KAWAMOTO Hiroaki	Senior Managing Executive Officer (In charge of) Group CRCO, the Compliance Department, the Liaison Office, the Risk Management Department, the Customer Satisfaction Promotion Department, the General Affairs Department, and Special assignment	Senior Managing Executive Officer of Japan Post Co., Ltd.	Resigned from Representative Executive Officer, Senior Managing Executive Officer of the Company on March 31, 2023
YOKOYAMA Akihiko	Executive Officer (In charge of) In sub-charge of the Group Real Estate Management Department	Executive Officer of Japan Post Co., Ltd.	Resigned from Executive Officer of the Company on March 31, 2023

Notes: 1. The position, responsibilities, and significant concurrent positions stated above are the ones held at the time of resignation.

2. Director Ms. HIRONO Michiko's name on her family register is FUJII Michiko.

(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	10	104	104	-
Executive Officer	26	571	529	42
Total	36	675	633	42

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 5 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” and “consolidated ordinary income ratio” as financial indicators, as well as “progress of the medium-term management plan ‘JP Vision 2025’” and “occurrence of serious administrative incidents and misconduct in the Group and operation of compliance systems” as non-financial indicators, that are suitable for the business format and content of the Company.

Additionally, the Company has a system that allows for a reduction or cancellation (malus) of the number of points used as the basis for calculating the number of shares granted to relevant executive officers in the event of a serious misconduct or violation by an executive officer eligible for payment.

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	400,000 million yen or more	431,066 million yen
Ratio of consolidated ordinary income	6.560% or more	5.903%
Progress of the medium-term management plan “JP Vision 2025”		Steadily executed measures such as Co-creation Platform, DX, strengthening of governance, and ESG management
Occurrence of serious administrative incidents and misconduct in the Group and operation of compliance systems		Enhanced compliance system, such as constructing a system to ascertain misconduct incidents and cooperate within the Group, and promoting use of the internal control system.

I. 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.

II. 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	
ISHIHARA Kunio	
Charles Ditmars Lake II	
OKAMOTO Tsuyoshi	
KOEZUKA Miharuru	
AKIYAMA Sakie	
KAIAMI Makoto	
SATAKE Akira	
SUWA Takako	

Note: The names in the above list are those of directors who executed limited liability agreement as of March 31, 2023.

Director of the Company that Resigned during this Fiscal Year

Name	Summary of Limited Liability Agreement
HIRONO Michiko	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.

Note: The name in the above list is the director who executed limited liability agreement in office.

(4) Indemnity Agreements

a Indemnity Agreements with Directors and Executive Officers of the Company

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	
ISHIHARA Kunio	
Charles Ditmars Lake II	
HIRONO Michiko	
OKAMOTO Tsuyoshi	
KOEZUKA Miharuru	

Name	Summary of the indemnity agreements
AKIYAMA Sakie	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.
KAIAMI Makoto	
SATAKE Akira	
SUWA Takako	
IIZUKA Atsushi	
KAWAMOTO Hiroaki	
ONO Taneki	
YAMASHIRO Yasuhiko	
FUKUMOTO Kenji	
FURUSATO Hiroyuki	
SHIMA Toshitaka	
KINOSHITA Noriko	
NISHIGUCHI Akihito	
KATO Nobuyasu	
SHOMURA Tsutomu	
ASAI Tomonori	
NAKATA Hirohito	
HAYAKAWA Masataka	
TATEBAYASHI Satoru	
TANAKA Susumu	
ICHIKURA Noboru	
OGATA Kenji	
SAKURAI Makoto	
KAZAMATSURI Makoto	
YOKOYAMA Akihiko	
KAWANO Youichi	
IIDA Yasuhisa	
MITANI Masanobu	
ITAGAKI Tadayuki	
TAKEMOTO Tsutomu	
SUNAYAMA Naoki	
MAKI Hirohisa	

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, 2023)

Name	Concurrent Positions and Other Status
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 Director of Shiseido Company, Limited (Outside Director)
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 Miharū	Director of Nankai Electric Railway Co., Ltd. (Outside Director) Director of SEKISUI CHEMICAL CO., LTD. (Outside Director)
AKIYAMA Sakie	Founder of Saki Corporation (Advisor) Director of Sony Group 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	
SUWA Takako	Representative Director of Daiya Seiki Co., LTD.

- Notes: 1. There is no relationship to be disclosed between the Company and corporations at which the outside directors hold concurrent positions.
2. Director Mr. Charles Ditmars Lake II retired as Corporate Director of Tokyo Electron Ltd. on June 21, 2022.
3. Director Ms. KOEZUKA Miharū assumed the position of Director of SEKISUI CHEMICAL CO., LTD. on June 22, 2022. Moreover, she retired as Director of the Board of Nippon Paint Holdings Co., Ltd. on March 28, 2023.

Outside Director that Resigned during this Fiscal Year

Name	Concurrent Positions and Other Status
HIRONO Michiko	Director of Nissin Manufacturing Co., Ltd. (Outside Director)

- Notes: 1. Her concurrent Positions and Other Statuses as of the time of resignation (February 28, 2023)
2. There is no relationship to be disclosed between the Company and a corporation at which the outside director holds a concurrent position.

(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.
ISHIHARA Kunio	7 years and 9 months	Attended all 12 Board of Directors' meetings, all two Nomination Committee meetings, and all four 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 offering useful opinions and suggestions on the Company's management from a management viewpoint.
Charles Ditmars Lake II	6 years and 9 months	Attended all 12 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 offering useful opinions and suggestions on the Company's management from a management viewpoint.
OKAMOTO Tsuyoshi	4 years and 9 months	Attended all 12 Board of Directors' meetings, all two Nomination Committee meetings, and all four 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 offering useful opinions and suggestions on the Company's management 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.
KOEZUKA Miharu	4 years and 9 months	Attended all 12 Board of Directors' meetings and all five Audit Committee meetings during her tenure as Member of the Audit Committee in 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 offering useful opinions and suggestions on the Company's management from a management viewpoint.
AKIYAMA Sakie	3 years and 9 months	Attended 11 of 12 Board of Directors' 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 offering useful opinions and suggestions on the Company's management from a management viewpoint.
KAIAMI Makoto	2 years and 9 months	Attended all 12 Board of Directors' meetings and all 20 Audit Committee meetings during this fiscal year.	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 offering useful opinions and suggestions on the Company's management based on his knowledge and experience in the legal profession.
SATAKE Akira	2 years and 9 months	Attended all 12 Board of Directors' meetings and all 20 Audit Committee meetings during this fiscal year.	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 offering useful opinions and suggestions on the Company's management 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.
SUWA Takako	9 months	Attended all 10 Board of Directors' meetings during this fiscal year since taking office as Director and all two Audit Committee meetings during this fiscal year since taking office as Member of the Audit Committee.	Ms. SUWA Takako 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, performs her role as an outside director of the Company appropriately, supervising and providing advice on business execution, including offering useful opinions and suggestions on the Company's management from a management viewpoint.

Notes: 1. The terms of office stated above are the current terms as of March 31, 2023.

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.

Outside Director that Resigned during this Fiscal Year

Name	Term of office	Attendance at Board of Directors' meetings, etc.	Statement and other activities at Board of Directors' meetings, etc.
HIRONO Michiko	6 years and 8 months	Attended 6 of 11 Board of Directors' meetings during her tenure as Director and 5 of 13 Audit Committee meetings during her tenure as Member of the Audit Committee in 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 offering useful opinions and suggestions on the Company's management from a management viewpoint.

Notes: 1. The terms of office stated above are as of the time of resignation (February 28, 2023)

2. The terms of office stated above have been rounded down to eliminate periods less than one month.

(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	10	104	—

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

2. The retirement benefits or bonuses are not paid.

- (1) Type of stock: The Company's common stock
- (2) Total number of stock: 110,072,500 shares
- (3) Total amount of acquisition cost: ¥99,999,962,720
- (4) Period of acquisition: November 1, 2021 to April 7, 2022

In addition, the Board of Directors of the Company resolved on April 25, 2022 to cancel shares of treasury stock based on the provisions of Article 178 of the Companies Act and conducted the cancellation as follows.

- (1) Type of stock cancelled: The Company's common stock
- (2) Number of stock cancelled: 110,072,529 shares
- (3) Date of cancellation: May 20, 2022
- (4) Total number of issued shares: 3,657,797,700 shares

[Acquisition based on a resolution of the Board of Directors on May 13, 2022]

a. Reason for the acquisition of treasury stock

In accordance with the capital strategy of the medium-term management plan, "JP Vision 2025," the Company acquired treasury stock to improve capital efficiency and strengthen shareholder returns.

b. Matters related to the acquisition

- (1) Type of stock: The Company's common stock
- (2) Total number of stock: 196,748,200 shares
- (3) Total amount of acquisition cost: ¥199,999,986,540
- (4) Period of acquisition: May 16, 2022 to March 9, 2023

In addition, the Board of Directors of the Company resolved on March 29, 2023 to cancel shares of treasury stock based on the provisions of Article 178 of the Companies Act and conducted the cancellation as follows.

- (1) Type of stock cancelled: The Company's common stock
- (2) Number of stock cancelled: 196,748,200 shares
- (3) Date of cancellation: April 20, 2023
- (4) Total number of issued shares: 3,461,049,500 shares

5. Matters Concerning Stock Acquisition Rights

None.

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 MAENO Atsuji Designated Limited Liability Partner MURAMATSU Keisuke Designated Limited Liability Partner TOYAMA Takahiro	228	The Company pays consideration to the independent auditor for the preparation of letters to the underwriting companies in the issuance of corporate bonds, which is a service 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, its subsidiaries, etc. is ¥1,030 million.

(2) Limited Liability Agreements

None.

(3) Indemnity Agreements

None.

(4) Other Matters Concerning the Independent Auditor

a 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.

b Audit of financial statements of major subsidiaries, etc. 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.

2) Group operation system

- The Company has concluded JP Group Management Agreements with 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 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.
- The Company established the Group Compliance Committee, which share information and discuss promotion policy on Group compliance management, its specific application, the material compliance violation cases that caused severe problem to customers (including illegal

act) and coping with various problems including issues related to sales and operations, and reports important matters presented at the Committee to the Board of Directors.

- 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 by publishing information materials periodically and other means. The Group is operating and spreading information about the improper financial product sales hotline dedicated to financial product sales handled by group companies such as Japan Post Insurance products, investment trusts, etc., so that reports including events which are not clearly deemed as compliance violations, etc. may also be received through the hotline.
- 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. Furthermore, the Group is working to improve the whistleblower system such as by introducing a “One-Stop Consultation and Reporting Platform” as a portal site to provide a secure environment and improved convenience and establishing an “External Specialist Team,” in which outside lawyers can handle the entire process from receipt of reports to investigation and notification of the results of the investigation.
- The Group is working to establish a group-wide system for anti-money laundering, counter-terrorist financing and counter proliferation financing, and to this end, based on the Fourth Round Mutual Evaluation Report by FATF (published on August 30, 2021), the Group Compliance Committee and other groups have reviewed the progress of “ongoing customer due diligence,” “transactions monitoring,” and “due diligence on entities’ beneficial ownership,” which are common issues for all Group companies.

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

- The Group defines basic matters related to risk management such as each group company’s management target risk and items to be reported to the Company in JP Group Management Agreements, monitors the Group’s risk management and improvement status and reports the entire Group’s risk management status to the Board of Directors, etc.
- Through the Japan Post Group Operational Risk Management Liaison Committee, etc., the Company also shares and discuss information on risks at each group company to improve risk management.

- In addition, as the risk management framework of the Group, the Company introduced the risk appetite framework (RAF). The management approves the acquiring risks and their types along with the management plan and aims to increase corporate value by avoiding unexpected losses, improving risk-return and securing accountability.
- Moreover, the Japan Post Group reviews the Group's critical risks that would significantly influence the Group business with a management questionnaire survey every year considering the changes in the external environment and business strategies, etc. The Japan Post Group identifies the top 10 items as top risks, and discloses them along with other important risks in the Annual Securities Report "Risks to Business, etc." The development of risk improvement measures and handling status are monitored and reported to the Board of Directors for review by executing a PDCA cycle.
- 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.
- Furthermore, various measures have been implemented after deciding on the unified response policy within the Group to the spread of COVID-19.
- Regarding the Three Business Companies' misconduct and the events that could significantly damage the Group's value and reported to the management conference body of the Three Business Companies, as a general rule, the Company receives a report from each company every week, monitors the posts for the events on SNSs and report the results to the management. An emergency case is reported at the time of occurrence.

6) Internal audit system

- The Group established "Group Internal Audit Basic Policy" to define the fundamental idea of internal audit implemented by each group company in September 2022.
- In accordance with the internal audit plan, internal audits are conducted and results are reported to the Board of Directors' meetings, etc.
- The status of actions of the internal audit findings are checked, and the results are reported quarterly to the Board of Directors.
- The internal 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) 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, 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, the Group Steering Committee shares and holds discussions not only on reports on management information concerning routine items but also on reports from the Three Business Companies 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, 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 addition, appointment of key personnel of the internal audit division and drawing up of the medium-term audit plan and audit plans for the fiscal year, etc. require prior consent of the Audit Committee.
- 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, 2023)

(Millions of Yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Cash and due from banks	70,243,186	Deposits	192,420,880
Call loans	2,500,000	Payables under repurchase agreements	22,057,310
Receivables under resale agreements	11,173,216	Policy reserves and others	55,103,778
Receivables under securities borrowing transactions	250,241	Reserve for outstanding claims	410,387
Monetary claims bought	525,632	Policy reserves	53,518,219
Trading account securities	19	Reserve for policyholder dividends	1,175,171
Money held in trust	11,787,642	Payables under securities lending transactions	1,941,872
Securities	182,770,020	Borrowed money	1,791,279
Loans	9,210,199	Foreign exchanges	1,411
Foreign exchanges	124,943	Bonds	335,000
Other assets	2,945,647	Other liabilities	4,010,077
Tangible fixed assets	3,178,680	Reserve for bonuses	125,570
Buildings	1,044,093	Liability for retirement benefits	2,212,694
Land	1,613,766	Reserve for employee stock ownership plan trust	511
Construction in progress	235,520	Reserve for management board benefit trust	1,176
Other tangible fixed assets	285,300	Reserve for reimbursement of deposits	54,655
Intangible assets	266,735	Reserve for price fluctuations	889,960
Software	241,744	Deferred tax liabilities	67,152
Goodwill	6,926		
Other intangible assets	18,065	Total liabilities	281,013,330
Asset for retirement benefits	76,022	Net assets	
Deferred tax assets	1,065,309	Capital stock	3,500,000
Reserve for possible loan losses	(5,909)	Retained earnings	6,238,845
		Treasury stock	(201,307)
		Total shareholders' equity	9,537,537
		Net unrealized gains (losses) on available-for-sale securities	893,645
		Net deferred gains (losses) on hedges	(375,143)
		Foreign currency translation adjustments	(116,148)
		Accumulated adjustments for retirement benefits	137,703
		Total accumulated other comprehensive income	540,056
		Non-controlling interests	5,020,661
		Total net assets	15,098,256
Total assets	296,111,587	Total liabilities and net assets	296,111,587

Consolidated Statement of Income
(For the fiscal year ended March 31, 2023)

(Millions of Yen)

Item	Amount	
Ordinary income		11,138,580
Postal business income	2,559,172	
Banking business income	2,062,509	
Life insurance business income	6,374,579	
Other ordinary income	142,318	
Ordinary expenses		10,481,081
Operating expenses	7,783,737	
Personnel expenses	2,434,286	
Depreciation and amortization	229,490	
Other ordinary expenses	33,567	
Net ordinary income		657,499
Extraordinary gains		112,235
Gains on sales of fixed assets	20,593	
Reversal of reserve for price fluctuations	82,645	
Compensation for transfer	832	
Insurance claim income	735	
Gains on sale of businesses	6,995	
Other extraordinary gains	432	
Extraordinary losses		12,454
Losses on sales and disposal of fixed assets	3,859	
Losses on impairment of fixed assets	3,224	
Extra payments for early retirements	1,992	
Litigation expenses	969	
Other extraordinary losses	2,407	
Provision for reserve for policyholder dividends		62,067
Income before income taxes		695,212
Income taxes current	193,095	
Income taxes deferred	(18,570)	
Total income taxes		174,525
Net income		520,687
Net income attributable to non-controlling interests		89,620
Net income attributable to Japan Post Holdings		431,066

Consolidated Statement of Changes in Net Assets
(For the fiscal year ended March 31, 2023)

(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	1,458,718	6,138,069	(96,106)	11,000,681
Changes in the fiscal year					
Cash dividends			(183,136)		(183,136)
Net income attributable to Japan Post Holdings			431,066		431,066
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders		(1,505,816)			(1,505,816)
Purchases of treasury stock				(205,355)	(205,355)
Disposals of treasury stock				98	98
Cancellation of treasury stock		(100,056)		100,056	-
Transfer from retained earnings to capital surplus		147,154	(147,154)		-
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	-	(1,458,718)	100,775	(105,200)	(1,463,143)
Balance at the end of the fiscal year	3,500,000	-	6,238,845	(201,307)	9,537,537

	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		
Balance at the beginning of the fiscal year	1,731,180	(479,930)	(112,443)	169,902	1,308,709	2,379,590	14,688,981
Changes in the fiscal year							
Cash dividends							(183,136)
Net income attributable to Japan Post Holdings							431,066
Changes in equity of Japan Post Holdings due to transactions with non-controlling shareholders							(1,505,816)
Purchases of treasury stock							(205,355)
Disposals of treasury stock							98
Cancellation of treasury stock							-
Transfer from retained earnings to capital surplus							-
Net changes in items other than shareholders' equity in the fiscal year	(837,535)	104,786	(3,705)	(32,198)	(768,652)	2,641,071	1,872,418
Net changes in the fiscal year	(837,535)	104,786	(3,705)	(32,198)	(768,652)	2,641,071	409,274
Balance at the end of the fiscal year	893,645	(375,143)	(116,148)	137,703	540,056	5,020,661	15,098,256

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-consolidated Balance Sheet

(As of March 31, 2023)

(Millions of Yen)

Item	Amount	Item	Amount
Assets		Liabilities	
Current assets	1,459,123	Current liabilities	17,277
Cash and deposits	1,318,201	Accounts payable	11,423
Inventories	141	Accrued expenses	1,796
Prepaid expenses	784	Income taxes payable	35
Short-term loan	66,283	Accrued consumption taxes	2,086
Accounts receivable	24,992	Reserve for bonuses	1,300
Income taxes receivable	47,522	Others	636
Others	1,200	Long-term liabilities	119,999
Reserve for possible loan losses	(3)	Bonds	35,000
Non-current assets	4,303,188	Reserve for retirement benefits	19,001
Tangible fixed assets	135,674	Reserve for management board benefit trust	282
Buildings	35,446	Reserve for compensation for accidents in the course of duty	15,424
Structures	939	Deferred tax liabilities	47,035
Machinery and equipment	140	Others	3,255
Vehicles	23	Total liabilities	137,277
Tools and fixtures	12,632	Net assets	
Land	85,935	Shareholders' equity	5,588,478
Construction in progress	556	Capital stock	3,500,000
Intangible assets	12,905	Capital surplus	1,853,662
Software	12,515	Capital reserve	875,000
Others	389	Other capital surplus	978,662
Investments and other assets	4,154,608	Retained earnings	436,123
Investment securities	99,069	Other retained earnings	436,123
Stocks of subsidiaries and affiliates	3,446,563	Retained earnings brought forward	436,123
Money held in trust	450,583	Treasury stock	(201,307)
Long-term loan	112,005	Valuation and translation adjustments	36,556
Claims provable in bankruptcy	63	Net unrealized gains (losses) on available-for-sale securities	36,556
Long-term prepaid expenses	988	Total net assets	5,625,034
Prepaid pension costs	46,881	Total liabilities and net assets	5,762,311
Others	217		
Reserve for possible loan losses	(63)		
Allowance for investment loss	(1,700)		
Total assets	5,762,311		

Non-consolidated Statement of Income
(For the fiscal year ended March 31, 2023)

(Millions of Yen)

Item	Amount	
Operating income		257,559
Brand royalty income	12,692	
Dividend income from subsidiaries and affiliates	184,610	
Income from business consignment	46,065	
Subsidy income equivalent to deposit insurance premiums	96	
Income from hospital business	13,352	
Income from hotel business	742	
Operating expenses		76,922
Expenses for business consignment	46,216	
Expenses for hospital business	16,291	
Expenses for hotel business	2,306	
Administrative expenses	12,107	
Net operating income		180,637
Other income		20,232
Interest income	619	
Dividend income	12,870	
Rent income	2,728	
Subsidy income	3,046	
Others	967	
Other expenses		1,988
Interest on bonds	92	
Rent expenses	1,306	
Expenses on systems rented to others	393	
Others	195	
Net ordinary income		198,881
Extraordinary gains		80,249
Gains on sales of fixed assets	1,460	
Gains on sale of businesses	6,995	
Gains on sales of stocks of subsidiaries and affiliates	71,783	
Others	9	
Extraordinary losses		561
Losses on sales and disposal of fixed assets	219	
Losses on impairment of fixed assets	262	
Others	79	
Income before income taxes		278,569
Income taxes current	(15,218)	
Total income taxes		(15,218)
Net income		293,787

Non-consolidated Statement of Changes in Net Assets

(For the fiscal year ended March 31, 2023)

(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	1,078,718	1,953,718	325,471	325,471
Changes in the fiscal year						
Cash dividends					(183,136)	(183,136)
Net income					293,787	293,787
Purchases of treasury stock						
Disposals of treasury stock						
Cancellation of treasury stock			(100,056)	(100,056)		
Net changes in items other than shareholders' equity in the fiscal year						
Net changes in the fiscal year	-	-	(100,056)	(100,056)	110,651	110,651
Balance at the end of the fiscal year	3,500,000	875,000	978,662	1,853,662	436,123	436,123

	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	(96,106)	5,683,084	57,636	57,636	5,740,721
Changes in the fiscal year					
Cash dividends		(183,136)			(183,136)
Net income		293,787			293,787
Purchases of treasury stock	(205,355)	(205,355)			(205,355)
Disposals of treasury stock	98	98			98
Cancellation of treasury stock	100,056	-			-
Net changes in items other than shareholders' equity in the fiscal year			(21,080)	(21,080)	(21,080)
Net changes in the fiscal year	(105,200)	(94,606)	(21,080)	(21,080)	(115,687)
Balance at the end of the fiscal year	(201,307)	5,588,478	36,556	36,556	5,625,034

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 11, 2023

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

KPMG AZSA LLC
Tokyo Office

MAENO Atsuji
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

MURAMATSU Keisuke
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

TOYAMA Takahiro
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, 2023 and for the year from April 1, 2022 to March 31, 2023 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.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 11, 2023

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

KPMG AZSA LLC
Tokyo Office

MAENO Atsuji
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

MURAMATSU Keisuke
Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant

TOYAMA Takahiro
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, 2023 and for the year from April 1, 2022 to March 31, 2023 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.

Other Information

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. The audit committee is responsible for overseeing the executive officers and the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the non-consolidated financial statements and the supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-consolidated financial statements and the supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-consolidated financial statements and the supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 18th business year, the period from April 1, 2022 to March 31, 2023. 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.

The Audit Committee has confirmed that initiatives for customer-oriented business operations regarding the solicitation quality of Japan Post Insurance products described in the business report have been continuously implemented.

(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 11, 2023

Audit Committee of Japan Post Holdings Co., Ltd.

Member of the Audit Committee
SATAKE Akira (Seal)

Member of the Audit Committee
KAIAMI Makoto (Seal)

Member of the Audit Committee
SUWA Takako (Seal)

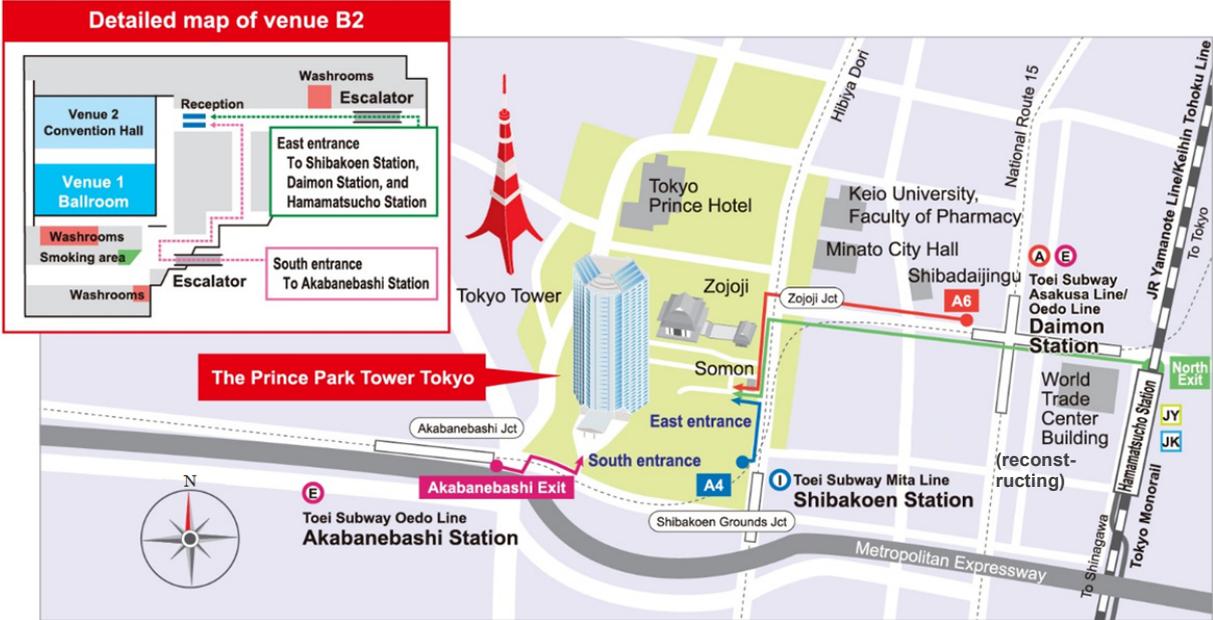
Note: Members of the Audit Committee SATAKE Akira, KAIAMI Makoto and SUWA Takako are outside directors as stipulated in Article 2, item 15, and Article 400, paragraph 3 of the Companies Act.

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.



Transportation Guide

I Toei Subway Mita Line	Shibakoen Station	Exit A4	Approx. 6-minute walk	→ Route
E Toei Subway Oedo Line	Akabanebashi Station	Akabanebashi Exit	Approx. 8-minute walk	→ Route
A E Toei Subway Asakusa Line/Oedo Line	Daimon Station	Exit A6	Approx. 13-minute walk	→ Route
JY JK JR Yamanote Line/Keihin Tohoku Line	Hamamatsucho Station	North Exit	Approx. 15-minute walk	→ Route

No parking is available. Please use public transportation.