

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

Last Update: December 4, 2023

Japan Post Holdings Co., Ltd.

MASUDA Hiroya

Director and Representative Executive Officer, President & CEO

Contact: Corporate Planning Department

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Securities Code: 6178

<https://www.japanpost.jp/en/>

The status of corporate governance of Japan Post Holdings Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, and Other Basic Information Including Capital Structure and Corporate Profile

1. Basic Views

The Company develops the corporate governance structure of the Group based on the following concepts, with a view to ensuring sustainable growth of the Group and creating corporate value over the medium to long term.

- (1) The Company shall continue to create new convenience for customers and pursue the provision of high quality services, while generating consistent value by providing universal services of the Group’s three core businesses through the Group’s post office network.
- (2) Fully recognizing its fiduciary responsibility to its shareholders, the Company shall give consideration to appropriately secure rights and equal treatment of shareholders.
- (3) The Company shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, the Company shall strive to secure management transparency and commit to appropriate disclosure and provision of information.
- (4) The Company shall carry out swift and decisive decision-making and business execution under the effective supervision by the Board of Directors, in order to promptly cope with changes in social and economic environment and meet the expectation of all stakeholders.

[Reasons for Non-compliance with Principles of the Corporate Governance Code]

The Company implements all Principles of the Corporate Governance Code.

[Disclosure Based on Principles of the Corporate Governance Code]

The Company has formulated the “Basic Policy on Corporate Governance” (hereinafter referred to as the “Company’s Policy”), which is disclosed on its website as follows:

<https://www.japanpost.jp/en/group/governance/index02.html>

With respect to the matters required to be disclosed under the Corporate Governance Code, please refer to the following items under the Company’s Policy.

[Principle 1.4] “Cross-Shareholding (Article 17)” under the Company’s Policy

◇ The results of the verification as of the reference date of March 31, 2022 are as follows:

In the verification of the cross-shareholdings held by the Company, taking account of their economic rationality over the medium to long term and future prospect among other factors, it shall verify the aim and rationality of holding such shares at the Board of Directors’ meeting each fiscal year, and disclose the details of such verification.

As a result of the verification conducted based on the above points at the Board of Directors’ meeting held in April 2022, it was confirmed that the continued holding of the two issues held by the Company as cross-shareholdings was appropriate.

[Principle 1.7]: “Composition of the Board of Directors and its Role (Article 4, paragraph 6)” under the Company’s Policy

[Supplementary Principles 2.4.1]

The Company’s views on ensuring diversity in the appointment of key personnel and other matters are posted on the Company’s website.

<https://www.japanpost.jp/sustainability/human/>

[Principle 3.1]:

(i): “Reference 4” and “Reference 5” under the Company’s Policy

(ii): The Company’s Policy

(iii): “Compensation Committee (Article 8, paragraph 2)” and “Reference 14” under the Company’s Policy

(iv): “Nomination Committee (Article 7, paragraph 2)” , “Composition of the Board of Directors and its Role (Article 4, paragraph 5)”, “Reference 7” and “Reference 10” under the Company’s Policy

(v): “Reference 8” and “Reference 11” under the Company’s Policy

[Supplementary Principles 3.1.3]

(1) Initiatives on sustainability
Information on this matter is included in the Group Medium-term Management Plan “JP Vision 2025” (pp.60–64) posted on the Company’s website.
https://www.japanpost.jp/en/ir/strategy/pdf/20210514_01_st_en.pdf

(2) Investments in human capital and intellectual properties
Information on this matter is included in the Group Medium-term Management Plan “JP Vision 2025” (human capital: pp.19, 58, 59; intellectual properties: pp.9, 17–20, 24) posted on the Company’s website.
https://www.japanpost.jp/en/ir/strategy/pdf/20210514_01_st_en.pdf

(3) Impact of climate change-related risks and earning opportunities on the Company’s business activities and profits
Information on this matter is published on the Company’s website.
<https://www.japanpost.jp/en/csr/environmental-management/climate.html>

[Supplementary Principles 4.1.1]: “Composition of the Board of Directors and its Role (Article 4, paragraph 2)” and “Reference 3” under the Company’s Policy

[Principle 4.9]: “Nomination Committee (Article 7, paragraph 3)” and “Reference 13” under the Company’s Policy

[Supplementary Principles 4.10.1]
Nominations, compensation, and other important matters are discussed and decided by the Nomination Committee or the Compensation Committee, in both of which a majority of members are Independent Outside Directors.

[Supplementary Principles 4.11.1]: “Nomination Committee (Article 7, paragraph 2)” , “Reference 10” and “Reference 12” under the Company’s Policy

[Supplementary Principles 4.11.2]: “Reference 2” under the Company’s Policy

[Supplementary Principles 4.11.3]: “Evaluation of the Board of Directors (Article 6)” and “Reference 9” under the Company’s Policy

[Supplementary Principles 4.14.2]: “Acquisition and Sharing of Information by Outside Directors (Article 11, paragraph 1)” and “Training of Inside Officers (Article 13)” under the Company’s Policy

[Principle 5.1]: “Dialogue with Shareholders (Article 19)” and “Reference 15” under the Company’s Policy
Concerning [Principle 2.6], the Company does not conduct corporate pension fund management.

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]: Information on action to implement management that is conscious of cost of capital and stock price is disclosed in Financial Results Briefing for the Six Months Ended September 30, 2023 (pp.6–8).
https://www.japanpost.jp/en/ir/library/presentation/pdf/20231114_01.pdf

[Implementation of Dialogue with Shareholders]
Implementation status of dialogue with shareholders is disclosed in “III. 2. IR Activities” in this report and on the Company’s website.
<https://www.japanpost.jp/en/sustainability/sustainability-management/engagement.html>

2. Capital Structure

Percentage of Foreign Shareholders	10% or more and less than 20%
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[Status of Major Shareholders]

Name	Number of Shares Held (Shares)	Percentage (%)
Minister of Finance	1,255,956,800	36.28
The Master Trust Bank of Japan, Ltd. (Trust Account)	369,425,300	10.67
Custody Bank of Japan, Ltd. (Trust Account)	121,173,800	3.50
Japan Post Holdings Employee Shareholding Association	93,029,100	2.68
State Street Bank West Client — Treaty 505234	45,568,629	1.31
JPMorgan Securities Japan Co., Ltd.	31,821,492	0.91
STATE STREET BANK AND TRUST COMPANY 505103	28,313,266	0.81
JP MORGAN CHASE BANK 385781	28,027,456	0.80
SSBTC Client Omnibus Account	25,849,488	0.74
State Street Bank And Trust Company 505225	20,057,110	0.57

Controlling Shareholder (except for Parent Company)	—
Parent Company	—

Supplementary Explanation

The Company was established in January 2006, based on the Postal Service Privatization Act as well as the Act on Japan Post Holdings Co., Ltd.

The Company's major shareholder, the Minister of Finance (the Government) disposed of (sold) part of the shares in the Company in November 2015, September 2017, and October 2021, based on the aforementioned Acts as well as the Act on Special Measures for Securing Financial Resources Necessary for Reconstruction from the Great East Japan Earthquake.

*The above "Status of Major Shareholders" is as of March 31, 2023.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange First Section
Fiscal Year-End	March
Industry	Service industry
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Net Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 100 but less than 300

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

The Company has concluded JP Group Management Agreements with and between Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. on the Group's common philosophy, policies and other basic matters concerning Group management, thereby setting up a system to facilitate mutual collaboration and cooperation as well as exerting synergy effects among Group companies.

Listed subsidiaries, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd., are requested to conduct prior consultation or reporting merely on the matters that are necessary for adequate and smooth management of the Group, as well as those that require administrative control and other measures under the relevant laws and regulations. These arrangements ensure a certain degree of independence.

The rationale for the Company to have listed subsidiaries is to strive to disseminate the shares of the Company, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. widely to the people of Japan without concentration on specific individuals or corporations as much as possible, as recommended in the supplementary resolution regarding the draft for the Act for Partial Revision of the Postal Service Privatization Act and others (Committee on General Affairs, House of Councillors, April 26, 2012), and therefore the shares of the Company, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. were simultaneously listed on the First Section of the Tokyo Stock Exchange on November 4, 2015. The Postal Service Privatization Act requires the Company to dispose of the all shares of Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. as soon as possible, while taking into consideration the condition of the business of each company and any impact on the fulfillment of the universal services obligation.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Three Committees Structure
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	20
Term of Office Stipulated in Articles of Incorporation	1 year
Chairman of the Board	President
Number of Directors	15

[Outside Directors]

Number of Outside Directors	10
Number of Independent Officers	10

Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
OKAMOTO Tsuyoshi	From another company											
KOEZUKA Miharuru	From another company											
AKIYAMA Sakie	From another company											
KAIAMI Makoto	Attorney											
SATAKE Akira	From another company											
SUWA Takako	From another company											
ITO Yayoi	From another company											
OEDA Hiroshi	From another company											
KIMURA Miyoko	From another company											
SHINDO Kosei	From another company											

* Categories for "Relationship with the Company"

* "○" for when the Director presently falls or has recently fallen under the category

"△" for when the Director fell under the category in the past

* "●" for when a close relative of the Director presently falls or has recently fallen under the category

"▲" for when a close relative of the Director fell under the category in the past

- Executive person of the Company or its subsidiaries
- Non-executive Director or executive person of the parent company of the Company
- Executive person of a fellow subsidiary of the Company
- A party whose major business partner is the Company or an executive person thereof
- Major business partner of the Company or an executive person thereof
- Consultant, accountant or legal expert who receives a large amount of monetary consideration or other property from the Company apart from executive remuneration
- Major shareholder of the Company (or an executive person of the corporate shareholder if the shareholder is a legal entity)
- Executive person of a business partner company of the Company (which does not correspond to any of d, e, or f) (the Director himself/herself only)
- Executive person of a company between which and the Company outside officers are mutually appointed (the Director himself/herself only)
- Executive person of a company or organization that receives a donation from the Company (the Director himself/herself only)
- Others

Relationship with the Company (2)

Name	Affiliated Committees			Designation as Independent Officer	Supplementary Explanation of the Relationship	The Reasons for Appointment
	Nomination Committee	Compensation Committee	Audit Committee			
OKAMOTO Tsuyoshi	○			○	[Significant concurrent positions] Honorary Advisor of Tokyo Gas Co., Ltd., Outside Director of Asahi Kasei Corporation, Outside Director of Mitsubishi Estate Co., Ltd.	<Reasons for appointment 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. 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. The Company has appointed him as Outside Director with expectations that he will continue to supervise and check the management of the Company.<Reasons for designation as Independent Officer> Mr. Okamoto has been designated as Independent Officer as he meets the "Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers" as specified by the Company (please refer to "Matters relating to Independent Officers"), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.
KOEZUKA Miharu		○		○	[Significant concurrent positions] Outside Director of Nankai Electric Railway Co., Ltd., Outside Director of SEKISUI	<Reasons for appointment 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

					CHEMICAL CO., LTD.	<p>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. 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. 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. The Company has appointed her as Outside Director with expectations that she will continue to supervise and check the management of the Company.<Reasons for designation as Independent Officer></p> <p>Ms. Koezuka has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.</p>
AKIYAMA Sakie				○	<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 appointment 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. 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</p>

						<p>and knowledge in corporate management. The Company has appointed her as Outside Director with expectations that she will continue to supervise and check the management of the Company.</p> <p><Reasons for designation as Independent Officer></p> <p>Ms. Akiyama has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.</p>
KAIAMI Makoto			○	○	<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 appointment as Outside Director></p> <p>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. The Company has appointed him as Outside Director with expectations that he will continue to supervise and check the management of the Company. 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><Reasons for designation as Independent Officer></p> <p>Mr. Kaiami has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as</p>

						defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.
SATAKE Akira			○	○	[Significant concurrent positions]	<p><Reasons for appointment 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. 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. 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. The Company has appointed him as Outside Director with expectations that he will continue to supervise and check the management of the Company.</p> <p><Reasons for designation as Independent Officer> Mr. Satake has been designated as Independent Officer as she meets the "Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers" as specified by the Company (please refer to "Matters relating to Independent Officers"), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.</p>
SUWA Takako			○	○	[Significant concurrent positions]	<p><Reasons for appointment as Outside Director> Ms. SUWA Takako has many</p>

					Representative Director of Daiya Seiki Co., LTD.	<p>years' experience on the management team of a business corporation as Representative Director of Daiya Seiki Co., LTD., which engages in precision metal machining and manufacturing. 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. 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. The Company has appointed her as Outside Director with expectations that she will continue to supervise and check the management of the Company.</p> <p><Reasons for designation as Independent Officer></p> <p>Ms. Suwa has been designated as Independent Officer as she meets the "Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers" as specified by the Company (please refer to "Matters relating to Independent Officers"), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.</p>
ITO Yayoi			○	○	<p>[Significant concurrent positions]</p> <p>Outside Director of KANADEN CORPORATION,</p> <p>Outside Director of SUMIKEN MITSUI ROAD CO.,LTD.</p> <p>Outside Director and Audit and Supervisory Committee Member of Nishimatsu Construction Co.,</p>	<p><Reasons for appointment as Outside Director></p> <p>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 appointed her as Outside Director with expectations that she will supervise and check the management of the Company, based on her abundant experience and knowledge in fields such as the logistics industry and IT developed throughout her career. She has not been involved in corporate management other</p>

					Ltd.	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. <Reasons for designation as Independent Officer> Ms. Ito has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.
OEDA Hiroshi		○		○	[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 appointment 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 appointed him as Outside Director with 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. <Reasons for designation as Independent Officer> Mr. Oeda has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.
KIMURA Miyoko				○	[Significant concurrent positions] Director and	<Reasons for appointment as Outside Director> Ms. KIMURA Miyoko started the business of ASKUL Corporation as

					<p>Managing Executive Officer, General Manager of R&D Division and CMO of KING JIM CO., LTD., Outside Director and Audit and Supervisory Committee Member of ARE Holdings, Inc.</p>	<p>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. The Company has appointed her as Outside Director with 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><Reasons for designation as Independent Officer></p> <p>Ms. Kimura has been designated as Independent Officer as she meets the "Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers" as specified by the Company (please refer to "Matters relating to Independent Officers"), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.</p>
SHINDO Kosei	○			○	<p>[Significant concurrent positions]</p> <p>Representative Director and Chairman of NIPPON STEEL CORPORATION Outside Director of Tokio Marine Holdings, Inc. Outside Director of Development Bank of Japan Inc.</p>	<p><Reasons for appointment as Outside Director></p> <p>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 appointed him as Outside Director with 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><Reasons for designation as</p>

						Independent Officer> Mr. Shindo has been designated as Independent Officer as she meets the “Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers” as specified by the Company (please refer to “Matters relating to Independent Officers”), and thus is deemed to qualify as Independent Officer as defined by the Tokyo Stock Exchange, with no risk for conflicts of interest with general shareholders.
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[Committees]

Committee’s Composition and Attributes of Chairman

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairman
Nomination Committee	3	0	1	2	Outside Director
Compensation Committee	3	0	1	2	Outside Director
Audit Committee	4	1	0	4	Outside Director

[Executive Officers]

Number of Executive Officers	Updated	29
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Status of Concurrent Posts Updated

Name	Representative Authority	Concurrent Post as Director			Concurrent Post as Employee
			Nomination Committee Member	Compensation Committee Member	
MASUDA Hiroya	Yes	Yes	Yes	Yes	No
IIZUKA Atsushi	Yes	Yes	No	No	No
KATO Nobuyasu	Yes	No	No	No	No
YAMASHIRO Yasuhiko	No	No	No	No	No
ASAI Tomonori	No	No	No	No	No
HAYAKAWA Masataka	No	No	No	No	No
HAYASHI Toshiyuki	No	No	No	No	No
FUKUMOTO Kenji	No	No	No	No	No
FURUSATO Hiroyuki	No	No	No	No	No
SHOMURA Tsutomu	No	No	No	No	No
ICHIKI Miho	No	No	No	No	No
NAKAMATA Chikara	No	No	No	No	No
IIDA Yasuhisa	No	No	No	No	No
CHIKURA Noboru	No	No	No	No	No
TANAKA Susumu	No	No	No	No	No
ONISHI Toru	No	No	No	No	No
NISHIGUCHI Akihito	No	No	No	No	No
SAKURAI Makoto	No	No	No	No	No
KAZAMATSURI Makoto	No	No	No	No	No
MITANI Masanobu	No	No	No	No	No
ITAGAKI Tadayuki	No	No	No	No	No

TAKEMOTO Tsutomu	No	No	No	No	No
SUNAYAMA Naoki	No	No	No	No	No
MAKI Hirohisa	No	No	No	No	No
KAKINOKI Akira	No	No	No	No	No
NAKAHATA Ikuko	No	No	No	No	No
NISHIDA Akihisa	No	No	No	No	No
WAKABAYASHI Isamu	No	No	No	No	No
ITO Yuri	No	No	No	No	No

[Auditing Structure]

Appointment of Directors and Staff to Support the Audit Committee	Appointed
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Matters Related to the Independence of Such Directors and Staff from Executive Officers

The Company establishes an Office of Audit Committee to assist duties of the Audit Committee and place exclusive employees with necessary knowledge and ability to assist the duties of the Audit Committee. Employment, transfer, evaluation, and discipline of employees belonging to the Office of Audit Committee require prior consent of the Audit Committee or a member of the Audit Committee selected by the Audit Committee.

Cooperation among Audit Committee, Independent Auditor and Internal Audit Division

- (1) Cooperation between the Audit Committee and the independent auditor
The Audit Committee receives explanations on audit plans from the independent auditor (KPMG AZSA LLC) in advance, periodically receives audit reports, discusses Key Audit Matters (KAM), and makes efforts to cooperate through exchange of opinions, if necessary, to always grasp important points of financial audit.
- (2) Cooperation between the Audit Committee and the internal audit division
The Audit Committee periodically receives reports on important matters related to internal audits, such as the situation of execution of internal audit of the Group and its results from the internal audit division, and promptly receives reports on matters that may seriously affect management. In this case, if the Audit Committee finds it necessary, the Committee shall request the internal audit division to conduct investigation or give detailed instructions on the execution of the division's duties. Furthermore, the Audit Committee shall give prior consent to matters including important personnel affairs of the internal audit division as well as the formulation of medium-term and annual audit plans. In addition, the Audit Committee and the internal audit division are closely working together. The Executive Officer in charge of the internal audit division attends meetings of the Audit Committee at all times to understand audit issues. Also, the Audit Committee receives reports from the internal audit division on the status of the execution of duties and responsibilities, as well as the content and implementation of measures to continuously upgrade and strengthen internal auditing, including auditing techniques and human resource development, and reviews and evaluates the development and operation of the internal audit function on an annual basis.
- (3) Cooperation between the independent auditor and the internal audit division
The internal audit division strives to carry out efficient and effective internal audit in close cooperation with the independent auditor.

[Independent Officers]

Number of Independent Officers	10
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Matters relating to Independent Officers

The Company has designated all Outside Directors as independent officers, insofar as they meet the qualification thereof.

The Company will evaluate an Outside Director's independence from the Company based on the following criteria.

[Japan Post Holdings Co., Ltd. Standards for Designating Independent Officers]

1. Japan Post Holdings Co., Ltd. shall designate independent officers as specified by the Tokyo Stock Exchange among those who do not fall under any of the following categories.
 - (1) Person who has been a person who executes business (hereinafter referred to as "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, in addition to compensation as a Director (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 (excluding those who are not significant persons)
 - a. Persons in categories (1)-(8) above
 - b. 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 officer
 - (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, an executive (or other) thereof, or an equivalent person).
- * Terms appearing in “Japan Post Holdings Co., Ltd. Standards for the Independence of Outside Directors” are defined as follows.
- Japan Post 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 Japan Post 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 more than 2% of the average annual consolidated gross sales of the past three fiscal years of the said party
 - Major business partner of the Japan Post Group: Person whose average annual payment to the Japan Post Group in the past three fiscal years is over 2% of the average annual consolidated ordinary income of the past three fiscal years of the said person
 - 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 officers, entry of the said attribute information will be omitted if the transaction or donation concerning the said independent officer falls under any of the “insignificance criteria” below, because they are considered to have no effect on the independence of the said independent officer.
 - (1) Business transactions
 - a. Average annual payment in the past three fiscal years by the Japan Post Group to the business partner of less than 1% of the average annual consolidated gross sales in the past three fiscal years of the said business partner
 - b. Average annual payment in the past three fiscal years to the Japan Post Group by the business partner of less than 1% of the average annual consolidated gross ordinary income of the Japan Post Group in the past three fiscal years
 - (2) Donations

Average annual donations received from the Japan Post Group in the past three fiscal years of less than ¥5 million.

[Incentives]

Implementation of Measures to Provide Incentives to Directors and Executive Officers	Performance-linked compensation system
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Supplementary Explanation

Details, etc. of the system is described in “[Compensation for Directors and Executive Officers] Disclosure of Policy on Determining Compensation Amounts and Calculation Methods.”

Recipients of Stock Options	
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Supplementary Explanation

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[Compensation for Directors and Executive Officers]

Disclosure of Individual Directors' Compensation	No individual disclosure
Disclosure of Individual Executive Officers' Compensation	No individual disclosure

Supplementary Explanation

Headcount as well as the total compensation amount are disclosed distinguishing inside officers (including Executive Officers) and outside officers.

Policy on Determining Compensation Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The Compensation Committee has established 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

- a. Only the Executive Officer compensation is paid to the Executive Officers who concurrently hold office as a Director.
- b. 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.
- c. Executive Officers of the Company receives a basic compensation (fixed compensation) on the basis of their responsibilities and performance-linked stock compensation under a system that offers sound incentives for contributing to the sustainable growth of the Company.

(2) Director's Compensation

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

(3) Executive Officer's Compensation

The total amount of compensation paid to Executive Officers comprises a basic compensation (fixed compensation) on the basis of their responsibilities considering different Executive Officer ranks, as well as performance-linked stock compensation that incorporates factors such as the degree of achievement of business plans and other factors.

The level of the basic amount needs to be reasonable in light of the weight of their responsibilities as Executive Officers and the current company situation; provided, however that in the case of Executive Officers who take charge of fields that demand special knowledge and skill, if an Executive Officer receives an amount of compensation for performance of such duties that is considerably lower than the standard level of compensation generally received by officers in charge of such field in other companies, the compensation may be changed to standard amount of compensation by using the compensation level of another company as a standard.

In terms of stock compensation, from the standpoint of offering sound incentives for the sustainable growth of the Company, Executive Officers are granted on a yearly basis points commensurate with their duties and the points calculated by multiplying evaluation points based on their individual evaluations by a coefficient

that fluctuates according to factors such as the degree of achievement of management plans. At the time of retirement, Executive Officers receive stocks corresponding to the number of accumulated points and cash attainable through conversion of a certain portion of shares of the Company.

If a national public officer who has been seconded to the Company takes up the position of an Executive Officer, he/she receives a retirement benefit calculated in accordance with the rules for retirement benefits for employees by adding the period of his/her service as a national public officer to the length of his/her service in the Company at the time of his/her retirement (excluding the case where the officer returns to the position of national public officer after retirement from the Company).

(4) Other

If a person serves concurrently as a Director or an Executive Officer of the Company as well as a director, auditor or an executive officer of a Group company, such person shall receive compensation from the entity where the person executes primary business.

[Supporting System for Outside Directors]

The Company has established an Office of Board of Directors to develop an operational system for giving consideration for time-affordable annual scheduling, appropriate provision of information as needed, provision of adequate briefing and review time over the meeting agenda prior to the Board of Directors' meeting, and allocation of sufficient time for questions and answers at the Board of Directors' meeting for Outside Directors.

The Company establishes an Office of Audit Committee to assist duties of the Audit Committee and place exclusive staff with necessary knowledge and ability to assist the duties of the Audit Committee. While the staff of the Office of Audit Committee follows orders and instructions of the Audit Committee or the members of the Audit Committee selected by the Audit Committee, and execute duties such as conducting surveys and receiving reports, employment, transfer, evaluation, and discipline of employees belonging to the Office of Audit Committee require prior consent of the Audit Committee or a member of the Audit Committee selected by the Audit Committee. These rules ensure independence of such staff.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Compensation Decisions (Overview of Current Corporate Governance System)

Outline of the Company's corporate governance is as follows.

(1) Supervisory Function

a. Board of Directors

The Board of Directors, comprised of 15 Directors (including ten Outside Directors), determines the basic management policy and the matters required to be defined by relevant laws and regulations, as well as the matters relating to the important execution of duties, while supervising the execution of duties by Directors and Executive Officers.

b. Nomination Committee

The Nomination Committee, comprised of three Directors (including two Outside Directors), determines proposals for the General Meeting of Shareholders concerning the election and dismissal of Directors. In accordance with the provisions of the Act on Japan Post Holdings Co., Ltd., resolutions for the election and dismissal of Directors of the Company shall not become effective without the approval of the Minister of Internal Affairs and Communications.

[Chairperson]

OKAMOTO Tsuyoshi (Outside Director)

[Member]

SHINDO Kosei (Outside Director)

MASUDA Hiroya (Director and Representative Executive Officer, President & CEO)

c. Compensation Committee

The Compensation Committee, comprised of three Directors (including two Outside Directors) establishes the policy regarding determining the amount of compensation for each Director and Executive Officer, and determines the amount of compensation for individual officers on the basis of this policy.

[Chairperson]

KOEZUKA Miharu (Outside Director)

[Member]

OEDA Hiroshi (Outside Director)

MASUDA Hiroya (Director and Representative Executive Officer, President & CEO)

d. Audit Committee

The Audit Committee, comprised of four Directors (including four Outside Directors), conducts audit on the execution of duties by Directors and Executive Officers, appropriateness of the auditing method and results of audit of the independent auditor on financial statements and other documents, preparation of reports on the audit results, and other tasks. Also, the Audit Committee shall determine a proposal for the election, dismissal or non-reappointment of the independent auditor to be submitted to the general meeting of shareholders.

Mr. SATAKE Akira, a member of the Audit Committee, has many years' experience in management and finance divisions of Sumitomo Precision Products Co., Ltd., etc. as Director and Executive Vice President and has suitable knowledge of finance and accounting developed throughout his career.

[Chairperson]

SATAKE Akira (Outside Director, full-time)

[Member]

KAIAMI Makoto (Outside Director)

SUWA Takako (Outside Director)

ITO Yayoi (Outside Director)

(2) Business Execution Function

a. President & CEO

The President & CEO shall decide on and execute important businesses entrusted by the Board of Directors.

b. Executive Officers other than President & CEO

Executive Officers other than the President & CEO shall decide on and execute businesses entrusted by the Board of Directors in the respective areas of responsibility according to the segregation of duties determined by the Board of Directors.

c. Management Meeting

The Management Meeting is comprised of Executive Officers appointed by the President & CEO as an advisory body to the President & CEO. In principle, it deliberates on the matters to be resolved by the Board of Directors and the matters subject to the authority of the President & CEO, while reporting on the Group's important management conditions.

d. Investment Committee

The Investment Committee is comprised of Executive Officers appointed by the President & CEO as an advisory body to the President & CEO. In principle, it deliberates on highly confidential matters including establishment of subsidiaries, etc., acquisition and disposal of shares in subsidiaries, etc., and capital participation in other companies.

e. Compliance Committee

The Compliance Committee is comprised of the following members as an advisory body to the Management Meeting and deliberates on matters related to compliance in the Company as well as the Group, and reports the results to the Management Meeting.

- Executive Officers in charge of Compliance Department, Internal Audit Department, Corporate Planning Department, and Human Resources Department
- Senior General Managers of Compliance Department, Internal Audit Department, Corporate Planning Department, and Human Resources Department

f. Sustainability Committee

The Sustainability Committee is comprised of the following members as an advisory body to the Management Meeting and deliberates on matters related to sustainability management in the Company as well as the Group, and reports the results to the Management Meeting.

- Executive Officers in charge of Sustainability Management Office (Chairperson)
- Executive Officers in charge of Compliance Department, Risk Management Department, Customer Satisfaction Promotion Department, General Affairs Department, Human Resources Department, Corporate Planning Department, and Public Relations Department

g. Disclosure Committee

The Disclosure Committee is comprised of the following members as an advisory body to the

Management Meeting and deliberates on matters related to information disclosure and dialogue with shareholders of the Company, and reports the results to the Management Meeting.

- Executive Officers in charge of Corporate Planning Department, Compliance Department, and Accounting & Finance Department

(3) Group Governance Systems

a. Conclusion of agreements on the Group's operation and management ("JP Group Management Agreements")

The Company has concluded JP Group Management Agreements with and between Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. on the Group's common philosophy, policies and other basic matters concerning Group management, thereby setting up a system to facilitate mutual collaboration and cooperation as well as exerting synergy effects among Group companies.

For matters that may have a significant effect on the entire Group and those necessary for maintaining management transparency, the Company requests Group companies to submit approval forms, have discussion with and report to the Company on an individual basis. Through these activities, the Company ensures corporate governance of the Japan Post Group.

b. Group Steering Committee

In accordance with JP Group Management Agreements, the Group Steering Committee shall be established to discuss and share common understanding of important matters concerning group management among the management of the Group companies for the purpose of promoting effective and efficient operation of the Group. It is comprised of the following members.

- President & CEO and Executive Vice President of Japan Post Holdings Co., Ltd.
- Presidents of Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.

(4) Others

In accordance with Article 427, paragraph 1 of the Companies Act, the Company has provided in its Articles of Incorporation that it may enter into an agreement with Directors (limiting to non-executive Directors, etc. as stipulated in such article and provision) to limit their liability pursuant to Article 423, paragraph 1 of the Companies Act. The limit of liability under such agreement shall be the total amount of the amount posted in each item of the Article 425, paragraph 1 of the said Act.

3. Reasons for Adoption of Current Corporate Governance System

The Company has adopted a "company with three committees structure" from the following points of view.

- (1) To separate the vital decision-making and supervision, such as the formulation of basic management policy, from the business execution based on such decisions, thereby increasing the flexibility in management and establishing the management supervision structure of the Group governed by the Board of Directors.
- (2) To fully utilize external views on the management of the Company and ensure the transparency and fairness of decision-making on the management through enabling the exercise of functions of the Board of Directors comprised mainly of independent officers and the three committees, namely the Nomination Committee, the Compensation Committee and the Audit Committee.
- (3) To realize a corporate governance structure that can appropriately fulfill its accountability to all stakeholders.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Meeting of Shareholders and Smooth Exercise of Voting Rights

	Supplementary Explanations
Scheduling of General Meeting of Shareholders to Avoid Concentration on a Certain Date	The Company strives to schedule the General Meeting of Shareholders on a date that can accommodate as many shareholders as possible. The 18th Annual General Meeting of Shareholders was held on June 21, 2023.
Exercise of Voting Rights by Electromagnetic Means	The Company has enabled exercise of voting rights via the Internet from the Annual General Meeting of Shareholders held in June 2016 onward to provide shareholders with wider options of methods for exercising voting rights. At the Annual General Meeting of Shareholders held in June 2021, the Company introduced the “Smart Exercise” service that allows shareholders to easily exercise voting rights just by scanning a QR code, in an effort to provide greater convenience for shareholders.
Initiatives Toward Improving the Environment for Institutional Investors to Exercise Voting Rights Including Participation in Electronic Voting Platform	An electronic voting platform for institutional investors operated by ICJ Co., Ltd. (Investor Communications Japan) has also become available from the Annual General Meeting of Shareholders held in June 2016 onward.
Provision of Convocation Notice (Summary) in English	The English translation for the Notice of the General Meeting of Shareholders is posted on the Company’s website.
Other	Regarding the operation of the General Meeting of Shareholders, the Company endeavors to hold more comprehensible meetings for shareholders by making efforts such as preparing more image-oriented Business Reports. At the 18th Annual General Meeting of Shareholders, the Company streamed the meeting live over the Internet and accepted questions on its website. The extraordinary report on the results of the exercise of voting rights is posted on the Company’s website.

2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Disclosure of Disclosure Policy	“Disclosure Policy” is posted on the Company’s website.	
Holding of Regular Briefing Sessions for Individual Investors	In addition to setting up pages for individual investors on the Company’s website, briefing sessions and other measures are conducted in order to enhance the provision of information.	Yes
Holding of Regular Briefing Sessions for Analysts and Institutional Investors	Briefing sessions are presented on a semi-annual basis, in which members of senior management explain financial results, etc. Additionally, phone conferences are held on a quarterly basis.	Yes
Holding of Regular Briefing Sessions for Overseas Investors	Financial results briefing sessions are also conducted at overseas locations by the senior management. IR information page on the Company’s website is provided in English to deliver information to overseas investors.	Yes
Posting of IR Materials on Website	Financial results information including summary results, timely disclosure materials other than financial results, securities report and quarterly securities report and other financial data are posted on the Company’s website.	
Establishment of Office (Person in Charge) of IR	The IR Office has been established in the Corporate Planning Department.	

3. Status of Measures Related to Respect of Position of Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Company has declared that it respects the interest of stakeholders of the Group as described in the “Japan Post Group Charter of Corporate Conduct” published on the Company’s website, etc.</p> <ol style="list-style-type: none"> 1. Earn the trust of customers <ul style="list-style-type: none"> • We earn the trust of customers by adopting their perspective and meeting their expectations. • We protect and manage information strictly so that customers can use our services with peace of mind. • We fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner. 2. Observe ethical standards <ul style="list-style-type: none"> • We continue to conduct business activities with sincerity by complying with laws, regulations, social standards and internal rules. • We stand firmly against antisocial forces and organizations that threaten the order and safety of civil society. • We maintain workplace discipline by clearly defining responsibilities and authority and fairly evaluating performance and results. 3. Place priority on coexistence <ul style="list-style-type: none"> • We actively promote environmental conservation and make a significant contribution to society through business activities. • We aim for sustainable coexistence by placing importance on maintaining dialogues with diverse stakeholders. • We respect human rights and provide safe and pleasant workplaces. 4. Create value <ul style="list-style-type: none"> • We will create new convenience for customers and provide them with high-quality services. • We will create stable value by providing universal services in our three core businesses through the Japan Post Group network. • We will utilize teamwork and create corporate value for the Japan Post Group by promoting mutual understanding and cooperation among employees and encouraging each and every employee to fulfill their roles and responsibilities. 5. Be a source of change <ul style="list-style-type: none"> • We will apply technological innovation and continually make innovative changes internally to provide stable services to our customers. • We exercise our creativity from a broad viewpoint and lofty perspective to promote the Group’s development. • We aggressively take on the challenge of conducting global business activities.
Implementation of Environmental Activities, CSR Activities, etc.	<p>The Group has set three themes in the Japan Post Group Basic Sustainability Policy: 1. Together with Local Communities, 2. Together with the Earth, and 3. Together with People, and the Group is working as one through its business activities. https://www.japanpost.jp/en/sustainability/sustainability-management/policy.html</p> <p>In the Group Medium-term Management Plan, “JP Vision 2025,” our ESG target is to provide lifelong support in an era where anyone can live to 100, and contribute to the development and revitalization of regional communities all over Japan for building a sustainable society, and thus we are promoting sustainable management. https://www.japanpost.jp/en/ir/strategy/pdf/20210514_01_st_en.pdf</p> <p>Details of specific initiatives are disclosed in the Group’s annual securities reports, integrated reports (JAPAN POST GROUP Annual Reports), sustainability reports, and the Company’s website.</p>
Stipulation of Policies on Information Provision to Stakeholders	<p>The Company shall disclose information in a fair and accurate manner to its shareholders, investors, and other stakeholders, while formulating the Disclosure Policy in an effort to maintain constructive dialogue.</p>

Other	<p>Promotion of health management</p> <p>In order to prevent occupational accidents, as well as impairment of health of employees and to create a comfortable work environment, the Group complies with relevant laws and regulations related to industrial safety and health, and puts efforts in ensuring the safety of its employees and maintaining and promoting their health. Recognizing that mental and physical health is important for each and every employee to fully demonstrate his or her abilities and work vigorously, we have established the Japan Post Group Health Management Promotion System. Under this system, the presidents of Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. are responsible for promoting health management. We are taking initiatives to maintain and promote health, such as curbing long working hours, providing health guidance to prevent and improve lifestyle-related diseases, and mental health care.</p> <p>In May 2022, we proclaimed the Japan Post Group Declaration on Health and in May 2023, we issued the Japan Post Group Declaration on Non-Smoking to promote health management as a group.</p> <p>In promoting health management, the Japan Post Group Health Management KPIs were established as numerical targets for employee health based on the analysis of the current situation and understanding its issues. All results thereof have been constantly evaluated and analyzed for future initiatives.</p>
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IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

The Company, in accordance with management policies for the Japan Post Group, has established the “Policy Principles for the Establishment of the Internal Control System of the Japan Post Group” for the Company for the purpose of establishing programs that ensure sound and proper business operations. The holdings company has also concluded the Group agreements with Group companies for internal controls concerning such areas as compliance, internal audits, risk management and information security, requiring each company to establish their own systems based on these agreements.

Furthermore, the Company constantly monitors proper business operations of Group companies by requiring them to report any significant matters in their operations and provides guidance for improvement as necessary. “Policy Principles for the Establishment of the Internal Control System” has been formulated by a resolution at the Board of Directors as described below, while the status of its operation is regularly reported to the Internal Control General Meeting, the Management Meeting and the Board of Directors in an effort to make improvements.

■ “Policy Principles for the Establishment of the Internal Control System of Japan Post Holdings Co., Ltd.”

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 matters that may seriously affect Group management).
 - (2) Of the information obtained through (1) above and other methods, the Company promptly reports matters that may seriously affect Group management to the Management Meeting and the 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 the Group Compliance Committee, which discusses compliance policy on Group management, its specific application, and coping with various problems including sales and operational issues, and reports important matters to the Management Meeting, the Audit Committee, and the 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, the Audit Committee, and the 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, the Audit Committee, and the 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, the Audit Committee, and the 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, the Audit Committee requests the executive officer supervising the Internal Audit Division to carry out investigations or gives him

- or her detailed instructions on the execution of duties, when deemed necessary by the Audit Committee.
- (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 member 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 members 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 Committee or Audit & Supervisory Board Member of the Three Business Companies by periodically exchanging information and opinion.
 - (4) The Audit Committee shall give prior consent to important personnel affairs of the internal audit division.
 - (5) The Audit Committee shall give prior consent to matters including the formulation of the medium-term and annual audit plans for internal audit plans.

2. Basic Views on Eliminating Antisocial Forces and State of Related Efforts

1. Basic Views on Eliminating Antisocial Forces

In order to prevent damage caused by antisocial forces, the Company strongly acknowledges its social responsibilities in light of compilation of the "Guideline for Corporations to Prevent Damage from Antisocial Forces," agreed upon at a meeting on June 19, 2007 of cabinet ministers responsible for anti-crime measures, etc., and is engaged in various initiatives such as eliminating any and all contact with antisocial forces including institutional response to or transaction with them, implementing both civil and criminal legal countermeasures in case of contingency, prohibiting backdoor deals, working in collaboration with outside professional institutions and prohibiting to offer any funding, based on the basic policy which states that the Company "stands firmly against antisocial forces and organizations that threaten the order and safety of civil society."
2. Implementation Status of Initiatives for Excluding Antisocial Forces
 - (1) Implementation status of the Code of Conduct, etc.

The Company set out the aforementioned basic policy in the "Japan Post Group Charter of Corporate Conduct," which outlines the basic behavior and attitude of each company of the Japan Post Group and each of its employees. In addition, the Company has established "Fundamental Policy for Establishment of Internal Control Systems of Japan Post Holdings, Co., Ltd." and "Declaration by Top Management Regarding the Elimination of Relationships with Antisocial Forces" in order to work toward elimination of any and all contact with antisocial forces. Furthermore, specific details on measures to exclude relationships with antisocial forces are set forth in the internal regulations and others.
 - (2) Department in charge and persons responsible for acting against unjustifiable demands

The Company designates a department in charge of dealing with unjustifiable demands from antisocial forces in cases where such demands arise, and measures are implemented by the department in charge to

eliminate any contact with antisocial forces within the Company. Persons responsible for handling unjustifiable demands are appointed at the head office and affiliated facilities who control administrative duties related to implementing adequate business measures against unjustifiable demands from antisocial forces.

- (3) Cooperation with outside professional institutions
The Company takes measures against antisocial forces in cooperation with outside professional institutions by maintaining a close partnership ordinarily with law enforcement through the persons responsible for acting against unjustifiable demands, notifying police force, etc. in case of an emergency and seeking advice from legal professionals as needed.
- (4) Status of collecting and managing information on antisocial forces
The Company has established a system where the department in charge of handling antisocial forces collects and centrally manages information on antisocial forces.
- (5) Status of preparing response manual
The Company has prepared a manual on specific responses and approach with regard to dealing with antisocial forces in order to implement coordinated and unified countermeasures.
- (6) Status of providing training activities
The Company provides training sessions related to antisocial forces for its officers and employees on a regular basis.

V. Other

1. Adoption of Anti-Takeover Defense Measures

Adoption of Anti-Takeover Defense Measures	Not adopted
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Supplementary Explanation

The Company shall not introduce so-called anti-takeover defense measures, in a view that Article 2 of the Act on Japan Post Holdings Co., Ltd. requires the central government at all times hold over one-third of the total number of shares that has been issued, and that Article 9 of the same Act stipulates resolutions that the appointment or dismissal of Directors shall not become effective without the approval of the Minister of Internal Affairs and Communications.

2. Other Matters Concerning the Corporate Governance System, etc.

Overview of the timely disclosure system

1. Basic philosophy

Under its Disclosure Policy, the Company makes it a principle to comply with the Financial Instruments and Exchange Act and other relevant laws and regulations, as well as the Securities Listing Regulations set out by the Tokyo Stock Exchange, appropriately manage important information concerning the Group, and conduct fair and accurate information disclosure to its shareholders, investors and others. The Company also strives to develop and enhance the internal system to ensure adequate information disclosure, through coordination among related Departments and Offices, while appointing an Executive Officer in charge of the Corporate Planning Department as the Executive Officer managing the development of the internal system concerning IR activities.

2. Internal system for timely disclosure

(1) Disclosure coordinator

For the purpose of managing information disclosure, the Executive Officer in charge of the Corporate Planning Department has been appointed as “disclosure coordinator,” as well as the “entity responsible for handling of information” as required under the Securities Listing Regulations of the Tokyo Stock Exchange.

(2) Disclosure Committee

The Company has established the Disclosure Committee for discussions about information disclosure.

(3) Department responsible for disclosure

The IR Office in the Corporate Planning Department has been designated as the department responsible for information disclosure, and carries out timely and appropriate information disclosure, in accordance with the Securities Listing Regulations, etc.

[Corporate Governance Diagram (for reference)]

