

## Basic Views

Japan Post Holdings Co. shall develop the corporate governance structure of Japan Post Group based on the following concepts, with a view to ensuring sustainable growth of Japan Post Group and creating corporate value over the medium to long term.

1. Japan Post Holdings Co. 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 Japan Post Group's three core businesses through Japan Post Group's post office network.
2. Fully recognizing its fiduciary responsibility to its shareholders, Japan Post Holdings Co. shall give consideration to appropriately secure rights and equal treatment of shareholders.
3. Japan Post Holdings Co. 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, Japan Post Holdings Co. shall strive to secure management transparency and commit to

appropriate disclosure and provision of information.

4. Japan Post Holdings Co. shall carry out swift and decisive decision-making and business execution under the effective supervision of the Board of Directors, in order to promptly cope with changes in the social and economic environment and meet the expectations of all stakeholders.

Japan Post Holdings Co. sets out its “Basic Policy on Corporate Governance” concerning the basic views, framework and operation policy regarding the corporate governance of Japan Post Holdings Co., with a view to ensuring sustainable growth of Japan Post Group and enhancing its corporate value over the medium to long term, and develops the corporate governance structure of Japan Post Group.

\*For more information, please refer to the following website.  
<https://www.japanpost.jp/en/group/governance/>

Japan Post Holdings Co. will continue to enhance internal controls and strive to enhance corporate governance of Japan Post Group from this perspective.


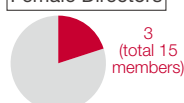

## Group Operation and Management Structure

Japan Post Holdings Co. has concluded agreements on Japan Post Group's operation and management (hereinafter “Japan Post Group Management Agreements”) with and between Japan Post Co., Japan Post Bank Co. and Japan Post Insurance Co. on Japan Post 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 synergistic effects among Japan Post Group companies.

In addition, Japan Post Co. is required to give prior approval or report on matters which must be done in order to conduct Group operations in a smooth and appropriate manner, as well as matters which require

management based on laws and regulations. The two financial subsidiaries (Japan Post Bank Co. and Japan Post Insurance Co.) are required to give prior approval or reports for the purpose of securing the independence of the two finance corporations, and the Group is promoting consolidated management as a Group and working to ensure appropriate governance. Moreover, in accordance with Japan Post Group Management Agreements, the Group Steering Committee was established to discuss and share a common understanding of important matters concerning group management among the management of Japan Post Group companies for the purpose of promoting effective and efficient operation of Japan Post Group.

## Characteristics of the Board of Directors

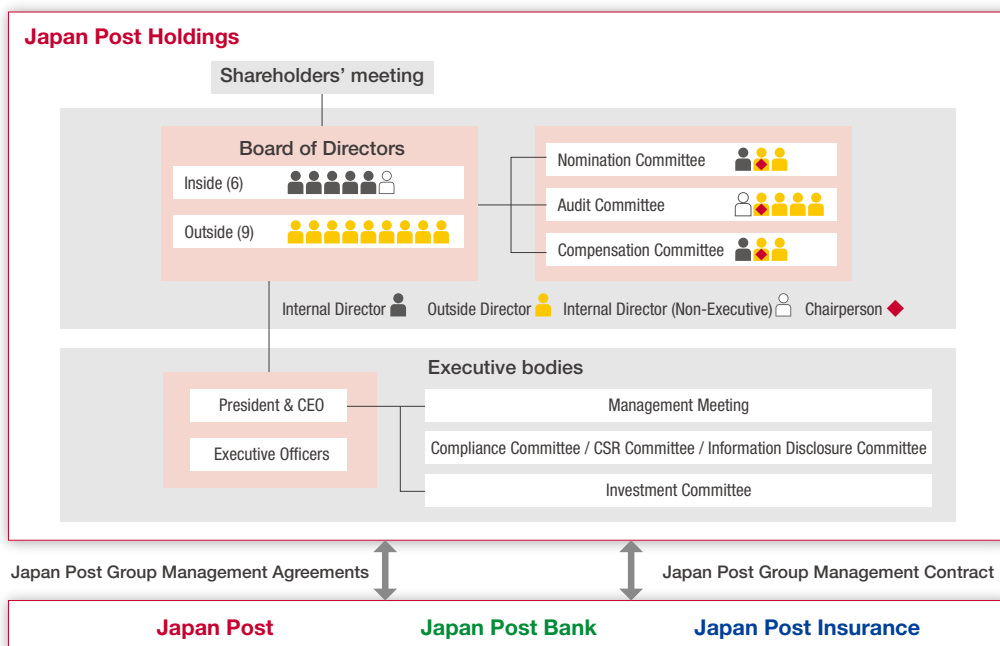
| Characteristic (1)  | Characteristic (2)  | Characteristic (3)  | Characteristic (4)   |
|---|---|---|--|
| Company with nomination committee, etc.   | The majority of the board are outside directors   | Putting diversity into practice   | Implementation of Board of Directors effectiveness evaluation  |
| Since becoming a listed company in November 2015, Japan Post Holdings Co. has maintained a system as a company with nomination committee etc. The nomination, compensation and audit committees have at least three members each, the majority of which are independent officers. | The Board of Directors consists of 15 directors (up to 20 as defined in the Articles of Incorporation), of which the majority nine directors are independent outside directors. | The Board of Directors consists of diverse directors, who have a wealth of knowledge, experience and insight.   | Every year, the Board of Directors confirms the opinions of each director regarding the Board of Directors meetings, then analyzes and evaluates the effectiveness of the Board of Directors overall, and discloses an overview of the results, using them to improve operation of the Board of Directors. |
|   | <p>Outside Directors</p>  <p>9<br/>(total 15 members)</p>                                    | <p>Female Directors</p>  <p>3<br/>(total 15 members)</p> <p>Foreign Director</p>  <p>1<br/>(total 15 members)</p> |  |

## Overview of Committees

Japan Post Holdings Co. has adopted a structure of “company with nomination committee, etc.”

|                        | Role and Structure  | Operation Status   | Meetings in the fiscal year ended March 31, 2019 (average attendance rate) |
|------------------------|---|--|--|
| Board of Directors     | The Board of Directors, comprised of 15 Directors (including nine Outside Directors), determines matters such as the basic management policy required by relevant laws and regulations, as well as the matters relating to the important execution of duties, and supervises the execution of duties by Directors and Executive Officers.   | In the fiscal year ended March 31, 2019, the Board of Directors discussed the development of the Group Medium-term Management Plan, as well as matters concerning the revision of our basic policies concerning corporate governance, and received reports concerning the operation status of the “internal control system”, group performance important issues, risk management and the state of compliance and internal audits.  | 12 times (97%)   |
| Nomination Committee   | The Nomination Committee, comprised of three Directors (including two Outside Directors), submits proposals to 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., resolutions for the election and dismissal of Directors of the Japan Post Holdings Co. shall not become effective without the approval of the Minister for Internal Affairs and Communications. | In the fiscal year ended March 31, 2019, the Nomination Committee determined candidates for Directors, listened to succession plans for the Directors and Representative Executive Officers and discussed the content of plans. In addition, this committee examined and discussed the appointment and dismissal criteria for officers.  | 3 times (100%)   |
| Compensation Committee | The Compensation Committee, comprised of three Directors (including two Outside Directors) establishes the policy for determining the amount of compensation for each Director and Executive Officer, and determines the amount for individual officers on the basis of this policy.  | In the fiscal year ended March 31, 2019, the Compensation Committee decided on individual compensation for Directors and Executive Officers, as well as performance-linked compensation for executives, and examined and discussed the executive compensation system of Japan Post Holdings Co.  | 3 times (100%)   |
| Audit Committee        | The Audit Committee consists of five Directors (including four Outside Directors), who audit the execution of duties by Directors and Executive Officers, audit the validity of methods and results of auditing of financial statements by accounting auditors and make audit reports. They also decide on the content of proposals submitted at the general shareholders’ meetings regarding the election, dismissal and non- reappointment of accounting auditors.            | In the fiscal year ended March 31, 2019, the Audit Committee determined the auditing policy and auditing plan, and collaborated with the accounting auditors and Internal Auditing Department to conduct audits by attending important meetings such as those of the Management Meeting. With regard to the internal control system developed based on resolutions by the Board of Directors, the Audit Committee received regular reports from Directors and Executive Officers about the development and operation status of the internal control system, and received regular reports from the departments in charge of internal control functions, such as the Compliance Department, the Risk Management Department, the Accounting Department and the Finance Department.<br><br>With regard to subsidiaries, the Audit Committee exchanged information with subsidiary Directors, Audit Committee members and Corporate Auditors, and received reports on business as necessary.<br><br>In addition, the Audit Committee monitored and verified whether accounting auditors hold an independent positions and conduct audits properly. The Audit Committee also reviewed financial documents by receiving reports from the accounting auditors on the status of the execution of duties by the accounting auditors, and by receiving notices based on Article 131 of the Ordinance on Company Accounting. | 20 times (100%)  |

### ● Japan Post Holdings Co. Corporate Governance System



\*The number of members on the Board of Directors shall be an appropriate number of no more than 20 as stipulated in the articles of incorporation, and in principle, the majority shall be composed consist of independent officers.

## Evaluation of Effectiveness of the Board of Directors

### Method of Evaluation

The effectiveness of the Board of Directors of Japan Post Holdings Co. in the fiscal year ended March 31, 2019 was evaluated based on the questionnaires for the directors and opinions expressed at meetings of Outside Directors.

### Overview of Evaluation Results

The evaluation reached the conclusion that in the Board of Directors, members with diverse experience and expertise actively engage in constructive discussions that make full use of their respective insights and experiences, and so the Board of Directors is generally functioning well.

In the evaluation made the previous year, the issue was raised that there was room to improve, as the Board of Directors of a holding company should spend more time discussing the direction of management of the entire Group, the medium-term growth strategy and

other important issues.

Since then, the Board of Directors has addressed these issues, but in this evaluation the issue was raised that despite the fact that discussions have been held that spend more time on important issues, it is necessary for all Directors to have a common understanding of the environment affecting business and hold deeper discussions about giving direction to the medium-term vision and strategy.

Furthermore, with regard to important management issues, the opinion was stated in the Board of Directors that continuous monitoring and follow-up are necessary.

In the future, from a broad perspective the Board of Directors will hold deeper discussions on the direction of business in the medium to long term, and from the perspective of Group governance, and will further enhance its effectiveness as the Board of Directors of a holding company.

## Independence Criteria of Outside Directors

All nine Outside Directors have been designated as independent executives having been deemed as meeting the “Standards for Designating Independent Directors of Japan Post Holdings Co.” defined by Japan

Post Holdings Co., and being Outside Directors who have no risk of conflicts of interest with general shareholders, as defined by the Tokyo Stock Exchange.

### Standards for Designating Independent Directors of Japan Post Holdings Co.

Japan Post Holdings Co. shall designate independent officers as defined by the Tokyo Stock Exchange from among Outside Directors who do not fall under any of the following categories.

1. Anyone who has been an executive of the Japan Post Group in the past
2. Anyone for whom Japan Post Group is a major business partner, or an executive thereof
3. Anyone who is a major business partner of Japan Post Group, or an executive thereof
4. Consultants, accounting experts or legal experts who receive or have received large payments of money or property from Japan Post Group, other than executive compensation (if the party who obtains the property is a corporation, a union, or other such organization, this includes anyone who belongs to that organization now or who has belonged to that organization in the past)
5. Major shareholders of Japan Post Holdings Co. (if that party is a legal entity (excluding the Japanese Government), then anyone who is an executive of that legal entity)
6. The spouse or relatives within second degree of kinship of the following parties (excluding unimportant ones.)
  - (1) Anyone listed in parts 1 to 5 above
  - (2) Executives of subsidiaries of Japan Post Holdings Co.
7. Executives of other companies in which an executive of Japan Post Group is appointed as an outside director
8. Anyone who has received a large amount of donations from the Group (if the party who receives the donation is a corporation, a union, or other such organization, this includes anyone who is an executive of that organization)

\*Please see the following website for details.  
[https://www.japanpost.jp/group/governance/pdf/02\\_08.pdf](https://www.japanpost.jp/group/governance/pdf/02_08.pdf) (Japanese)

## Training of Directors & Support System for Outside Directors

### Training of Directors

Japan Post Holdings Co. provides opportunities for Directors to deepen their understanding and acquire necessary knowledge about such things as Japan Post Group's businesses, issues to be addressed and management strategies by implementing measures such as tours of Japan Post Group's facilities, so that Directors may properly fulfill the roles and responsibilities expected of them.

### Support System for Outside Directors

Japan Post Holdings Co. has developed an operation system for Outside Directors with consideration for the coordination of a flexible annual schedule, accurate

provision of information as necessary, adequate advance explanation of proposal contents and securing of time for preliminary consideration and question-asking by the Board of Directors to ensure smooth and effective operation of the Board and improve the effectiveness of supervision by Outside Directors. In addition, Japan Post Holdings Co. has established the Office of the Board of Directors to streamline the deliberation and reporting processes of the Board of Directors and check on the progress of resolutions made by the Board, as well as to support management and ensure communication and coordination with Outside Directors to conduct Board of Directors' meetings effectively and efficiently.

## Policy on Appointment of Directors

### Scale and Composition of Candidates for Directors

The Nominating Committee nominates diverse director candidates with different types of expertise and experience while taking into consideration the balance of the Board of Directors as a whole. The number of director candidates shall be an appropriate number of no more than 20, as defined in the Articles of Incorporation, and as a rule the majority shall be composed of independent outside director candidates.

### Internal Directors

The Nomination Committee nominates people who meet the following conditions as Internal Director candidates of Japan Post Holdings Co.

- (1) Has expertise in the business of Japan Post Holdings Co.
- (2) Has superior ability in management judgment and management execution
- (3) Has superior ability in leadership, determination,

foresight and planning

- (4) Has an appropriate personality and insight as a Director
- (5) Has no health problems when performing duties as an Internal Director

### Outside Directors

The Nomination Committee nominates people who meet the following conditions as Outside Director candidates of Japan Post Holdings Co.

- (1) Has knowledge of a specialized field, such as management, accounting, finance, law, administration, society and culture, etc., and has achieved appropriate results in these specialized fields
- (2) Has an appropriate personality and insight as a Director
- (3) Has no health or operational problems when performing duties as an Outside Director

The reasons for nominating Outside Directors are as follows.

| Name                    | Reason for Nomination   |
|-------------------------|---|
| Akio Mimura             | Akio Mimura has served as Representative Director, President, and Chairman of Nippon Steel & Sumitomo Metal Corporation (now Nippon Steel Corporation). He has been involved in the management of corporations for many years, so he is expected to fulfill management oversight and check functions based on his experience and insight as an expert in management cultivated over the course of his career.   |
| Tadashi Yagi            | Tadashi Yagi has served as Nagoya Bureau Chief and later as Managing Controller of Kyodo News Service General Incorporated Association. He has deep insights of broad events affecting corporate management, including politics and economics, so he is expected to fulfill management oversight and check functions based on his experience and insight.   |
| Kunio Ishihara          | Kunio Ishihara has served as Director, President and Chairman of Tokio Marine & Nichido Fire Insurance Co., Ltd. He has been involved in the management of corporations for many years, so he is expected to fulfill management oversight and check functions based on his experience and insight as an expert in management cultivated over the course of his career.  |
| Charles Ditmars Lake II | Charles Ditmars Lake II has served as Chairman and Representative Director of Aflac Life Insurance Japan Ltd. He has been involved in the management of corporations for many years, so he is expected to fulfill management oversight and check functions based on his experience and insight as an expert in management cultivated over the course of his career.   |
| Michiko Hirono          | Michiko Hirono has served as President of 21 Lady Co., Ltd. She has been involved in the management of corporations for many years, so she is expected to fulfill management oversight and check functions based on her experience and insight as an expert in management cultivated over the course of her career.   |
| Tsuyoshi Okamoto        | Tsuyoshi Okamoto has served as Representative Director, President and Chairman of Tokyo Gas Co., Ltd. He has been involved in the management of corporations for many years, so he is expected to fulfill management oversight and check functions based on his experience and insight as an expert in management cultivated over the course of his career.   |
| Miharu Koezuka          | Miharu Koezuka has served as Representative Director and Senior Managing Director of Takashimaya Company, Limited. She has been involved in the management of corporations for many years, so she is expected to fulfill management oversight and check functions based on her experience and insight as an expert in management cultivated over the course of her career.  |
| Takayuki Aonuma         | Takayuki Aonuma has been in the legal profession for many years, including service as the superintendent public prosecutor of the Nagoya High Public Prosecutors Office. He is expected to fulfill management oversight and check functions based on his experience and insight as an expert in the law cultivated over the course of his career. Although Mr. Aonuma has never been involved in corporate management in any way other than serving as an outside officer in the past, for the reasons given above he has been deemed capable of properly performing his duties as an Outside Director. |
| Sakie Akiyama           | Sakie Akiyama has been involved in the management of corporations for many years as President of Saki Corporation. She is expected to fulfill management oversight and check functions based on her experience and insight as an expert in management cultivated over the course of her career.   |

## Compensation System for Directors and Executive Officers

With regard to compensation of the Directors and Executive Officers of Japan Post Holdings Co., the Compensation Committee has set a “Policy to Determine Content of Compensation for Individual Directors and Executive Officers,” and the amount of compensation is determined in accordance with this policy.

### Compensation System

1. When serving concurrently as a Director and Executive Officer, compensation shall be paid as an executive officer.
2. Directors of Japan Post Holdings Co. shall be paid a fixed amount of compensation according to their duty, based on the scope and size of their responsibility for management.
3. Executive Officers of Japan Post Holdings Co. shall be paid basic compensation according to their duty (fixed amount compensation) and performance-based stock compensation, as a mechanism that functions as a sound incentive to promote sustainable growth.

In addition, Directors or Executive Officers of Japan Post Holdings Co. who simultaneously serve as a Director, Auditor, Executive or Executive Officer of a Japan Post Group company shall be paid compensation by the company where that Director or Executive Officer mainly executes business.

### Indicators of performance-based compensation, the reason for selecting those indicators and the method for deciding the amount of performance-based compensation

With regard to performance-based stock compensation, the Compensation Committee multiplies basic points based on the duties of an Executive Officer and individual evaluation points based on the execution of their responsibilities with a coefficient that changes based on company performance each fiscal year

(achievement status of management plans, etc.) in order to calculate points.

Individual evaluations are made by individually evaluating the results and status of initiatives in 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 Co.” as a profitability indicator, “consolidated ordinary income ratio” as an efficiency indicator and “dividend per share” as a shareholder return indicator that are suitable for the business format and content of Japan Post Holdings Co.

| Indicators related to company performance                       | Goal                      | Performance in the fiscal year ended March 31, 2019 |
|---|---------------------------|---|
| Consolidated net income attributable to Japan Post Holdings Co. | At least ¥330,000 million | ¥479,419 million                                    |
| Consolidated ordinary income ratio                              | At least 5.344%           | 6.503%  |
| Dividend per share  | At least ¥50              | ¥50   |

There is no policy for determining the payment ratio of performance-based compensation and other forms of compensation.

### Total amount of compensation for each executive category, total amount by type of compensation and number of Executive Officers

| Classification                          | Total amount of compensation (Millions of yen) | Total amount by type of compensation (Millions of yen) |                                      | Number of persons |
|---|--|--|--------------------------------------|-------------------|
|   |  | Fixed Compensation                                     | Performance-based stock compensation |                   |
| Directors (excluding Outside Directors) | 27   | 27   | —                                    | 1                 |
| Executive Officers                      | 768  | 627  | 141                                  | 26                |
| Outside Directors                       | 84   | 84   | —                                    | 11                |

- (Notes) 1. No compensation as a director is paid to those who concurrently serve as a Director and Executive Officer.  
 2. Three Directors serve concurrently as Directors and Executive Officers of major consolidated subsidiaries, but they have not been paid compensation as Directors of Japan Post Holdings Co. for the period that they belonged to a major consolidated subsidiary and only executed business of a major consolidated subsidiary. The total amount of compensation received by those three Directors from major consolidated subsidiaries is ¥123 million.  
 3. Seven Executive Officers serve concurrently as Directors or Executive Officers of major consolidated subsidiaries, six of whom have not been paid as Executive Officers of Japan Post Holdings Co. for the period in which they belonged to a major consolidated subsidiary and executed business of a major consolidated subsidiary. The total amount of compensation received by those six Directors from major consolidated subsidiaries is ¥167 million.  
 4. Performance-based stock compensation shows the amount recorded as expenses in the current fiscal year.  
 5. There are no retirement benefits or bonuses for Directors.



## Policy Equity

### Holding Policy for Policy Equity

1. Japan Post Holdings Co. shall be able to acquire and hold shares of listed companies that are judged to contribute to the medium to long term improvement of the corporate value of Japan Post Group for reasons other than net investment, such as strengthening business alliances (hereinafter referred to as “policy equity”).
2. Every year, the Board of Directors shall verify the aim and rationality of holding policy equity that is held by Japan Post Holdings Co., taking into account medium-to-long-term economic rationality and future prospects, and disclose the content of this verification.
3. With regard to the exercise of voting rights on policy equity, Japan Post Holdings Co. shall decide how to vote on proposals having individually examined whether each proposal conforms to Japan Post Holdings Co.’s holding policy, and whether it can be

expected to help ensure the efficient and sound management of the company in question, and improve its corporate value.

### Methods of verifying the rationality of holding policy equity and results of verification by the Board of Directors

When verifying the policy equity held by Japan Post Holdings Co., every year the Board of Directors verifies the aim and rationality of holding policy equity that is held by Japan Post Holdings Co., taking into account medium-to-long-term economic rationality and the future prospects, and discloses the content of this verification.

As a result of the Board of Directors conducting a review as described above in June 2019, it was confirmed to be appropriate to continue holding one brand of policy equity held by Japan Post Holdings Co.

## Primary Legal Regulations

In conducting its business, Japan Post Group is subject to various legal regulations such as those described below.

#### (1) Regulations based on the Postal Act and other laws

Under the Postal Act, Japan Post Co., our consolidated subsidiary, has exclusive rights to conduct postal business in Japan. As such, it is subject to regulations specific to a business unlike that of other companies, such as the authorization system for business consignment and changes to postal agreements, the uniform nationwide fee system, fee limits on standard-size mail and the notification system for postage fees (including the authorization system for third-class and fourth-class mail).

#### (2) Regulations based on the Banking Act and the Insurance Business Act

The banking and life insurance businesses of Japan Post Group are subject to financial business regulations that are typically applied to such businesses, such as the Banking Act and the Insurance Business Act.

#### (a) Regulations pertaining to Japan Post Bank Co. and Japan Post Insurance Co.

Japan Post Bank Co., our consolidated subsidiary, engages in the banking business and Japan Post Insurance Co., also our consolidated subsidiary, engages in the life insurance business (hereinafter referred to as our “two financial subsidiaries”) and are subject to supervision by the Financial Services Agency, based on the Banking Act and the Insurance Business Act. In particular, they are subject to broad oversight by the Commissioner of the Financial Services Agency, who is appointed by the Prime Minister, which includes revocation of their licenses if they violate any laws or regulations, as well as suspension of their business and conducting of on-site inspections when deemed necessary for the purpose of assuring sound and proper business operations.

Japan Post Bank Co. is not permitted to conduct business other than as set forth by the laws based on the Banking Act and other related business regulations. In terms of the capital adequacy ratio, which is the standard for achieving an adequate level of equity capital, Japan Post Bank Co. is required to maintain a ratio of at least 4.0% (Japanese standard). Japan Post Insurance Co. is also not permitted to conduct

business other than as set forth by the laws based on the Insurance Business Act and other related business regulations. In addition, Japan Post Insurance Co. is required to maintain a solvency margin ratio of at least 200% as an indicator of whether it has a “payment reserve” that enables it to cope with risks that occur beyond normal expectations, such as catastrophic disasters or the massive collapse of stock prices. As of March 31, 2019, Japan Post Bank Co. has a consolidated capital adequacy ratio of 15.80% and Japan Post Insurance Co. has a consolidated solvency margin ratio of 1,189.8%, so both subsidiaries have maintained high levels compared with the ratios regulated by law.

#### (b) Regulations pertaining to Japan Post Co.

Based on the Banking Act and the Insurance Business Act, Japan Post Co. is subject to supervision by the Financial Services Agency with regard to the post office business of Japan Post Group as a banking agency and affiliated bank of Japan Post Bank Co. and as an insurance solicitor and affiliated insurance company of Japan Post Insurance Co.

As a banking agency, Japan Post Co. is not permitted to conduct business other than as set forth by law and is subject to such regulations as the obligation for separate management, the obligation to explain banking agency services it engages in to customers, and the prohibition of certain activities such as making definitive claims, without approval from the Prime Minister. Also, as an insurance solicitor, it is subject to such regulations as the obligation to provide explanations for customers and the prohibition of certain activities such as providing false explanations.

#### (c) Regulations pertaining to Japan Post Holdings Co.

As a bank holding company and insurance holding company, Japan Post Holdings Co. is also subject to supervision by the Financial Services Agency based on the Banking Act and the Insurance Business Act, and required to maintain a consolidated capital adequacy ratio of at least 4.0% (Japanese standard) and a solvency margin ratio of at least 200%. Furthermore, it is obligated to maintain a system for protecting the interests of customers and submitting business reports to regulatory authorities every business year.

As of March 31, 2019, Japan Post Holdings Co. has a consolidated capital adequacy ratio of 17.73% and a consolidated solvency margin ratio of 670.7%, so it has maintained high levels compared to the ratios regulated by law.

#### (d) Licensing required by law

Japan Post Group has been licensed or authorized primarily as described in the table below.

| License                                 | Related Law   | Company                  | Expiration Date | Reasons for Cancellation, etc.   |
|---|---|--------------------------|-----------------|--|
| Bank Holding Company Authorization      | Article 52-17, Paragraph 1 of the Banking Act             | Japan Post Holdings Co.  | None            | Article 52-34, Paragraph 1 of the Banking Act                                    |
| Insurance Holding Company Authorization | Article 271-18, Paragraph 1 of the Insurance Business Act | Japan Post Holdings Co.  | None            | Article 271-30, Paragraph 1 of the Insurance Business Act                        |
| Bank Agency Authorization               | Article 52-36, Paragraph 1 of the Banking Act             | Japan Post Co.           | None            | Article 52-56, Paragraph 1 of the Banking Act                                    |
| Life Insurance Solicitor Registration   | Article 276 of the Insurance Business Act                 | Japan Post Co.           | None            | Article 307, Paragraph 1 of the Insurance Business Act                           |
| Banking Business License                | Article 4, Paragraph 1 of the Banking Act                 | Japan Post Bank Co.      | None            | Article 26, Paragraph 1; Article 27; Article 28 of the Banking Act               |
| Insurance Business License              | Article 3, Paragraph 4 of the Insurance Business Act      | Japan Post Insurance Co. | None            | Article 132, Paragraph 1; Article 133; Article 134 of the Insurance Business Act |

**(3) Regulations specifically applicable to Japan Post Group**

Based on the Postal Service Privatization Act and other laws, Japan Post Holdings Co. and Japan Post Co. are obligated to provide postal services so that payment of simple savings, remittances, services for settlement of debts and credits, and services for easy-to-use life insurance are available to customers at post offices in an integrated format and in a manner that is easy to use by customers. They are also obligated by law to maintain the post office network to ensure fair use across all of Japan well into the future (provision of services through the post office network based on these obligations referred to hereinafter as "universal services").

With regard to universal services, in October 2013 the Minister for Internal Affairs and Communications consulted with its consultative body, the Postal Policy Committee of the Telecommunications Council, about "Securing universal services of the postal business and the proper means for revitalizing the post and correspondence market," and a report was issued by the Telecommunications Council on September 28, 2015.

Depending on the content of the government policies implemented in response to the report, it is possible they will have an effect on the business, performance, and financial status of the Japan Post Group.

In the report, with regard to securing universal services, it states that in the short term, "Japan Post Holdings Co. and Japan Post Co. are required to maintain the current scope and level of services by their own management efforts," and, "In addition, it is necessary for the national government to examine measures that will serve as incentives for securing universal services." The report continues, stating that in the medium to long term, "Considering changes in the environment of the postal business or in the scope and level of service expected by the people and users in response, it is necessary to continuously examine measures for securing universal services and how the cost burden is borne."

Although the Telecommunications Council estimates the cost of universal services to the postal business, it is an estimate made independently by the Council and not produced by Japan Post Group.

Also, Japan Post Holdings Co. and Japan Post Co. are required to receive authorization from the Minister for Internal Affairs and Communications to engage in new businesses, solicit shares, elect or dismiss directors (Japan Post Holdings Co. only), formulate business plans, amend articles of incorporation, conduct mergers or split or dissolve companies based on the Act on Japan Post Holdings Co. and Act on Japan Post Co., respectively, (however, only notification of new businesses to the Minister for Internal Affairs and Communications is required for Japan Post Co.). Furthermore, the two financial institutions, in addition to regulations based on the Banking Act and the Insurance Business Act, are required to receive authorization from the Prime Minister and the Minister for Internal Affairs and Communications based on the Postal Service Privatization Act to engage in new businesses, hold subsidiaries of financial institutions (Japan Post Bank Co.) and particular subsidiaries (Japan Post Insurance Co.), conduct mergers, split companies or transfer and receive businesses in order to ensure equal competitive conditions with other companies engaged in similar business. Japan Post Bank Co. may not in itself have banks as subsidiaries and neither may Japan Post Insurance Co. have insurance companies as subsidiaries. In addition, the two financial institutions are subject to regulations different from other companies in the same industry, such as deposit limit regulations in the banking business and subscription limit regulations in the life insurance business.

**(Reference) Maximum deposit amounts in Japan Post Bank Co.**

Under the Postal Service Privatization Act, Japan Post Bank Co. restricts the amount of deposits that can be accepted from a single depositor, except for transfer savings equivalent to checking deposits. (Article 107 of the Postal Service Privatization Act, Article 2 of the Postal Service Privatization Act Enforcement Ordinance)

A. Regular savings, fixed amount savings, fixed term savings (Excluding B) ... ¥13 million in total

B. Property fixed amount savings, property pension fixed amount savings, property housing fixed amount savings... ¥5.5 million in total

However, the maximum amount of money of A and B includes postal savings deposited before postal service privatization (taken over by the Organization for Postal Savings, Postal Life Insurance and Post Office Network).

Based on a government ordinance promulgated on March 13, 2019 partially revising the Postal Service Privatization Act Enforcement Ordinance, the deposit limits have been changed as follows from April 1, 2019, the enforcement date of that government ordinance. There is no change in the scope of savings protected by the deposit insurance system.

A. Regular savings... ¥13 million

B. Fixed savings (Fixed amount savings and fixed term savings. Includes postal savings deposited before postal service privatization (taken over by the Organization for Postal Savings, Postal Life Insurance and Post Office Network) but excludes C.) ... ¥13 million

C. Property fixed amount savings, property pension fixed amount savings, property housing fixed amount savings... ¥5.5 million in total

**(Reference) Enrollment limit at Japan Post Insurance Co.**

Insurance policies for Japan Post Insurance Co. have limits defined by the Postal Service Privatization Act and related laws regarding the amount of insurance that an insured person can be enrolled for (insurance limit amount). (Article 137 of the Postal Service Privatization Act, Articles 6, 7, and 8 of the Postal Service Privatization Act Enforcement Ordinance)

If the insured person has subscribed to a postal life insurance policy since before postal service privatization, then the enrollment limit is the difference of the policy amount of their postal life insurance policy subtracted from the following amounts.

**A. Enrollment limit of the basic policy insurance amount**

i. When the insured person is 15 years old or younger: ¥7 million

ii. When the insured person is 16 years old or older: ¥10 million (the insurance amount

for specific endowment insurance is ¥5 million, and the insurance amount of special endowment insurance for insured persons who are 55 years old or older, in combination with regular fixed term insurance, is ¥8 million)

However, if the insured person is age 20 to 54, this limit can be up to ¥20 million under certain conditions (such as when there is an insurance policy that has passed 4 or more years since enrolling).

**B. Enrollment limit amount for pension (excluding nursing care pension)**

¥900,000 annually (amount of basic pension in the first year) (Excluding the amount for the insured person who is the spouse in marital pension insurance, as well as marital insurance with marital pension insurance.)

**C. Enrollment limit of special insurance coverage**

i. Security for having a disease or injury, or the state of a person caused by having a disease, death caused directly by having an injury, or similar such states... ¥10 million in total

ii. Security for treatment of the issues listed above... ¥10 million

(Notes) The insurance amount of special policies are limited within the insurance amount of the basic policy to which the special policy is added. However, with regard to the insurance amount of the underwriting-based relief non-divided general medical special policy which was launched for sale in April 2019, when the enrollment age of the basic policy to which the special policy is added is within the range of enrollment ages which can enroll in 5-fold or 2-fold type policies, the limit is 5 times or 2 times the insurance amount of the basic policy. The insurance amount of advanced medical treatment special policies can exceed the insurance amount of the basic policy to which the special policy is added, and is uniformly set at ¥3 million.

**D. Enrollment limit of total paid-in premiums**

Property savings insurance and property housing insurance... ¥5.5 million in total (In addition, there is a limitation on the total paid-in premium according to relevant laws and regulations regarding property-type insurance.)

**(4) Outline of the law partially revising the Act on the Management Organization for Postal Savings and Postal Life Insurance and its impact on business consignment contracts with the two financial subsidiaries**

On December 1, 2018, a law was enacted to partially revise the Act on the Management Organization for Postal Savings and Postal Life Insurance. This resulted in the name of the Management Organization for Postal Savings and Postal Life Insurance being changed to the "Organization for Postal Savings, Postal Life Insurance and Post Office Network" (hereinafter referred to as the "Japan Postal Service Organization"). Accordingly, one item was added to the purpose of the Japan Postal Service Organization, stating "Secure provision of basic services pertaining to postal services and contribute to securing convenience for users and the stability of public life by making grants to support the maintenance of the post office network."

The expenses required to maintain the post office network were previously covered by commission fees based on the contract between Japan Post Co. and related banks and insurance companies. Among these expenses, basic expenses excluding the amount that should be borne by Japan Post Co. shall be covered by grants issued by the Japan Postal Service Organization to Japan Post Co. using funds from Japan Post Bank Co. and Japan Post Insurance Co. starting in the fiscal year ending March 31, 2020, based on this law.

The method for calculating the basic expenses is to find the sum of the following expenses based on the latest status of maintenance of the post office network.

A. Labor costs, rents, construction expenses and other expenses required to maintain post offices, expenses required to transport and manage cash, as well as fixed property tax and business office tax, when the post office network is configured with post offices of the minimum scale necessary to ensure that universal services are available at post offices throughout Japan.

B. Expenses required for the minimum consignment to ensure that basic services related to postal service can be used at contracted post offices.

The administrative expenses of the Japan Postal Service Organization related to the calculation of these basic expenses and grants/funds are allotted in proportion to the degree of use of the post office network by users expected in mail counter work, bank counter work and insurance counter work. Japan Post Bank Co. shall contribute the allotted amount for the bank counter work, while Japan Post Insurance Co. shall contribute the allotted amount related to the insurance counter work, with the amount calculated each year by the Japan Postal Service Organization, and approval obtained from the Minister of Internal Affairs and Communications. In the fiscal year ending March 31, 2020, the amount of contributions to be paid by Japan Post Bank Co. in the fiscal year ending March 31, 2020 is ¥237.8 billion, and the amount to be paid by Japan Post Insurance Co. is ¥57.5 billion.

From the fiscal year ending March 31, 2020, the basic expenses required for maintaining the post office network are paid for with grants issued by the Japan Postal Service Organization to Japan Post Co. using funds from Japan Post Bank Co. and Japan Post Insurance Co., with the exception of the amount that should be borne by Japan Post Co. Using this opportunity, Japan Post Bank Co. and Japan Post Insurance Co. are revising the consignment fees they pay to Japan Post Co. based on consignment contracts starting from the fiscal year ending March 31, 2020. Bank agency service fees have been revised to eliminate "counter basic fees" to maintain the post office network, and insurance agency service fees have been revised to reduce the fees paid according to the number of post offices, out of "maintenance and collection fees" paid according to the number of policies held.

**(5) World Trade Organization (WTO): Government procurement rules**

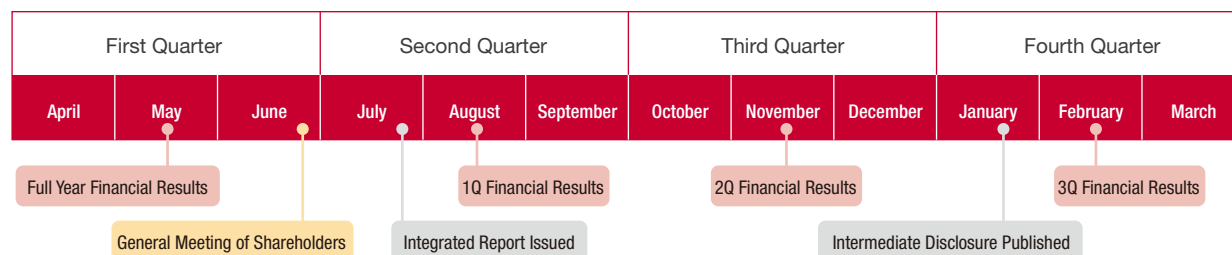
As successors of government-owned companies, Japan Post Holdings Co., Japan Post Co. and the two financial institutions are required to comply with procedures set forth by international agreements when procuring items subject to government procurement agreements and other international agreements.

## Dialogue with Shareholders

Japan Post Group will work to disclose information accurately and fairly to all shareholders and investors and engage in constructive dialogue in order to achieve sustainable growth and improve medium-to-long-term

corporate value. The management team will share requests received through this dialogue and use them to improve management.

### ● IR Annual Schedule



### ● Activities in the fiscal year ended March 31, 2019

|  |   |
|--|---|
| 14th Annual General Meeting of Shareholders  | Date: June 19, 2019<br>Attendees: 918   |
| Briefing Sessions for Individual Investors for Fiscal Year Ended March 31, 2019  | Meetings Held: 23<br>Participants: Approximately 1,460  |
| Financial Results Briefings & Small Meetings for Fiscal Year Ended March 31, 2019 (for Institutional Investors & Analysts) | Meetings Held: 7  |
| Dialogue with Institutional Investors & Analysts (Fiscal Year Ended March 31, 2019)  | Meetings Held: Approximately 200<br>(Including about 120 individual interviews with overseas investors) |
| Participation in IR Conferences in Japan and Abroad (Fiscal Year Ended March 31, 2019)                                     | Meetings Held: 6  |



14th Annual General Meeting of Shareholders  
(June 19, 2019)



For the Fiscal Year Ended March 31, 2019 Results Briefing  
(May 22, 2019)

## Appropriate Information Disclosure

The Company shall make disclosures through such means as the Electronic Disclosure for Investors' NETwork (EDINET), the Timely Disclosure network (TDnet) and the Company's website, as required based on the Financial Instruments and Exchange Act, other

related laws and regulations, securities listing regulations of the Tokyo Stock Exchange, etc. Other information other than the above shall be disclosed through the Company's website and other means.

### ● Total Shareholder Return (Based on March 31, 2016)

|                | Japan Post Holdings Co. | TOPIX* |
|----------------|-------------------------|--------|
| March 31, 2017 | -3.7%                   | 14.7%  |
| March 31, 2018 | -7.6%                   | 32.9%  |
| March 31, 2019 | -3.3%                   | 26.2%  |

\*including dividends