

Japan Post Group recognizes compliance as one of its highest management priorities and conducts rigorous compliance activities. In particular, as one of our highest management priorities, we are further promoting and managing initiatives for preventing the recurrence of misconduct such as the inappropriate receipt of fees and the abandonment and concealment of mail and for the implementation of anti-corruption measures such as anti-money laundering and combating the financing of terrorism measures.

All Group companies build an effective compliance framework giving due consideration to the public characteristics of the business.

## Japan Post Group Compliance Framework

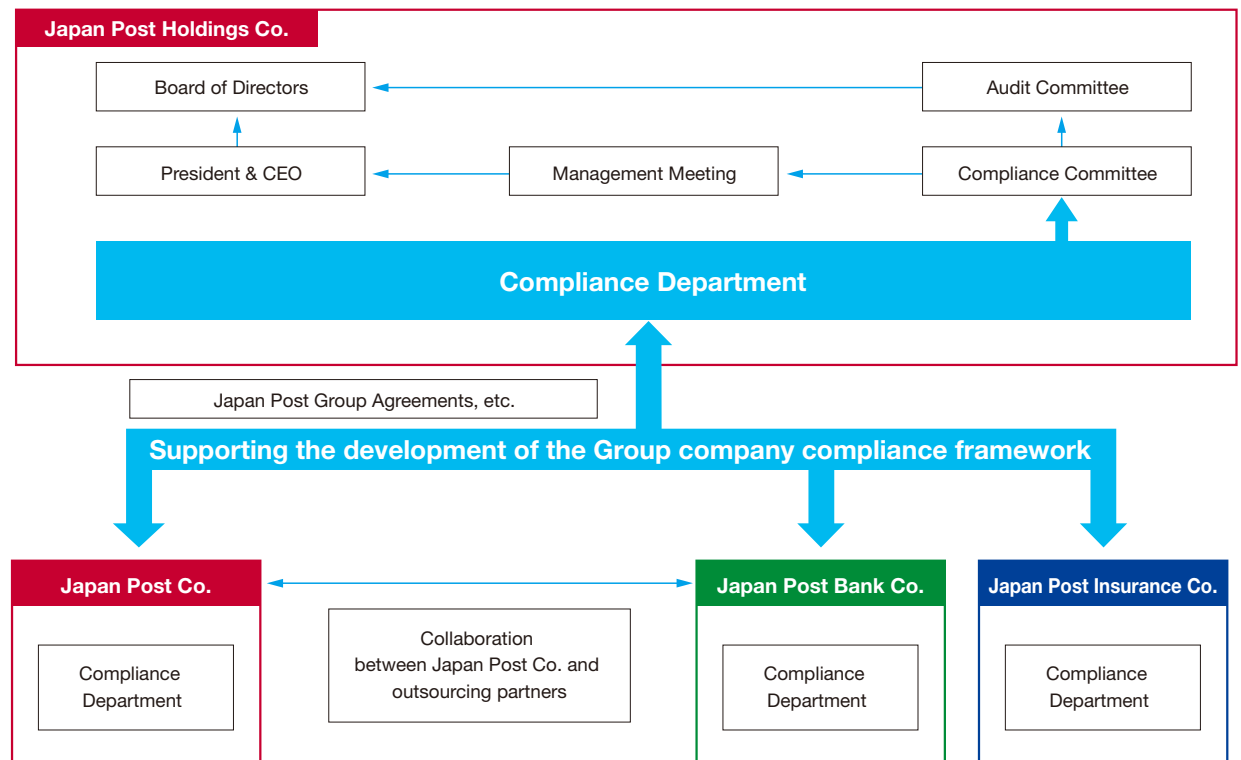
Japan Post Group employs a common compliance framework. Each Group company establishes a Compliance Department to conduct integrated management of compliance-related matters.

In addition, each Group company has a Compliance Committee that provides advice to its Management Meeting to review the compliance policy, framework, specific activities and associated issues. The director in charge of compliance then reports important matters discussed by the Compliance Committee to the Management Meeting and the Board of Directors.

A Compliance Department has been set up and placed under the control of a director in charge of compliance to propose measures to promote compliance and manage the progress of each measure.

In order to ensure Group-wide compliance, the Compliance Department of Japan Post Holdings Co. provides support in accordance with Japan Post Group Agreements, etc., to Group companies to help them establish their respective compliance frameworks, and by doing so, strives to maintain and improve compliance functions for the Group as a whole.

### ● Japan Post Group Compliance Framework



## Group Company Compliance Framework

Japan Post Group companies have built a compliance framework as outlined below and use various measures to promote compliance so that the compliance framework can function effectively.

### 1. Compliance Framework

#### • Line of responsibility for compliance activities

Each Group company has a Compliance Department that is independent from departments related to business execution in order to promote compliance activities throughout the company. This and other departments have a compliance officer who is responsible for executing specific compliance activities. In addition, compliance managers have been appointed at all head office departments, regional offices, post offices and branch offices in order to establish a line of reporting for compliance activities.

#### • Response to compliance violations

In the event of the discovery of any compliance violations or facts that raise suspicion of compliance violations at any Group company, including corruption such as giving or taking bribes or giving or taking inappropriate gifts or entertainment, we shall investigate and clarify the relevant facts and causes of the violations, and implement measures to prevent their recurrence.

### 2. Promotion of Compliance

#### • Establishment of compliance program

Each fiscal year, a compliance program is established to provide a plan for specific actions involving compliance. Progress is then checked on a regular basis.

#### • Activities related to compliance items

At Group companies, specific compliance items have been selected, including anti-corruption such as giving or taking bribes and giving or taking inappropriate gifts and entertainment, and departments have been assigned to take responsibility for individual compliance items in order to promote compliance in a focused manner. The Compliance Department oversees the compliance promotion activities undertaken by these units and conducts integrated management of compliance related issues across the board.

### 3. Efforts for anti-money laundering and combating the financing of terrorism (“AML/CFT”)

In response to the increasing demands to prevent money laundering and terrorism financing in recent years, Group companies, as a unified Group, cooperate with each other to establish a framework for

#### • Internal reporting system

In each Group company, the Compliance Department has a compliance hotline that can be used by employees and others to prevent compliance violations, including corruption such as giving or taking bribes or giving or taking inappropriate gifts or entertainment, prevent their recurrence and resolve them quickly. In addition, a compliance hotline has been established at a designated external law firm. This reporting system makes it possible to quickly deal with compliance violations and prevent them from spreading while maintaining a structure to resolve issues at the earliest stage.

By operating this internal reporting system, we are working to protect internal reporters thoroughly and develop an environment that facilitates internal reporting, such as by prohibiting disadvantageous handling of internal reporters and accepting anonymous reports.

#### • Preparation and distribution of compliance manual

A compliance manual is prepared to serve as a practical guide to promote compliance. The manual explains the compliance framework, matters concerning areas of compliance and other subjects. All executives and employees also receive a compliance handbook that summarizes the manual and is used in training programs and other activities to raise awareness among executives and employees of the importance of compliance.

#### • Implementation of compliance-related training

Each Group company conducts a variety of training activities for compliance items using group training, DVDs, e-learning, etc., in order to promote a better understanding of legal matters and other areas, and to raise awareness of compliance.

implementing AML/CFT measures, and based on the characteristics of each business, are working on AML/CFT measures.