

Japan Post Group Corporate Governance

Basic Views

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

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

These basic views on corporate governance and our corporate governance framework are set forth in our "Japan Post Holdings' Basic Policy on Corporate Governance."

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

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

Group Operation and Management Structure

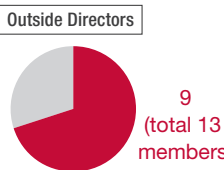
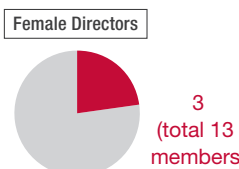

Japan Post Holdings has concluded agreements on the Japan Post Group's operation and management (herein the "Japan Post Group Management Agreements") with and between Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. on the Japan Post Group's common philosophy, policies, 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 the Japan Post Group companies.

In addition, Japan Post 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 and Japan Post Insurance) are required to give prior consultation 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 the 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 the Japan Post Group companies for the purpose of promoting effective and efficient operation of the Japan Post Group.

Characteristics of the Board of Directors

(As of July 1, 2020)

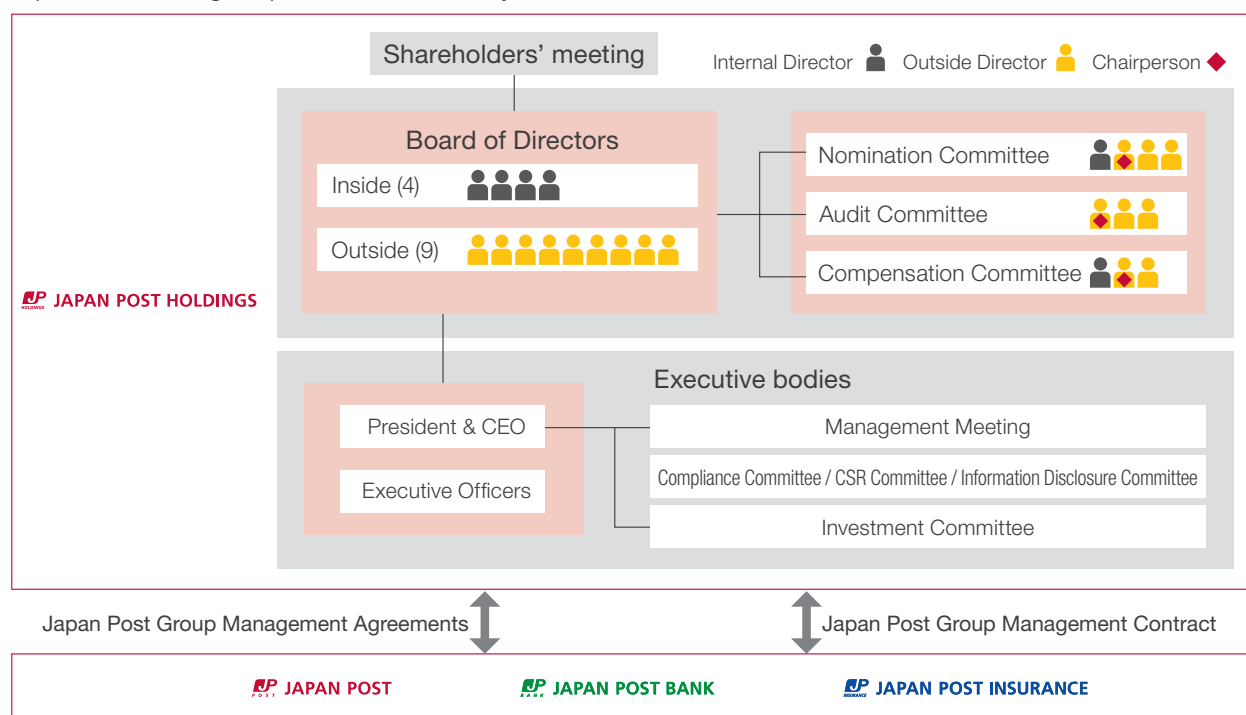
Characteristic (1)	Characteristic (2)	Characteristic (3)	Characteristic (4)
Company with nomination committee, etc.	The majority of the Board are outside directors	Putting diversity into practice	Implementation of Board of Directors' effectiveness evaluation
Since becoming a listed company in November 2015, Japan Post Holdings 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 13 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.

Overview of Committees

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

	Role and structure (As of July 1, 2020)	Operation Status (Fiscal year ended March 31, 2020)	Meetings in the fiscal year ended March 31, 2020 (average attendance rate)
Board of Directors	The Board of Directors, comprised of 13 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, 2020, the Board of Directors discussed the Group governance system in light of issues related to the solicitation quality of Japan Post Insurance products and received reports concerning Group performance, important issues of the Group, risk management, and the state of compliance and internal audits.	17 times (99%)
Nomination Committee	The Nomination Committee, comprised of four Directors (including three 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., Ltd., resolutions for the election and dismissal of Directors of the Japan Post Holdings shall not become effective without the approval of the Minister for Internal Affairs and Communications.	During the fiscal year ended March 31, 2020, we decided on candidates for the Board of Directors. We also deliberated on candidates to succeed the retiring president. In addition, we deliberated and decided on revision to the “Standards for Designating Independent Directors of Japan Post Holdings”	4 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, 2020, the Compensation Committee decided on individual compensation for Directors and Executive Officers, and we deliberated on expanding the scope of disclosure regarding Directors' compensation. In addition, in light of issues related to the solicitation quality of Japan Post Insurance products, we deliberated and decided on items including the amount of reduction to the basic compensation for Directors and Executive Officers.	8 times (100%)
Audit Committee	The Audit Committee consists of three Directors (including three Outside Directors), who audit the execution of duties by Directors and Executive Officers, audit establishment and operation status of the internal control system, 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, 2020, our audit plan designated four priority audit items: (1) The establishment and operation of the internal control system, (2) implementation of growth strategies and accurate investments, (3) appropriate business administration, and (4) workstyle reform, human resources cultivation, and diversity management. During the fiscal year ended March 31, 2020, the Audit Committee audited these items as main screening items to see whether appropriate undertakings are being made on these issues. A concern that came to light in the fiscal year ended March 31, 2020, were issues related to the solicitation quality of Japan Post Insurance products, for which we received administrative dispositions from the supervisory authorities. The Audit Committee sought explanations and obtained reports from the management of Japan Post Holdings, Japan Post Insurance, and Japan Post, and requested auditing by the Internal Audit Department. The Audit Committee then had the Audit Committee members of Japan Post Insurance and the Audit and Supervisory Board members of Japan Post exchange information. The Special Investigation Committee, consisting only of disinterested external experts, was jointly established by Japan Post Holdings, Japan Post, and Japan Post Insurance to thoroughly explicate this incident. The Audit Committee requested information and then reviewed a report on the investigation from the committee. It also audited the content of, and progress on, our business improvement plan. Furthermore, the Audit Committee made regular reports on these auditing activities to the Board of Directors, and worked to share information with directors outside the Audit Committee. They also stated their opinions to the Board of Directors and executive bodies as necessary. In light of these auditing activities, the Audit Committee has submitted an audit report for the fiscal year ended March 31, 2020, but will continue to monitor the state of progress on our business improvement plan pertaining to the solicitation quality as well as thoroughgoing customer-first business operations.	28 times (99%)

Japan Post Holding Corporate Governance System



Note: 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 of independent officers.

■ Evaluation of Effectiveness of the Board of Directors

Method of Evaluation

On December 27, 2019, Japan Post Holdings, Japan Post, and Japan Post Insurance received administrative dispositions pertaining to issues related to the solicitation quality of Japan Post Insurance products from the Minister for Internal Affairs and Communications and the Financial Services Agency of Japan on the basis of legislation including the Insurance Business Act. The Minister for Internal Affairs and Communications ordered Japan Post Holdings to establish a governance system for the Japan Post Group, while the Financial Services Agency ordered us to establish a Group governance system for the implementation of effective integration and coordination functions as an insurance holding company.

We took a different approach to the evaluation of the effectiveness of the Board of Directors in the fiscal year ended March 31, 2020. Traditionally, we would be beginning with the Directors' self-evaluations. This year, however, we first considered the points raised by the supervisory authorities and the Special Investigation Committee regarding the issues related to the solicitation quality of Japan Post Insurance products, based upon which the Directors deliberated on approaches to Group governance, in the process of which we evaluated the effectiveness of the Board of Directors and considered improvement measures.

Overview of Evaluation Results

The incident in question threatens to damage our overall Group enterprise value. When this kind of scandal occurs, we need to respond as a united group in order to prevent a recurrence. That said, Japan Post Holdings has listed subsidiaries, and it stands to reason that normally it would be appropriate to run decentralized group administration that respects the autonomy and independence of the two listed companies (Japan Post Bank and Japan Post Insurance, while in abnormal times, such as the scandal in question, it would be appropriate to implement centralized group administration led by Japan Post Holdings).

The execution of this kind of Group administration is premised on the need for the Board of Directors of Japan Post Holdings to have timely access to crucial subsidiary information that could have a serious impact on business operations.

Therefore, to make the Board of Directors a more effective force for Group administration, we reclarified that the kind of information that could have a serious impact on overall Group operations will be reported by our subsidiaries in a timely manner and promptly reported to the Board of Directors, and we thoroughly instilled this policy into our subsidiaries (with our March 1, 2020, revision to our Fundamental Policy for Establishment of Internal Control System).

As we carry out the disposition of stock in our two listed companies, we see the need to continue to discuss approaches to Group governance going forward. Therefore, we will continue to incorporate external experts' views into in-depth discussions among the Board of Directors, and further enhance the effectiveness of our holding company's Board of Directors.

■ 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. Ltd." defined by Japan Post Holdings 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., Ltd.

Japan Post Holdings Co., Ltd. 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 the Japan Post Group is a major business partner, or an executive thereof
3. Anyone who is a major business partner of the Japan Post Group, or an executive thereof
4. Member, partner, or employee of the independent auditor of the Japan Post Group
5. Consultants, accounting experts, or legal experts who receive or have received large payments of money or property from the 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)
6. Major shareholders of Japan Post Holdings (if that party is a legal entity (excluding the Japanese Government), then anyone who is an executive of that legal entity)
7. Executive (or other) of companies in which Japan Post Holdings is a major shareholder
8. Major creditor of the Japan Post Group or an Executive (or other) thereof
9. The spouse or relatives within second degree of kinship of the following parties (excluding unimportant ones.)
 - (1) Anyone listed in parts 1 to 8 above
 - (2) Executives of subsidiaries of Japan Post Holdings
10. Executives of other companies in which an executive of the Japan Post Group is appointed as an outside director
11. 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)

Note: Please visit the following website for details.
https://www.japanpost.jp/group/governance/pdf/02_08.pdf
 (in Japanese only)

■ Training of Directors & Support System for Outside Directors

Training of Directors

Japan Post Holdings provides opportunities for Directors to deepen their understanding and acquire necessary knowledge about such things as the Japan Post Group's businesses, issues to be addressed, and management strategies by implementing measures such as tours of the 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 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 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 Nomination 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., Ltd.

- (1) Has expertise in the business of Japan Post Holdings
- (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.

- (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
MIMURA Akio	MIMURA Akio 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.
ISHIHARA Kunio	ISHIHARA Kunio 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.
HIRONO Michiko	HIRONO Michiko 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.
OKAMOTO Tsuyoshi	OKAMOTO Tsuyoshi 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.
KOEZUKA Miharu	KOEZUKA Miharu 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.
AKIYAMA Sakie	AKIYAMA Sakie 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.
KAIAMI Makoto	KAIAMI Makoto has served as President of the Tokyo District Court and has many years of experience in the legal profession. He is thus expected to fulfill management oversight and check functions of the Company based on his extensive experience and insight as a legal expert cultivated over the course of his career. He has not been involved in corporate management other than as an Outside Director, but we consider him to be a suitable candidate to perform the duties of Outside Director of the Company for the reasons stated above.
SATAKE Akira	SATAKE Akira has served as Director and Executive Vice President of Sumitomo Precision Products Co., Ltd., and has many years of experience in management and finance. He is thus expected to fulfill management oversight and check functions of the Company based on his deep and extensive knowledge of finance and accounting, cultivated over the course of his career.

■ Compensation System for Directors and Executive Officers

With regard to compensation of the Directors and Executive Officers of Japan Post Holdings Co., Ltd., 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 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 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 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 the business that Executive Officer is responsible for.

With regard to indicators related to company performance, in order to enable comprehensive judgment of the degree of achievement of management, the Compensation Committee has set indicators from multiple different categories, using “consolidated net income attributable to Japan Post Holdings” as a profitability indicator, “consolidated ordinary income ratio” as an efficiency indicator and “dividend per share” as a shareholder return indicator that are suitable for the business format and content of Japan Post Holdings

Indicators related to company performance	Goal	Performance in the fiscal year ended March 31, 2020
Consolidated net income attributable to Japan Post Holdings	At least ¥420,000 million	¥483,733 million
Consolidated ordinary income ratio	At least 5.976%	7.234%
Dividend per share	At least ¥50	¥50

Note: As shown above, all performance metrics regarding corporate earnings for the fiscal year in question were achieved, when it comes to calculating points related to stock compensation for executive officers, in light of the issue of the solicitation quality of Japan Post Insurance products, we subtracted a certain percentage from the points calculated based on basic points determined based on roles and responsibilities and evaluation points determined based on individual evaluations.

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	—	3
Executive Officers	683	622	61	29
Outside Directors	72	72	—	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 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 ¥106 million.
3. Ten Executive Officers serve concurrently as Directors or Executive Officers of major consolidated subsidiaries, eight of whom have not been paid as Executive Officers of Japan Post Holdings 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 eight Directors from major consolidated subsidiaries is ¥210 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., Ltd. 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 the 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, 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 shall decide how to vote on proposals having individually examined whether each proposal conforms to Japan Post Holdings' 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, every year the Board of Directors verifies the aim and rationality of holding policy equity that is held by Japan Post Holdings, 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 April 2020, it was confirmed to be appropriate to continue holding one brand of policy equity held by Japan Post Holdings.

Primary Legal Regulations

In conducting its business, the 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., Ltd., 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 financial businesses of the 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., Ltd., Japan Post Insurance Co., Ltd., and Japan Post Holdings Co., Ltd. as a financial services holding company

The two financial subsidiaries 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. As a bank holding company and insurance holding company, Japan Post Holdings is also subject to financial services business regulation, including supervision by the Financial Services Agency based on the Banking Act and the Insurance Business Act.

The two financial subsidiaries are not permitted to conduct business other than as set forth by the laws based on, respectively, the Banking Act and the Insurance Business 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 is required to maintain a ratio of at least 4.0% (Japanese standard). Japan

Post Insurance 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 a bank holding company and insurance holding company, Japan Post Holdings 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, 2020, Japan Post Bank has a consolidated capital adequacy ratio of 15.58%, Japan Post Insurance has a consolidated solvency margin ratio of 1,070.9%, and the Japan Post Group has a consolidated capital adequacy ratio of 17.66% and a consolidated solvency margin ratio of 554.2%, all of which have maintained high levels compared to the ratios regulated by law.

(b) Regulations pertaining to Japan Post

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

The 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., Ltd.	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., Ltd.	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., Ltd.	None	Article 52-56, Paragraph 1 of the Banking Act
Life Insurance Solicitor Registration	Article 276 of the Insurance Business Act	Japan Post Co., Ltd.	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., Ltd.	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., Ltd.	None	Article 132, Paragraph 1; Article 133; Article 134 of the Insurance Business Act

(3) Regulations specifically applicable to the Japan Post Group

Based on the Postal Service Privatization Act and other laws, Japan Post Holdings Co., Ltd. and Japan Post Co., Ltd. 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"). In the September 28, 2015, report on "Securing universal services of the postal business and the proper means for revitalizing the post and correspondence market" by the Telecommunications Council, it states that in the short term, "Japan Post Holdings Co., Ltd. and Japan Post Co., Ltd. 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 the Japan Post Group.

Also, Japan Post Holdings and Japan Post 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 only), formulate business plans, amend articles of incorporation, conduct mergers or split or dissolve companies based on the Act on Japan Post Holdings and Act on Japan Post, respectively, (however, only notification of new businesses to the Minister for Internal Affairs and Communications is required for Japan Post). 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) and particular subsidiaries (Japan Post Insurance), 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 may not in itself have banks as subsidiaries and neither may Japan Post Insurance 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. (These regulations pertaining to the two financial subsidiaries are hereinafter referred to as "the additional statutory operational regulations under the Postal Service Privatization Act.")

In addition, the Group faces certain restrictions on expansion of its scope of operations, including the rollout of new businesses. Under the Postal Service Privatization Act, the two financial subsidiaries are required to receive authorization from the Prime Minister and the Minister for Internal Affairs and Communications to engage in new businesses to obtain new earnings opportunities. In the event that they fail to receive that authorization or that it takes time to do so, the Group may not be able to launch new products or provide new services as planned in terms of timing or content.

(Reference) Maximum deposit amounts in Japan Post Bank

Under the Postal Service Privatization Act, Japan Post Bank 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... ¥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

Insurance policies for Japan Post Insurance 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 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). The limit for specific endowment insurance is ¥5 million regardless of age.

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 rider 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

Note: In addition to the special measures under the Postal Service Privatization Act, we have set the following enrollment limits on Japan Post Insurance riders. Rider insurance premiums shall not exceed the premiums on the basic policy to which those riders are attached. However, with regard to the insurance amount of the underwriting-based relief non-divided general medical rider which was launched for sale in April 2019, when the enrollment age of the basic policy to which the rider 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 rider can exceed the insurance amount of the basic policy to which the rider 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.)

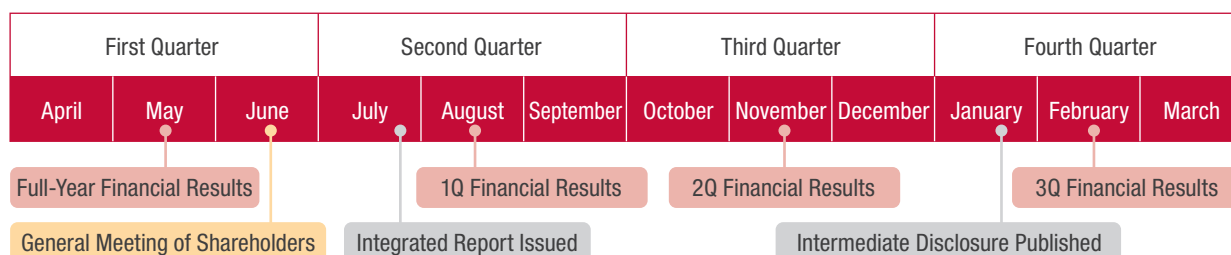
(4) World Trade Organization (WTO): Government procurement rules

As successors of government-owned companies, Japan Post Holdings, Japan Post, 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

The 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, 2020

15th Annual General Meeting of Shareholders	Date: June 17, 2020 Attendees: 259
Briefing Sessions for Individual Investors for Fiscal Year Ended March 31, 2020	Meetings Held: 3 Participants: Approximately 150
Financial Results Briefings & Small Meetings for Fiscal Year Ended March 31, 2020 (for Institutional Investors & Analysts)	Meetings Held: 6
Dialogue with Institutional Investors & Analysts (Fiscal Year Ended March 31, 2020)	Meetings Held: Approximately 150 (Including about 80 individual interviews with overseas investors)
Participation in IR Conferences in Japan and Abroad (Fiscal Year Ended March 31, 2020)	Meetings Held: 1



15th Annual General Meeting of Shareholders
(June 17, 2020)



For the Fiscal Year Ended March 31, 2020
Results Briefing (May 15, 2020)

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 (including dividends)	TOPIX (including dividends)
March 31, 2017	-3.7%	14.7%
March 31, 2018	-7.6%	32.9%
March 31, 2019	-3.3%	26.2%
March 31, 2020	-29.9%	14.2%

Note: Since we listed on the Tokyo Stock Exchange First Section on November 4, 2015, which falls in our 11th fiscal year, total shareholder return is calculated based on our share price and the stock index (TOPIX, including dividends) for the final date of our 11th fiscal year.