

**UNOFFICIAL TRANSLATION**

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

JAPAN POST INSURANCE

CONVOCAION NOTICE OF THE 12TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Monday, June 18, 2018 at 10:00 a.m. Japan time (Reception starts at 9:00 a.m.)
Place	The Prince Park Tower Tokyo Ballroom, Level B2, 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan (Please note that the venue for the meeting has been changed from last year. Please refer to the map for the new venue at the end of this notice to avoid any confusion.)
For those who are unable to attend the meeting	
Voting Deadline	Friday, June 15, 2018 at 5:15 p.m. Japan time (Please exercise your voting rights by returning the enclosed Voting Rights Exercise Form or via Internet.)

▶ For details, please refer to “Guidance on the Exercise of Voting Rights” on pages 5-7.

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JAPAN POST INSURANCE Co., Ltd.

Securities Identification Code: 7181

Management Philosophy of JAPAN POST INSURANCE Co., Ltd.

Be a trustful partner for people, always being close at hand and  
endeavoring to protect their well-being.

**Management Policy**

**We aim to become the No.1 Japanese insurance company selected by customers.**

1. We are always close to people's lives, offering easy-to-understand products and high-quality services.
2. We always ensure that employees who have contact with our customers make full use of their strengths to offer better customer services.
3. We create a working environment in which all employees can develop their talents and work with energy and vitality.
4. We practice sound management based on strong corporate governance, constantly creating new value to achieve sustainable growth.
5. We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.
6. We work to communicate closely with all stakeholders.

**Code of Conduct**

1. We put the customer first in everything we do.
2. We offer comprehensive and heartfelt services by working together closely with our business partners.
3. We always improve ourselves, embarking on new challenges and contributing to the development of the company and society.
4. We leave no stone unturned in ensuring compliance based on a strong ethical sense of the company as a responsible member of society.
5. We respect human rights and create a diverse and inclusive working environment.

“Life is Full of Dreams”

JAPAN POST INSURANCE

To Our Shareholders

**Aiming to become the “No. 1 Japanese insurance company selected by customers”**

We would like to express our deep appreciation for your kind support for JAPAN POST INSURANCE Co., Ltd.

We strive to remain as a company trusted and loved by our customers under our management philosophy, which states to “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.”

Furthermore, we aim to become the “No. 1 Japanese insurance company selected by customers,” making it our mission to deliver insurance services as a means of security to as many customers as possible through the nationwide network of post offices, thereby protecting the well-being of every one of them with the function of insurance.

I am confident that by continuing to respond reliably to the needs of customers and providing protection that is truly satisfying to them, we will be able to further strengthen the “reliability” and “trustworthiness” we have built up together with the nationwide post office network.

In May 2018, the Company announced the Medium-term Management Plan covering the three years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021.

Under the Medium-term Management Plan, we will put together and implement various strategies based on “thoroughly implementing customer-first business operations,” “achieving sustainable growth,” and “maintaining sound business operations.” The key strategies to be pursued include:

- Strengthening of sales activities focusing on protection needs
- Improvement in solicitation quality
- Cultivation of new customer base
- Development of new products
- Establishment of sales foundation
- Improvement of customer service and enhancement of efficiency in back-office administration through use of ICT
- Diversification of asset management and sophistication of risk management

By steadily promoting the Medium-term Management Plan, we will contribute to regional society together with the nationwide post office network while exerting concerted efforts to achieve sustainable enhancement of corporate value.

We sincerely request the continued support of all of our shareholders.

May 2018

Mitsuhiko Uehira  
Director and President, CEO,  
Representative Executive Officer

May 30, 2018

**Dear Shareholders:**

Mitsuhiko Uehira  
Director and President, CEO,  
Representative Executive Officer  
JAPAN POST INSURANCE Co., Ltd.  
3-2, Kasumigaseki 1-chome,  
Chiyoda-ku, Tokyo 100-8798, Japan

## CONVOCAATION NOTICE OF THE 12TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 12th Ordinary General Meeting of Shareholders of JAPAN POST INSURANCE Co., Ltd. (the “Company”). The meeting will be held for the purposes described below.

If you are unable to attend the meeting, you can exercise your voting rights in writing by submitting the Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.). Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:15 p.m., Friday, June 15, 2018 (Japan time) in accordance with the “Guidance on the Exercise of Voting Rights.”

- 1. Date and Time:** Monday, June 18, 2018 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)
- 2. Place:** The Prince Park Tower Tokyo  
Ballroom, Level B2, 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan  
(Although the Company held its 11th Ordinary General Meeting of Shareholders at Yokohama Arena in Yokohama-shi, Kanagawa, in order to accommodate a larger number of shareholders, we have decided to hold this year’s meeting at The Prince Park Tower Tokyo.  
Please refer to the map for the venue on the back cover of this notice to avoid any confusion.)

**3. Meeting Agenda:**

- Matters to be reported:**
1. Contents of the Business Report and Consolidated Financial Statements, and the Audit Reports of the Consolidated Financial Statements by the Independent Auditor and the Audit Committee (from April 1, 2017 to March 31, 2018)
  2. Report on the contents of the Non-consolidated Financial Statements (from April 1, 2017 to March 31, 2018)

**Matter to be resolved:**

**Proposal:** Election of Eleven (11) Directors

- In case of attendance by proxy, one other shareholder who holds voting rights at this Ordinary General Meeting of Shareholders may attend as proxy by submitting written proof of proxy rights.
- Of the documents required to be provided in this convocation notice, the Notes to the Consolidated Financial Statements and the Notes to the Non-consolidated Financial Statements have been posted on **our website** in accordance with relevant laws and regulations and Article 15 of the Articles of Incorporation of the Company and are therefore not included in the attachments of this convocation notice. Consolidated Financial Statements and Non-consolidated Financial Statements audited by the Audit Committee or an Independent Auditor include the Notes to the Consolidated Financial Statements and the Notes to Non-consolidated Financial Statements posted on **our website**.
- Any updates to the Reference Documents for the General Meeting of Shareholders, Business Report, and Consolidated Financial Statements and Non-consolidated Financial Statements will be posted on **our website**.

Website of the Company <http://www.jp-life.japanpost.jp/>

# Guidance on the Exercise of Voting Rights

## For those attending the Ordinary General Meeting of Shareholders

Please submit your Voting Rights Exercise Form at the reception.



### Attending the Ordinary General Meeting of Shareholders

**Date and Time** Monday, June 18, 2018 at 10:00 a.m. Japan time  
(Reception starts at 9:00 a.m.)

**Place** The Prince Park Tower Tokyo  
Ballroom, Level B2, 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan  
(The venue has been changed from the previous year.)

## For those unable to attend the Ordinary General Meeting of Shareholders



### Exercise of voting rights by mail

**Voting Deadline** Votes shall arrive no later than Friday, June 15, 2018 at 5:15 p.m. Japan time

Please indicate your approval or disapproval of each proposal on the enclosed Voting Rights Exercise Form and return it by post to reach us no later than the above voting deadline.

### How to fill out your Voting Rights Exercise Form



Please indicate your approval or disapproval of the proposal inside this box

Proposal	In case you approve all the candidates	→ Please circle the “approval” “賛” column
	In case you disapprove all the candidates	→ Please circle the “disapproval” “否” column
	In case you disapprove certain candidates	→ Please circle the “approval” “賛” column and fill in the candidate number(s) of the candidate(s) you disapprove

If there is no indication of approval or disapproval for the proposal, it will be deemed as an indication of approval.



### Exercise of voting rights via the Internet

**Voting Deadline** No later than Friday, June 15, 2018 at 5:15 p.m. Japan time

Please access the voting website (<https://www.web54.net>), follow the on-screen guidance and indicate your approval or disapproval for the proposal by no later than the voting deadline. Please refer to the next page for details.

## Exercise of voting rights via the Internet



### Access procedures via the Internet

Please access the voting website using computers, smartphones or tablets, enter the “Voting Rights Exercise Code” and “Password” printed on the enclosed Voting Rights Exercise Form, then follow the on-screen guidance and indicate your approval or disapproval for the proposal.



You may also access the voting website by reading the QR code on the left using smartphones and other means with the function to read barcodes.

\*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Voting Website

<https://www.web54.net>

1

### Access the voting website



Click “Next.”

2

### Login



Enter the “Voting Rights Exercise Code” printed on the enclosed Voting Rights Exercise Form and click “Login.”

3

Follow the on-screen guidance and enter information as necessary.

## Handling of multiple exercises of voting rights

- (1) If you vote both by mail and via the Internet, your vote via the Internet will be treated as effective.
- (2) If you vote more than once via the Internet, your last vote will be treated as effective.

### **i** NOTE

- Connection fees, broadband fees and other fees incurred in using the voting website shall be borne by shareholders.
- The voting website might not be accessible depending on the Internet environment, the service subscribed or the model used.

Should you have any questions, please contact the below.

<b>Inquiries regarding voting via the Internet</b>	<b>[Administrator of Shareholder Registry] Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited</b>  <b>0120-652-031</b> (toll free in Japan) (Open from 9:00 a.m. to 9:00 p.m.)
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### **For Institutional Investors**

The Electronic Voting Platform, operated by ICJ Co., Ltd., is available for institutional investors that have applied in advance to use the platform.

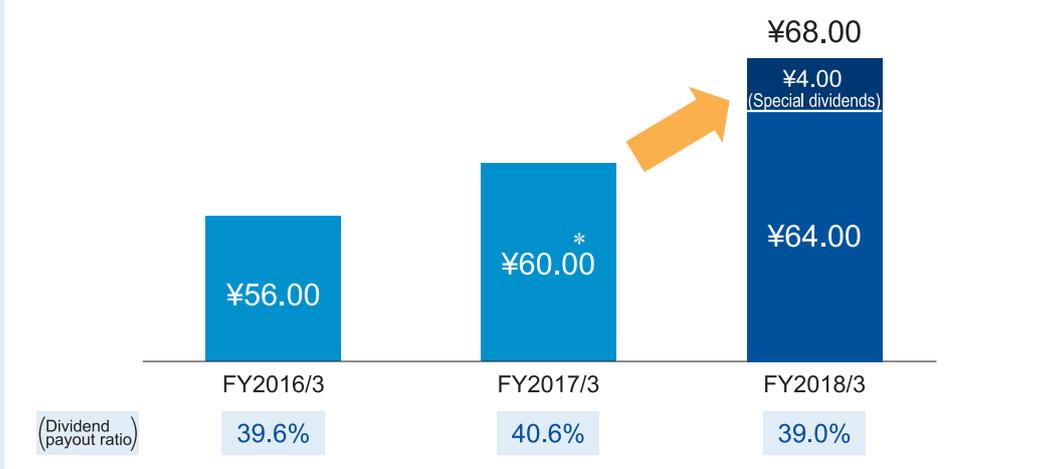
# Dividends

We would like to inform you that the Board of Directors has passed the resolution to distribute cash dividends as follows:

**1 Year-end dividends ¥68 per share**  
(Ordinary dividends ¥64 per share, Special dividends ¥4 per share)

**2 Effective date June 19, 2018**

Dividends per share



## Dividend Information

Although the Company is permitted to declare interim dividends with a record date of September 30 under the articles of incorporation, the Company plans to declare annual dividends with a record date of March 31, considering business results.

\* Dividends per share include ¥2 of commemorative dividend for the 100th anniversary of postal Life Insurance.

## Reference Documents for the General Meeting of Shareholders

### Proposals and References

**Proposal:** Election of Eleven (11) Directors

The term of office of all the twelve (12) Directors will expire at the closing of this Ordinary General Meeting of Shareholders. It is therefore proposed to elect eleven (11) Directors pursuant to the decision at the Nomination Committee.

Candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	
1	Re-elected Mitsuhiko Uehira	Director and President, CEO Representative Executive Officer	
2	Re-elected Masaaki Horigane	Director and Deputy President Representative Executive Officer	
3	Re-elected Yasuhiro Sadayuki	Director Audit Committee Member	
4	Re-elected Masatsugu Nagato	Director Chairman of Nomination Committee, Compensation Committee Member	
5	Re-elected Shinji Hattori	Director Nomination Committee Member, Compensation Committee Member	Outside Independent
6	Re-elected Masako Suzuki	Director Audit Committee Member	Outside Independent
7	Re-elected Tamotsu Saito	Director Chairman of Compensation Committee	Outside Independent
8	Re-elected Michiaki Ozaki	Director Chairman of Audit Committee	Outside Independent
9	Re-elected Meyumi Yamada (Name in family register: Meyumi Hara)	Director Audit Committee Member	Outside Independent
10	Re-elected Yoshie Komuro (Name in family register: Yoshie Ishikawa)	Director	Outside
11	Newly elected Kazuyuki Harada	-	Outside Independent

Outside: Candidate for Outside Director

Independent: Candidate for Independent Officer

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	<p>Mitsuhiko Uehira (Feb. 19, 1956)</p> <p>Re-elected</p> <p>Director and President, CEO Representative Executive Officer</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 90 % (9/10 meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> He has held prominent positions at nonlife insurance companies and in the Sales Planning Department, etc. of the Company, and has also taken part in the management of the Company as President, CEO, Representative Executive Officer. Based on his considerable experience and achievements, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1979    Joined The Tokio Marine &amp; Fire Insurance Co., Ltd.</p> <p>Jun. 2012    Executive Officer and General Manager of Domestic Business Development Department of Tokio Marine Holdings, Inc.</p> <p>Jun. 2013    Managing Executive Officer of the Company</p> <p>Jul. 2013    Managing Executive Officer and Senior General Manager of Sales Planning Department of the Company</p> <p>Apr. 2014    Managing Executive Officer of the Company</p> <p>Jun. 2015    Senior Managing Executive Officer of the Company</p> <p>Jun. 2017    Director and President, CEO, Representative Executive Officer of the Company (current position)</p> <p>Jun. 2017    Director of Japan Post Holdings Co., Ltd. (current position)</p> <p>Significant concurrent position: Director of Japan Post Holdings Co., Ltd.</p>	1,800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	<p>Masaaki Horigane (Aug. 10, 1956)</p> <p>Re-elected</p> <p>Director and Deputy President Representative Executive Officer</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 100 % (10/10 meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> He has held prominent positions in the Finance Department, etc. of the Company, and has also taken part in the management of the Company as Deputy President, Representative Executive Officer. Based on his considerable experience and achievements, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1979    Joined the Ministry of Posts and Telecommunications</p> <p>Oct. 2007    Executive Officer and Senior General Manager of Finance Department of the Company</p> <p>Oct. 2008    Executive Officer and Senior General Manager of Actuarial and Accounting Department of the Company</p> <p>Oct. 2010    Managing Executive Officer and Senior General Manager of Actuarial and Accounting Department of the Company</p> <p>Jul. 2011    Managing Executive Officer of the Company</p> <p>Jul. 2014    Senior Managing Executive Officer of the Company</p> <p>Jun. 2017    Director and Deputy President, Representative Executive Officer of the Company (current position)</p> <p>Significant concurrent position: None</p>	1,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	<p>Yasuhiro Sadayuki (Apr. 7, 1955)</p> <p>Re-elected</p> <p>Director Audit Committee Member</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 100 % (10/10 meetings)</p> <p>Status of attendance at the Audit Committee 100% (12/12 meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> Based on his considerable experience and achievements nurtured through his years of experience at nonlife insurance companies and in the Risk Management Department, etc. of the Company, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1978    Joined Yasuda Fire &amp; Marine Insurance Co., Ltd.</p> <p>Apr. 2009    Director, General Manager, Risk Management Department of Sompo Japan Insurance Inc.</p> <p>Apr. 2010    General Manager, Risk Management Department of NKSJ Holdings, Inc.</p> <p>Apr. 2012    Audit &amp; Supervisory Board Member (Full-Time) of NKSJ Systems, Inc.</p> <p>Jul. 2013    General Officer of Office of Audit Committee of the Company</p> <p>Jul. 2014    Managing Executive Officer of the Company</p> <p>Jun. 2017    Director of the Company (current position)</p> <p>Significant concurrent position: None</p>	4,800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	<p>Masatsugu Nagato (Nov. 18, 1948)</p> <p>Re-elected</p> <p>Director Chairman of Nomination Committee, Compensation Committee Member</p> <p>Number of years and months in office as a Director 2 years</p> <p>Status of attendance at the Board of Directors 100% (13/13 meetings)</p> <p>Status of attendance at the Nomination Committee 100% (2/2 meetings)</p> <p>Status of attendance at the Compensation Committee 100% (4/4 meetings)</p>	<p><u>Reasons for the election as candidate for Director</u> He has been involved in the management of financial institutions over the years, and has also taken part in the management of the entire Japan Post Group as a Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd., a Group company, and Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd., the Company's parent company. Based on his considerable experience and achievements, we expect that he would play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers.</p> <p>Apr. 1972    Joined The Industrial Bank of Japan, Ltd. Jun. 2000    Executive Officer of The Industrial Bank of Japan, Ltd. Jun. 2001    Managing Executive Officer of The Industrial Bank of Japan, Ltd. Apr. 2002    Managing Executive Officer of Mizuho Bank, Ltd. Apr. 2003    Managing Executive Officer of Mizuho Corporate Bank, Ltd. Jun. 2006    Corporate Executive Vice President of Fuji Heavy Industries, Ltd. Jun. 2007    Director, Corporate Executive Vice President of Fuji Heavy Industries, Ltd. Jun. 2010    Representative Director &amp; Executive Vice President of Fuji Heavy Industries, Ltd. Jun. 2011    Director &amp; Deputy Chairman of Citibank Japan, Ltd. Jan. 2012    Director &amp; Chairman of Citibank Japan, Ltd. May 2015    Director, President and Representative Executive Officer of JAPAN POST BANK Co., Ltd. Jun. 2015    Director of Japan Post Holdings Co., Ltd. Apr. 2016    Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. (current position) Apr. 2016    Director of JAPAN POST Co., Ltd. (current position) Apr. 2016    Director of JAPAN POST BANK Co., Ltd. (current position) Jun. 2016    Director of the Company (current position)</p> <p>Significant concurrent positions: Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST BANK Co., Ltd.</p>	300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	<p>Shinji Hattori (Jan. 1, 1953)</p> <p>Re-elected Outside Director Independent Officer</p> <p>Director Nomination Committee Member, Compensation Committee Member</p> <p>Number of years and months in office as a Director 4 years</p> <p>Status of attendance at the Board of Directors 92% (12/13 meetings)</p> <p>Status of attendance at the Nomination Committee 100% (2/2 meetings)</p> <p>Status of attendance at the Compensation Committee 100% (4/4 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management based on his experience and insight as a management expert nurtured through years of experience in management of stock companies.</p> <p>Apr. 1975    Joined Mitsubishi Corporation Jul. 1984    Joined Seikosha, Inc. Jun. 2001    President of SEIKO Precision Inc. Jun. 2003    President of Seiko Watch Corporation Jun. 2007    Director of Seiko Corporation Jul. 2007    Director of Seiko Holdings Corporation Jun. 2009    Executive Vice President of Seiko Holdings Corporation Apr. 2010    President of Seiko Holdings Corporation Oct. 2012    Chairman &amp; Group CEO of Seiko Holdings Corporation (current position) Jun. 2014    Director of the Company (current position) Jun. 2015    President &amp; CEO of Seiko Watch Corporation Apr. 2017    Chairman &amp; CEO of Seiko Watch Corporation (current position)</p> <p>Significant concurrent positions: Chairman &amp; Group CEO of Seiko Holdings Corporation Chairman &amp; CEO of Seiko Watch Corporation</p>	700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	<p>Masako Suzuki (Feb. 4, 1954)</p> <p>Re-elected Outside Director Independent Officer</p> <p>Director Audit Committee Member</p> <p>Number of years and months in office as a Director 2 years</p> <p>Status of attendance at the Board of Directors 100% (13/13 meetings)</p> <p>Status of attendance at the Audit Committee 100% (12/12 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> She is nominated as an Outside Director because we expect that she is capable of fulfilling supervisory and monitoring functions over the management based on her experience and insight as a management expert nurtured through years of experience in management of stock companies.</p> <p>Jul. 1983    Joined Temporary Center Inc. Apr. 1999    Executive Officer of Pasona Inc. Sept. 2004    Senior Managing Director of Pasona Inc. Dec. 2007    Senior Managing Director of Pasona Group Inc. Jun. 2010    Director, Vice President of Benefit One Inc.                   (current position) Aug. 2010    Director of Pasona Group Inc. Mar. 2012    Director of Benefit one Solutions (current position) May 2012    Auditor of Benefit one Health care Inc. Jan. 2016    President and Representative Director of Benefit                   one Health care Inc. (current position) Jun. 2016    Director of the Company (current position)</p> <p>Significant concurrent positions: Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc.</p>	700 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	<p>Tamotsu Saito (Jul. 13, 1952)</p> <p>Re-elected Outside Director Independent Officer</p> <p>Director Chairman of Compensation Committee</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 100 % (10/10 meetings)</p> <p>Status of attendance at the Compensation Committee 100 % (3/3 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management based on his experience and insight as a management expert nurtured through years of experience in management of stock companies.</p> <p>Apr. 1975    Joined Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jun. 2006    Executive Officer, Vice President of Aero-Engine &amp; Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd.</p> <p>Jul. 2007    Executive Officer, Vice President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Jan. 2008    Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2008    Director, Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2009    Director, Managing Executive Officer, President of Aero-Engine &amp; Space Operations of IHI Corporation</p> <p>Apr. 2010    Director of IHI Corporation</p> <p>Apr. 2011    Executive Vice President of IHI Corporation</p> <p>Apr. 2012    President, Chief Executive Officer of IHI Corporation</p> <p>Apr. 2016    Chairman of the Board, Chief Executive Officer, General Manager of <i>Monozukuri</i> System Strategy Planning Headquarters of IHI Corporation</p> <p>Apr. 2017    Chairman of the Board of IHI Corporation (current position)</p> <p>Jun. 2017    Director of the Company (current position)</p> <p>Significant concurrent position: Chairman of the Board of IHI Corporation</p>	100 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	<p>Michiaki Ozaki (Dec. 5, 1952)</p> <p>Re-elected Outside Director Independent Officer</p> <p>Director Chairman of Audit Committee</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 100 % (10/10 meetings)</p> <p>Status of attendance at the Audit Committee 100 % (12/12 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management based on his experience and insight as a legal expert nurtured through years of experience as a public prosecutor and attorney-at-law. Although he has never been directly involved in management of a company other than by serving as an Outside Director, we believe that he can appropriately perform duties as an Outside Director based on the aforementioned reasons.</p> <p>Apr. 1978 Appointed as Public Prosecutor of Tokyo District Public Prosecutors Office</p> <p>Jan. 2004 Public Prosecutor of Supreme Public Prosecutors Office</p> <p>Jan. 2005 Director-General for Inspection, Minister's Secretariat, Ministry of Foreign Affairs</p> <p>Apr. 2006 Chief Public Prosecutor of Kofu District Public Prosecutors Office</p> <p>Jun. 2007 Public Prosecutor of Supreme Public Prosecutors Office (Panel on Preparation for Saiban-in System)</p> <p>Jun. 2008 Director-General of Correction Bureau, Ministry of Justice</p> <p>Dec. 2010 Director-General of Public Security Intelligence Agency</p> <p>Jan. 2014 Superintending Prosecutor of Takamatsu High Public Prosecutors Office</p> <p>Jul. 2014 Superintending Prosecutor of Osaka High Public Prosecutors Office</p> <p>Feb. 2016 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association)</p> <p>May 2016 Of Counsel of URYU &amp; ITOGA (current position)</p> <p>Jun. 2016 Outside Audit &amp; Supervisory Board Member of East Nippon Expressway Company Limited (current position)</p> <p>Jun. 2017 Director of the Company (current position)</p> <p>Significant concurrent positions: Attorney-at-law Of Counsel of URYU &amp; ITOGA Outside Audit &amp; Supervisory Board Member of East Nippon Expressway Company Limited</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	<p>Meyumi Yamada (Name in family register: Meyumi Hara) (Aug. 30, 1972)</p> <p>Re-elected Outside Director Independent Officer</p> <p>Director Audit Committee Member</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 100 % (10/10 meetings)</p> <p>Status of attendance at the Audit Committee 100 % (12/12 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> She is nominated as an Outside Director because we expect that she is capable of fulfilling supervisory and monitoring functions over the management based on her experience and insight as a management expert nurtured through years of experience in management of stock companies.</p> <p>Apr. 1995    Joined KOEI KOGYO Co., Ltd May 1997    Joined Kiss Me Cosmetics co., Ltd. Jul. 1999    Representative Director of I-Style Co., Ltd. Apr. 2000    Representative Director of istyle Inc. Dec. 2009    Executive Director of istyle Inc. (current position) May 2012    President and Representative Director of CyberStar Inc. Sept. 2015    Director of MEDIA GLOBE CO., LTD. (current position) Mar. 2016    President and Representative Director of IS Partners Inc. (current position) Sept. 2016    Director of Eat Smart, Inc. (current position) Jun. 2017    Director of the Company (current position) Jun. 2017    Outside Director of Seino Holdings Co., Ltd. (current position)</p> <p>Significant concurrent positions: Executive Director of istyle Inc. President and Representative Director of IS Partners Inc. Outside Director of Seino Holdings Co., Ltd.</p>	200 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
10	<p>Yoshie Komuro (Name in family register: Yoshie Ishikawa) (Apr. 16, 1975)</p> <p>Re-elected Outside Director</p> <p>Director</p> <p>Number of years and months in office as a Director 1 year</p> <p>Status of attendance at the Board of Directors 90 % (9/10 meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> In addition to years of experience engaging in the management of stock companies, she has held prominent positions, including service as an expert committee member for government affiliated committee meetings, and possesses deep knowledge regarding the environment surrounding corporate management, including workstyle reforms. Based on her experience and insight as a management expert nurtured through years of such experience, we expect that she is capable of fulfilling supervisory and monitoring functions over the management.</p> <p>Apr. 1999    Joined Shiseido Company, Limited Jul. 2006    President of Work-Life Balance Co., Ltd. (current position)</p> <p>Apr. 2008    Member of Evaluation Working Group, Work-Life Balance Promotion and Evaluation Council, Cabinet Office, Government of Japan</p> <p>Aug. 2011    Member of Working Group on Pension, Social Security Council, Ministry of Health, Labour and Welfare (current position)</p> <p>Aug. 2012    Member of Industrial Structure Council, Ministry of Economy, Trade and Industry</p> <p>Apr. 2013    Member of Children and Childcare Support Council, Cabinet Office, Government of Japan</p> <p>Sept. 2014    Civil Member of Industrial Competitiveness Council, Prime Minister Abe's Cabinet</p> <p>Feb. 2015    Member of Central Council for Education, Ministry of Education, Culture, Sports, Science and Technology</p> <p>Mar. 2016    Chairperson of the Panel for Promoting Workstyle Reforms of Kasumigaseki</p> <p>Jun. 2017    Director of the Company (current position)</p> <p>Significant concurrent position: President of Work-Life Balance Co., Ltd.</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
11	<p>Kazuyuki Harada (Jan. 22, 1954)</p> <p>Newly elected Outside Director Independent Officer</p> <p>Number of years and months in office as a Director - years</p> <p>Status of attendance at the Board of Directors - % (-/- meetings)</p>	<p><u>Reasons for the election as candidate for Outside Director</u> He is nominated as an Outside Director because we expect that he is capable of fulfilling supervisory and monitoring functions over the management based on his experience and insight as a management expert nurtured through years of experience in management of stock companies.</p> <p>Apr. 1976    Joined Keikyu Corporation Jun. 2007    Director of Keikyu Corporation Jun. 2010    Executive Director of Keikyu Corporation Jun. 2011    Senior Executive Director of Keikyu Corporation Jun. 2013    President &amp; Representative Director of Keikyu Corporation (current position) Jun. 2015    Outside Director of Japan Airport Terminal Co., Ltd. (current position)</p> <p>Significant concurrent positions: President &amp; Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd.</p>	- shares

Notes:

1. Japan Post Holdings Co., Ltd., where Mr. Masatsugu Nagato serves as Director and Representative Executive Officer, President & CEO, is the Company's parent company with 89% shareholding. The Company has entered into a contract concerning group management with Japan Post Holdings Co., Ltd., and pays brand loyalty pursuant to said contract. In addition, there are business transactions including real estate leasing between the Company and Japan Post Holdings Co., Ltd. Furthermore, Ms. Yoshie Komuro is the President of Work-Life Balance Co., Ltd., and there are business transactions including consulting agreement between Work-Life Balance Co., Ltd. and the Company. There are no special conflicts of interest between the other Director candidates and the Company.
2. With respect to Mr. Mitsuhiro Uehira, Mr. Masaaki Horigane, Mr. Yasuhiro Sadayuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada, and Ms. Yoshie Komuro, the status of attendance at the meetings of the Board of Directors and other committees that were held during the fiscal year ended March 31, 2018, after they assumed their posts as Directors of the Company in June 2017 is reported.
3. Of the candidates for Directors, Mr. Shinji Hattori, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada, Ms. Yoshie Komuro and Mr. Kazuyuki Harada are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
4. The term of office of Mr. Shinji Hattori as Outside Director of the Company will be four years, that of Ms. Masako Suzuki will be two years, and that of Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada and Ms. Yoshie Komuro will be one year, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.
5. The Company has entered into liability limitation agreements with Mr. Yasuhiro Sadayuki, Mr. Masatsugu Nagato, Mr. Shinji Hattori, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Yamada and Ms. Yoshie Komuro to limit their liabilities to the minimum liability amount as stipulated in Article 425, Paragraph 1 of the Companies Act. Subject to the approval of election of these candidates, the Company will continue the above-mentioned liability limitation agreements with each of them. In addition, if election of Mr. Kazuyuki Harada is approved, the Company will enter into a liability limitation agreement with him.
6. The Company has designated each of Mr. Shinji Hattori, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki and Ms. Meyumi Yamada as an Independent Officer with the Tokyo Stock Exchange, and will continue to designate them as an Independent Officer if each of their election is approved. The Company plans to newly designate Mr. Kazuyuki Harada as an Independent Officer if his election is approved.

[Reference]

[Nomination Criteria for Candidates for Directors]

(Purpose)

Article 1. These criteria set out the standards to be applied when the Nomination Committee nominates candidates for Directors.

(Scale and Composition of Candidates for Directors)

Article 2.

1. The Nomination Committee shall nominate candidates for Directors who have expertise, experience, etc. in different areas, while considering the balance of the Board of Directors as a whole.
2. The appropriate number of candidates for Directors shall be nominated, and it shall be 20 persons or less, as regulated under the Articles of Incorporation. More than a third of such candidates for Directors shall be Outside Directors who have independence, in principle.

(Grounds for Disqualification)

Article 3. The Nomination Committee shall not nominate a person who falls under the following category as a candidate for a Director:

- (1) A person who falls under grounds for disqualification set forth in Article 331, Paragraph 1 of the Companies Act;
- (2) A person who is subject to the ruling of the commencement of bankruptcy proceedings whose rights have not yet been restored, or a person who is similarly treated under foreign laws and regulations; or
- (3) A person deemed to have relations with anti-social forces.

(Nomination Criteria for Candidates for Internal Directors)

Article 4. The Nomination Committee nominates persons who meet the following requirements as a candidate for Internal Director of the Company:

- (1) A person who has expertise related to businesses of the Company;
- (2) A person who is well capable of making business decision and conducting business management;
- (3) A person who demonstrates outstanding leadership, decision-making skills, foresight, and planning ability;
- (4) A person who has integrity and insight suitable for a Director; and
- (5) A person who has no health issues in fulfilling one's duty as a Director.

(Nomination Criteria for Candidates for Outside Directors)

Article 5. The Nominating Committee shall nominate persons who meet the following requirements as a candidate for Outside Director of the Company:

- (1) A person who has deep insight relating to the fields of corporate management, risk management, compliance, financial accounting, internal control, macroeconomic policies, etc. Such candidate shall also have sufficient experience and judgment for appropriately making important managerial decisions for the Company and supervising duties executed by Executive Officers;
- (2) A person who has integrity and insight suitable for an Outside Director; and
- (3) A person who has no health issues in fulfilling one's duty as an Outside Director.

(Revision and Abolition)

Article 6. Revision and abolition of these criteria shall be subject to the resolution at the Nomination Committee.

[Designation Criteria for Independent Officers of the Company]

The Company shall designate independent officers as set forth by the Tokyo Stock Exchange from among the Outside Directors who do not fall under any of the following.

1. A person who has previously served as an executive person of the Japan Post Group
2. A person who has previously served as a director who was not an executive person of the parent company of the Company
3. An entity whose major business partner is the Company or an executive person, etc. of such business partner
4. A major business partner of the Company or an executive person, etc. of such business partner
5. A consultant, accounting professional or legal professional who receives or has received a large amount of money or other assets in addition to executive remuneration from the Company (in cases where the person who receives such assets is an organization such as a corporation or a partnership, a person who belongs to or has previously belonged to such organization)
6. A major shareholder of the Company (in the case of a corporation, an executive person, etc. of such corporation)
7. A spouse or a relative within the second degree of kinship of the following persons (excluding persons with no importance)
  - (1) A person as set forth in the preceding 1 to 6
  - (2) An executive person of the Japan Post Group (excluding the Company)
  - (3) A director who is not an executive person of the parent company of the Company
8. An executive person, etc. of an entity where an executive person, etc. of the Company assumes the post of an outside officer
9. A person who receives a large amount of donation from the Company (in cases where the person is an organization such as a corporation or a partnership, an executive person, etc. of such organization or a person equivalent thereto)

## Appendix

### 1. The definitions of the terms used in these Criteria are provided below.

Japan Post Group	The Company, the parent company of the Company, the subsidiaries of the Company and the fellow subsidiaries of the Company
Executive person	An executive person as prescribed in Article 2, Paragraph 3, Item 6 of the Ordinance for Enforcement of the Companies Act
Executive person, etc.	An executive person or a person who previously served as an executive person
An entity whose major business partner is the Company	An entity to which the average annual amount of payment made by the Company in the past three fiscal years is 2% or more of such entity's average annual consolidated net sales over the past three fiscal years
A major business partner of the Company	An entity by which the average annual amount of payment made to the Company in the past three fiscal years is 2% or more of the Company's average annual consolidated ordinary profit over the past three fiscal years
Large amount of money	Money in the average annual amount of 10 million yen or more in the past three fiscal years
Major shareholder	Major shareholders as prescribed in Article 163, Paragraph 1 of the Financial Instruments and Exchange Act
Large amount of donation	A donation in the average annual amount of 10 million yen or more in the past three fiscal years

### 2. With regard to attribute information of independent officers, when the transactions or donations associated with independent officers meet the immateriality standards provided below, such transactions or donations shall be judged to have no impact on the independency of such independent officers, and therefore attribute information of the independent directors shall be omitted.

#### (1) Transactions

- (i) The average annual amount of payment made by the Company to such business partner in the past three fiscal years is less than 1% of such business partner's average annual consolidated net sales over the past three fiscal years.
- (ii) The average annual amount of payment made by such business partner to the Company in the past three fiscal years is less than 1% of the Company's average annual consolidated ordinary profit over the past three fiscal years.

#### (2) Donations

The average annual amount of donation made by the Company in the past three fiscal years is less than 5 million yen.

## I. Matters Concerning the Current Status of JAPAN POST INSURANCE Co., Ltd.

### 1. Progress and Results of Business, etc., of the Corporate Group

[Details of main business of the corporate group]

The Company belongs to the Japan Post Group, for which the parent company is Japan Post Holdings Co., Ltd. (“Japan Post Holdings”). Further, Japan Post Insurance Group mainly consists of the Company and one subsidiary (collectively the “Group”), and mainly engages in life insurance business.

[Financial and economic environment and business progress and results of the corporate group in the fiscal year ended March 31, 2018]

The Japanese economy in the fiscal year ended March 31, 2018 continued gradual recovery as exports and production grew amid improvement in personal consumption. The U.S., European and Chinese economies continued solid recovery due to continuing growth in production in the manufacturing industry worldwide.

The role of the life insurance industry is growing ever more to support self-help efforts of customers by strengthening sales channels and developing products in response to customers’ diversifying needs and heightened selectivity, which mirrors such trends as the aging of society with declining birthrates, a growing number of one-person households, and evolving lifestyles.

Inheriting the Postal Life Insurance Service social mission of “protecting the means of fundamental livelihood of the public through simple procedures,” the Company has set forth its management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” We strive to provide simple and easy-to-understand products with smaller coverage amounts focused on endowment insurance and whole life insurance through the nationwide network of post offices, along with warmhearted customer services, through “Feel Secure with Kampo” activities.

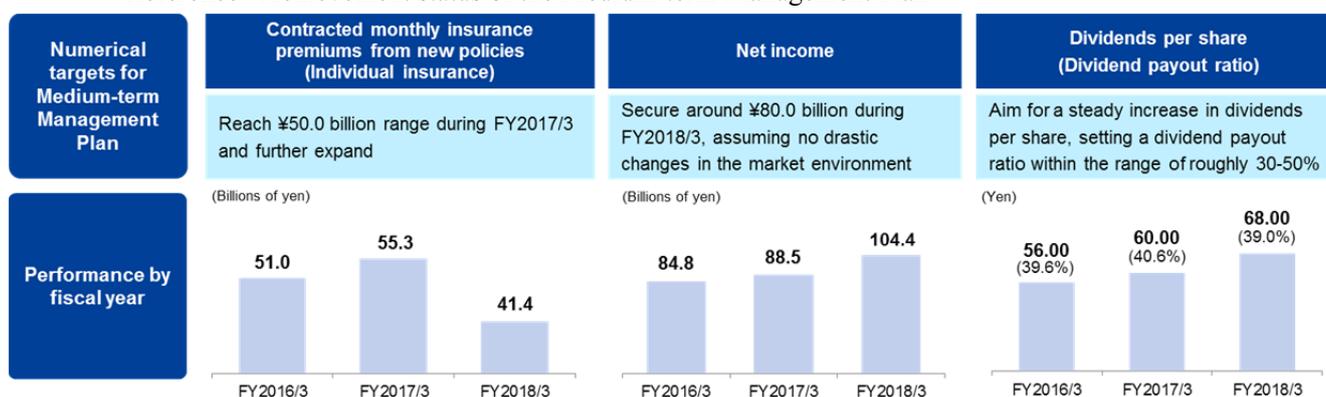
Under this management philosophy, the Company will make efforts to become the No. 1 Japanese insurance company selected by customers by setting “thoroughly implementing customer-first business operations,” “achieving sustainable growth,” and “maintaining sound business operations,” as our fundamental management approach, while leveraging the Kampo brand

of “reliability” and “trustworthiness.”

The Company established its Medium-term Management Plan covering the three years from the fiscal year ended March 31, 2016 to the fiscal year ended March 31, 2018, and has worked towards the achievement of targets under such plan.

Our policy for the three years of the Medium-term Management Plan is to pave the way for real growth by establishing the management base necessary for the Company’s growth and providing products and services to further enhance our strengths. Specifically, we focused on “product development corresponding to customers’ needs,” “enhancing sales force of distribution channel,” “improvement of services for elderly customers,” “deployment of administrative and IT system,” “improving capacity for earnings from investment,” “enhancing internal control system,” and “enhancing human resource development.” As a result, with regard to the three business objectives set out in the Medium-term Management Plan, we achieved our net income and dividend payout ratio targets throughout the period of the Plan. Contracted monthly insurance premiums from new policies increased to ¥51.0 billion in the fiscal year ended March 31, 2016 and ¥55.3 billion in the fiscal year ended March 31, 2017, reaching the target of the ¥50.0 billion-level a year ahead of schedule. In the fiscal year ended March 31, 2018, although contracted monthly insurance premiums from new policies amounted to ¥41.4 billion due to a full-fledged shift to sales activities focused on protection-type products associated with revision of insurance premiums, product profitability improved substantially.

<Reference> Achievement status of the Medium-term Management Plan



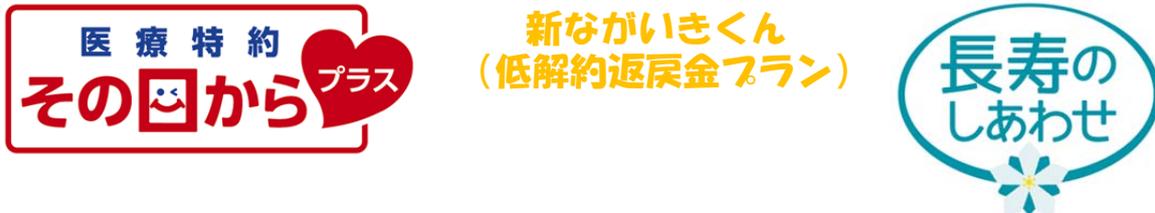
Specific initiatives in the fiscal year ended March 31, 2018 were as follows.

**Product development corresponding to customers’ needs**

As for “product development corresponding to customers’ needs,” in October 2017, the Company worked to meet customer needs and respond to changes in the environment including advances in medical technology, the continuing low interest rate environment, and increasing longevity, by launching medical riders that cover initial costs of hospitalization as well as outpatient surgery,

whole life insurance that limits the burden of premiums while maintaining the same insurance coverage by setting lower surrender benefits for surrender of policies during the premium payment term, and annuity policies that offers a higher total amount of annuities received the longer one lives.

<Reference> Logos for products launched in October 2017



### Enhancing sales force of distribution channel

As for “enhancing sales force of distribution channel,” the Company worked on sales activities to increase opportunities to meet more customers through various measures including Feel Secure with Kampo activities, life plan consultation meetings, and marketing campaigns through the post office channel, which accounts for approximately 90% of the Company’s new policy sales.

In addition, the Company promoted sales of new products launched in October 2017, and made efforts to improve employees’ sales skills through training in order to make proposals according to customers’ life plans and needs. As a result, the Company was able to make steady progress in shifting to protection-type products, as evidenced by a year-on-year increase in sales results for products with high protection features such as ordinary whole life insurance and special endowment insurance. In its directly-managed wholesale channel, the Company worked on sales activities in the corporate client, worksite, and internal markets (within the Japan Post Group), through efforts such as expanding contact points with corporations and enhancing training to strengthen the sales force of whole sales personnel, in addition to cultivating corporate sales in major companies through the Whole Sales Department established in April 2017.



<Reference> Logo of “Feel Secure with Kampo”

<Reference> Banners for various sales campaigns



## Improvement of services for elderly customers

As an effort for “improvement of services for elderly customers,” the Company promoted “Kampo Platinum Life Service,” an initiative to offer elderly customers warmhearted services that emphasize a sense of security and trust by improving operations at every customer contact from the elderly customer’s perspective. In addition, we made efforts to improve ease-of-understanding and quality by simplifying procedures for claiming insurance and other operations from the customer’s perspective based on the “Basic Policies for Customer-first Business Operations” published in April 2017.



<Reference> Publishing of an information magazine for elderly customers (2018 Spring/Summer)

## Deployment of administrative and IT system

For the “deployment of administrative and IT system,” the Company worked to enhance the quality of benefit payment examination operations and speed up payment through the introduction of IBM Watson. We also integrated IBM Watson into our call center operations in April 2017 in an effort to establish an administrative and system foundation that will lead to enhanced customer service and company growth. Going forward, the Company will continue to actively introduce and utilize advanced technology in an effort to improve administrative and payment quality to provide greater satisfaction to customers.

## Improving capacity for earnings from investment

With regard to “improving capacity for earnings from investment,” in response to the continuing low interest rate environment, the Company increased investment in return seeking assets focused on foreign bonds and stocks within the risk buffer limit based on ALM, in order to secure stable profit margins. As a result, the balance of return seeking assets was 12.3% of total assets at the end of the fiscal year ended March 31, 2018. We are also steadily promoting diversification of asset management by beginning full-fledged investment in alternative investments\*<sup>1</sup> such as hedge funds. At the same time, we continue to strengthen our investment capabilities through measures that include ongoing recruitment of external specialists in order to improve our capacity for earnings from investment and to diversify our asset management.

Furthermore, in February 2018, the Company collaborated with JAPAN POST BANK Co., Ltd. to establish Japan Post Investment Corporation, which manages private equity funds\*<sup>2</sup>. We will continue striving for the diversification of asset management with the aim of expanding returns.

\*1 “Alternative investments” is a general term for new investment options or methods other than financial instruments that have a relatively long history such as bonds or listed stocks (traditional assets).

\*2 “Private equity funds” are investment funds that purchase stock in unlisted companies (private equity), and increase the corporate value of the investee company by providing business support, etc., with the aim for capital gain.

## Enhancing internal control system

As for “enhancing internal control system,” the Company draws up a “Compliance Program” as a specific action plan to promote compliance, and works to improve employees’ compliance awareness through various initiatives and training courses, etc.

As an initiative in line with general measures toward improving solicitation quality, for applications where the customer is aged 70 or older, we provide careful explanations of the product content by, for example, using the “Policy Confirmation Form” and other materials, with a family member present. In particular, where the customer is aged 80 or older, the consent of a family member is required for insurance policy applications.

With regard to risk management, we have promoted the sophistication of our enterprise risk management (ERM) system<sup>\*1</sup>, aiming to maintain the soundness of our financial conditions and improve our capital efficiency while working to secure stable profit and enhance our corporate value sustainably.

- \*1 “Enterprise risk management (ERM)” aims to ascertain risks on an overall basis, which encompasses latent significant risks, for any risk a company faces and compare and contrast such risks with its capital and other areas in managing risk for our overall business.



<Reference> Flyer prompting family members of customers to be present

## Enhancing human resource development

Regarding “enhancing human resource development,” we have implemented various measures to realize a working environment where all employees are highly motivated in their work, where they can grow together with the Company and achieve self-fulfillment.

In workstyle reforms, we made efforts to revise workstyles under leaders appointed in each organization in order to implement reforms companywide. As a result, the average amount of overtime for the period from April 2017 to March 2018 was 9 hours, a decrease of 6.7 hours from the fiscal year ended March 31, 2015.

As for diversity promotion, with regard to promotion of women’s career activities, we carried out training and other employee development measures to support career building for female employees with the aim of achieving over 14% ratio of women in management positions by April 2021. The ratio of female managers in April 2018 was 10.5%, up 4 points from April 2015. In promoting employment of people with disabilities, we worked to expand and firmly establish the employment of people with disabilities in our workforce mainly through leaders who encourage employment of people with disabilities. The employment rate of people with disabilities was 2.3% as of March 31, 2018, compared to the legally mandated rate of 2.0%. In addition, the Company’s efforts in relation to LGBT\*<sup>1</sup> have been recognized with a Gold rating at the “work with Pride 2017” on its “PRIDE INDEX.”

\*1 LGBT: Lesbian, Gay, Bisexual and Transgender.



<Reference> Promotion of diversity and inclusion -  
Workshop to support the careers of female  
employees (Next-Generation Leaders Workshop)



<Reference> Awarded “Gold” in the “PRIDE  
INDEX”

As a life insurance company, a listed company, and an institutional investor, the Company implements various measures with the aim of contributing to health promotion, environmental conservation, and the development of local communities and society based on the ESG\*<sup>1</sup> perspective in order to fulfill its social responsibility to all its stakeholders.

To support the health of people through radio exercises, we held a “Radio Exercise and Minna no Taiso Summer Tour” in 43 venues across Japan from July to August of 2017, and held a “Radio

Exercise and Minna no Taiso Special Tour” in 9 locations across Japan from May to October of 2017. In addition, we have made donations to environmental groups that are active in forestation, based on the number of customers who made use of the online contract guidelines and policy conditions (we donated ¥32.00 million in June 2017, for a cumulative total of ¥52.10 million since July 2015).



<Reference> At the 56th Festival of 10 Million People’s Radio Exercise and Minna no Taiso (on July 30, 2017, Nagaoka City, Niigata Prefecture)



<Reference> Gold award winning school in the fourth contest (the “2nd Generation Radio Exercise Hirome-taishi,” of Hikonari Elementary School, Misato City, Saitama Prefecture)

As a contribution through ESG investment, the Company promotes investments to contribute to the creation of a sustainable society, including new investments in JICA (Japan International Cooperation Agency) social bonds. We also became a signatory to the United Nations Principles for Responsible Investment (PRI)<sup>\*2</sup> in October 2017 to declare our commitment to ESG investment.

In response to Japan’s Stewardship Code<sup>\*3</sup>, we established a Responsible Investment Advisory Committee, including external experts, from the perspective of strengthening governance with regard to conflicts of interest in the exercise of shareholders’ voting rights. In addition, we engage in constructive dialogue with investee companies and make individual disclosure of the results of exercise of shareholders’ voting rights. Going forward, we will continue to fulfill our stewardship responsibility appropriately as a responsible institutional investor.

\*1 ESG: Environment, Social and Governance.

\*2 “The United Nations Principles for Responsible Investment” are six principles for action published by the United Nations as an approach for incorporating ESG issues in investment decision-making processes by institutional investors.

\*3 “The Stewardship Code” is a set of principles stipulating the responsibilities of institutional investors to strive to increase the medium- to long-term investment return for their customers and beneficiaries by promoting the enhancement of corporate value and sustainable growth of investee companies through engagement, or purposeful dialogue, with those companies.

With regard to policy amounts during the fiscal year under review, annualized premiums<sup>\*1</sup> from new policies for individual insurance reached ¥376.2 billion (25.9% decrease year on year), due to

the impact of insurance premium revisions in April 2017. Annualized premiums from new policies for medical care coverages<sup>\*2</sup> such as hospitalization benefit and surgery benefit amounted to ¥59.2 billion (6.2% increase year on year), due to the effect of sales activities focused on protection needs and medical care riders launched in October 2017.

For individual insurance, annualized premiums from policies in force<sup>\*3</sup> reached ¥4,859.5 billion (2.4% decrease year on year), and annualized premiums from policies in force<sup>\*3</sup> for medical care coverages reached ¥750.9 billion (2.0% increase year on year).

\*1 “Annualized premiums” are the amount of insurance premiums adjusted according to differences in payment method (monthly, yearly, etc.), and converted to one year (12 months). Annualized premiums from new policies and policies in force are indicators that show the size of sales of life insurance companies as with the amount of insurance premiums and others.

\*2 “Medical care coverage” (“third sector”) is a general term for insurance related to medical care, cancer, nursing care, etc., which does not fall under either life insurance (“first sector”) or nonlife insurance (“second sector”).

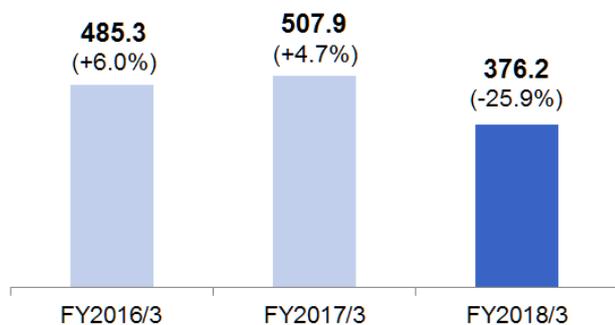
\*3 Includes reinsured Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance.

<Reference> Status of annualized premiums

■ Annualized premiums from new policies

**Individual insurance**

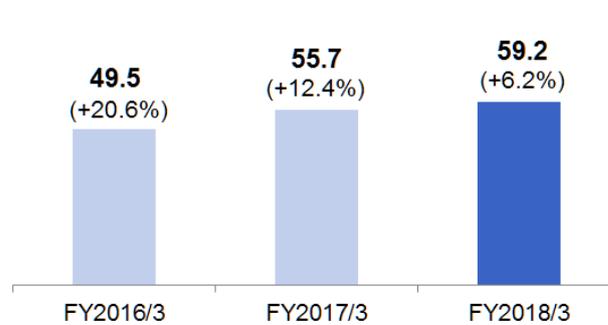
(Billions of yen)



\* Figures in brackets indicate year on year change

**Third-sector insurance**

(Billions of yen)



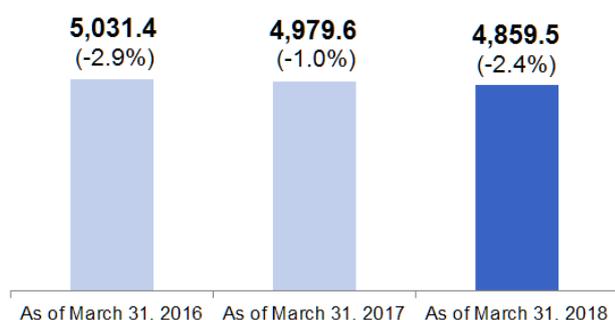
\* Figures in brackets indicate year on year change

\*\* "Third-sector insurance" includes medical coverages (including hospitalization and surgery coverages).

■ Annualized premiums from policies in force

**Individual insurance**

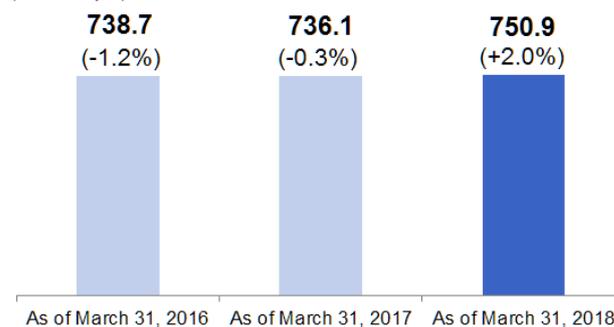
(Billions of yen)



\* Figures in brackets indicate year on year change

**Third-sector insurance**

(Billions of yen)



\* Figures in brackets indicate year on year change

\*\* "Third-sector insurance" includes medical coverages (including hospitalization and surgery coverages).

Consolidated profit and loss in the fiscal year ended March 31, 2018 were as follows.

Ordinary income amounted to ¥7,952.9 billion (8.2% decrease year on year), comprising the sum of insurance premiums and others of ¥4,236.4 billion (16.0% decrease year on year), investment income of ¥1,284.5 billion (6.1% decrease year on year), and other ordinary income of ¥2,431.9 billion (8.1% increase year on year).

Ordinary expenses amounted to ¥7,643.7 billion (8.8% decrease year on year), comprising the sum of insurance claims and others of ¥6,890.0 billion (8.7% decrease year on year), investment expenses of ¥106.0 billion (33.9% decrease year on year), operating expenses of ¥533.4 billion (4.8% decrease year on year), other ordinary expenses of ¥114.1 billion (5.2% increase year on year) and others.

As a result, ordinary profit amounted to ¥309.2 billion (10.5% increase year on year), and net

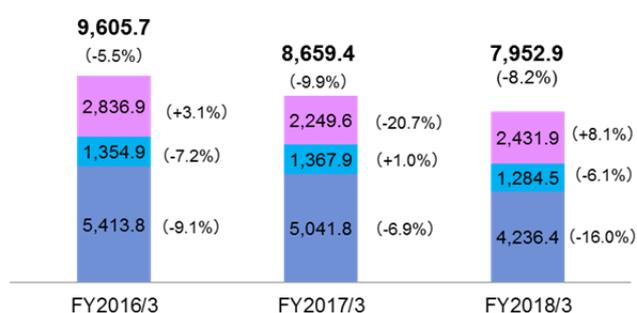
income attributable to Japan Post Insurance amounted to ¥104.4 billion (17.9% increase year on year), which is calculated by adjusting extraordinary gains or losses, and subtracting provision for reserve for policyholder dividends and total income taxes from ordinary profit.

<Reference> Consolidated profit and loss

### Ordinary income

(Billions of yen)

- Other ordinary income
- Investment income
- Insurance premiums and others

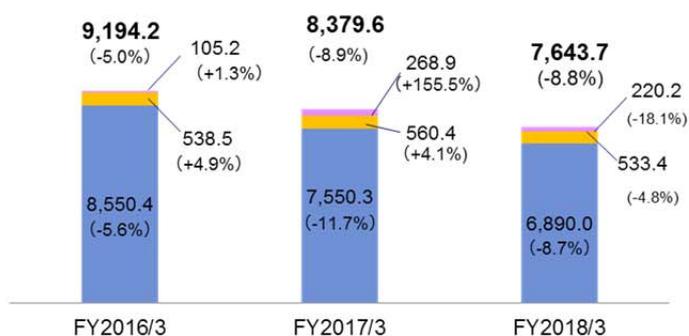


\* Figures in brackets indicate year on year change

### Ordinary expenses

(Billions of yen)

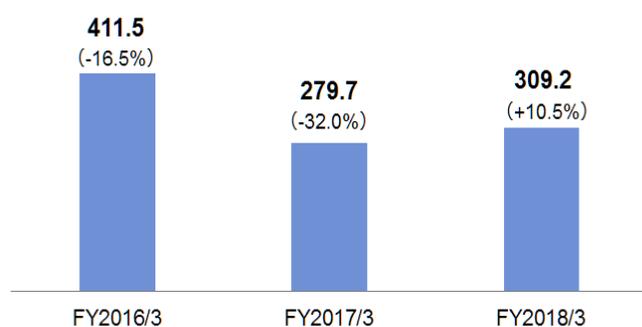
- Others (investment expenses, other ordinary expenses, etc.)
- Operating expenses
- Insurance claims and others



\* Figures in brackets indicate year on year change

### Ordinary profit

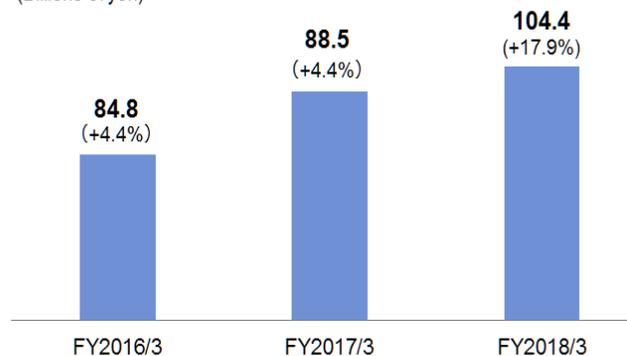
(Billions of yen)



\* Figures in brackets indicate year on year change

### Net income attributable to Japan Post Insurance

(Billions of yen)



\* Figures in brackets indicate year on year change

[Issues to be addressed]

In May 2018, the Japan Post Group announced the “Japan Post Group Medium-term Management Plan 2020,” a new Medium-term Management Plan for the period from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021, to indicate the direction of its management with the aim of being a “Total Lifestyle Support Group” that supports customers to realize safe, secure, comfortable and affluent lifestyles and lives.

Under the new Medium-term Management Plan, we have set “Pursue customer first business operations,” “Achieve sustainable growth,” and “Maintain sound business operations” as our fundamental management approach. Specifically, we aim to increase profit in both sales and asset management in an extremely low interest rate environment, and reverse the decreasing trend and achieve growth in annualized premiums from policies in force, while ensuring customer-first solicitation activities. To that end, the Company will implement the following strategies.

**Strengthening of sales activities focusing on protection needs, improvement in solicitation quality, cultivation of new customer base, development of new products, and establishment of sales foundation**

The Company will provide products and services that truly satisfy customers by adequately addressing their intention, based on thoroughgoing customer-first solicitation activities.

We will provide training for sales personnel to improve their sales skills in accordance with customers’ protection needs. Meanwhile, we will secure new policies by cultivating the uninsured and young- and middle-aged customer segments.

At the same time, we will ensure that solicitation materials are easy to understand and pursue comprehensive measures to improve solicitation quality by introducing policy maintenance evaluation, etc.

In addition, we will continue our efforts to provide products and services in line with customer needs by diversifying protection-type products including third sector products and establishing a sales foundation through introducing new mobile devices for sales.

Through these efforts, we will strive to reverse the decreasing trend and achieve growth in annualized premiums from policies in force.

**Improvement of customer service and enhancement of efficiency in back-office administration through use of ICT**

The Company will strive to provide high-quality services that satisfy customers through use of ICT\*1.

We aim to further improve customer services through measures including the introduction of an automated notification system via the mobile devices for sales carried by our sales personnel, and

reception of various types of claims online.

We will also plan to reduce administrative workload by shifting from paper-based to electronic forms at our Service Centers, and saving labor in data entry work by stepwise introduction of RPA<sup>\*2</sup>.

\*1 ICT (Information and Communication Technology): a general term for technologies related to information and communication.

\*2 RPA (Robotic Process Automation): Automation of operations using robotics.

### **Diversification of asset management and sophistication of risk management**

We will promote diversification of asset portfolio by increasing the ratio of return seeking assets within scope of risk buffer based on ALM<sup>\*1</sup> to guarantee payment of insurance claims, while diversifying foreign bonds, alternative assets and expanding in-house stock investment.

In addition, we will work to sophisticate our risk management, aiming for further improvement in return on risk while ensuring financial soundness under ERM framework.

\*1 ALM (Asset Liability Management): Integrated management of assets and liabilities

Furthermore, through efforts to promote workstyle reforms, diversity, and health management, we will establish a diverse, secure and inclusive working environment that encourages the growth of each and every employee, and will link these measures to the enhancement of corporate value.

Under the new Medium-term Management Plan, we will steadily carry out the key initiatives mentioned above, with the aim of securing sustainable profit growth and a solid business foundation.

[Main performance of the Company]

<Policy amounts>

As for individual insurance, annualized premiums from new policies reached ¥376.2 billion (25.9% decrease year on year), while those from policies in force reached ¥3,367.3 billion (5.0% increase year on year). Policy amount of new policies based on coverage amount reached ¥5,464.1 billion (30.4% decrease year on year), while policy amount of policies in force based on coverage amount reached ¥52,359.7 billion (4.5% increase year on year).

As for individual annuities, annualized premiums from new policies reached ¥0.2 billion (98.6% decrease year on year), while those from policies in force reached ¥491.1 billion (13.7% decrease year on year). Policy amount of new annuity policies based on accumulated contribution payment and policy reserves reached ¥3.0 billion (92.5% decrease year on year), while policy amount of policies in force based on accumulated contribution payment and policy reserves reached ¥2,742.5 billion (12.4% decrease year on year).

(Billions of yen)

For the fiscal year ended March 31	2015	2016	2017	2018
Individual insurance (annualized premiums)				
New policies	457.8	485.3	507.9	376.2
Policies in force (As of March 31)	2,526.8	2,863.5	3,207.9	3,367.3
Individual annuities (annualized premiums)				
New policies	162.5	105.1	19.4	0.2
Policies in force (As of March 31)	673.8	656.0	569.3	491.1
Individual insurance (coverage amount)				
New policies	7,002.5	7,168.4	7,847.4	5,464.1
Decreased policies	1,579.2	1,921.2	2,155.7	3,202.4
Policies in force (As of March 31)	39,159.0	44,406.2	50,097.9	52,359.7
Individual annuities (accumulated contribution payment and policy reserves)				
New policies	493.5	219.7	39.7	3.0
Decreased policies	321.5	359.1	385.1	391.6
Policies in force (As of March 31)	3,615.9	3,476.4	3,131.1	2,742.5

Notes:

1. The figures are truncated.
2. The figures do not include the Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance in the form of reinsurance. Status of

reinsured Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance is described hereunder as a reference.

3. Accumulated contribution payment in individual annuities refer to the aggregate amount bound to be paid in the future for the annuity before payments commence, converted into the value as of the date of annuity payment commencement.
4. Policy reserves in individual annuities refer to the reserve to provide for the future payment of annuities for the annuity after payments have commenced.
5. The Company underwrites neither group insurance nor group annuities.

<Reference> Reinsured Postal Life Insurance Policies Received from the Management Organization for Postal Savings and Postal Life Insurance

(Billions of yen)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
Insurance (insured amount)	54,322.4	46,114.5	38,605.4	33,077.2
Annuities (annuity amount)	1,077.9	932.1	799.1	682.8

Note: These figures are based on standards applied by the Management Organization for Postal Savings and Postal Life Insurance when it calculates published numerical data, where the figures are rounded.

<Policy reserves>

(Billions of yen)

	As of March 31, 2015	As of March 31, 2016	As of March 31, 2017	As of March 31, 2018
Policy reserves	75,112.6	72,362.5	70,175.2	67,777.2
Contingency reserve	2,498.7	2,374.8	2,254.0	2,114.3

Notes:

1. The figures are truncated.
2. Of the policy reserves as of March 31, 2018, policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Organization for Postal Savings and Postal Life Insurance, amounted to ¥38,351.1 billion, while contingency reserve is provided in the amount of ¥1,665.0 billion for the category of reinsurance.

<Indicators of core profit, etc.>

(Billions of yen)

For the fiscal year ended March 31	2015	2016	2017	2018
Core profit	515.4	464.2	390.0	386.1
Real net assets (as of March 31)	11,512.2	14,643.0	12,757.4	12,899.8
Solvency margin ratio (as of March 31)	1,641.4%	1,568.1%	1,289.1%	1,130.5%
Consolidated real net assets (as of March 31)	11,521.1	14,649.5	12,763.1	12,904.8
Consolidated solvency margin ratio (as of March 31)	1,644.2%	1,570.3%	1,290.6%	1,131.8%

Notes:

1. The figures for core profit, real net assets and consolidated real net assets are truncated.
2. Solvency margin ratio and consolidated solvency margin ratio are truncated to one decimal place.
3. Values of real net assets and consolidated real net assets as well as solvency margin ratio and consolidated solvency margin ratio from March 31, 2016 onward are based on the standard adopted from March 31, 2016, while those as of March 31, 2015 are based on the standard adopted during fiscal year ended March 31, 2015 and before.

## 2. Financial Condition and Results of Operations of the Corporate Group and the Company

### 1) Financial condition and results of operations of the corporate group

(Millions of yen)

For the fiscal year ended March 31	2015	2016	2017	2018
Ordinary income	10,169,241	9,605,743	8,659,444	7,952,951
Ordinary profit	492,625	411,504	279,755	309,233
Net income attributable to Japan Post Insurance	81,323	84,897	88,596	104,487
Comprehensive income	457,932	(68,218)	4,342	185,868
Net assets	1,975,727	1,882,982	1,853,203	2,003,126
Total assets	84,915,012	81,545,182	80,336,760	76,831,261

Note: The figures are truncated.

2) Financial condition and results of operations of the Company

For the fiscal year ended March 31		2015	2016	2017	2018
		(Billions of yen)	(Billions of yen)	(Billions of yen)	(Billions of yen)
Policy amount in force as of the fiscal year-end	Individual insurance	39,159.0	44,406.2	50,097.9	52,359.7
	Individual annuities	3,615.9	3,476.4	3,131.1	2,742.5
	Group insurance	—	—	—	—
	Group annuities	—	—	—	—
	Other insurance	0.2	0.1	0.1	0.1
		(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
	Insurance premiums and others	5,956,716	5,413,862	5,041,868	4,236,461
	Investment income	1,460,745	1,354,966	1,367,937	1,284,529
	Insurance claims and others	9,059,549	8,550,474	7,550,323	6,890,020
	Ordinary profit	493,169	413,023	279,347	308,845
	Provision for reserve for policyholder dividends	200,722	178,004	152,679	117,792
	Net income	81,758	86,338	88,520	104,309
	Total assets	84,911,946	81,543,623	80,336,414	76,832,508
		(Yen)	(Yen)	(Yen)	(Yen)
	Net income per share	136.26	143.90	147.58	173.91

Notes:

1. The figures are truncated. However, amount of net income per share is rounded.
2. Policy amounts at each year-end do not include the Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance in the form of reinsurance. Status of reinsured Postal Life Insurance Policies received from the Management Organization for Postal Savings and Postal Life Insurance is described in the <reference> of I. 1 [Main performance of the Company].
3. Policy amounts in force for individual annuities are the total of (a) the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence and (b) the amount of policy reserves for the annuity after payments have commenced.
4. The Company underwrites neither group insurance nor group annuities.
5. Other insurance refers to asset-formation insurance and asset-formation annuities. The amount of policies in force is the total of (a) for asset-formation insurance, the policy reserves, and (b) for asset-formation annuities, the accumulated contribution payment as of the date of annuity payment commencement for the annuity before payments commence, and the amount of policy reserves for the annuity after payments have commenced.
6. The Company implemented a 30:1 stock split effective August 1, 2015, and net income per share has been calculated assuming the stock split was implemented on April 1, 2014.
7. The Company established a Board Benefit Trust (BBT) from the fiscal year ended March 31, 2017. Shares of the Company held in the trust, which was recorded as treasury stock under the category of shareholders' equity in the financial statements, were included in treasury stock to be deducted from the calculation of the average number of shares during the fiscal year, for the purpose of calculating net income per share.

### 3. Main offices of the Corporate Group

Department	Name of company	Name of office	Location	Date of establishment
Insurance business and related business	The Company	Head Office	Chiyoda-ku, Tokyo	September 1, 2006
Information systems-related business	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Head Office	Shinagawa-ku, Tokyo	October 3, 2011

Note:

Date of establishment refers to the date of establishment of the Company for the insurance business and related business, while the date on which JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. became a subsidiary is stated for the information system-related business.

[Branches and agencies of the Company]

(Number of locations/ branches)

Category	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
Regional Headquarters	13	13	—
Branches	82	82	—
Agency	600	581	(19)
Japan Post Co.	1	1	—
Contracted post office	599	580	(19)

Notes:

1. Number of offices (post offices) of Japan Post Co. handling insurance solicitation business for the Company was 20,047 as of March 31, 2018 (a decrease of 3 year on year). In addition, 37 post offices are temporarily closed due to the Great East Japan Earthquake.
2. Number of contracted post offices represents those acting as insurance agencies handling the insurance solicitation business for the Company, while the number of contracted post offices commissioned to conduct customer referral (referral agencies) for Japan Post Co. which acts as an agency of the Company was 2,448 as of March 31, 2018 (an increase of 3 year on year). In addition, 2 contracted post offices acting as referral agencies are temporarily closed due to the Great East Japan Earthquake.

#### 4. Employees of the Corporate Group

(Persons)

Department	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)
Insurance business and related business	7,424	7,490	66
Information systems-related business	541	622	81
Total	7,965	8,112	147

Note: Number of employees (including those seconded from companies outside the Corporate Group, but excluding those seconded to companies outside the Corporate Group) represents the number of employees in full-time employment, and excludes those in temporary employment (including associate employees who have converted to indefinite-term employment based on the system for conversion to indefinite-term employment).

[Employees of the Company]

Category	As of March 31, 2017	As of March 31, 2018	Increase (Decrease)	As of March 31, 2018		
				Average age	Average years of service	Average monthly salary
	(Persons)	(Persons)	(Persons)	(Years old)	(Years)	(Thousand yen)
In-house employees	6,320	6,342	22	38.7	14.6	353
Sales employees	1,104	1,148	44	39.2		

Notes:

1. Number of employees represents the number of employees in full-time employment (including those seconded from other companies, but excluding those seconded to other companies), and excludes those in temporary employment (including associate employees who have converted to indefinite-term employment based on the system for conversion to indefinite-term employment).
2. Average number of years of service represents the number of years of continuous service including years at Ministry of Posts and Telecommunications, Postal Services Agency (Ministry of Internal Affairs and Communications) and Japan Post.
3. Average age and average years of service are based on ages and years counted by the western-style method as of March 31, 2018, and truncated to one decimal place.
4. Average monthly salary represents fixed salary as of March 2018, excluding overtime allowance and bonus. The figures are truncated.

#### 5. Major Creditors of the Corporate Group

Not applicable

#### 6. Financing of the Corporate Group

Not applicable

## 7. Capital Investment of the Corporate Group

### 1) Total amount of capital investment

(Millions of yen)

Department	Amount
Insurance business and related business	34,499
Information systems-related business	138

Note: The figures are truncated.

### 2) New installation, etc., of significant equipment

- New installation, expansion, or repair of significant equipment in the fiscal year ended March 31, 2018

Not applicable

- Disposal of significant equipment in the fiscal year ended March 31, 2018

The Company transferred the former Tokyo Service Center (land and buildings) it had held in connection with the insurance business and related business.

## 8. Principal Parent Company and Subsidiaries, etc.

### 1) Parent company

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of the Company held by the parent company	Others
Japan Post Holdings Co., Ltd.	Chiyoda-ku, Tokyo	A holding company	January 23, 2006	3,500,000 (Millions of yen)	89.00%	

Notes:

1. The figures are truncated.
2. Percentage of voting rights of the Company held by the parent company is rounded to two decimal places.

2) Principal subsidiaries, etc.

Company name	Location	Main business	Date of establishment	Capital	Percentage of voting rights of subsidiaries, etc., held by the Company	Others
JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Shinagawa-ku, Tokyo	Commissioning of design, development, maintenance and operation of information system	March 8, 1985	500 (Millions of yen)	100%	

Note: The figures are truncated.

9. Business Transfer, etc., of the Corporate Group

Not applicable.

10. Other Important Matters Concerning the Current State of the Corporate Group

Not applicable.

## II. Matters Concerning Directors and Executive Officers

### 1. Directors and Executive Officers

[Directors]

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Mitsuhiko Uehira	Director	Director of Japan Post Holdings Co., Ltd.	
Masaaki Horigane	Director		
Yasuhiro Sadayuki	Director Audit Committee Member		
Masatsugu Nagato	Director Chairman of Nomination Committee, Compensation Committee Member	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST BANK Co., Ltd.	
Shinji Hattori	Director (Outside Director) Nomination Committee Member, Compensation Committee Member	Chairman & Group CEO of Seiko Holdings Corporation Chairman & CEO of Seiko Watch Corporation	
Michiko Matsuda	Director (Outside Director) Audit Committee Member	Visiting Professor of Faculty of Applied Sociology, Kindai University Advisor of IHI Enviro Corporation	
Nobuhiro Endo	Director (Outside Director) Nomination Committee Member	Chairman of the Board (Representative Director) of NEC Corporation Outside Director of Seiko Holdings Corporation	
Masako Suzuki	Director (Outside Director) Audit Committee Member	Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc.	
Tamotsu Saito	Director (Outside Director) Chairman of Compensation Committee	Chairman of the Board of IHI Corporation	
Michiaki Ozaki	Director (Outside Director) Chairman of Audit Committee	Attorney-at-law Of Counsel of URYU & ITOGA Outside Audit & Supervisory Board Member of East Nippon Expressway Company Limited	Note 1

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Meyumi Hara	Director (Outside Director) Audit Committee Member	Executive Director of istyle Inc. President and Representative Director of IS Partners Inc. Outside Director of Seino Holdings Co., Ltd.	
Yoshie Komuro	Director (Outside Director)	President of Work-Life Balance Co., Ltd.	

Notes:

1. Director Mr. Michiaki Ozaki is familiar with corporate legal affairs, etc., as an attorney-at-law while having considerable knowledge in finance and accounting.
2. Director Mr. Yasuhiro Sadayuki has been elected as standing member of the Audit Committee for the purpose of ensuring audit effectiveness.
3. Eight Directors Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Hara and Ms. Yoshie Komuro are Outside Directors.
4. Seven Directors Mr. Shinji Hattori, Ms. Michiko Matsuda, Mr. Nobuhiro Endo, Ms. Masako Suzuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki and Ms. Meyumi Hara are Independent Officers registered with the Tokyo Stock Exchange.
5. At the Ordinary General Meeting of Shareholders held on June 21, 2017, Mr. Mitsuhiro Uehira, Mr. Masaaki Horigane, Mr. Yasuhiro Sadayuki, Mr. Tamotsu Saito, Mr. Michiaki Ozaki, Ms. Meyumi Hara and Ms. Yoshie Komuro were newly elected as Directors, and assumed their posts on the same day. Meanwhile, at the meeting of the Board of Directors held on the same day, Mr. Nobuhiro Endo was elected as a Nomination Committee Member, Mr. Michiaki Ozaki as Chairman of the Audit Committee, Mr. Yasuhiro Sadayuki, Ms. Masako Suzuki and Ms. Meyumi Hara as Audit Committee Members, and Mr. Tamotsu Saito as Chairman of the Compensation Committee, respectively, and assumed their posts on the same day.
6. Director Mr. Shinji Hattori was appointed on April 1, 2017 as Chairman & CEO of Seiko Watch Corporation.
7. Director Mr. Mitsuhiro Uehira was appointed on June 22, 2017 as Director of Japan Post Holdings Co., Ltd.
8. Director Ms. Meyumi Hara was appointed on June 28, 2017 as Outside Director of Seino Holdings Co., Ltd.
9. Director Mr. Nobuhiro Endo was appointed on June 29, 2017 as Outside Director of Seiko Holdings Corporation.

[Executive Officers]

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Mitsuhiko Uehira	President, CEO Representative Executive Officer	Director of Japan Post Holdings Co., Ltd.	
Masaaki Horigane	Deputy President Representative Executive Officer Assistant to the President, Secretariate and Actuarial and Accounting Department		
Yoshito Horiie	Senior Managing Executive Officer Compliance Control Department, Sales Quality Control Department and Customer Services Department		
Yoshihiko Ido	Senior Managing Executive Officer Sales Promotion Department, Sales Training Department, Regional Headquarters and Assistant to the Executive Officer responsible for Whole Sales Department		
Yoshio Inoue	Managing Executive Officer Internal Audit Department		
Hiromichi Udagawa	Managing Executive Officer Senior General Manager, Tokyo Regional Headquarters		Note 5
Hiroshi Nagaso	Managing Executive Officer Senior General Manager, Kanto Regional Headquarters		
Hisao Nishikawa	Managing Executive Officer Senior General Manager, Kinki Regional Headquarters		Note 5
Atsushi Tachibana	Managing Executive Officer Investment Planning Department, Investment Management Department and Credit and Alternative Investment Department		
Shinji Ando	Managing Executive Officer General Affairs Department, Legal Affairs Department and Loan Department		
Nobuyasu Kato	Managing Executive Officer Human Resources Department, Human Resources Development Department, Corporate Planning Department and Public Relations Department	Managing Executive Officer of Japan Post Holdings Co., Ltd. Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Yasuaki Hironaka	Managing Executive Officer Business Process Planning Department, IT Systems Management Department, IT Systems Planning Department, Assistant to the Executive Officer responsible for Underwriting Department, Assistant to the Executive Officer responsible for Policy Administration Department, Assistant to the Executive Officer responsible for Claims-Related Services Department, Assistant to the Executive Officer responsible for Policy Assessment Department and Assistant to the Executive Officer responsible for Claim Payment Services Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Tomoaki Nara	Managing Executive Officer Risk Management Department, Cash-Flow and Expense Management Department and Credit Department		
Nobuatsu Uchikoba	Managing Executive Officer Product Planning Department, Sales Planning Department, and Assistant to the Executive Officer responsible for Underwriting Department		
Yasumi Suzukawa	Managing Executive Officer Underwriting Department, Policy Administration Department, Claims-Related Services Department, Policy Assessment Department, Claim Payment Services Department, Whole Sales Department and Assistant to the Executive Officer responsible for Business Process Planning Department		

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Kieko Onoki	Executive Officer Assistant to the Executive Officer responsible for Human Resources Department (limited to duties related to Diversity Promotion Office), Assistant to the Executive Officer responsible for Business Process Planning Department, Assistant to the Executive Officer responsible for Underwriting Department, Assistant to the Executive Officer responsible for Policy Administration Department, Assistant to the Executive Officer responsible for Claims-Related Services Department, Assistant to the Executive Officer responsible for Policy Assessment Department, Assistant to the Executive Officer responsible for Claim Payment Services Department and General Manager, Sendai Administration Services Center		
Toru Onishi	Executive Officer Assistant to the Executive Officer responsible for Corporate Planning Department and Senior General Manager, Corporate Planning Department and Affiliated Business Office		
Keiki Ikejiri	Executive Officer Senior General Manager, Chugoku Regional Headquarters		Note 5
Hidekazu Sakamoto	Executive Officer Assistant to the Executive Officer responsible for Sales Promotion Department and Senior General Manager, Sales Promotion Department		
Junko Koie	Executive Officer Chief Actuary		
Masamichi Yokoyama	Executive Officer Assistant to the Executive Officer responsible for IT Systems Management Department, Assistant to the Executive Officer responsible for IT Systems Planning Department and Senior General Manager, IT Systems Planning Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
Motonori Tanaka	Executive Officer Senior General Manager, Tokai Regional Headquarters		

(As of March 31, 2018)

Name	Position and assignment	Significant concurrent positions	Others
Masato Hashiba	Executive Officer Assistant to the Executive Officer responsible for Sales Planning Department and Senior General Manager, Sales Planning Department		
Takashi Iida	Executive Officer Senior General Manager, Kyushu Regional Headquarters		

Notes:

1. President, CEO, Representative Executive Officer, Mr. Mitsuhiro Uehira and Deputy President, Representative Executive Officer, Mr. Masaaki Horigane concurrently serve as Directors.
2. At the meeting of the Board of Directors held on March 27, 2017, Mr. Nobuatsu Uchikoba, Mr. Masamichi Yokoyama and Mr. Motonori Tanaka were newly elected as Executive Officer, and assumed the post on April 1, 2017.
3. At the meeting of the Board of Directors held on June 21, 2017, Mr. Yasumi Suzukawa, Mr. Masato Hashiba and Mr. Takashi Iida were newly elected as Executive Officer, and assumed the post on June 21, 2017.
4. At the meeting of the Board of Directors held on June 21, 2017, elections of, and changes to Executive Officers with titles were effected as follows.

Name	Position (Before)	Position (After)	Date of change
Mitsuhiro Uehira	Senior Managing Executive Officer	President, CEO Representative Executive Officer	June 21, 2017
Masaaki Horigane	Senior Managing Executive Officer	Deputy President Representative Executive Officer	June 21, 2017
Yoshihiko Ido	Managing Executive Officer	Senior Managing Executive Officer	June 21, 2017
Tomoaki Nara	Executive Officer	Managing Executive Officer	June 21, 2017
Nobuatsu Uchikoba	Executive Officer	Managing Executive Officer	June 21, 2017
Yasumi Suzukawa	(Newly appointed)	Managing Executive Officer	June 21, 2017

5. Mr. Hiromichi Udagawa, Mr. Hisao Nishikawa and Mr. Keiki Ikejiri resigned from the post of Executive Officer on March 31, 2018.
6. Managing Executive Officers Mr. Nobuyasu Kato, Mr. Yasuaki Hironaka and Executive Officer Mr. Masamichi Yokoyama were appointed on June 19, 2017 as Directors of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. In addition, Managing Executive Officer Mr. Shinji Ando, who concurrently served as Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. retired from the post on June 19, 2017.
7. Managing Executive Officer Mr. Nobuyasu Kato was appointed on June 22, 2017 as Managing Executive Officer of Japan Post Holdings Co., Ltd.
8. Important matters related to Executive Officers for the period after March 31, 2018 are as follows.

At the meeting of the Board of Directors held on March 26, 2018, Mr. Yoshiki Miyanishi, Mr. Shinsuke Fujii, Mr. Norihiro Fujimori and Mr. Hajime Saito were newly elected as Executive Officers, and assumed their posts on April 1, 2018. In addition, at the same meeting of the Board of Directors, Mr. Yoshiki Miyanishi was elected as Managing Executive Officer and assumed his post on April 1, 2018.

[Executive Officers Who Retired during the Fiscal Year Ended March 31, 2018]

(As of retirement date)			
Name	Position and assignment	Significant concurrent positions	Others
Tetsuya Senda	Senior Managing Executive Officer		Resigned on October 31, 2017

Note: While Mr. Tetsuya Senda concurrently served as Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd., he resigned from the post on June 19, 2017. In addition, while Mr. Tetsuya Senda concurrently served as Managing Executive Officer of Japan Post Holdings Co., Ltd., he resigned from the post on June 22, 2017.

## 2. Compensation, etc., for Directors and Executive Officers

(Millions of yen)		
Category	Number of persons compensated	Compensation, etc.
Directors	13 persons	88 (of which, other than compensation: -)
Executive Officers	29 persons	785 (of which, other than compensation: -)
Total	42 persons	874 (of which, other than compensation: -)

Notes:

- The figures are truncated.
- As the Company does not give compensation, etc., for Directors who concurrently serve as Executive Officer of the Company or the parent company, etc., number of persons compensated does not include 6 Directors who concurrently serve as Executive Officer of the Company or the parent company, etc.
- Number of persons compensated and compensation, etc., include compensation, etc., for 4 Directors and 5 Executive Officers who have retired during the current fiscal year and 3 Executive Officers who have resigned on March 31, 2018.
- Compensation, etc., for Executive Officers includes the amount (¥191 million) recorded as stock compensation expenses in the fiscal year ended March 31, 2018.

[Policy for Determining Amount or Calculation Method of Compensation, etc. for Directors and Executive Officers]

With respect to compensation for our Directors and Executive Officers, taking into account the scope and scale of responsibilities for management, the Compensation Committee has resolved the following “policy for determining the details of individual compensation for Directors and Executive Officers.”

[Compensation Policies for Directors and Executive Officers by Individual]

#### 1 Compensation System

- (1) If a person serves concurrently as a Director and an Executive Officer, such person shall receive compensation as an Executive Officer.
- (2) Directors of the Company shall receive a fixed monetary compensation commensurate with their positions based on the scope and scale of their responsibilities for management, etc.
- (3) Executive Officers of the Company shall receive a basic compensation (fixed monetary compensation) commensurate with their duties and performance-linked stock compensation under a system that offers sound incentives for contributing to the sustainable growth of the Company.

#### 2 Compensation for Directors

Compensation for Directors shall comprise a fixed monetary compensation of a certain level commensurate with their positions based on the primary role of supervision of management, and such level shall be an appropriate level that gives consideration to the extent of their duties as Directors and the current state of the Company.

#### 3 Compensation for Executive Officers

Compensation for Executive Officers shall comprise a basic compensation (fixed monetary compensation) of a certain level commensurate with their duties in light of the differences in responsibilities depending on position, as well as performance-linked stock compensation that reflects factors such as the degree of achievement of management plans.

The level of a basic compensation shall be an appropriate level that gives consideration to the extent of duties of Executive Officers and the current state of the Company. However, should the compensation commensurate with the position of an Executive Officer who is in charge of a field that requires special business knowledge and skills fall significantly below the general level of compensation of an officer who is in charge of a similar field at another company, such Executive Officer shall receive a basic compensation based on the level of compensation of other companies, instead of compensation commensurate with his or her duties in the Company.

In terms of stock compensation, from the standpoint of offering sound incentives for contributing to the sustainable growth of the Company, Executive Officers shall be granted on a yearly basis basic points commensurate with their duties and the points calculated by multiplying evaluation points based on their individual evaluations by a coefficient that fluctuates according to factors such as the degree of achievement of management plans. At the time of retirement, Executive Officers shall receive stocks corresponding to the number of accumulated points and cash attainable through conversion of a certain portion of shares of the Company.

### 3. Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
Yasuhiro Sadayuki	<p data-bbox="483 768 1364 864">The overview of contracts for limitation of liability entered into with Directors in accordance with provisions of Article 427, Paragraph 1 of the Companies Act and Articles of Incorporation, are as follows.</p> <p data-bbox="483 864 1364 1021">For liabilities provided for in Article 423, Paragraph 1 of the Companies Act, when the Directors (excluding Directors with executive functions) performed their duties in good faith and without gross negligence, they shall be liable to the minimum liability amount prescribed under Article 425, Paragraph 1 of the Companies Act.</p>
Masatsugu Nagato	
Shinji Hattori	
Michiko Matsuda	
Nobuhiro Endo	
Masako Suzuki	
Tamotsu Saito	
Michiaki Ozaki	
Meyumi Hara	
Yoshie Komuro	

### III. Matters Concerning Outside Directors

#### 1. Concurrent Positions and Other Details on Outside Directors

(As of March 31, 2018)

Name	Concurrent positions and other details
Shinji Hattori	Chairman & Group CEO of Seiko Holdings Corporation President & CEO of Seiko Watch Corporation <Transactions and other relationships with the Company and each company> Not applicable
Michiko Matsuda	There are no significant matters to be stated on concurrent positions and other details.
Nobuhiro Endo	Chairman of the Board (Representative Director) of NEC Corporation Outside Director of Seiko Holdings Corporation <Transactions and other relationships with the Company and each company> Not applicable
Masako Suzuki	Director, Vice President of Benefit One Inc. President and Representative Director of Benefit one Health care Inc. <Transactions and other relationships with the Company and each company> Not applicable
Tamotsu Saito	Chairman of the Board of IHI Corporation <Transactions and other relationships with the Company and each company> Not applicable
Michiaki Ozaki	Outside Audit & Supervisory Board Member of East Nippon Expressway Company Limited <Transactions and other relationships with the Company and each company> Not applicable
Meyumi Hara	Executive Director of istyle Inc. President and Representative Director of IS Partners Inc. Outside Director of Seino Holdings Co., Ltd. <Transactions and other relationships with the Company and each company> Not applicable
Yoshie Komuro	President of Work-Life Balance Co., Ltd. <Transactions and other relationships with the Company and each company> The Company has business transactions with Work-Life Balance Co., Ltd. including consulting agreement.

## 2. Main Activities of Outside Directors

Name	Term of office	Attendance at meetings of the Board of Directors	Remarks made at meetings of the Board of Directors
Shinji Hattori	3 years, 9 months	Attended 12 out of 13 meetings of the Board of Directors	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Michiko Matsuda	2 years, 9 months	Attended 13 out of 13 meetings of the Board of Directors and 17 out of 17 meetings of the Audit Committee	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
Nobuhiro Endo	1 year, 9 months	Attended 12 out of 13 meetings of the Board of Directors	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Masako Suzuki	1 year, 9 months	Attended 13 out of 13 meetings of the Board of Directors and 12 out of 12 meetings of the Audit Committee held after her assumption of office	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
Tamotsu Saito	9 months	Attended 10 out of 10 meetings of the Board of Directors held after his assumption of office	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
Michiaki Ozaki	9 months	Attended 10 out of 10 meetings of the Board of Directors and 12 out of 12 meetings of the Audit Committee held after his assumption of office	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective as an attorney-at-law.
Meyumi Hara	9 months	Attended 10 out of 10 meetings of the Board of Directors and 12 out of 12 meetings of the Audit Committee held after her assumption of office	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
Yoshie Komuro	9 months	Attended 9 out of 10 meetings of the Board of Directors held after her assumption of office	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.

Note: The term of office is the period up to March 31, 2018, and the period less than one month is truncated.

### 3. Compensation for Outside Directors

(Millions of yen)

	Compensation paid to	Compensation from the Company	Compensation from parent company of the Company
Total compensation	11 persons	61 (of which, other than compensation: -)	—

Note: The figures are truncated.

### 4. Opinions of Outside Directors and Executive Officers

Not applicable.

#### IV. Matters Concerning Shares

##### 1. Number of Shares

Total number of authorized shares	2,400,000 thousand shares
Total number of outstanding shares	600,000 thousand shares

2. Total Number of Shareholders as of March 31, 2018: 175,381

##### 3. Major Shareholders

Name of shareholder	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
Japan Post Holdings Co., Ltd.	534,000 thousand shares	89.00%
Japan Trustee Services Bank, Ltd. (Trust Account)	3,706 thousand shares	0.62%
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,377 thousand shares	0.40%
Japan Post Insurance Employee Shareholding Association	2,022 thousand shares	0.34%
THE BANK OF NEW YORK - JASDECNON - TREATY ACCOUNT	1,577 thousand shares	0.26%
Japan Trustee Services Bank, Ltd. (Trust Account 5)	1,424 thousand shares	0.24%
Japan Trustee Services Bank, Ltd. (Trust Account 2)	1,062 thousand shares	0.18%
Japan Trustee Services Bank, Ltd. (Trust Account 1)	1,058 thousand shares	0.18%
Japan Trustee Services Bank, Ltd. (Trust Account 9)	898 thousand shares	0.15%
JP MORGAN CHASE BANK 385151	890 thousand shares	0.15%

Notes:

1. Number of shares held are truncated.
2. Percentage of shares held are rounded to two decimal places.

##### 4. Other Significant Matters Concerning Shares

Not applicable.

#### V. Matters Concerning Stock Acquisition Rights, etc.

1. Stock Acquisition Rights, etc., Held by Directors and Executive Officers of the Company as of March 31, 2018

Not applicable.

2. Stock Acquisition Rights, etc., of the Company that have been Granted to Employees, etc., during the Fiscal Year Ended March 31, 2018  
Not applicable.

## VI. Matters Concerning Independent Auditor

### 1. Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2018	Others
KPMG AZSA LLC Yukihisa Tatsumi Designated Limited Liability Partner Noriyuki Akiyama Designated Limited Liability Partner Takahiro Toyama Designated Limited Liability Partner	166	<p>- The Audit Committee confirmed the content of the independent auditor's audit plan, and the audit plan and results for the previous fiscal year, then considered the validity, etc. of the time scheduled for audits and the estimated compensation amount for the fiscal year under review. As a result, the Audit Committee has given consent for the compensation, etc., for the independent auditor pursuant to Article 399, Paragraph 1 of the Companies Act.</p> <p>- The Company entrusted to the independent auditor the advisory services related to accounting, finance and internal control, etc. (non-audit service) which are services other than those set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act of Japan, and paid fees to the independent auditor for these services.</p>

#### Notes:

1. The figure is truncated.
  2. The audit engagement entered into by the Company and the Independent Auditor does not clearly distinguish the amount of compensation, etc. for audits prescribed in the Companies Act and those prescribed in the Financial Instruments and Exchange Act. Therefore, above shows the total amount of compensation, etc., for the fiscal year ended March 31, 2018.
  3. The total amount of monetary and other property benefits which are to be paid to the independent auditor by the Company and its subsidiary is ¥184 million.
2. Liability Limitation Agreement  
Not applicable.

### 3. Other Matters Concerning Independent Auditor

The Audit Committee resolved the “Policy of determining the dismissal or refusal of reelection of an independent auditor” as follows:

[Policy of determining the dismissal or refusal of reelection of an independent auditor]

The Audit Committee shall dismiss the independent auditor if it determines that the independent auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act and causes a problem on the audit of the Company.

In addition, the Audit Committee takes into consideration such matters as status of performance of duties of the independent auditor, and if it determines necessary, it shall determine detail of proposals on the dismissal or refusal of reelection of the independent auditor to be submitted to the General Meeting of Shareholders.

### VII. Basic Policy Regarding Persons Who Control the Decisions on Financial and Business Policies

Not applicable.

### VIII. Systems to Ensure the Appropriateness of Business Operations

(Systems to ensure the appropriateness of business operations)

The Company has formulated the following “Fundamental Policy for Establishment of Internal Control Systems” by resolution of the Board of Directors as a fundamental policy related to establishment of system for ensuring proper operations.

#### - Fundamental Policy for Establishment of Internal Control Systems

##### 1. System for ensuring execution of duties by the Executive Officers and employees of the Company are in compliance with laws and regulations and the Articles of Incorporation

- (1) In addition to the formulation of management philosophy and management policy, the Company shall ensure thorough understanding of all Executive Officers and employees of the compliance with laws and regulations in every aspect of its business activities, in accordance with the Japan Post Group’s Charter of Corporate Conduct established by Japan Post Holdings. Furthermore, the Company shall establish its compliance framework by formulating compliance rules.
- (2) The Company shall establish a department that supervises compliance to promote compliance within the Company. Meanwhile, a Compliance Committee shall be established to deliberate on the management policies concerning compliance, specific compliance operations and response to various issues, and report important matters to the Executive Committee and the Audit Committee.

- (3) The Company shall prepare a Compliance Manual that serves as a guide to the laws and regulations and other rules concerning its corporate activities, while carrying out trainings on laws and regulations as well as internal regulations that must be observed by Executive Officers and employees, in order to ensure thorough implementation of compliance.
- (4) For the purpose of establishing compliance framework and ensuring sound business management, the Company shall set up a liaison meeting, comprised of the President and CEO and others, with Japan Post Co., which serves as the Company's insurance solicitor, to discuss matters related to the enhancement and reinforcement of the internal control systems of Japan Post Co., and shall take measures necessary for guidance and management of Japan Post Co.
- (5) The Company shall set out response as an organization to anti-social forces in the internal rules for dealing with anti-social forces, and cut off and exclude any relationship with anti-social forces that may threaten social order and sound corporate activities by firmly refusing their undue demand, while regularly cooperating with external expert bodies including the police.
- (6) In order to ensure adequacy of the documents related to financial accounting and other information, the Company shall strive to secure credibility of its financial reporting, and report important matters to the Executive Committee, the Audit Committee and the independent auditor, as appropriate.
- (7) The Company shall establish rules for reporting for any violations or suspected violations of compliance, and set up points of contact for whistleblowing both inside and outside the Company, the use of which shall be thoroughly informed to all Executive Officers and employees.
- (8) The Company shall formulate internal audit rules and develop an internal audit framework. Meanwhile, the Internal Audit Department independent of all departments to be audited shall conduct effective internal audits of compliance in the Company's business activities and report the status of internal audits to the Executive Committee and the Audit Committee.

## 2. System for retaining and managing information concerning the execution of duties by the Executive Officers

In the Executive Committee rules and the document management rules, the Company shall define the methods and system for retaining and managing various documents concerning the execution of duties by the Executive Officers, such as the minutes of the Executive Committee meetings and approval documents, in order to appropriately retain and manage such information. Documents shall be accessed or copied at the request of the Audit Committee or the Internal Audit Department.

3. System and rules for managing the risk of loss to the Company
  - (1) Through formulating basic risk management policies and other risk management rules, the Company shall present to Executive Officers and employees the basic matters related to risk management such as basic principles, the management framework and management methods, and implement risk management based on such basic policies and others.
  - (2) The Company shall establish a department that supervises risk management, identify the status of risks, and analyze and manage such risks. Meanwhile, a Risk Management Committee shall be established to deliberate on the policies concerning risk management, matters related to the development and operations of risk management system and matters related to the implementation of risk management and report important matters to the Executive Committee and the Audit Committee.
  - (3) The Company shall formulate crisis management rules and develop a crisis management framework to promptly and appropriately address and take necessary countermeasures in cases where risks that have a significant impact on the management arise.
  
4. System for ensuring the efficient execution of duties by the Executive Officers
  - (1) The Company shall, in principle, hold a meeting of the Executive Committee, comprised of Executive Officers, on a weekly basis, and discuss matters delegated from the Board of Directors and matters to be approved by the Board of Directors. Furthermore, specialized committees shall be established as advisory bodies to the Executive Committee as appropriate.
  - (2) The Company shall formulate organization rules and administrative authority rules and define the duties of each organizational unit, administrative authority and responsibility of each Executive Officer, and the procedures for approvals on business decisions, with a view to ensuring the efficient execution of duties by the Executive Officers.
  
5. System for ensuring proper operations within the corporate group comprising the Company and Japan Post Holdings, and subsidiaries of the Company
  - (1) The Company shall conclude the Japan Post Group Agreement with Japan Post Holdings, Japan Post Co. and Japan Post Bank, while concluding an agreement on the operations of the Japan Post Group and a memorandum of understanding on the rules for such operations with Japan Post Holdings, whereby prior consultation or reports shall be made over the matters necessary for proper and smooth operations of the Group.
  - (2) The Company shall formulate rules concerning the management of subsidiaries, and establish a framework for appropriately managing business operations of subsidiaries as follows.

- (i) The Company shall have subsidiaries to take measures based on the Japan Post Group Agreement which serves as a basis for the Group management.
  - (ii) The Company shall carry out management analysis, guidance on business operations, risk management, guidance on compliance, audits, etc., for subsidiaries.
  - (iii) Formulation of management policies, management plans and other important matters by subsidiaries shall be subject to the prior approval of the Company.
  - (iv) Matters filed to the authorities by subsidiaries, monthly business results, and the results of external audits shall be reported to the Company.
- (3) The Company shall formulate rules concerning the management of intra-Group transactions and ensure proper transactions with the Group companies based on the arm's length rule.

6. Matters concerning employees who are to assist the duties of the Audit Committee

The Company shall establish the Office of Audit Committee as an organization that provides assistance to the Audit Committee in performing its duties, and assign full-time employees with knowledge and ability necessary to assist the duties of the Audit Committee.

7. Matters related to maintaining the independence of employees who are to assist the duties of the Audit Committee from the Executive Officers, and matters related to ensuring the effectiveness of instructions given by the Audit Committee to these employees

The employees assigned to the Office of Audit Committee shall assist the duties of the Audit Committee under its sole direction. In addition, matters relating to recruitment, transfer, personnel evaluation or disciplinary actions involving the employees assigned to the Office of Audit Committee shall be subject to the approval of the Audit Committee or of a member of the Audit Committee appointed by the Audit Committee.

8. System for the Executive Officers and employees to report to the Audit Committee, and other systems of reporting to the Audit Committee

- (1) The Executive Officer in charge of internal controls shall regularly report to the Audit Committee on the status of the performance of duties related to internal controls of the Company and its subsidiaries.
- (2) Executive Officers and employees shall promptly report to the members of the Audit Committee on important matters that are likely to have a significant impact on the management of the Company or its subsidiaries.
- (3) The Executive Officer in charge of internal audits shall regularly report to the Audit Committee on the status and results of the internal audits of the Company and its subsidiaries, and report to the members of the Audit Committee on the important matters

that are likely to have a significant impact on the management.

- (4) Executive Officers and employees shall report the matters related to the business execution of the Company or its subsidiaries, as required by the Audit Committee.
- (5) Executive Officers and employees shall promptly report to the members of the Audit Committee on any significant compliance violation (including any suspected matters) of the Company or its subsidiaries discovered through whistleblowing or by other means.
- (6) Any person who reported to the Audit Committee or any whistleblower within the Company shall not be subject to disadvantageous treatment on the ground of such report or whistleblowing.

9. Procedures for making advanced payment or reimbursement of expenses to be incurred in the execution of duties by the members of the Audit Committee, and matters concerning a policy for the handling of expenses or debts to be incurred in the execution of such duties

Executive Officers and employees may not deny a request for payment made by the members of the Audit Committee for expenses incurred in the course of audits carried out as part of the execution of duties of the Audit Committee, including fees for advice they sought from attorneys, certified public accountants or other external experts, or duties they outsourced for investigation, appraisal or others, unless the Company proved that the aforementioned expenses were not necessary for the execution of duties of the Audit Committee.

10. Other systems for ensuring effective audits by the Audit Committee

- (1) The President, CEO, Representative Executive Officer shall strive to exchange opinions with the Audit Committee regularly in an effort to enhance mutual understanding over the important management matters including basic management policy, issues to be addressed and the functional status of the internal control system.
- (2) The Audit Committee shall receive prior explanation about the audit plan from the independent auditor and regular reports on the status of audit implementation, and shall cooperate with the independent auditor through exchange of opinions as appropriate in order to be acquainted with important points concerning accounting audit at all times.
- (3) In executing its duties, the Audit Committee shall cooperate with the Audit Committee of Japan Post Holdings, through measures such as regular exchange of opinions.

(Status of operation of systems to ensure the appropriateness of business operations)

The Company has established and operated the internal control systems for ensuring proper operations based on the above “Fundamental Policy for Establishment of Internal Control Systems.” The Company has confirmed that the internal control systems of the Company was established and operated properly based on the “Fundamental Policy for Establishment of Internal Control Systems” for the fiscal year ended March 31, 2018 as well.

(1) System for ensuring execution of duties by the Executive Officers and employees of the Company are in compliance with laws and regulations and the Articles of Incorporation

- The Company held the Compliance Committee once a month, where policies concerning compliance and various issues were deliberated. In addition, the status of occurrence of misconduct, etc. was reported to the Executive Committee and to the Audit Committee.
- The Company continuously conducted compliance training at the workplace in an effort to thoroughly implement compliance.

(2) System for retaining and managing information concerning the execution of duties by the Executive Officers of the Company

- In the Executive Committee rules and the document management rules, the Company defined the methods for retaining and managing documents concerning the execution of duties by the Executive Officers, such as the minutes of the Executive Committee meetings and approval documents, and appropriately managed such information.

(3) System and rules for managing the risk of loss to the Company

- The Company established the Risk Management Department as a department that supervises risk management. Meanwhile, the Risk Management Committee conducted deliberations and made reports on the status of risk management, and the Executive Officer responsible for the Risk Management Department reported important matters related to risk management to the Executive Committee and to the Audit Committee.
- Based on the premise of a major earthquake in the Tokyo metropolitan area, the Company held drills for changeover of the overall information systems for the Company and for coordinating information at alternative headquarters.

(4) System for ensuring the efficient execution of duties by the Executive Officers of the Company

- The Company, in principle, held a meeting of the Executive Committee on a weekly basis, and conducted deliberations and made reports.
- Nine specialized committees were established as advisory bodies to the Executive

Committee, and engaged in deliberations regarding cross-divisional issues among the items subject to approval of each Executive Officer.

(5) System for ensuring proper operations within the corporate group comprising the Company and Japan Post Holdings, and subsidiaries of the Company

- Based on the Japan Post Group Agreement, the Company engaged in prior consultation with and made reports to Japan Post Holdings.
- The Company established a framework for appropriately managing business operations of subsidiaries by formulating rules concerning the management of subsidiaries, and prescribing matters requiring application for prior approval from and reports to the Company, based on business management contracts concluded with subsidiaries.

(6) System for ensuring effective audits by the Audit Committee

- Based on a resolution of the Audit Committee, the Company stipulated Audit Committee auditing standards and prescribed a system for ensuring effective audits by the Audit Committee. A system for reports to the Audit Committee has been established, whereby the Executive Officer in charge reports regularly on the status of business execution, and important matters are immediately reported to a member of the Audit Committee.
- The Company established the Office of Audit Committee and assigned full-time employees who are independent.
- The Audit Committee exchanged opinions with the President, CEO, Representative Executive Officer, and with the Audit Committee of Japan Post Holdings, on important management matters.

IX. Matters Concerning Specified Wholly-Owned Subsidiaries

Not applicable.

X. Matters Concerning Transactions with Parent Company and Others

1. Points considered not to unfairly impair the benefits when conducting such transaction

Business transactions between the Company and its parent company, Japan Post Holdings, and other companies belonging to the Japan Post Group, are conducted fairly, based on the Insurance Business Act, in accordance with the arm's length rule (the arm's length rule stipulates that insurance companies must not engage in business transactions, etc., with certain related parties including the parent company or subsidiaries of the parent under significantly different terms than normal transactions.)

2. Determination and reason by the Board of Directors on whether such transaction does not unfairly impair the benefits.

In order to ensure the appropriateness of transactions within the Group, all transactions conducted by the Company are checked by the transacting department before the transactions take place to confirm whether or not they constitute intercompany transactions. In the case of transactions conducted with companies belonging to the Japan Post Group, we examine the transaction in advance, based on a fixed checklist, from the perspective of the necessity of an intercompany transaction, the appropriateness of the terms of the transaction, etc., to ensure the appropriateness of the transaction. In addition, a specialized department (Legal Affairs Department) confirms the appropriateness of this examination. Furthermore, the managing department (Corporate Planning Department) conducts an after-the-fact examination after the transaction is completed. Moreover, in order to ensure the properness of transaction terms related to intercompany transactions, we have established a system whereby a resolution is passed by the Board of Directors, including outside directors, when conducting important new transactions or changing the terms of important existing transactions. Thus, through the proper operation of the Company's arm's length rule check system, the Board of Directors confirms that the appropriateness of transactions with Japan Post Holdings is ensured.

3. The opinion of the outside directors in case the decision made by the Board of Directors in 2. above differs from the opinion of outside directors  
Not applicable.

## XI. Matters Concerning Accounting Advisor

Not applicable.

## XII. Others

[Policy for the exercise of authority in case where there is a provision set in the Articles of Incorporation that cash dividends, etc., shall be determined by the Board of Directors]

The Company recognizes that the distribution of profit to shareholders is an important policy of management, and distributes profits to shareholders stably, while securing management soundness.

Specifically, the Company aims for a steady increase in dividends per share, and aims for a dividend per share of ¥76 for the fiscal year ending March 31, 2021, while considering earning prospects and financial soundness.

The Company secures internal reserves to fund stable business growth to enable it to respond to future changes in the business environment.

The Company has, in accordance with the provisions of Article 459 of the Companies Act, stipulated that it provides cash dividends based on the resolution of the Board of Directors in the Articles of Incorporation. As for the year-end dividend for the fiscal year ended March 31, 2018, payment of ordinary dividend of ¥64 per share was decided at the Board of Directors' meeting held on May 15, 2018. In addition, payment of special dividend of ¥4 per share was decided based on the performance for the fiscal year ended March 31, 2018. As a result, dividends per share amount to ¥68 per share.

The Company provides cash dividends on annual basis at the end of each fiscal year. Although the Company is permitted to declare interim dividends with a record date of September 30 under its Articles of Incorporation, the Company plans to declare annual dividends with a record date of March 31, considering business results.

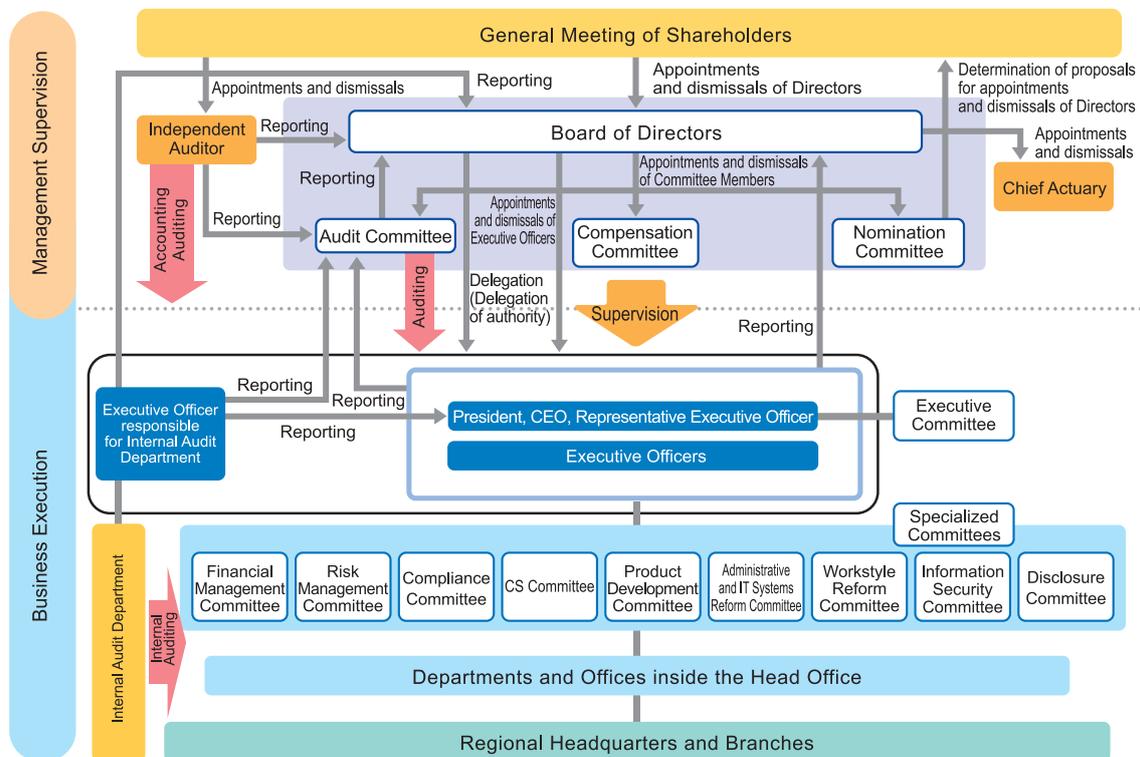
[Reference]

### Basic Views on Corporate Governance

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

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

### Corporate Governance Structure



[Reference]

## **Basic Policies for Customer-first Business Operations**

Following our Management Philosophy “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” we currently provide customers with simple and easy-to-understand life insurance products with smaller coverage amounts through the nationwide post office network. We believe that our daily striving to gain the trust and confidence of our customers by “delivering reliable insurance services to customers over the nation, protecting the livelihood of each and every one of our customers with our products, and supporting regional communities going forward” is linked to our achieving “customer-first business operations.”

Our basic policies to achieve “customer-first business operations” are stated below.

### **1. Commitment of top management**

- We shall work towards achieving our Management Philosophy and other goals by working as one, in order to be close at hand and endeavor to protect customers’ well-being.
- Top management shall promote, inside and outside Japan Post Insurance Co., Ltd., the enhancement of customer satisfaction by the utilization of the valuable resource that is the diverse feedback from customers.
- We shall continue to improve ourselves by consolidating, analyzing, and evaluating customer feedback, under the leadership of our management team.
- We shall promote measures towards achieving customer-first business operations by collaborating with our business partner, Japan Post Co., Ltd.
- We shall become an insurance company that grows with the customers by working on customer-first employee development.

### **2. Development of corporate culture regarding “customer-first business operations”**

- We have established the “Code of Conduct” which includes a list of mottos, such as “customer first,” that our employees should always keep in mind. This “Code of Conduct” is used as a model for our operations.
- We shall build a framework that grants the best benefits to our customers, continuously creating new conveniences for them and aiming to provide quality services.
- We aim to develop a customer-first attitude through the organization of the “Comprehensive and Heartfelt Services” movement, which includes improvements based on customer feedback and development of successful cases.
- As a responsible institutional investor, we shall contribute to the growth of the Japanese economy

as a whole through investments and dialogue leading to the sustainable growth of corporations.

**3. Appropriate product proposals and other measures based on customer intention**

- We shall conduct appropriate product proposals based on customer intention and life plans as well as conduct sales of policies so customers are well-informed and genuinely satisfied.
- For elderly customers in particular, in addition to attentive and easy-to-understand explanations, we provide meticulous responses such as having a family member or equivalent present at policy signings to ensure that the customer including family members are well-informed and are satisfied with our terms and conditions.
- We thoroughly manage conflicts of interests with customer transactions to ensure that their interests are protected.
- We set our insurance premiums, as well as the commissions paid to Japan Post Co., Ltd., at a reasonable amount that corresponds to the products and services we provide to our customers.

**4. Enrichment of information provision to customers and mutual information exchange**

- We ensure that our customers stay up-to-date with our insurance coverage and other terms after the signing of policies through the mailing of the “Notice of Policy Details” and the “Feel Secure with Kampo” activities.
- In addition to widely providing information and services useful to customers’ daily lives, we shall further enhance measures enabling direct customer feedback and mutual exchange of information.

**5. Simple, prompt and accurate payments of insurance claims and others to customers, and other measures**

- In order to pay the insurance and other benefits we promised to policyholders, we have engaged in efforts to achieve simple, prompt and accurate claim payments toward the goal of upgrading our claim payments management structure to the industry’s highest level.
- We shall work to implement state-of-the-art technology, as well as streamline administrative procedures, so that procedures concerning the underwriting and maintenance of insurance policies are made simple, prompt and accurate.

**6. Development of human resources and evaluation of business results**

- As a policy for human resources development, we shall be aware of our corporate social responsibility and develop a customer-first attitude in our employees, as well as properly motivate employees to achieve “customer-first business operations” through the development of human resources and evaluation of business results.
- By setting “enhancement of customer satisfaction” as one of the criteria when evaluating employees, we will value employees who contribute to the achievement of “customer-first business operations.”

**7. Confirmation of the implementation status of measures**

- We have established a criteria to confirm and evaluate the degree of establishment of customer-first business operations (the “Evaluation Criteria”).
- We shall regularly confirm the implementation status of measures based on these policies and the status of the Evaluation Criteria, and announce the results of our findings.
- These policies shall be regularly revised in order to enhance business operations reflecting changes in society and the business environment.

Reference i): Implementation status of measures towards the “Principles for Customer-Oriented Business Conduct” of the Financial Services Agency

The implementation status and views pertaining to measures towards the “Principles for Customer-Oriented Business Conduct” is stated on our website below.

[http://www.jp-life.japanpost.jp/aboutus/company/abt\\_cmp\\_fiduciary.html](http://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html)

Reference ii): Criteria, etc. to confirm and evaluate the degree of establishment of customer-first business operations

Status of criteria to confirm and evaluate the degree of establishment of customer-first business operations of the Company is stated on our website below.

[http://www.jp-life.japanpost.jp/aboutus/company/abt\\_cmp\\_fiduciary.html](http://www.jp-life.japanpost.jp/aboutus/company/abt_cmp_fiduciary.html)

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Balance Sheet (As of March 31, 2018)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>898,504</b>
<b>Call loans</b>	<b>265,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,296,222</b>
<b>Monetary claims bought</b>	<b>176,069</b>
<b>Money held in trust</b>	<b>2,814,873</b>
<b>Securities</b>	<b>60,130,909</b>
<b>Loans</b>	<b>7,627,147</b>
<b>Tangible fixed assets</b>	<b>100,915</b>
Land	43,066
Buildings	32,888
Leased assets	2,194
Construction in progress	8,149
Other tangible fixed assets	14,617
<b>Intangible fixed assets</b>	<b>163,265</b>
Software	163,246
Other intangible fixed assets	19
<b>Agency accounts receivable</b>	<b>33,715</b>
<b>Reinsurance receivables</b>	<b>3,227</b>
<b>Other assets</b>	<b>368,020</b>
<b>Deferred tax assets</b>	<b>954,085</b>
<b>Reserve for possible loan losses</b>	<b>(695)</b>
<b>Total assets</b>	<b>76,831,261</b>

(Millions of yen)

Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>69,948,383</b>
Reserve for outstanding claims	548,196
Policy reserves	67,777,297
Reserve for policyholder dividends	1,622,889
<b>Reinsurance payables</b>	<b>6,033</b>
<b>Payables under securities lending transactions</b>	<b>3,663,547</b>
<b>Other liabilities</b>	<b>229,514</b>
<b>Liability for retirement benefits</b>	<b>63,739</b>
<b>Reserve for management board benefit trust</b>	<b>172</b>
<b>Reserve for price fluctuations</b>	<b>916,743</b>
<b>Total liabilities</b>	<b>74,828,135</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>500,044</b>
<b>Retained earnings</b>	<b>595,846</b>
<b>Treasury stock</b>	<b>(466)</b>
<b>Total shareholders' equity</b>	<b>1,595,424</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>403,913</b>
<b>Net deferred gains (losses) on hedges</b>	<b>32</b>
<b>Accumulated adjustments for retirement benefits</b>	<b>3,755</b>
<b>Total accumulated other comprehensive income</b>	<b>407,701</b>
<b>Total net assets</b>	<b>2,003,126</b>
<b>Total liabilities and net assets</b>	<b>76,831,261</b>

**Consolidated Statement of Income** (From April 1, 2017 to March 31, 2018)

(Millions of yen)	
Account	Amount
<b>ORDINARY INCOME</b>	<b>7,952,951</b>
<b>Insurance premiums and others</b>	<b>4,236,461</b>
<b>Investment income</b>	<b>1,284,529</b>
Interest and dividend income	1,152,306
Gains on money held in trust	95,189
Gains on sales of securities	36,468
Gains on redemption of securities	53
Gains on foreign exchanges	284
Other investment income	226
<b>Other ordinary income</b>	<b>2,431,960</b>
Reversal of reserve for outstanding claims	29,180
Reversal of policy reserves	2,397,936
Other ordinary income	4,843
<b>ORDINARY EXPENSES</b>	<b>7,643,717</b>
<b>Insurance claims and others</b>	<b>6,890,020</b>
Insurance claims	5,625,043
Annuity payments	394,681
Benefits	68,686
Surrender benefits	545,281
Other refunds	235,529
Reinsurance premiums	20,796
<b>Provision for policy reserves and others</b>	<b>7</b>
Provision for interest on policyholder dividends	7
<b>Investment expenses</b>	<b>106,074</b>
Interest expenses	1,450
Losses on sales of securities	65,733
Losses on redemption of securities	5,964
Losses on derivative financial instruments	30,301
Provision for reserve for possible loan losses	1
Other investment expenses	2,623
<b>Operating expenses</b>	<b>533,461</b>
<b>Other ordinary expenses</b>	<b>114,154</b>
<b>ORDINARY PROFIT</b>	<b>309,233</b>
<b>EXTRAORDINARY GAINS</b>	<b>86,053</b>
<b>Gains on sales of fixed assets</b>	<b>86,053</b>
<b>EXTRAORDINARY LOSSES</b>	<b>130,372</b>
<b>Losses on sales and disposal of fixed assets</b>	<b>337</b>
<b>Impairment loss</b>	<b>2,003</b>
<b>Provision for reserve for price fluctuations</b>	<b>128,031</b>
<b>Provision for reserve for policyholder dividends</b>	<b>117,792</b>
<b>Income before income taxes</b>	<b>147,122</b>

(Millions of yen)	
Account	Amount
<b>Income taxes - Current</b>	<b>176,428</b>
<b>Income taxes - Deferred</b>	<b>(133,793)</b>
<b>Total income taxes</b>	<b>42,634</b>
<b>Net income</b>	<b>104,487</b>
<b>Net income attributable to non-controlling interests</b>	<b>—</b>
<b>Net income attributable to Japan Post Insurance</b>	<b>104,487</b>

## Consolidated Statement of Changes in Net Assets (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at the beginning of the fiscal year</b>	500,000	500,044	527,358	(521)	1,526,882
<b>Changes in the fiscal year</b>					
Cash dividends			(36,000)		(36,000)
Net income attributable to Japan Post Insurance			104,487		104,487
Disposals of treasury stock				54	54
Net changes in items other than shareholders' equity in the fiscal year					
<b>Net changes in the fiscal year</b>	—	—	68,487	54	68,542
<b>Balance at the end of the fiscal year</b>	500,000	500,044	595,846	(466)	1,595,424

	Accumulated other comprehensive income				Total net assets
	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Accumulated adjustments for retirement benefits	Total accumulated other comprehensive income	
<b>Balance at the beginning of the fiscal year</b>	321,904	50	4,366	326,321	1,853,203
<b>Changes in the fiscal year</b>					
Cash dividends					(36,000)
Net income attributable to Japan Post Insurance					104,487
Disposals of treasury stock					54
Net changes in items other than shareholders' equity in the fiscal year	82,009	(17)	(611)	81,380	81,380
<b>Net changes in the fiscal year</b>	82,009	(17)	(611)	81,380	149,922
<b>Balance at the end of the fiscal year</b>	403,913	32	3,755	407,701	2,003,126

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**Non-Consolidated Balance Sheet (As of March 31, 2018)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>894,191</b>
Cash	1,118
Deposits	893,073
<b>Call loans</b>	<b>265,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,296,222</b>
<b>Monetary claims bought</b>	<b>176,069</b>
<b>Money held in trust</b>	<b>2,814,873</b>
<b>Securities</b>	<b>60,131,893</b>
Japanese government bonds	39,589,896
Japanese local government bonds	8,513,583
Japanese corporate bonds	5,472,945
Stocks	196,379
Foreign securities	4,347,564
Other securities	2,011,524
<b>Loans</b>	<b>7,627,147</b>
Policy loans	135,314
Industrial and commercial loans	919,051
Loans to the Management Organization	6,572,781
<b>Tangible fixed assets</b>	<b>100,568</b>
Land	43,066
Buildings	32,705
Leased assets	2,161
Construction in progress	8,149
Other tangible fixed assets	14,486
<b>Intangible fixed assets</b>	<b>167,763</b>
Software	167,744
Other intangible fixed assets	19
<b>Agency accounts receivable</b>	<b>33,715</b>
<b>Reinsurance receivables</b>	<b>3,227</b>
<b>Other assets</b>	<b>368,394</b>
Accounts receivable	121,686
Prepaid expenses	2,223
Accrued income	225,202
Money on deposit	7,085
Derivative financial instruments	7,499
Suspense payments	2,206
Other assets	2,489
<b>Deferred tax assets</b>	<b>954,136</b>
<b>Reserve for possible loan losses</b>	<b>(695)</b>
<b>Total assets</b>	<b>76,832,508</b>

(Millions of yen)	
Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>69,948,383</b>
Reserve for outstanding claims	548,196
Policy reserves	67,777,297
Reserve for policyholder dividends	1,622,889
<b>Reinsurance payables</b>	<b>6,033</b>
<b>Other liabilities</b>	<b>3,893,916</b>
Payables under securities lending transactions	3,663,547
Income taxes payable	99,290
Accounts payable	26,263
Accrued expenses	29,497
Deposits received	2,542
Deposits from the Management Organization	46,329
Derivative financial instruments	6,227
Lease obligations	2,327
Asset retirement obligation	5
Suspense receipt	17,332
Other liabilities	552
<b>Reserve for employees' retirement benefits</b>	<b>67,649</b>
<b>Reserve for management board benefit trust</b>	<b>172</b>
<b>Reserve for price fluctuations</b>	<b>916,743</b>
<b>Total liabilities</b>	<b>74,832,900</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>500,044</b>
Legal capital surplus	405,044
Other capital surplus	95,000
<b>Retained earnings</b>	<b>596,084</b>
Legal retained earnings	39,409
Other retained earnings	556,674
Reserve for reduction entry of real estate	6,163
Retained earnings brought forward	550,511
<b>Treasury stock</b>	<b>(466)</b>
<b>Total shareholders' equity</b>	<b>1,595,661</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>403,913</b>
<b>Net deferred gains (losses) on hedges</b>	<b>32</b>
<b>Total valuation and translation adjustments</b>	<b>403,946</b>
<b>Total net assets</b>	<b>1,999,608</b>
<b>Total liabilities and net assets</b>	<b>76,832,508</b>

**Non-Consolidated Statement of Income** (From April 1, 2017 to March 31, 2018)

(Millions of yen)

Account	Amount
<b>ORDINARY INCOME</b>	<b>7,952,949</b>
<b>Insurance premiums and others</b>	<b>4,236,461</b>
Insurance premiums	4,225,050
Reinsurance income	11,410
<b>Investment income</b>	<b>1,284,529</b>
Interest and dividend income	1,152,306
Interest on deposits	15
Interest and dividends on securities	986,497
Interest on loans	14,128
Interest on loans to the Management Organization	146,327
Other interest and dividend income	5,337
Gains on money held in trust	95,189
Gains on sales of securities	36,468
Gains on redemption of securities	53
Gains on foreign exchanges	284
Other investment income	226
<b>Other ordinary income</b>	<b>2,431,958</b>
Reversal of reserve for outstanding claims	29,180
Reversal of policy reserves	2,397,936
Other ordinary income	4,841
<b>ORDINARY EXPENSES</b>	<b>7,644,103</b>
<b>Insurance claims and others</b>	<b>6,890,020</b>
Insurance claims	5,625,043
Annuity payments	394,681
Benefits	68,686
Surrender benefits	545,281
Other refunds	235,529
Reinsurance premiums	20,796
<b>Provision for policy reserves and others</b>	<b>7</b>
Provision for interest on policyholder dividends	7
<b>Investment expenses</b>	<b>106,074</b>
Interest expenses	1,450
Losses on sales of securities	65,733
Losses on redemption of securities	5,964
Losses on derivative financial instruments	30,301
Provision for reserve for possible loan losses	1
Other investment expenses	2,623
<b>Operating expenses</b>	<b>532,843</b>
<b>Other ordinary expenses</b>	<b>115,158</b>
Taxes	51,895
Depreciation and amortization	62,505
Provision for reserve for employees' retirement benefits	375
Other ordinary expenses	381

(Millions of yen)

Account	Amount
<b>ORDINARY PROFIT</b>	<b>308,845</b>
<b>EXTRAORDINARY GAINS</b>	<b>86,053</b>
Gains on sales of fixed assets	86,053
<b>EXTRAORDINARY LOSSES</b>	<b>130,371</b>
Losses on sales and disposal of fixed assets	336
Impairment loss	2,003
Provision for reserve for price fluctuations	128,031
Provision for reserve for policyholder dividends	117,792
Income before income taxes	146,735
Income taxes - Current	176,185
Income taxes - Deferred	(133,758)
Total income taxes	42,426
Net income	104,309

## Non-Consolidated Statement of Changes in Net Assets (From April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Reserve for reduction entry of real estate	Retained earnings brought forward	Total retained earnings
<b>Balance at the beginning of the fiscal year</b>	500,000	405,044	95,000	500,044	32,209	—	495,565	527,775
<b>Changes in the fiscal year</b>								
Cash dividends					7,200		(43,200)	(36,000)
Net income							104,309	104,309
Disposals of treasury stock								
Provision of reserve for reduction entry of real estate						6,163	(6,163)	—
Net changes in items other than shareholders' equity in the fiscal year								
<b>Net changes in the fiscal year</b>	—	—	—	—	7,200	6,163	54,945	68,309
<b>Balance at the end of the fiscal year</b>	500,000	405,044	95,000	500,044	39,409	6,163	550,511	596,084

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on available-for-sale securities	Net deferred gains (losses) on hedges	Total valuation and translation adjustments	
<b>Balance at the beginning of the fiscal year</b>	(521)	1,527,298	321,904	50	321,954	1,849,253
<b>Changes in the fiscal year</b>						
Cash dividends		(36,000)				(36,000)
Net income		104,309				104,309
Disposals of treasury stock	54	54				54
Provision of reserve for reduction entry of real estate		—				—
Net changes in items other than shareholders' equity in the fiscal year			82,009	(17)	81,991	81,991
<b>Net changes in the fiscal year</b>	54	68,363	82,009	(17)	81,991	150,355
<b>Balance at the end of the fiscal year</b>	(466)	1,595,661	403,913	32	403,946	1,999,608

## Audit Report

### Copy of the Independent Auditor's Report on Consolidated Financial Statements

(The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.)

#### **Independent Auditor's Report**

May 11, 2018

To the Board of Directors  
JAPAN POST INSURANCE Co., Ltd.

**KPMG AZSA LLC**

Yukihisa Tatsumi (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Noriyuki Akiyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Toyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the consolidated financial statements, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of JAPAN POST INSURANCE Co., Ltd. as at March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 444-4 of the Companies Act.

#### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of JAPAN POST INSURANCE Co., Ltd. and its consolidated subsidiary for the period, for which the consolidated financial statements were prepared, in accordance with accounting principles generally accepted in Japan.

#### Other Matter

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Audit Report  
Copy of the Independent Auditor's Report

(The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act.)

**Independent Auditor's Report**

May 11, 2018

To the Board of Directors  
JAPAN POST INSURANCE Co., Ltd.

**KPMG AZSA LLC**

Yukihisa Tatsumi (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Noriyuki Akiyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Takahiro Toyama (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

We have audited the non-consolidated financial statements, comprising the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes, and the supplementary schedules of JAPAN POST INSURANCE Co., Ltd. as at March 31, 2018 and for the year from April 1, 2017 to March 31, 2018 in accordance with Article 436-2-1 of the Companies Act.

**Management's Responsibility for the Non-consolidated Financial Statements and Others**

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the non-consolidated financial statements and the supplementary schedules based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the supplementary schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the non-consolidated financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of JAPAN POST INSURANCE Co., Ltd. for the period, for which the non-consolidated financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

**Other Matter**

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

**Audit Report**

The Audit Committee audited the execution of the duties of the Directors and the Executive Officers of JAPAN POST INSURANCE Co., Ltd. (the "Company") during the 12th fiscal year from April 1, 2017 to March 31, 2018 and hereby reports the auditing method and the results thereof as follows:

**1. Auditing Method and Details Thereof**

The Audit Committee received reports regularly and requested explanations when necessary on the contents of resolutions made by the Board of Directors concerning matters set out in Article 416, Paragraph 1, Item 1 (b) and (e) of the Companies Act as well as systems developed in accordance with the resolutions (internal control systems) and the status of the establishment and operation of the systems from Executive Officers and employees, etc. In addition, the Audit Committee conducted an audit according to the following methods.

- 1) Based on the Audit Committee auditing standards, audit policies, assigned duties, etc. stipulated by the Audit Committee, while working closely with the internal control divisions, the Audit Committee examined the decision-making process and contents at important meetings, etc., the contents of major documents for approval and other important documents and materials related to the execution of business, the status of execution of duties by Executive Officers, and the business and financial condition of the Company. With regard to a subsidiary, the Audit Committee communicated and exchanged opinions with the Directors and the Audit & Supervisory Board Member, etc. of the subsidiary, and received reports concerning business as necessary.
- 2) With respect to the matters given due consideration set forth in Article 118, Item 5 (a) and the judgement and reasons for such judgement set forth in (b) of the same Item of the same Article of the Ordinance for Enforcement of the Companies Act that are described in the business report, the Audit Committee examined the details taking into consideration the status, etc. of deliberations at the meetings of the Board of Directors and other meetings.
- 3) The Audit Committee monitored and verified as to whether the independent auditor conducted audits in an appropriate manner while maintaining an independent positioning, received reports from the independent auditor on the execution status of its duties, and, when necessary, requested explanations. The Audit Committee also received notification from the independent auditor that the "system for ensuring appropriate execution of duties of the independent auditor" (matters set out in each item of Article 131 of the Rules of Corporate Accounting) is being developed in accordance with the "Quality Control Standards for Auditing" (Business Accounting Council, October 28, 2005) and other relevant standards, and, when necessary, requested explanations.

Based on the above-described methods, the Audit Committee examined the business report, the supplementary schedules thereto, the non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets and the related notes), and the supplementary schedules thereto as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes) for the fiscal year ended March 31, 2018.

**2. Results of Audit****(1) Results of Audit of the Business Report, etc.**

- 1) In our opinion, the business report and the supplementary schedules present fairly the condition of the Company in conformity with the applicable laws and regulations of Japan as well as the Articles of Incorporation of the Company.
- 2) With regard to the execution of duties by Directors and Executive Officers, we have found no evidence of misconduct or material facts in violation of the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- 3) In our opinion, the content of the resolutions of the Board of Directors regarding the internal control system is appropriate. In addition, we have found no matters to be pointed out regarding the contents described in the business report about such internal control system and the execution of duties by Directors and Executive Officers.
- 4) Regarding transactions with the parent company as described in the business report, we found no matters to be pointed out on the points considered not to unfairly impair the benefits of the Company when conducting such transactions, as well as on the determination and reason by the Board of Directors on whether such transaction does not unfairly impair the benefits of the Company.

**(2) Results of Audit of Non-Consolidated Financial Statements and Supplementary Schedules**

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

**(3) Results of Audit of Consolidated Financial Statements**

In our opinion, the method and the results of the audit conducted by KPMG AZSA LLC, the independent auditor, are appropriate.

May 15, 2018

Audit Committee of JAPAN POST INSURANCE Co., Ltd.

Audit Committee Member

Michiaki Ozaki (seal)

Yasuhiro Sadayuki (seal)

Michiko Matsuda (seal)

Masako Suzuki (seal)

Meyumi Yamada (seal)

(Meyumi Hara)

(Note) Audit Committee Members, Mr. Michiaki Ozaki, Ms. Michiko Matsuda, Ms. Masako Suzuki, and Ms. Meyumi Yamada are Outside Directors stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

Reference

Information on Stock-Related Administrative Procedures

Fiscal year	From April 1 to March 31
Ordinary General Meeting of Shareholders	Every Year in June
Dividend Record Date*	March 31
Shareholder Registry Administrator	Sumitomo Mitsui Trust Bank, Limited. 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Handling Office	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited. 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Contact (Telephone number and mailing address)	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited. 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063 [Dedicated toll free number in Japan] 0120-582-842 [Time available] From 9 a.m. to 5 p.m. (except for weekends, holidays, year-end and New Year holidays)
Method of Public Notice	Public notices of the Company shall be electronic public notices; provided, however, that if the Company is unable to issue an electronic public notice due to an accident or any other unavoidable reasons, public notices of the Company shall be issued in the Nihon Keizai Shimbun. <a href="http://www.jp-life.japanpost.jp/aboutus/kokoku/abt_kok_index.html">http://www.jp-life.japanpost.jp/aboutus/kokoku/abt_kok_index.html</a>
Share Trading Units	100 shares
Stock Exchange	Tokyo Stock Exchange

\* Although the Company is permitted to declare interim dividends with a record date of September 30 under the articles of incorporation, the Company plans to declare annual dividends with a record date of March 31, considering business results.

Contact Points for Various Administrative Procedures Related to Stock

Various procedures (Change of address, change in the method of receiving dividends)	Your securities broker
Receiving of unpaid dividends	Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited. (Refer to above dedicated toll free number)

# Information Map of the General Meeting of Shareholders

(The venue has been changed from the previous year.)

**Venue** The Prince Park Tower Tokyo  
Ballroom, Level B2,  
8-1, Shibakoen 4-chome, Minato-ku, Tokyo  
\*Please be careful not to confuse the venue with the Tokyo Prince Hotel.

**Date and Time** Monday, June 18, 2018 at 10:00 a.m. Japan time  
**Reception starts at 9:00 a.m.**  
\*The reception may open earlier depending on the state of congestion, etc.



**Transportation Guide**

<ul style="list-style-type: none"> <li><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">I</span> Toei Subway Mita Line</li> <li><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">E</span> Toei Subway Oedo Line</li> <li><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">A</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">E</span> Toei Subway Asakusa Line/Oedo Line</li> <li><span style="border: 1px solid black; border-radius: 50%; padding: 2px;">JY</span> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">JK</span> JR Yamanote Line/Keihin Tohoku Line</li> </ul>	<p><b>Shibakoen Station</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">A4</span> Exit approx. 6-minute walk <span style="color: blue;">→</span> Route</p> <p><b>Akabanebashi Station</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">Akabanebashi Exit</span> approx. 8-minute walk <span style="color: magenta;">→</span> Route</p> <p><b>Daimon Station</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">A6</span> Exit approx. 13-minute walk <span style="color: red;">→</span> Route</p> <p><b>Hamamatsucho Station</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">North Exit</span> approx. 15-minute walk <span style="color: green;">→</span> Route</p>
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No parking is available. Please use public transportation.

- Souvenirs will not be offered at this Ordinary General Meeting of Shareholders.
- For shareholders attending the meeting, please submit your Voting Right Exercise Form at the reception.
- Please bring this convocation notice to conserve paper resources.