

**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 14TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Monday, June 15, 2020 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 refer to the map for the venue at the end of this notice.)

Contents	
▪ Convocation Notice of the 14th Ordinary General Meeting of Shareholders .....	3
▪ Guidance on the Exercise of Voting Rights .....	6
▪ Reference Documents for the General Meeting of Shareholders.....	10
Proposal: Election of Nine (9) Directors	
[Attachment of the 14th Ordinary General Meeting of Shareholders]	
▪ Business Report .....	24
▪ Consolidated Financial Statements .....	81
▪ Non-consolidated Financial Statements.....	86
▪ Audit Report.....	91

<For preventing the spread of the novel coronavirus infection>

We appreciate your understanding and cooperation regarding the following measures to prevent the spread of the novel coronavirus (COVID-19) infection.

- We strongly request that you exercise your voting rights in advance by returning the Voting Rights Exercise Form or via the Internet, etc. and refrain from coming to the meeting venue regardless of your health condition.
- The meeting will be streamed live on the Internet so that you can view it at home.
- We may take measures **such as limiting the number of attendees or refusing admission** to shareholders who appear to be unwell.
- We plan to accept questions from shareholders in advance. Details will be announced on our website as soon as they are determined.

▶ Deadline for exercising voting rights by the Voting Right Exercise Form Votes shall arrive no later than Friday, June 12, 2020 at 5:15 p.m. Japan time
▶ Deadline for exercising voting rights by the Internet, etc. Received by Friday, June 12, 2020 at 5:15 p.m. Japan time

JAPAN POST INSURANCE Co., Ltd.

Securities Identification Code: 7181

To Our Shareholders

### **Working to regain trust**

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

We would like to extend our deepest sympathies and condolences to those who have been affected by the outbreak of COVID-19.

We received orders to partially suspend business and improve business from the Financial Services Agency of Japan on December 27, 2019 due to inappropriate insurance solicitation for our products.

We deeply apologize to all of our shareholders for the concern caused by this series of problems that have resulted in a major loss of trust from our customers and other stakeholders.

We take these administrative dispositions very seriously and in order to ensure that the same incident does not happen again in the future, we have positioned the implementation of the recently developed business improvement plan as our most important management task, and we will work to ensure the implementation of measures to prevent recurrence and speed up the improvement process to establish customer-first business operations.

We are currently working company-wide to further strengthen the internal control system and ensure compliance as a measure to prevent recurrence.

I will lead employees and do my utmost to build a new JAPAN POST INSURANCE that will implement customer-first business operations through and through in order to regain the trust of customers and other stakeholders.

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

May 2020

SENDA Tetsuya  
President, CEO,  
Representative Executive Officer

May 29, 2020

**Dear Shareholders:**

HORIGANE Masaaki  
Director and Deputy President,  
Representative Executive Officer  
JAPAN POST INSURANCE Co., Ltd.  
3-1, Otemachi 2-chome, Chiyoda-ku,  
Tokyo 100-8794, Japan

## CONVOCAATION NOTICE OF THE 14TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 14th Ordinary General Meeting of Shareholders of JAPAN POST INSURANCE Co., Ltd. (the “Company”) will be held for the purposes described below.

Recently, the government and prefectural governors are strongly urging people to refrain from outings in order to prevent the spread of COVID-19.

In response to these circumstances, after careful consideration of the situation, the Company has decided to hold this General Meeting of Shareholders after taking appropriate measures to prevent the spread of infection.

As the state of emergency has been extended in May 2020, in order to prevent the spread of COVID-19, we kindly ask our shareholders to exercise their voting rights in writing by submitting the Voting Rights Exercise Form, or via electromagnetic means (the Internet, etc.) in advance, and strongly request you to refrain from attending the General Meeting of Shareholders, regardless of their health condition.

Please review the Reference Documents for the General Meeting of Shareholders (pages 10–23) and **exercise your voting rights by no later than 5:15 p.m., Friday, June 12, 2020 (Japan time)** in accordance with the “Guidance on the Exercise of Voting Rights” (pages 6–8).

- 1. Date and Time:** Monday, June 15, 2020 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  
\* As this year the seats will be spaced further apart from each other than usual to prevent the spread of infection, the number of seats available is far fewer compared to previous years, and therefore, even if you arrive on the day of the event, you may not be admitted. We appreciate your understanding.
- 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, 2019 to March 31, 2020)
  2. Report on the contents of the Non-consolidated Financial Statements (from April 1, 2019 to March 31, 2020)

**Matter to be resolved:**

**Proposal:** Election of Nine (9) 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 <https://www.jp-life.japanpost.jp/>

## **Actions for Preventing the Spread of COVID-19 at the 14th Ordinary General Meeting of Shareholders of the Company**

The Company will take the following actions to prevent the spread of COVID-19 at the 14th Ordinary General Meeting of Shareholders.

We appreciate your understanding and cooperation.

[Requests and guidance to our shareholders]

- We ask for your cooperation in wearing a face mask at all times and using alcohol sanitizer at the General Meeting of Shareholders.
- We may ask for your cooperation in checking your temperature and taking other measures upon entry into the venue. Please note that those who have fever, among other symptoms, may be denied entry.
- The seats are spaced sufficiently wide apart from each other at the venue of the General Meeting of Shareholders. The number of seats therefore has been significantly reduced compared to previous years. Please note that we may have to guide shareholders who are unable to enter the venue to another venue or decline their entry.
- Please refrain from asking any questions other than those related to the meeting agenda in order to ensure smooth proceedings.

[Response by the Company]

- The General Meeting of Shareholders will be live streamed on the day of the meeting via the Internet so that shareholders who refrained from attending can view the meeting at home. Please refer to the next page for details.
- Administrative staff of the meeting will participate in the event after thorough checks on their physical condition in advance.
- Participating officers and administrative staff will be required to wear face masks.

**We will announce any significant changes to be made in the style and operation of the General Meeting of Shareholders due to future circumstances on our website (<https://jp-life.japanpost.jp/>). Please make sure to check the latest information before coming to the venue.**

## Live Streaming via the Internet and Advance Acceptance of Questions

In order to prevent the spread of COVID-19, the number of seats at the Company's 14th Ordinary General Meeting of Shareholders has been significantly reduced and admission to the meeting may be denied.

For this reason, we are planning to stream the event live over the Internet and accept questions in advance.

### 1. Live Streaming via the Internet

The 14th Ordinary General Meeting of Shareholders will be live streamed on the day of the meeting via the Internet so that shareholders who refrained from attending can view the meeting at home.

<How to watch the live stream>

Please access the information page below, and access the streaming site from the link under the "Internet Live Streaming Information."

<Time and date of release>

Monday, June 15, 2020 at 10:00 a.m. Japan time

[Notes]

We appreciate your understanding on the following matters:

- You cannot exercise voting rights or participate in the Q&A session via live streaming.
- Although we will consider the privacy of attending shareholders and avoid showing shareholders in an identifiable form by filming the meeting from the back of the venue, there may be cases where shareholders may be unavoidably included.
- Since the statements and remarks made by attending shareholders are also streamed as audio, please be careful not to disclose any personal information.
- Please note that there may be video or audio problems while viewing due to factors such as the network environment, computer functions, or concentrated access by many shareholders.
- Communication fees, etc. for viewing shall be borne by shareholders.

### 2. Advance acceptance of questions

We plan to accept questions from shareholders regarding matters to be reported and matter to be resolved at the 14th Ordinary General Meeting of Shareholders.

Please visit the following page for details, which will be announced when determined.

Information page	<a href="https://www.jp-life.japanpost.jp/IR/stock/meeting.html">https://www.jp-life.japanpost.jp/IR/stock/meeting.html</a> Our website - Investor Relations - Stock Information - General Meeting of Shareholders
------------------	---

# 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 15, 2020 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



## For those not attending the Ordinary General Meeting of Shareholders

### Exercise of voting rights by mail

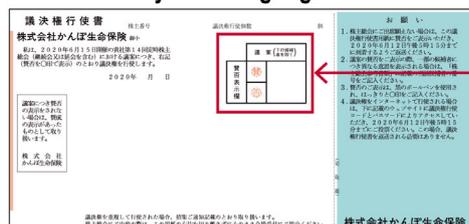
**Voting Deadline** **Votes shall arrive no later than Friday, June 12, 2020 at 5:15 p.m. Japan time**



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 12, 2020 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.



### 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.

Inquiries regarding  
voting via the Internet

[Administrator of Shareholder Registry]  
Stock Transfer Agency Department,  
Sumitomo Mitsui Trust Bank, Limited

 **0120-652-031** (toll free in Japan)

(Open from 9:00 a.m. to 9:00 p.m.)

### **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.

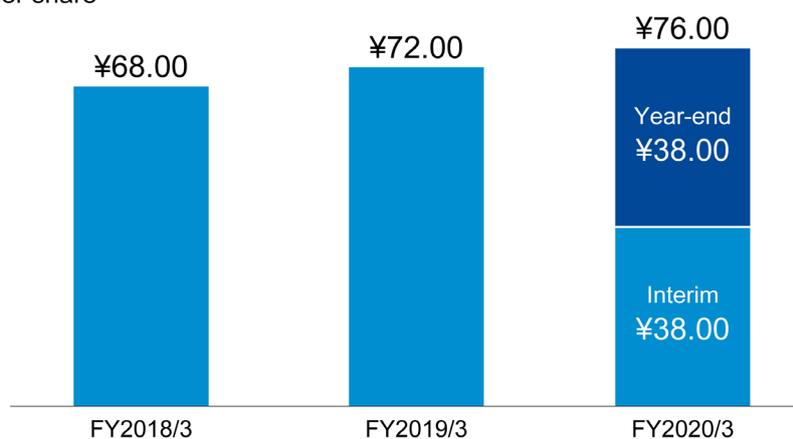
# Dividends

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 ¥38 per share**

**2 Effective date June 16, 2020**

Dividend per share



## Shareholders receiving dividends at a post office counter

We recommend shareholders use direct deposit in order to receive dividends quickly, safely and securely.

Using direct deposit ensures receipt of dividends in your designated account on the payment commencement date.

- ◆ When receiving dividends through a securities company: Dividends are paid to your securities account.
- ◆ When receiving dividends through your bank account: Dividends are paid to a designated bank account.

To change the method of dividend receipt, please take necessary procedures at your securities company.

## Reference Documents for the General Meeting of Shareholders

### Proposal and References

**Proposal:** Election of Nine (9) Directors

Among all of the ten (10) Directors elected at the 13th Ordinary General Meeting of Shareholders, UEHIRA Mitsuhiko and NAGATO Masatsugu resigned as Directors on January 11, 2020, and KOMURO Yoshie resigned as Director on February 29, 2020. The terms of office of all seven (7) remaining Directors will expire at the conclusion of this General Meeting of Shareholders. It is therefore proposed to elect nine (9) Directors by increasing two (2) Directors to reinforce the management system pursuant to the decision at the Nomination Committee.

Candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	
1	Newly elected SENDA Tetsuya	President, CEO, Representative Executive Officer	
2	Newly elected ICHIKURA Noboru	—	
3	Re-elected HORIGANE Masaaki	Director and Deputy President, Representative Executive Officer, Nomination Committee Member, Compensation Committee Member	
4	Newly elected MASUDA Hiroya	—	
5	Re-elected SUZUKI Masako	Director Audit Committee Member	Outside Independent
6	Re-elected SAITO Tamotsu	Director Chairman of Compensation Committee, Nomination Committee Member	Outside Independent
7	Re-elected YAMADA Meyumi (Name in family register: HARA Meyumi)	Director Audit Committee Member	Outside Independent
8	Re-elected HARADA Kazuyuki	Director Chairman of Nomination Committee, Compensation Committee Member	Outside Independent
9	Newly elected YAMAZAKI Hisashi	—	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>SENDA Tetsuya (Apr. 22, 1960)</p> <p>Newly elected</p> <p>President, CEO, Representative Executive 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 Director</u> He has held prominent positions in the corporate planning and business process departments, 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. 1984    Joined the Ministry of Posts and Telecommunications</p> <p>Oct. 2007    Senior General Manager of Customer Service Department of the Company</p> <p>Oct. 2008    Senior General Manager of Tokyo Service Center of the Company</p> <p>Apr. 2010    General Manager of Business Process Planning Department of the Company</p> <p>Jul. 2010    Senior General Manager of Business Process Supporting Department of the Company</p> <p>Apr. 2011    Senior General Manager of Corporate Planning Department of the Company</p> <p>Jul. 2011    Executive Officer and Senior General Manager of Corporate Planning Department of the Company</p> <p>Oct. 2011    Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.</p> <p>Jun. 2013    Managing Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Jul. 2013    Managing Executive Officer of the Company</p> <p>Jun. 2016    Senior Managing Executive Officer of the Company</p> <p>Nov. 2017    Senior Managing Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Apr. 2019    Deputy President, Representative Executive Officer of the Company</p> <p>Aug. 2019    Managing Executive Officer of Japan Post Holdings Co., Ltd. (current position)</p> <p>Jan. 2020    President, CEO, Representative Executive Officer of the Company (current position)</p> <p>Significant concurrent position: Managing Executive Officer of Japan Post Holdings Co., Ltd. (Scheduled date of election as Director of Japan Post Holdings Co., Ltd. is June 17, 2020)</p>	6,200 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	<p>ICHIKURA Noboru (Jun. 10, 1958)</p> <p>Newly elected</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 Director</u> Based on his considerable experience and achievements developed in the finance department, etc. of Japan Post Holdings Co., Ltd., the parent company 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. 1983      Joined the Japan Tobacco and Salt Public Corporation</p> <p>Jun. 2009      Executive Officer and Senior General Manager of IPO Planning Office of Japan Post Holdings Co., Ltd.</p> <p>Aug. 2009      Executive Officer, Senior General Manager of IPO Planning Office and General Manager of Corporate Planning Department of Japan Post Holdings Co., Ltd.</p> <p>Jan. 2010      Executive Officer and General Manager of Corporate Planning Department of Japan Post Holdings Co., Ltd.</p> <p>Oct. 2010      Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Sep. 2013      Executive Officer and Senior General Manager of Accounting Department of Japan Post Holdings Co., Ltd.</p> <p>Nov. 2013      Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Jun. 2014      Managing Executive Officer of Japan Post Holdings Co., Ltd.</p> <p>Jun. 2016      Senior Managing Executive Officer of Japan Post Holdings Co., Ltd. (current position)</p> <p>Significant concurrent position: Senior Managing Executive Officer of Japan Post Holdings Co., Ltd. (Scheduled to resign on June 17, 2020.)</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	<p>HORIGANE Masaaki (Aug. 10, 1956)</p> <p>Re-elected</p> <p>Director and Deputy President, Representative Executive Officer Nomination Committee Member, Compensation Committee Member</p> <p>Number of years and months in office as a Director 3 years</p> <p>Status of attendance at the Board of Directors 100 % (21/21 meetings)</p> <p>Status of attendance at the Nomination Committee - % (-/- meetings)</p> <p>Status of attendance at the Compensation Committee 100% (2/2 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>	2,400 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	<p>MASUDA Hiroya (Dec. 20, 1951)</p> <p>Newly elected</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 Director</u> He has extensive knowledge of the Japan Post Group, having served as the chairman of the Postal Privatization Committee, as well as having held government positions including the Governor of Iwate Prefecture and the Minister of Internal Affairs and Communications. He has also taken part in the management of the entire Japan Post Group as a 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. 1977    Joined the Ministry of Construction Apr. 1995    Governor of Iwate Prefecture Aug. 2007    Minister for Internal Affairs and Communications Aug. 2007    Minister of State for Decentralization Reform, Cabinet Office, Government of Japan Apr. 2009    Adviser, Nomura Research Institute, Ltd. Apr. 2009    Visiting Professor, Graduate School of Public Policy, The University of Tokyo (current position) Jan. 2020    Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. (current position)</p> <p>Significant concurrent positions: Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. (Scheduled date of election as Director and Representative Executive Officer, President &amp; CEO of Japan Post Holdings Co., Ltd. is June 17, 2020) Director of JAPAN POST Co., Ltd. (Scheduled date of election is June 24, 2020) Director of JAPAN POST BANK Co., Ltd. (Scheduled date of election is June 16, 2020) Visiting Professor, Graduate School of Public Policy, The University of Tokyo</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	<p>SUZUKI Masako (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 4 years</p> <p>Status of attendance at the Board of Directors 100% (21/21 meetings)</p> <p>Status of attendance at the Audit Committee 100% (16/16 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. Aug. 2010      Director of Pasona Group Inc. Mar. 2012      Director of Benefit one Solutions Inc. May 2012      Auditor of Benefit one Health care Inc. Jan. 2016      President and Representative Director of Benefit one Health care Inc. Jun. 2016      Director of the Company (current position) Jun. 2018      Director, Executive Vice President of Benefit One Inc. Jul. 2019      Senior Advisor of Pasona Group Inc. (current position) Dec. 2019      President and Representative Director of Pasona Force Inc. (current position)</p> <p>Significant concurrent positions: Senior Advisor of Pasona Group Inc. President and Representative Director of Pasona Force Inc.</p>	1,800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
6	SAITO Tamotsu (Jul. 13, 1952)  Re-elected Outside Director Independent Officer  Director Chairman of Compensation Committee, Nomination Committee Member  Number of years and months in office as a Director 3 years  Status of attendance at the Board of Directors 95 % (20/21 meetings)  Status of attendance at the Nomination Committee 100 % (2/2 meetings)  Status of attendance at the Compensation Committee 100 % (7/7 meetings)	<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 Monozukuri System Strategy Planning Headquarters of IHI Corporation</p> <p>Apr. 2017    Chairman of the Board of IHI Corporation</p> <p>Jun. 2017    Director of the Company (current position)</p> <p>Jun. 2018    Outside Director of Oki Electric Industry Co., Ltd. (current position)</p> <p>Apr. 2020    Director of IHI Corporation (current position)</p> <p>Significant concurrent positions: Director of IHI Corporation (To be appointed as Senior Counselor of IHI Corporation in late June 2020) Outside Director of Oki Electric Industry Co., Ltd.</p>	600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	<p>YAMADA Meyumi (Name in family register: HARA Meyumi) (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 3 years</p> <p>Status of attendance at the Board of Directors 100 % (21/21 meetings)</p> <p>Status of attendance at the Audit Committee 100 % (16/16 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    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. Sept. 2016    Director of Eat Smart, Inc. Jun. 2017    Director of the Company (current position) Jun. 2017    Outside Director of Seino Holdings Co., Ltd. (current position) Nov. 2019    Director of IS Partners Inc. (current position)</p> <p>Significant concurrent positions: Director of istyle Inc. Outside Director of Seino Holdings Co., Ltd.</p>	1,300 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	<p>HARADA Kazuyuki (Jan. 22, 1954)</p> <p>Re-elected Outside Director Independent Officer</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 % (21/21 meetings)</p> <p>Status of attendance at the Nomination Committee 100 % (3/3 meetings)</p> <p>Status of attendance at the Compensation Committee 100 % (6/6 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) Jun. 2018    Director of the Company (current position) Jun. 2019    President &amp; Executive Officer of Keikyu Corporation (current position)</p> <p>Significant concurrent positions: President &amp; Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd.</p>	-

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	<p data-bbox="300 546 448 636">YAMAZAKI Hisashi (Nov. 14, 1948)</p> <p data-bbox="272 669 475 759">Newly elected Outside Director Independent Officer</p> <p data-bbox="272 792 475 904">Number of years and months in office as a Director - years</p> <p data-bbox="264 943 483 1055">Status of attendance at the Board of Directors - % (-/- meetings)</p>	<p data-bbox="507 271 1222 483"><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 judge and attorney-at-law. We believe that he can appropriately perform duties as an Outside Director based on the aforementioned reasons.</p> <p data-bbox="507 517 1238 1155"> Apr. 1974    Assistant Judge, Osaka District Court  Apr. 1995    Presiding Judge, Tokyo District Court  Dec. 2000    Chief, Training and Research Institute for Family Court Probation Officers  Dec. 2002    Chief, Family Bureau, General Secretariat, Supreme Court  Dec. 2005    Chief Judge, Maebashi District Court  Feb. 2007    Chief Judge, Yokohama Family Court  Dec. 2008    Presiding Judge, Tokyo High Court  Aug. 2009    President, Tokyo Family Court  Feb. 2011    President, Sapporo High Court  Mar. 2013    Commissioner, Japan Fair Trade Commission  Aug. 2016    Registered as attorney-at-law (Tokyo Bar Association)  Aug. 2016    Attorney-at-law of Kikuchi Sogo Law Office (current position)  Jul. 2017    Supervisory Board Member, National Federation of Agricultural Cooperative Associations (current position)  Jun. 2018    Outside Director of Sumitomo Corporation (current position) </p> <p data-bbox="507 1189 1201 1335"> Significant concurrent positions:  Attorney-at-law  Supervisory Board Member, National Federation of Agricultural Cooperative Associations  Outside Director of Sumitomo Corporation </p>	-

Notes:

1. Japan Post Holdings Co., Ltd., where Mr. MASUDA Hiroya serves as Representative Executive Officer, President & CEO, is the Company's parent company holding the Company's shares. 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 contracts related to the use of systems such as information provision services between the Company and Japan Post Holdings Co., Ltd. There are no special conflicts of interest between the other Director candidates and the Company.
2. The positions and responsibilities of Mr. SENDA Tetsuya and Mr. ICHIKURA Noboru as executive persons at the parent company for the past five years and at present are as described in the past experience, positions and responsibilities.
3. With respect to Mr. Horigane Masaaki, Mr. Saito Tamotsu and Mr. Harada Kazuyuki, the status of attendance at committees that were held during the fiscal year ended March 31, 2020, after they became committee members is reported.  
The Nomination Committee was not held in the fiscal year ended March 31, 2020 after Mr. Horigane Masaaki was appointed as its member.
4. Of the candidates for Directors, Ms. Suzuki Masako, Mr. Saito Tamotsu, Ms. Yamada Meyumi, Mr. Harada Kazuyuki and Mr. Yamazaki Hisashi are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
5. The term of office of Ms. Suzuki Masako as Outside Director of the Company will be four years, that of Mr. Saito Tamotsu and Ms. Yamada Meyumi will be three years, and that of Mr. Harada Kazuyuki will be two years, respectively, at the conclusion of this Ordinary General Meeting of Shareholders.
6. The Company has entered into liability limitation agreements with Ms. Suzuki Masako, Mr. Saito Tamotsu, Ms. Yamada Meyumi and Mr. Harada Kazuyuki to limit their liability 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. Horigane Masaaki, Mr. Masuda Hiroya and Mr. Yamazaki Hisashi is approved, the Company will enter into a liability limitation agreement with them.
7. The Company has designated each of Ms. Suzuki Masako, Mr. Saito Tamotsu, Ms. Yamada Meyumi and Mr. Harada Kazuyuki 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. Yamazaki Hisashi as an Independent Officer if his election is approved.
8. Mr. Saito Tamotsu served as Chairman of the Board of IHI Corporation until March 31, 2020, which was found to have conducted inappropriate work in its civil aircraft engine maintenance business. On March 29, 2019, IHI Corporation was ordered by the Ministry of Economy, Trade and Industry (METI) to make repairs with repair methods approved based on the Aircraft Manufacturing Industry Act, and on April 9, 2019 it received from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) a business improvement order based on the Civil Aeronautics Act. After this fact was made clear, Mr. Saito has fulfilled his duties by ordering comprehensive inspections of quality throughout the company and steadily promoting measures to enhance compliance awareness and prevent recurrence.
9. During the service of Ms. Suzuki Masako, Mr. Saito Tamotsu, Ms. Yamada Meyumi and Mr. Harada Kazuyuki as the Company's Outside Directors, it was found that there were cases of policy rewriting, etc. that may have caused disadvantages to customers, not in line with their intentions, and the Company received administrative dispositions pursuant to the Insurance Business Act and other relevant laws from the Financial Services Agency of Japan on December 27, 2019 for these cases. In addition to making recommendations from the perspective of legal compliance and customer compliance management at normal times, each of these Directors are fulfilling their responsibilities by making recommendations for the protection of customers and prevention of recurrence after the cases were discovered.

[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 JAPAN POST INSURANCE Co., Ltd.]

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 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 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.

[Attachment for the 14th Ordinary General Meeting of Shareholders] Graphs and charts in this report are for reference purposes.

Business Report (From April 1, 2019 to March 31, 2020)

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

Due to the issues relating to our and our agents' solicitation quality, on December 27, 2019, we received a business suspension order (from January 1, 2020 to March 31, 2020) and a business improvement order pursuant to Article 132, Paragraph 1 of Insurance Business Act, from the Financial Services Agency of Japan. We would like to sincerely apologize for damaging the trust of and causing great concern to all the stakeholders including our shareholders, investors, and customers.

### 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"). At the same time, Japan Post Insurance Group mainly consists of the Company and one subsidiary, 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, 2020]

During the fiscal year ended March 31, 2020, the Japanese economy continued to grow steadily in the first half of the fiscal year. However, following the consumption tax rate hike in the second half of the fiscal year, the economy slowed down, mainly in terms of private-sector domestic demand, and rapidly deteriorated toward the end of the fiscal year due to the impact of stay-at-home requests from the government to prevent the spread of COVID-19. Likewise, overseas economies such as the U.S., the Eurozone, and China continued to experience relatively steady growth in the first half of the fiscal year, but sharply deteriorated toward the end of the fiscal year due to the implementation of measures to stop the spread of COVID-19.

In the life insurance industry, customer needs have diversified with heightened selectivity against the backdrop of a continued low interest rate environment, the advent of a super-aging society, and evolving lifestyles. Under these circumstances, we believe that the role of the life insurance industry is growing ever more to support the efforts of customers to prepare themselves for emergencies.

### **Regarding the Issues related to the Company's Solicitation Quality**

Certain issues related to our and our agents' solicitation quality occurred during the fiscal year ended March 31, 2020. With respect to the categories of cases for which we were able to identify potential disadvantages to customers that are not in line with their intentions after rewriting policies

at the time of insurance terms review, we have conducted investigations to confirm the circumstances of the solicitation process in writing and through telephone calls and home visits (the investigations of specified rewriting cases). In addition, we conducted written surveys of all of our policies to confirm whether there were cases involving potential disadvantages to customers because customers' policies are not in line with their intentions (the "investigation of all insurance policies").

In the course of our investigations of specified rewriting cases, we have confirmed with the applicable customers the circumstances of the solicitation process, and put priority on compensating disadvantages experienced by affected customers. In addition, we have conducted the investigation into the sales personnel who accepted the specified rewriting policies (the "sales personnel investigations"). In the course of our investigation of all insurance policies, we have confirmed whether customers' policies are in line with their intentions or not. According to their requests and opinions, we have conducted further investigations and taking other relevant measures.

At post offices and our branch offices, we have refrained from making proactive sales proposals for our products from July 2019, and put priority on dealing with affected customers in connection with these investigations. As a result, in regard to the investigations of specific rewriting cases (approximately 156 thousand applicable customers), we have finished responding to customers as of the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers. In addition, in regard to the investigations of all insurance policies, we have conducted confirmations of policy coverage and customers' intentions for approximately 19 million customers. We have received approximately 1,010 thousand responses and we have finished responding to customers as of the end of March 2020, except for cases that cannot be finished due to reasons attributable to customers.

In regard to the sales personnel investigations in connection with the investigations of specified rewriting cases, except for cases that cannot be finished due to the sales personnel's illness or other reasons, we have mostly completed the review of sales personnel investigations as of the end of April. We have started remedial training for the sales personnel who were identified to have violated laws and regulations or internal rules but whose status as solicitation personnel we have not determined to abolish at this time. In regard to the investigation of all insurance policies, we have received a number of opinions including complaints and criticism in addition to requests for explanations about policy coverage and for various procedures including address change, and words of appreciation and encouragement. We have confirmed whether such opinions resulted from cases that may involve violations of laws and regulations or internal rules. For such cases, we have been conducting sales personnel investigations and compensating customers for disadvantages experienced.

Based on the answers and opinions, etc. from customers through the investigation of all insurance policies, we have identified cases where sales personnel repeatedly made many policy applications and cancellations, which may not have been in line with the intentions of the customers. As a result, from February 2020, we have been investigating the circumstances of solicitation processes of such

cases in order to compensate customers for disadvantages experienced, as a further investigation of all insurance policies in descending order of priority. In regard to additional investigation of all insurance policies, we plan to complete confirmations of policy coverage by around the end of June 2020. However, the progress of investigation may be delayed in light of the growing effects of COVID-19.

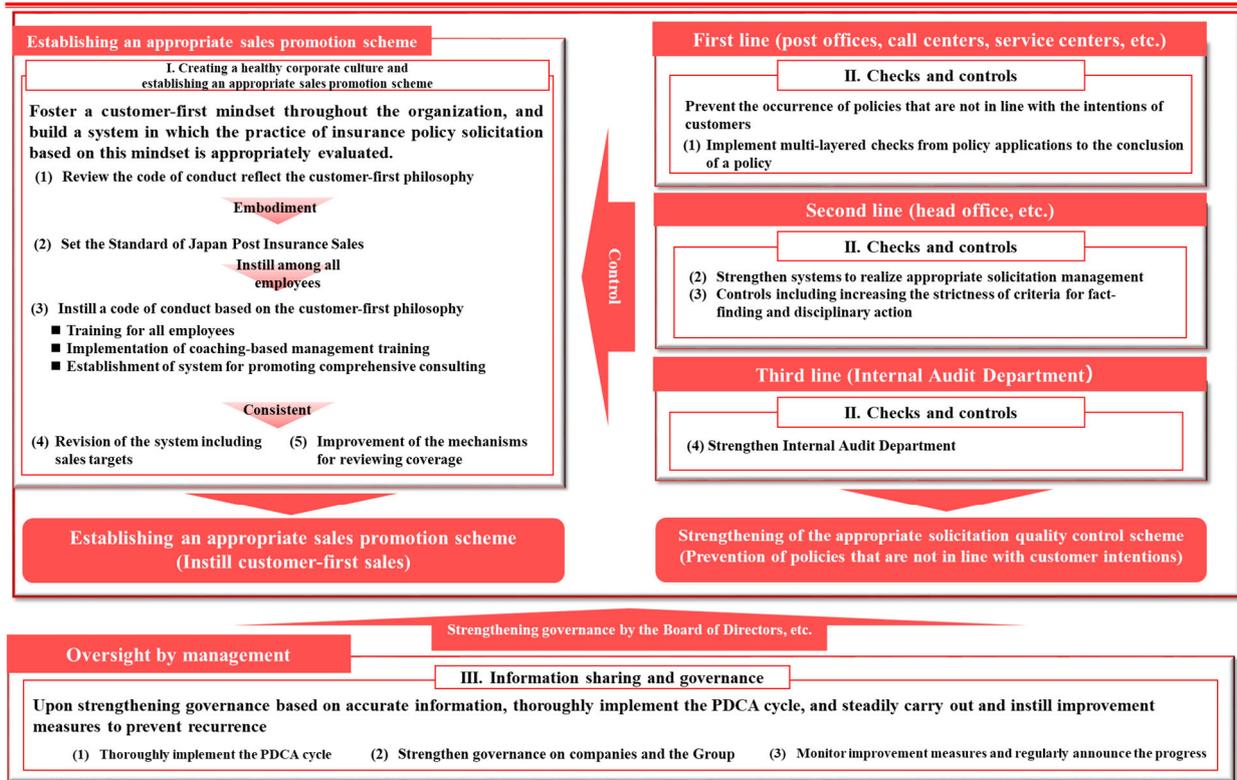
In addition to the above cases to be investigated, we will continue to carry out activities to regain customers' trust through confirmation of policy coverage by listening carefully to customer's opinions and requests through home visits, and aiming to compensate customers for disadvantages caused by policy coverage which doesn't suit customers' intention sincerely.

In connection with these issues, together with Japan Post Holdings and Japan Post Co., Ltd., we have established a Special Investigation Committee comprised only of disinterested external experts and the Special Investigation Committee provided us with their opinions intended to ensure that the investigations of specified rewriting cases and the investigation of all insurance policies are properly conducted, and the Special Investigation Committee thoroughly investigated and the underlying causes and made recommendations for improvement. In addition, we received administrative dispositions from the Financial Services Agency of Japan on December 27, 2019 and therefore, we prepared a business improvement plan which incorporated recommendations by the Special Investigation Committee and submitted the plan to the Financial Services Agency of Japan on January 31, 2020.

Also, for clarification of the responsibilities of management, on January 5, 2020, our President, CEO and Representative Executive Officer resigned, we have implemented a reduction in compensation for our Executive Officers, and we decided to reduce the summer bonus for 2020 with respect to managerial employees who have a certain level of responsibility at our main headquarters or regional headquarters.

We will reflect deeply on the solicitation quality issues and will continue to conduct the investigation of policies. At the same time, as described in "Issues to be Addressed" later in this document, we will treat the implementation of preventive countermeasures (creating a healthy corporate culture, establishing an appropriate sales promotion scheme, strengthening of the appropriate solicitation quality control scheme, and strengthening governance by the Board of Directors, etc.) in the business improvement plan as a matter of top priority for management, and we will make efforts to regain trust of all stakeholders by making efforts toward customer-oriented operation.

## Overview of the Business Improvement Plan of the Japan Post Group



Besides the above-described responses to the solicitation quality issues, specific initiatives in the fiscal year ended March 31, 2020 were as follows.

### **1. Initiatives related to product services**

We began selling products with relaxed underwriting criteria and a non-participation advanced medical rider from April 2019. The products with relaxed underwriting criteria have been created to provide coverage to a wide range of customers whose health conditions prevented them from insurance enrollment, allowing more customers to benefit from insurance policies. In addition, we have enhanced medical coverage by creating a non-participation advanced medical rider to meet the needs of customers who want to prepare for the cost of advanced medical care, which entails a heavy economic burden.

The Company implemented emergency measures including the extension of the grace period for payment of premiums in response to a heavy rainfall disaster accompanied by a weather front in August 2019 and the disasters associated with Typhoons Faxai and Hagibis in September and October of 2019. In addition, we reduced or exempted interest rates applicable to the policy loans excluding premium loans as special measures in response to the disasters associated with these Typhoons. Furthermore, in March 2020, in response to the expanding impact of COVID-19, we reduced or exempted the interest rates applicable to the policy loans excluding premium loans as special measures and omitted some of the necessary documents to enable simple and quick claims as emergency measures. In April 2020, we decided to pay out insurance benefits in the event of death due to COVID-19 as a double payment of insurance benefits in addition to the death benefit.

### **2. Initiatives related to administrative services**

The Company actively uses digital technology in an aim to further improve customer service through the advancement of administrative services and reduce administrative costs mainly through the enhancement of efficiency in back-office (Service Centers) administration.

Specifically, we introduced the My Page web service in April 2019 that enables policyholders to confirm policy coverage and issue proof of premium payment, with operations from a familiar environment such as a home PC or smartphone without restrictions on the time or location.

In addition, we introduced “Japan Post Insurance Electronic Ledger System” in April 2019 at our back office (Service Centers). As a result, approximately 32 million ledgers that were traditionally output in paper have become paperless, and administration has been made more efficient with reduced cost.

In the fiscal year ending March 31, 2021, as part of the comprehensive measures to further improve convenience for customers and solicitation quality, we will make efforts to reduce customer burden by customizing the “Customer Confirmation Form” confirmation items, which is used when a customer

asks for his or her policy to be cancelled, to correspond to each customer's request or terms of the policy, so that the customer is able to appropriately review the policy coverage in accordance with his or her wishes. In addition, when a customer asks to cancel his or her policy, we will further implement supportive measures to our system so that we are able to create and show a ledger for the customer to confirm the terms of the policy, refund in the event of cancellation, and possible loan amount, so that the customer can make the selection that is best suited to his or her needs.

### **3. Initiatives related to asset management**

In asset management, we have continued investments into risk assets within the scope of risk tolerance in an aim to secure stable interest margin under a low interest rate environment while remaining committed to ALM\*<sup>1</sup> for secure payment of insurance claims, etc. In terms of promoting diversification in asset management, as part of our efforts to expand overseas credit investments, we continued in-house management of U.S. corporate bonds together with in-house managed stocks and alternative investments\*<sup>2</sup>. As a result, the balance of risk assets of the total assets at the end of the fiscal year ended March 31, 2020 was 13.9% and interest margin was ¥80.4 billion.

These asset management measures are performed under the enterprise risk management (ERM)\*<sup>3</sup> framework as part of efforts to secure financial soundness and improve return on risk.

As a result of the sharp downturn in Japanese and foreign stock markets underpinned by concerns about the spread of COVID-19, some of the shares held by the Company as of March 31, 2020 were impaired and unrealized gains declined. However, the Company continues to maintain its financial soundness.

\*1 ALM (Asset Liability Management) refers to an integrated management of assets and liabilities

\*2 "Alternative investments" is a general term for new investment targets or methods other than financial instruments that have a relatively long history such as bonds or listed stocks (traditional assets).

\*3 "Enterprise risk management (ERM)" refers to risk management for the overall business by ascertaining risks on an overall basis, including latent significant risks, for any risk a company faces and by comparing and contrasting such risks with its capital and other areas.

### **4. Other key initiatives**

As a life insurance company, a listed company, and an institutional investor, the Company is working on the following measures in order to fulfill its social responsibilities towards all stakeholders and contribute to the resolution of ESG\*<sup>1</sup> issues.

## **(1) Initiatives to promote health**

The Company is supporting the health of local people by promoting participation in the radio exercise\*<sup>2</sup> and providing *Sukoyakampo*, which is a health promotion application. Customers are able to record and manage the number of steps walked each day on *Sukoyakampo*, and the app provides various useful information for the customers' healthy aging. Together with My Page, this app is becoming a new digital point of contact with our customers.

\*1 ESG is a term that combines the initials of 'Environment', 'Social' and 'Governance'.

\*2 The Postal Life Insurance Bureau of the Ministry of Communications, the predecessor of Japan Post Insurance, created the Radio Exercise Program in 1928 in celebration of the enthronement ceremony of the Showa Emperor. The average life expectancy in Japan was very short when the program was created, and the Bureau aimed to make the citizens of Japan stronger through the promotion of radio exercises.

## **(2) ESG investment and Stewardship Code initiatives**

In May 2019, the Company released its ESG Investment Policy, which clarifies its basic stance on ESG investment, and we are making investments that take ESG factors into account. We carry out in-house management of Japanese stocks upon comprehensively evaluating corporate ESG initiatives and invest in high-dividend companies that are expected to increase their corporate value over the medium to long-term. We also evaluate the technological capabilities of companies and the growth potential of their business base, and invest in companies that view ESG as a growth opportunity. Our in-house management of bonds, etc. focuses on investment in solar power generation projects, green bonds, and social bonds, etc., as ESG-themed investments that broadly contribute to the achievement and resolution of the Sustainable Development Goals (SDGs)\*. In the area of externally managed assets, we confirm ESG initiatives in our external manager selection, and during interviews with our fund managers, etc.

\* SDGs is an abbreviation for Sustainable Development Goals, and is a universal goal adopted by the UN General Assembly in September 2015 with the goal of "ending poverty and ending the pursuit of a sustainable future". It will consist of 17 goals and 169 targets to solve global issues by 2030.

In addition, we engage in stewardship activities with the aim of promoting the medium to long-term enhancement of the corporate value of investee companies through constructive engagement and the exercise of voting rights.

We will continue to consider ESG factors when making investment decisions in accordance with our ESG Investment Policy in an aim to realize a sustainable society, and we will work to improve long-term investment performance and reduce risk by investing in highly sustainable companies.

### **(3) Diversity (diverse human resources and workstyles) initiatives**

We aim to create a workplace where each employee regardless of gender can maintain work-life balance, and we have made efforts to provide an environment and systems that enable employees to continue working instead of leaving their jobs at timing of childbirth, childcare or when elderly care is needed. For instance, in August 2019 we provided on-site childcare for elementary school students at the head office building, allowing employees to work with peace of mind even during long vacation such as summer vacation.

### **(4) Environmental protection initiatives**

In April 2019, we expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) together with Japan Post Holdings and JAPAN POST BANK Co., Ltd. In light of these recommendations, we will deepen our analysis of the impact of climate change on our business, and take action to identify the risks and opportunities related to climate change.

### **(5) Countermeasures against money laundering and financing of terrorism**

The Company is promoting efforts to appropriately reduce the risk of money laundering and financing of terrorism based on the Policy on Anti-Money Laundering and Combating the Financing of Terrorism formulated in accordance with the Financial Services Agency of Japan's Guidelines for Anti-Money Laundering and Combating the Financing of Terrorism.

We identify and evaluate risks based on the profile of business, conditions at agencies, and laws and regulations, from the perspective of preventing the misuse of the Company's products and services for money laundering and the financing of terrorism. We take appropriate countermeasures against the relevant risks in order to effectively reduce them and have established a customer acceptance policy.

Japan Post Holdings conducted a secondary offering of the common stock of the Company in April 2019. In addition, in order to improve capital efficiency, enhance shareholder returns, and mitigate the impact of the secondary offering on the supply-demand balance of our shares, the Company repurchased approximately ¥100.0 billion of its own stock, and subsequently canceled nearly the same number of treasury stock in May 2019. Through the secondary offering of the Company's common stock and the share buyback, the shareholding ratio of the Company's common stock by Japan Post Holdings was reduced from 89% to around 64%.

Policy amounts during the fiscal year ended March 31, 2020 were as follows.

Annualized premiums<sup>\*1</sup> from new policies for individual insurance reached ¥146.9 billion (58.2% decrease year on year), and annualized premiums from new policies for medical care coverages<sup>\*2</sup> amounted to ¥22.1 billion (64.1% decrease year on year).

For individual insurance, annualized premiums from policies in force<sup>\*3</sup> reached ¥4,318.6 billion (7.7% decrease year on year), and annualized premiums from policies in force<sup>\*3</sup> for medical care coverages reached ¥715.5 billion (5.0% decrease year on year).

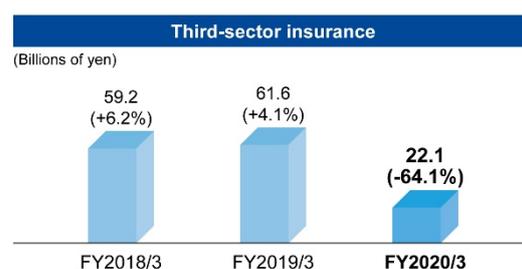
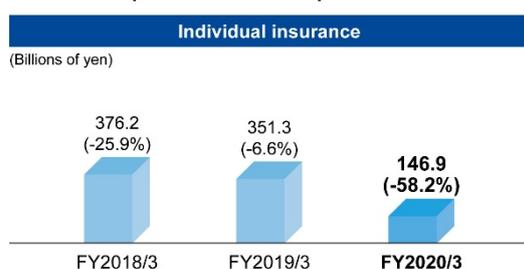
\*1 “Annualized premiums” are the amount of insurance premiums adjusted according to differences in payment method (monthly, yearly, etc.), and converted to one year (12 months). Annualized premiums from new policies and policies in force are indicators that show the size of sales of life insurance companies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

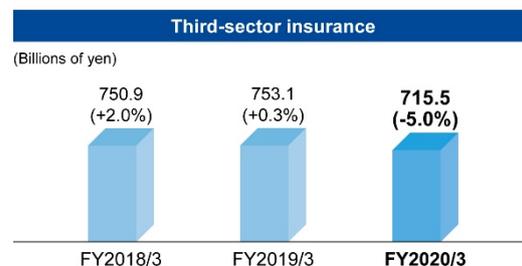
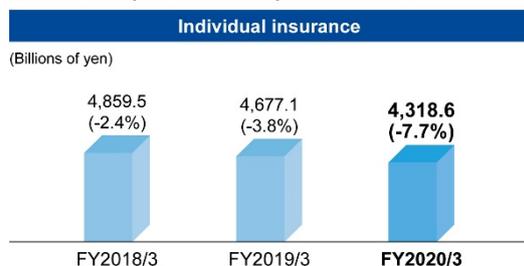
\*3 Includes reinsured Postal Life Insurance Policies received from the Organization for Postal Savings, Postal Life Insurance and Post Office Network (the “Management Network”) (limited to insurance from Postal Life Insurance Policies for individual insurance).

#### <Reference> Status of annualized premiums

##### ■ Annualized premiums from new policies



##### ■ Annualized premiums from policies in force



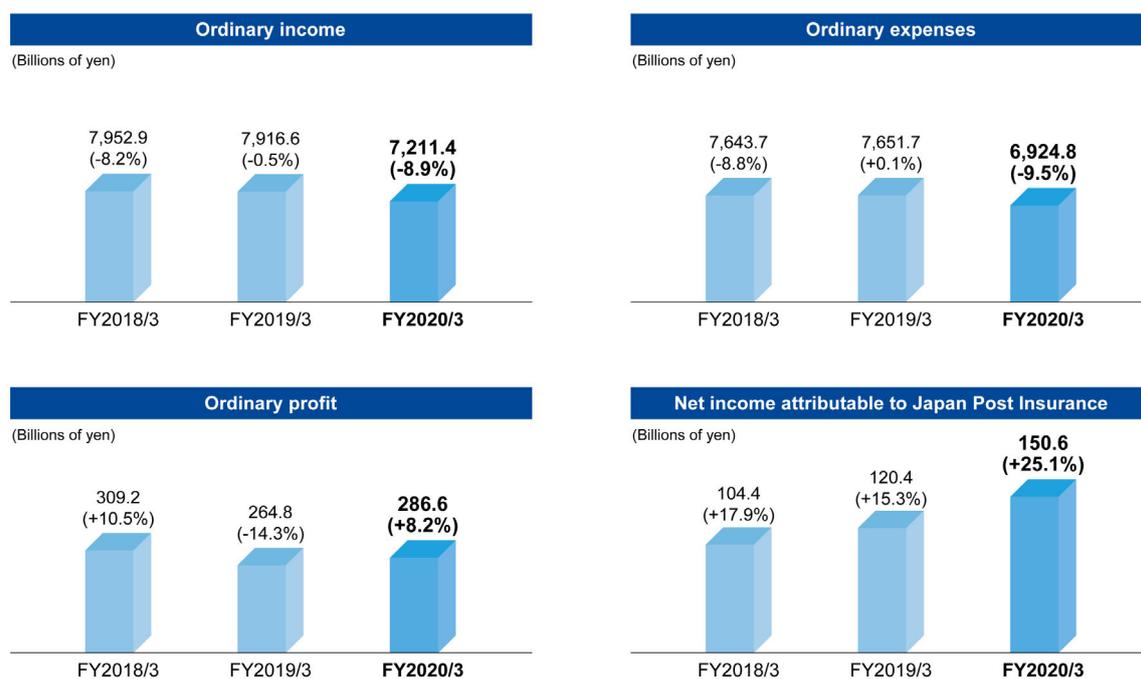
Consolidated profit and loss during the fiscal year ended March 31, 2020 were as follows.

Ordinary income amounted to ¥7,211.4 billion (8.9% decrease year on year), comprising the sum of insurance premiums and others of ¥3,245.5 billion (18.0% decrease year on year), investment income of ¥1,137.7 billion (5.5% decrease year on year), and other ordinary income of ¥2,828.0 billion (2.8% increase year on year).

Ordinary expenses amounted to ¥6,924.8 billion (9.5% decrease year on year), comprising the sum of insurance claims and others of ¥6,191.3 billion (9.9% decrease year on year), investment expenses of ¥124.0 billion (15.1% decrease year on year), operating expenses of ¥135.5 billion (15.8% increase year on year) and others.

As a result, ordinary profit amounted to ¥286.6 billion (8.2% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥150.6 billion (25.1% 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

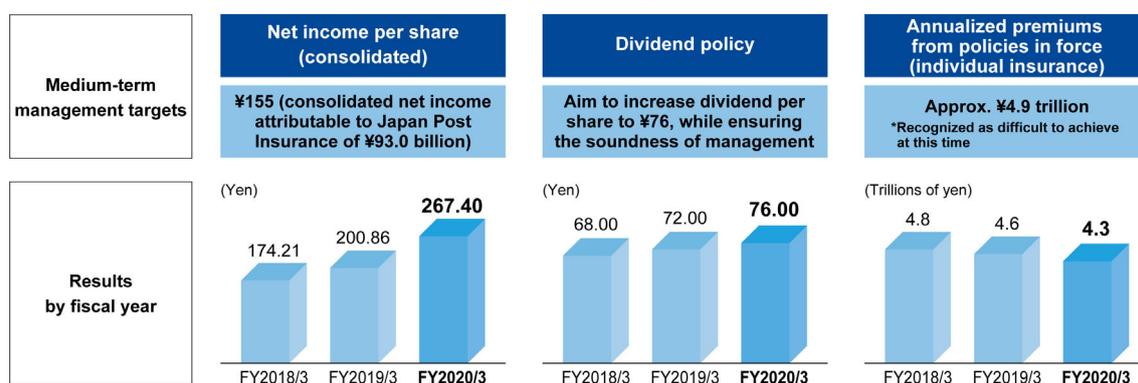


Under the Medium-term Management Plan covering the three years from the fiscal year ended March 31, 2019 to the fiscal year ending March 31, 2021, the Company has set three key quantitative targets, namely, annualized premiums from policies in force (individual insurance), net income per share, and dividend per share.

Net income per share was ¥267.40 and exceeded the initial plan (revised upward in November 2019) due to a decrease in selling expenses resulting from a decrease in new policies and an increase in interest margin. For dividend per share, the Company paid an interim dividend of ¥38 per share in December 2019 according to the initial plan and decided to pay a year-end dividend of ¥38 per share.

For annualized premiums from policies in force (individual insurance), there was a significant decrease in new policy acquisition due to increases in premiums and our refraining from making active proposals for our products in response to solicitation quality issues. In addition, we recognize that it will be difficult to achieve the target for annualized premiums from policies in force (individual insurance) in the Medium-term Management Plan due to the fact that we have not set any sales targets for the fiscal year ending March 31, 2021 and due to our intention to create an environment that will lead to future sales by working on to regain customers' trust as our top priority.

#### <Reference> Progress of medium-term management targets



[Issues to be Addressed]

### **Solicitation quality issues at the Company**

We received orders from the Financial Services Agency of Japan to suspend business (from January 1, 2020 to March 31, 2020) and improve business operations based on Article 132, Paragraph 1 of the Insurance Business Act on December 27, 2019, and during the period from January 1, 2020 to March 31, 2020, we suspended policy solicitations and entering into new insurance policies except in response to voluntary requests from our customers, and we established a business improvement plan aimed at ensuring proper business operation and protecting policyholders, which was submitted to the Financial Services Agency of Japan on January 31, 2020.

We take these administrative dispositions very seriously and position the implementation of the business improvement plan as our most important management issue, and we will make company-wide efforts to regain customers' trust. In addition, on and after April 1, 2020, we will refrain from making proactive sales proposals for our products for the time being, and if we receive any applications for new policies from customers, we will explain the features of our products in detail and, following this process, will accept customers' applications for our products in line with their intentions.

We will make sure to implement the following preventive measures (creating a healthy corporate culture, establishing an appropriate sales promotion scheme, strengthening of the appropriate solicitation quality control scheme, and strengthening governance by the Board of Directors, etc.), which are set forth in the business improvement plan, based on the findings in the business improvement order and the recommendations from the Special Investigation Committee.

#### **1. Creating a healthy corporate culture and establishing an appropriate sales promotion scheme**

The following measures will be implemented to foster customer-first mindset throughout the Company, and to build a system in which the practice of insurance policy solicitation based on this mindset is appropriately evaluated.

##### **(1) Creation and penetration of an appropriate solicitation policy**

In order to thoroughly implement basic actions based on the principle of providing insurance coverage founded on high ethical standards which take the original roles and mission of life insurance into account, we set a solicitation policy that reflects the customer-first philosophy in February 2020, and we announced this solicitation policy to customers in April 2020.

In addition, we have defined our sales action principles, as Standard of Japan Post Insurance Sales, based on the solicitation policy above, and we are providing ongoing training to sales personnel to instill this standard and to ensure an understanding of the code of conduct based on our customer-first philosophy.

(2) Revision of the system of sales targets, etc.

We do not to set sales targets for the fiscal year ending March 31, 2021, and when setting sales targets for the fiscal year ending March 31, 2022 and beyond, sales targets will be calculated based on the prospects for the life insurance market, etc., through discussion among the sales, corporate planning, and solicitation management departments by checking whether expected on-site sales capability potential include improper solicitation, and calculating by incorporating the impact of changes in the number of sales personnel in the variables involved in setting various measures for the current and following fiscal years. In regard to the allocation of sales targets to branches of Japan Post Co., Ltd. and post offices, together with the optimization of the level of sales targets, we will check if the efforts of Japan Post Co., Ltd. are implemented appropriately. We have decided to revise our previous sales targets, which have heretofore overemphasized the monthly premium amounts for new contracts, and shift to sales targets that focus on recording the results on a stock basis, equally considering the monthly premium for new policies and canceled policies to evaluate both new policies and policies in force. In addition, we have decided to abolish the recording of sales results for policy rewriting and to abolish the incentive payments for policy rewriting that are currently paid (at 50% of the allowances for normal new contract). Personnel evaluations will be also reviewed, including increasing the weight of evaluation criteria attributed to solicitation quality.

(3) Improvement in the mechanisms for reviewing coverage

In January 2020, we introduced a conditional cancellation system<sup>\*1</sup> as a system to enable the adjustment of insurance policy content or products from a customer-first point of view. We are also proceeding with system development etc., for a policy conversion system<sup>\*2</sup> to enable transitions to new policies without the cancellation of existing policies.

\*1 The conditional cancellation system is a system to prevent disadvantages to the customer by having the cancellation of an existing policy take effect on the condition that a new policy is validly executed.

\*2 The policy conversion system is a system that enables transitions to new policies without the cancellation of existing policies.

(4) Other measures

In addition to the above, we will implement the following measures to instill customer-first sales.

a. Measures for solicitation of elderly customers

Solicitations from sales personnel to customers aged 70 or older are suspended in principle. When accepting an application from such customers, we require a family member to be present upon

application or to give prior explanation to a family member, and we have strengthened our handling of applications by obtaining prior consent from the insured person at the time of application.

b. Product development

We will consider the development of new products that meet our customers' insurance needs, including those of young adults and working age customers.

c. Hearing the voices of our employees

We have introduced a system that allows employees to directly make suggestions to the President, and started Dialogue with Management events, in which the management team of Japan Post Insurance visits branches and directly listens to the voices of front-line employees.

## **2. Strengthening of the appropriate solicitation quality control scheme**

We will implement the following checks and controls to prevent the occurrence of policies that are not in line with the intentions of customers.

(1) Strengthening systems at post offices, call centers, service centers, etc.

a. Multi-layered check system from policy applications to the conclusion of a contract

In addition to expanding the pre-checking function for underwriting that detects applications for which there are doubts about solicitation quality, customers' intentions are confirmed in a multi-layered manner by post office managers as well as the dedicated call center of Japan Post Insurance. At the time of the underwriting process, our service centers confirm whether or not the customer's intentions are met based on the application documents and the confirmation results of customer intentions. In addition, the system has been updated to display alert messages for policies that are in close proximity to the policy rewriting qualifying period, and a mechanism has been developed to prevent circumvention of required periods for policy rewriting.

Moreover, we will set up a system that will enable us to easily confirm the customers' past policy enrollment and cancellation histories on our systems, and to develop a framework for utilizing customer information for solicitation quality control.

b. Check system for receiving cancellation requests

In additions to explanations and verifications by post office personnel, the dedicated call center of Japan Post Insurance will confirm customers' intentions, items disadvantageous to customers, and whether an explanation has been provided.

(2) Strengthen the systems of Head Office, etc.

a. Strengthen the system for appropriate solicitation quality control

(a) Review of functions of Head Office and branches, etc.

We have transferred planning and guidance operations of the Head Office aimed at realizing appropriate solicitation activities, that have been so far conducted by the second line (compliance and

solicitation management departments), to the first line (sales department). This transfer will hold the first line departments more accountable for sales activities focusing on the maintenance of the solicitation quality, while the second line departments focus on the verification of measures taken by the first line. Through this reorganization, we have established a system that will enable us to develop measures based on the customer-first philosophy under an appropriate check and balance mechanism. In addition, we have established a Compliance Investigation Office to integrate command functions over the investigation of improper solicitation activities and strengthened investigation functions.

For branches, etc., in light of the fact that the focus has been on sales promotion in agency support, we will shift to agency support and guidance based on securing solicitation quality, and strengthen the system for investigation of the state of solicitation and appropriate solicitation guidance.

(b) Detection of complaints

We have begun various studies to establish a framework in which we will provide follow-up support responsibly from start to finish, by increasing our risk sensitivity to detect complaints potentially involving problems with the circumstance of solicitation, and by clarifying the roles of the relevant departments.

b. Controls through increasing the strictness of criteria for fact-finding and disciplinary action

We will conduct fact-finding that does not rely on confession, and started recording and keeping a voice record of the solicitation process on a trial basis in an effort to ensure transparency of the solicitation process. Furthermore, suspension of solicitation and warning have been added to the disciplinary actions against sales personnel, the strictness of criteria for disciplinary action has been increased to correspond with the degree of improper solicitation, and Japan Post Co., Ltd. has been requested to take rigorous disciplinary actions against the managers of sales personnel. Through these measures, we will strengthen control against improper solicitation.

(3) Strengthen the Internal Audit Department

We will strengthen internal audit personnel, systems, and risk assessments, and enhance cooperation with the Audit Committee regarding internal audits.

**3. Strengthening governance by the Board of Directors, etc.**

The management will appropriately understand risks and strengthen governance based on an accurate understanding of information, and we will establish a framework for thorough implementation of the PDCA cycle and steadily carry out and instill improvement measures to prevent recurrence.

(1) Strengthen the understanding of circumstances of the solicitation process and thoroughly implement the PDCA cycle

We have decided to verify the effectiveness of improvement measures by increasing our risk sensitivity and gathering, analyzing and holding in-depth discussions on a variety of information, such as complaints from customers and employee comments received at the external whistleblowing contact point exclusively for financial product sales issues, which is to be newly established.

(2) Strengthen the functions of the Board of Directors and the Audit Committee

We reviewed the scope of matters to be resolved by the Board of Directors and also newly established “deliberation” which will leverage the expertise of Outside Directors from the resolution drafting stage as well as the existing “resolution” and “report”. Furthermore, in addition to holding the extraordinary meetings of the Board of Directors as necessary, we have established opportunities to enhance the exchange of opinions among Directors, such as by holding meetings of Outside Directors.

We have made the advance agreement of the Audit Committee mandatory for the decision and amendment of the internal audit plan and important personnel appointments for the Internal Audit Department, and established a scheme that the Audit Committee would order an investigation on the verification of the actual state of the solicitation process and provide necessary advice to the executive officer in charge.

### **Regarding our response to the COVID-19 pandemic**

Since the 2020 fiscal year, the COVID-19 pandemic has been a major social issue worldwide, and has been significantly impacting people’s lives and business management in Japan. In light of this emergency, in order to ensure that we will be able to fulfill our social mission and functions as a life insurance company, with due consideration for the health and safety of our employees, we will carry out our important tasks to be continued such as insurance claim surveys as well as premium payments appropriately.

In addition, as described in the discussion of the financial and economic environment and business progress and results of the corporate group in the fiscal year ended March 31, 2020 above, the spread of COVID-19 is having a significant impact on financial markets. With regard to the asset management in the fiscal year 2020, we intend to secure a profit margin while monitoring the trends in financial markets closely and maintaining financial soundness.

Furthermore, the spread of COVID-19 is expected to bring about various lifestyle changes, such as the expansion of non-face-to-face services. We intend to make further use of digital technologies to improve the environment, in which our insurance services including various claim procedures can be provided without any restrictions on time and place.

### **Regarding Restructuring of Our Business Model**

In addition to the various improvement measures to ensure customer-first business operations described above, we will steadily implement measures such as follow-up activities for customers and our responses to COVID-19 pandemic, and by regaining our customers' trust early on, we will aim to rebuild the reliable and trustworthy brand that the Company and post offices have built up over their century-old history. At the same time, we will strengthen our business model (customers, channels, products) to improve corporate value mid- to long-term and drive sustainable company growth.

Amid a super-aging society, the role of life insurance companies in supplementing public social security is expected to become even more important in the future. We will strive to contribute to the realization of a healthy and long-lived society in the future by further deepening our relationships with female and elderly customers, who were our main customers traditionally, while proactively explaining the necessary coverage to young adults and working age customers. To this end, we will expand our contacts with customers through means such as the use of digital technology, while rebuilding the strength of the post office as a face-to-face channel rooted in the community. We will also aim to expand our product lineup at the earliest stage possible to meet the protection needs of all customers, including young adults and working age customers.

In addition, as ESG efforts, we will proactively contribute to resolving social issues through promotion of health, ESG investments, stewardship activities, diversity, and environmental protection, in order to improve corporate value mid- to long-term and lead to sustainable growth.

Going forward, we will actively implement the aforementioned reforms to achieve the growth described above in an aim to return profits based on stable profit generation to live up to the expectations of our shareholders, investors, and other stakeholders.

[Main performance of the Company]

<Policy amounts>

As for individual insurance, annualized premiums from new policies reached ¥146.9 billion (58.2% decrease year on year), while those from policies in force reached ¥3,144.6 billion (6.5% decrease year on year). Policy amount of new policies based on coverage amount reached ¥1,893.7 billion (66.0% decrease year on year), while policy amount of policies in force based on coverage amount reached ¥49,915.5 billion (5.8% decrease year on year).

As for individual annuities, annualized premiums from new policies reached ¥0.3 billion (83.6% increase year on year), while those from policies in force reached ¥412.0 billion (8.9% decrease year on year). Policy amount of new annuity policies based on accumulated contribution payment and policy reserves reached ¥3.5 billion (78.7% increase year on year), while policy amount of policies in force based on accumulated contribution payment and policy reserves reached ¥1,930.6 billion (17.1% decrease year on year).

(Billions of yen)

For the fiscal year ended March 31	2017	2018	2019	2020
Individual insurance (annualized premiums)				
New policies	507.9	376.2	351.3	146.9
Policies in force (As of March 31)	3,207.9	3,367.3	3,363.9	3,144.6
Individual annuities (annualized premiums)				
New policies	19.4	0.2	0.1	0.3
Policies in force (As of March 31)	569.3	491.1	452.4	412.0
Individual insurance (coverage amount)				
New policies	7,847.4	5,464.1	5,563.8	1,893.7
Decreased policies	2,155.7	3,202.4	4,921.7	4,980.0
Policies in force (As of March 31)	50,097.9	52,359.7	53,001.8	49,915.5
Individual annuities (accumulated contribution payment and policy reserves)				
New policies	39.7	3.0	1.9	3.5
Decreased policies	385.1	391.6	415.0	402.3
Policies in force (As of March 31)	3,131.1	2,742.5	2,329.4	1,930.6

Notes:

1. The figures are truncated.
2. The figures do not include the Postal Life Insurance Policies received from the Management Network in the form of reinsurance. Status of reinsured Postal Life Insurance Policies received

from the Management Network 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 Network

(Billions of yen)

	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020
Insurance (insured amount)	38,605.4	33,077.2	29,143.1	26,143.2
Annuities (annuity amount)	799.1	682.8	590.9	524.1

Note: These figures are based on standards applied by the Management Network when it calculates published numerical data, where the figures are rounded.

<Policy reserves>

(Billions of yen)

	As of March 31, 2017	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020
Policy reserves	70,175.2	67,777.2	65,060.5	62,293.1
Contingency reserve	2,254.0	2,114.3	1,962.7	1,797.3

Notes:

1. The figures are truncated.
2. Of the policy reserves as of March 31, 2020, policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Network, amounted to ¥33,324.0 billion, while contingency reserve is provided in the amount of ¥1,320.6 billion for the category of the said reinsurance.

<Indicators of core profit, etc.>

(Billions of yen)

For the fiscal year ended March 31	2017	2018	2019	2020
Core profit	390.0	386.1	377.1	400.6
Real net assets (as of March 31)	12,757.4	12,899.8	13,531.9	12,347.8
Solvency margin ratio (as of March 31)	1,289.1%	1,130.5%	1,188.0%	1,068.9%
Consolidated real net assets (as of March 31)	12,763.1	12,904.8	13,535.7	12,350.9
Consolidated solvency margin ratio (as of March 31)	1,290.6%	1,131.8%	1,189.8%	1,070.9%

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.

## 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	2017	2018	2019	2020
Ordinary income	8,659,444	7,952,951	7,916,655	7,211,405
Ordinary profit	279,755	309,233	264,870	286,601
Net income attributable to Japan Post Insurance	88,596	104,487	120,480	150,687
Comprehensive income	4,342	185,868	172,795	(42,235)
Net assets	1,853,203	2,003,126	2,135,137	1,928,380
Total assets	80,336,760	76,831,261	73,905,017	71,664,781

Note: The figures are truncated.

2) Financial condition and results of operations of the Company

For the fiscal year ended March 31		2017	2018	2019	2020
		(Billions of yen)	(Billions of yen)	(Billions of yen)	(Billions of yen)
Policy amount in force as of the fiscal year-end	Individual insurance	50,097.9	52,359.7	53,001.8	49,915.5
	Individual annuities	3,131.1	2,742.5	2,329.4	1,930.6
	Group insurance	—	—	—	—
	Group annuities	—	—	—	—
	Other insurance	0.1	0.1	0.1	0.1
		(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
	Insurance premiums and others	5,041,868	4,236,461	3,959,928	3,245,541
	Investment income	1,367,937	1,284,529	1,204,428	1,137,789
	Insurance claims and others	7,550,323	6,890,020	6,868,893	6,191,369
	Ordinary profit	279,347	308,845	265,143	286,829
	Provision for reserve for policyholder dividends	152,679	117,792	111,806	109,236
	Net income	88,520	104,309	120,958	151,132
	Total assets	80,336,414	76,832,508	73,904,576	71,667,398
		(Yen)	(Yen)	(Yen)	(Yen)
	Net income per share	147.58	173.91	201.66	268.19

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 Network in the form of reinsurance. Status of reinsured Postal Life Insurance Policies received from the Management Network 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 has a Board Benefit Trust (BBT). Shares of the Company held in the trust, which was recorded as treasury stock under the category of shareholders' equity, 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, 2019	As of March 31, 2020	Increase (Decrease)
Regional Headquarters	13	13	—
Branches	82	82	—
Agency	561	540	(21)
Japan Post Co.	1	1	—
Contracted post office	560	539	(21)

#### Notes:

1. Number of offices (post offices) of Japan Post Co. handling insurance solicitation business for the Company was 20,037 as of March 31, 2020 (an increase of 2 year on year). In addition, 35 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 2,427 as of March 31, 2020 (a decrease of 19 year on year).

#### 4. Employees of the Corporate Group

(Persons)

Department	As of March 31, 2019	As of March 31, 2020	Increase (Decrease)
Insurance business and related business	7,617	7,638	21
Information systems-related business	652	645	(7)
Total	8,269	8,283	14

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, 2019	As of March 31, 2020	Increase (Decrease)	As of March 31, 2020		
				Average age	Average years of service	Average monthly salary
	(Persons)	(Persons)	(Persons)	(Years old)	(Years)	(Thousand yen)
In-house employees	6,463	6,534	71	39.5	15.1	362
Sales employees	1,154	1,104	(50)	38.5		

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, 2020, and truncated to one decimal place.
4. Average monthly salary represents fixed salary as of March 2020, 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	42,476
Information systems-related business	110

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, 2020

(Millions of yen)

Department	Content	Amount
Insurance business and related business	Construction of next-generation open system	20,186
Information systems-related business	—	—

Note: The figures are truncated.

- Disposal of significant equipment in the fiscal year ended March 31, 2020

Not applicable

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

### 1) Parent company

Company name	Location	Main business	Date of establishment	Capital stock	Percentage of voting rights of the Company held by the parent company	Others
Japan Post Holdings Co., Ltd.	Chiyoda-ku, Tokyo	Formulation of management strategies of the Group	January 23, 2006	3,500,000 (Millions of yen)	64.48%	

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 stock	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 systems	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, 2020)

Name	Position and assignment	Significant concurrent positions	Others
HORIGANE Masaaki	Director Nomination Committee Member, Compensation Committee Member		
SUZUKI Masako	Director (Outside Director) Audit Committee Member	Senior Advisor of Pasona Group Inc. President and Representative Director of Pasona Force Inc.	
SAITO Tamotsu	Director (Outside Director) Chairman of Compensation Committee, Nomination Committee Member	Chairman of the Board of IHI Corporation Outside Director of Oki Electric Industry Co., Ltd.	
OZAKI Michiaki	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
HARA Meyumi	Director (Outside Director) Audit Committee Member	Director of istyle Inc. Outside Director of Seino Holdings Co., Ltd.	
HARADA Kazuyuki	Director (Outside Director) Chairman of Nomination Committee, Compensation Committee Member	President & Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd.	
SATAKE Akira	Director (Outside Director) Audit Committee Member		Note 1

Notes:

1. Mr. OZAKI Michiaki is familiar with corporate legal affairs, etc., as an attorney-at-law while having considerable knowledge in finance and accounting. In addition, Mr. SATAKE Akira has long been involved in the finance department and has considerable knowledge in finance and accounting.
2. Mr. SATAKE Akira has been elected as standing member of the Audit Committee for the purpose of ensuring audit effectiveness.
3. The six Directors Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Mr. OZAKI Michiaki, Ms. HARA Meyumi, Mr. HARADA Kazuyuki and Mr. SATAKE Akira are Outside Directors, and are Independent Officers registered with the Tokyo Stock Exchange.
4. At the Ordinary General Meeting of Shareholders held on June 17, 2019, Mr. SATAKE Akira was newly elected as Director and assumed his post on the same day. Meanwhile, at the meeting of the Board of Directors held on the same day, Mr. SAITO Tamotsu, Mr. SATAKE Akira and Mr. HARADA Kazuyuki were elected as Nomination Committee Member, Audit Committee Member and Compensation Committee Member, respectively, and assumed their posts on the same day.

5. At the meeting of the Board of Directors held on December 27, 2019, Mr. HARADA Kazuyuki was elected as Chairman of Nomination Committee and Mr. HORIGANE Masaaki was elected as Nomination Committee Member and Compensation Committee Member, and they assumed their posts on January 12, 2020.
6. Ms. SUZUKI Masako resigned from the post of Director, Executive Vice President of Benefit One Inc. on June 25, 2019 and from the post of President and Representative Director of Benefit one Health care Inc. on June 30, 2019. In addition, Ms. SUZUKI Masako was appointed as Senior Advisor of Pasona Group Inc. on July 1, 2019 and as President and Representative Director of Pasona Force Inc. on December 3, 2019.
7. Mr. SATAKE Akira resigned from the post of Director, Executive Vice President of Sumitomo Precision Products Co., Ltd. on June 26, 2019 and from the post of Adviser of Sumitomo Corporation on June 30, 2019.
8. Ms. HARA Meyumi resigned from the post of President and Representative Director of IS Partners Inc. on November 14, 2019.
9. Mr. SAITO Tamotsu resigned from the post of Chairman of the Board of IHI Corporation on March 31, 2020 and was appointed as Director of IHI Corporation on April 1, 2020.

[Directors who have resigned during the current fiscal year]

(As of the time of resignation)

Name	Position and assignment	Significant concurrent positions	Others
UEHIRA Mitsuhiko	Director	Director of Japan Post Holdings Co., Ltd.	Note 1
NAGATO Masatsugu	Director Chairman of Nomination Committee, Compensation Committee Member	Director of Japan Post Holdings Co., Ltd. Director of JAPAN POST Co., Ltd. Director of JAPAN POST BANK Co., Ltd.	Note 2
KOMURO Yoshie	Director (Outside Director)	President of Work-Life Balance Co., Ltd. Outside Director of ONWARD HOLDINGS CO., LTD.	Note 3

Notes:

1. Mr. UEHIRA Mitsuhiko resigned on January 11, 2020. In addition, he resigned from the post of Director of Japan Post Holdings Co., Ltd. on the same date.
2. Mr. NAGATO Masatsugu resigned on January 11, 2020. In addition, he resigned from the post of Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. on January 5, 2020, and from the post of Director of Japan Post Holdings Co., Ltd., Director of JAPAN POST Co., Ltd., and Director of JAPAN POST BANK Co., Ltd. on January 11, 2020.
3. Ms. KOMURO Yoshie resigned on February 29, 2020. In addition, she was appointed as Outside Director of ONWARD HOLDINGS CO., LTD. on May 23, 2019.

[Executive Officers]

(As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
SENDA Tetsuya	President, CEO Representative Executive Officer	Managing Executive Officer of Japan Post Holdings Co., Ltd.	
HORIGANE Masaaki	Deputy President Representative Executive Officer Assistant to the President, Secretariate, Actuarial and Accounting Department and Credit Department		
HORIIE Yoshito	Senior Managing Executive Officer Compliance Control Department, Sales Quality Control Department and Customer Services Department	Managing Executive Officer of Japan Post Holdings Co., Ltd.	
TACHIBANA Atsushi	Managing Executive Officer President's Special Assignment, Cash-Flow and Expense Management Department, Investment Planning Department, Investment Management Department and Credit and Alternative Investment Department		
KATO Nobuyasu	Managing Executive Officer Corporate Planning Department, Digital Services Acceleration Department and Public Relations Department	Managing Executive Officer of Japan Post Holdings Co., Ltd. Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
HIRONAKA Yasuaki	Managing Executive Officer Business Process Planning Department, IT Systems Management Department, IT Systems Planning Department, Assistant to the Executive Officer responsible for Digital Services Acceleration Department (in charge of Digitalization), 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 and Assistant to the Executive Officer responsible for Policy Assessment Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
NARA Tomoaki	Managing Executive Officer Risk Management Department, Human Resources Department, Human Resources Development Department and Assistant to the Executive Officer responsible for Compliance Control Department		

(As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
UCHIKOBA Nobuatsu	Managing Executive Officer General Affairs Department, Legal Affairs Department, Product Planning Department, Loan Department and Assistant to the Executive Officer responsible for Underwriting Department		
SUZUKAWA Yasumi	Managing Executive Officer Underwriting Department, Policy Administration Department, Claims- Related Services Department, Policy Assessment Department and Assistant to the Executive Officer responsible for Business Process Planning Department		
MIYANISHI Yoshiki	Managing Executive Officer Sales Planning Department, Sales Promotion Department and Assistant to the Executive Officer responsible for Whole Sales Department		
MATSUDA Michiko	Managing Executive Officer Assistant to the Executive Officer responsible for Human Resources Department (in charge of Workstyle Reform)		
ONOKI Kieko	Managing Executive Officer Assistant to the Executive Officer responsible for Customer Services Department, Assistant to the Executive Officer responsible for Human Resources Department, Assistant to the Executive Officer responsible for Business Process Planning Department and General Manager, Tokyo Administration Services Center		
KOIE Junko	Managing Executive Officer Internal Audit Department		
TANAKA Motonori	Managing Executive Officer Whole Sales Department, Sales Training Department, Regional Headquarters, Assistant to the Executive Officer responsible for Sales Promotion Department and Senior General Manager, Sales Promotion Department		
ONISHI Toru	Executive Officer Assistant to the Executive Officer responsible for Corporate Planning Department and Assistant to the Executive Officer responsible for Public Relations Department		

(As of March 31, 2020)

Name	Position and assignment	Significant concurrent positions	Others
SAKAMOTO Hidekazu	Executive Officer Senior General Manager, Tokai Regional Headquarters		
YOKOYAMA Masamichi	Executive Officer Assistant to the Executive Officer responsible for IT Systems Management Department and Assistant to the Executive Officer responsible for IT Systems Planning Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
IIDA Takashi	Executive Officer Senior General Manager, Kanto Regional Headquarters		
FUJII Shinsuke	Executive Officer Assistant to the Executive Officer responsible for Internal Audit Department and Senior General Manager, Internal Audit Department		
FUJIMORI Norihiro	Executive Officer Assistant to the Executive Officer responsible for Customer Services Department, Assistant to the Executive Officer responsible for Business Process Planning Department and Senior General Manager, Business Process Planning Department		
SAITO Hajime	Executive Officer Senior General Manager, Tokyo Regional Headquarters		
MIYAMOTO Susumu	Executive Officer Assistant to the Executive Officer responsible for Corporate Planning Department and Senior General Manager, Corporate Planning Department		
MURO Takashi	Executive Officer Assistant to the Executive Officer responsible for Compliance Control Department and Assistant to the Executive Officer responsible for Sales Quality Control Department		
HARUNA Takayuki	Executive Officer Assistant to the Executive Officer responsible for Credit and Alternative Investment Department and Senior General Manager, Credit and Alternative Investment Department		
KUME Takeshi	Executive Officer Assistant to the Executive Officer responsible for Sales Quality Control Department		

Notes:

1. Mr. HORIGANE Masaaki concurrently serves as Director.
2. At the meeting of the Board of Directors held on March 22, 2019, Mr. SENDA Tetsuya, Mr. MIYAMOTO Susumu, Mr. MURO Takashi, Mr. HARUNA Takayuki and Mr. KUME Takeshi were newly elected as Executive Officers, and assumed their posts on April 1, 2019.
3. At the meeting of the Board of Directors held on March 22, 2019, elections of, and changes to Executive Officers with titles were effected as follows.

Name	Position (Before)	Position (After)	Date of change
SENDA Tetsuya	(Newly appointed)	Deputy President Representative Executive Officer	April 1, 2019
ONOKI Kieko	Executive Officer	Managing Executive Officer	April 1, 2019
KOIE Junko	Executive Officer	Managing Executive Officer	April 1, 2019
TANAKA Motonori	Executive Officer	Managing Executive Officer	April 1, 2019

4. At the meeting of the Board of Directors held on December 27, 2019, Mr. SENDA Tetsuya was elected as President, CEO, Representative Executive Officer, and assumed his post on January 6, 2020.
5. Mr. SENDA Tetsuya and Mr. HORIIE Yoshito were appointed as Managing Executive Officers of Japan Post Holdings Co., Ltd. on August 28, 2019.
6. Mr. KATO Nobuyasu resigned from the post of Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. on March 31, 2020.
7. Important matters related to Executive Officers for the period after March 31, 2020 are as follows.

- (1) At the meeting of the Board of Directors held on March 25, 2020, Mr. IMAIZUMI Michinori, Mr. TAGUCHI Yoshihiro, Mr. MAETANI Isao and Mr. KUROSAKI Yoshiyuki were newly elected as Executive Officers and assumed their posts on April 1, 2020.

Name	Position (Before)	Position (After)	Date of change
IMAIZUMI Michinori	(Newly appointed)	Executive Officer	April 1, 2020
TAGUCHI Yoshihiro	(Newly appointed)	Executive Officer	April 1, 2020
MAETANI Isao	(Newly appointed)	Executive Officer	April 1, 2020
KUROSAKI Yoshiyuki	(Newly appointed)	Executive Officer	April 1, 2020

- (2) Mr. ONISHI Toru was appointed as Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. on April 1, 2020.

[Executive Officer who has resigned during the current fiscal year]

(As of the time of resignation)

Name	Position and assignment	Significant concurrent positions	Others
UEHIRA Mitsuhiko	President, CEO, Representative Executive Officer	Director of Japan Post Holdings Co., Ltd.	Note

Note: Mr. UEHIRA Mitsuhiko resigned on January 5, 2020. In addition, he also served as a Director.

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

(Millions of yen)

Category	Number of persons compensated	Compensation, etc.
Directors	9 persons	74 (of which, other than compensation: -)
Executive Officers	26 persons	583 (of which, other than compensation: -)
Total	35 persons	657 (of which, other than compensation: -)

Notes:

1. The figures are truncated.
2. 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 3 Directors who concurrently serve as Executive Officer of the Company or the parent company, etc.
3. Number of persons compensated and compensation, etc., include compensation, etc., for 3 Directors and 1 Executive Officer who have resigned during the current fiscal year.
4. Compensation, etc., for Executive Officers includes the amount (¥(8) million) recorded as stock compensation expenses in the fiscal year ended March 31, 2020.

[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 “Compensation Policies for Directors and Executive Officers by Individual.”

“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 stock compensation that reflects individual performance 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 and stock compensation that reflects the results of their evaluation based on 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 performance points reflecting their individual evaluation based on 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 some cash attainable through conversion of shares of the Company.

#### 4 Other

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

### 3. Liability Limitation Agreement

Name	Overview of the contracts for limitation of liability
NAGATO Masatsugu	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. For liability 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.
SUZUKI Masako	
SAITO Tamotsu	
OZAKI Michiaki	
HARA Meyumi	
KOMURO Yoshie	
HARADA Kazuyuki	
SATAKE Akira	

### III. Matters Concerning Outside Directors

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

(As of March 31, 2020)

Name	Concurrent positions and other details
SUZUKI Masako	Senior Advisor of Pasona Group Inc. President and Representative Director of Pasona Force Inc. <Transactions and other relationships with the Company and each company> Not applicable
SAITO Tamotsu	Chairman of the Board of IHI Corporation Outside Director of Oki Electric Industry Co., Ltd. <Transactions and other relationships with the Company and each company> Not applicable
OZAKI Michiaki	Outside Audit & Supervisory Board Member of East Nippon Expressway Company Limited <Transactions and other relationships with the Company and each company> Not applicable
HARA Meyumi	Director of istyle Inc. Outside Director of Seino Holdings Co., Ltd. <Transactions and other relationships with the Company and each company> Not applicable
HARADA Kazuyuki	President & Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd. <Transactions and other relationships with the Company and each company> Not applicable
SATAKE Akira	Not applicable

[Director who has resigned during the current fiscal year]

(As of the time of resignation)

KOMURO Yoshie	President of Work-Life Balance Co., Ltd. Outside Director of ONWARD HOLDINGS CO., LTD. <Transactions and other relationships with the Company and each company> Not applicable
---------------	---

## 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
SUZUKI Masako	3 years, 9 months	Attended 21 out of 21 meetings of the Board of Directors and 16 out of 16 meetings of the Audit Committee	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
SAITO Tamotsu	2 years, 9 months	Attended 20 out of 21 meetings of the Board of Directors, 2 out of 2 meetings of the Nomination Committee held after his assumption of office and 7 out of 7 meetings of the Compensation Committee	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
OZAKI Michiaki	2 years, 9 months	Attended 21 out of 21 meetings of the Board of Directors and 16 out of 16 meetings of the Audit Committee	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective as an attorney-at-law.
HARA Meyumi	2 years, 9 months	Attended 21 out of 21 meetings of the Board of Directors and 16 out of 16 meetings of the Audit Committee	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
HARADA Kazuyuki	1 year, 9 months	Attended 21 out of 21 meetings of the Board of Directors, 3 out of 3 meetings of the Nomination Committee and 6 out of 6 meetings of the Compensation Committee held after his assumption of office	He provided necessary opinions on proposals, reported matters, etc., from his professional perspective on management.
SATAKE Akira	9 months	Attended 18 out of 18 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 on management.

Note: The term of office is the period up to March 31, 2020, and the period less than one month is truncated.

[Director who has resigned during the current fiscal year]

KOMURO Yoshie	2 years, 8 months	Attended 16 out of 19 meetings of the Board of Directors held until her resignation on February 29, 2020	She provided necessary opinions on proposals, reported matters, etc., from her professional perspective on management.
---------------	-------------------	--	--

### 3. Response to Violation of Laws and Regulations or the Articles of Incorporation and Other Unjust Execution of Business

It was found that there were cases of policy rewriting, etc. that may have caused disadvantages to customers, not in line with their intentions, and the Company received administrative dispositions pursuant to the Insurance Business Act and other relevant laws by the Financial Services Agency of Japan on December 27, 2019 for these cases.

In addition to making recommendations from the perspective of legal compliance and customer compliance management at normal times, the seven Directors Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Mr. OZAKI Michiaki, Ms. HARA Meyumi, Ms. KOMURO Yoshie, Mr. HARADA Kazuyuki, and Mr. SATAKE Akira are fulfilling their responsibilities by making recommendations for the protection of customers and prevention of recurrence after the cases were discovered.

### 4. Compensation for Outside Directors

(Millions of yen)

	Compensation paid to	Compensation from the Company	Compensation from parent company of the Company
Total compensation	8 persons	68 (of which, other than compensation: —)	—

Note: The figures are truncated.

### 5. 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	562,600 thousand shares

2. Total Number of Shareholders as of March 31, 2020: 213,286

##### 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.	362,732 thousand shares	64.48%
Japan Trustee Services Bank, Ltd. (Trust Account)	8,273 thousand shares	1.47%
THE BANK OF NEW YORK - JASDECTREATY ACCOUNT	4,982 thousand shares	0.89%
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,042 thousand shares	0.72%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	3,436 thousand shares	0.61%
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	3,351 thousand shares	0.60%
STATE STREET BANK WEST CLIENT - TREATY 505234	3,227 thousand shares	0.57%
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	3,112 thousand shares	0.55%
STATE STREET BANK AND TRUST COMPANY 505001	3,060 thousand shares	0.54%
JP MORGAN CHASE BANK 385151	2,918 thousand shares	0.52%

##### Notes:

1. Number of shares held are truncated.
2. Percentage of shares held are calculated excluding treasury stock (11 thousand shares) and rounded off to the second decimal place. Treasury stock does not include the 166 thousand shares of the Company's stock held in the Board Benefit Trust (BBT).

#### 4. Other Significant Matters Concerning Shares

The Company resolved to cancel treasury stock, pursuant to Article 178 of the Companies Act, at the meeting of the Board of Directors held on May 15, 2019, and performed the cancellation on May 31, 2019.

Class of cancelled shares	Common stock of the Company
Number of cancelled shares	37,400,000
Total number of issued shares following cancellation	562,600,000

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, 2020

Not applicable.

2. Stock Acquisition Rights, etc., of the Company that have been Granted to Employees, etc., during the Fiscal Year Ended March 31, 2020

Not applicable.

VI. Matters Concerning Independent Auditor

1. Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2020	Others
KPMG AZSA LLC TATSUMI Yukihisa Designated Limited Liability Partner KANNO Masako Designated Limited Liability Partner SATO Eihiro Designated Limited Liability Partner	189	- 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.  - The Company entrusted to the independent auditor the advisory services, etc. 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.

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, the figure above shows the total amount of compensation, etc., for the fiscal year ended March 31, 2020.
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 ¥219 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.

(Revised on March 25, 2020)

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 Co., Ltd. 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, CEO, Representative Executive Officer and others, with Japan Post Co., Ltd., which serves as the Company's insurance agent, to discuss matters related to the enhancement and reinforcement of the internal control systems of Japan Post Co., Ltd., and shall take measures necessary for guidance and management of Japan Post Co., Ltd.
- (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 accounting 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 Co., Ltd., Japan Post Co., Ltd. and Japan Post Bank Co., Ltd., 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 Co., Ltd., 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 take measures based on the Japan Post Group Agreement, etc. 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, business 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. In this case, The Audit Committee shall request an investigation to the Executive Officer in charge of internal audits or give specific instructions concerning the officer's execution of the duty, whenever the Audit Committee deems necessary.
  - (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 Executive Officer in charge of internal audits shall formulate or amend the audit plan upon providing prior explanation about the audit plan to the Audit Committee and obtaining its consent.
- (3) The Audit Committee shall cooperate with the Executive Officer in charge of internal audits such as by exchanging opinions whenever necessary in order to stay abreast of important points of audit.

- (4) The Audit Committee shall receive prior explanation about the audit plan from the accounting auditor and regular reports on the status of audit implementation, and shall cooperate with the accounting auditor through exchange of opinions as appropriate in order to be acquainted with important points concerning accounting audit at all times.
- (5) In executing its duties, the Audit Committee shall cooperate with the Audit Committee of Japan Post Holdings Co., Ltd., through measures such as regular exchange of opinions.
- (6) Important personnel appointments of the Executive Officer in charge of internal audits and the Senior General Manager of the Internal Audit Department shall be subject to the approval of the Audit Committee or of a member of the Audit Committee appointed by the Audit Committee.

(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 “Fundamental Policy for Establishment of Internal Control Systems.” During the fiscal year ended March 31, 2020, in response to a business suspension order and a business improvement order from the Financial Services Agency of Japan and an investigation report from a Special Investigative Committee in relation to various issues that occurred concerning solicitation quality, the Company developed a business improvement plan and submitted it to the Financial Services Agency of Japan on January 31, 2020.

The Company takes the points made in the business suspension order, business improvement order, and investigation report very seriously, the Company and positions the implementation of the business improvement plan as the most important management task to be addressed companywide.

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

- In order to realize the management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” the Company announced the “Basic Policies for Customer-first Business Operations,” the “Declaration of Customer-Oriented Services” and “Solicitation Policy,” and sent messages inside and outside the Company to strive for thorough customer-first business operations.

In addition, in order to ensure that our basic principle-based approach to providing coverage is based on a high level of ethics that takes into account the original role and mission of life insurance and to reflect our customer-first philosophy, we revised the Solicitation Policy and formulated the Standard of Japan Post Insurance sales, which embodies this philosophy in February 2020, and are working to establish and disseminate them.

- In order to ensure thorough compliance, the Company established the Compliance Committee, where management policies concerning compliance, specific compliance operations and various issues were deliberated, and important matters were reported to the Executive Committee and the Audit Committee. In addition, ongoing and multilayered compliance training has been conducted in the workplace.
- The Company has set up points of contact for whistleblowing both inside and outside the Company for reporting compliance violations or the possibility of such violations, the use of which are thoroughly informed to all Executive Officers and employees. In order to strengthen the effectiveness of the internal contact point for whistleblowing, we have improved operations to report the status of the whistleblowing to the Compliance Committee, etc.
- In light of the various issues that occurred concerning solicitation quality, the Company is developing the following systems for the purpose of strengthening an appropriate solicitation quality control system.

- (i) Post offices, call centers, and service centers conduct multi-layered checks from application to policy signing, including the introduction of a pre-solicitation check function and the implementation of a check of all policies by post office managers.
  - (ii) By transferring operations such as solicitation flow improvements in the Sales Quality Control Department to sales divisions, the Company has put in place a framework that enables the planning of truly customer-first measures under appropriate mutual checks and balances system, and strengthened the system for appropriate solicitation quality control. In addition, the Company is strengthening its checks and balances system against sales personnel who are found to have engaged in inappropriate solicitation activities by conducting fact-finding that does not rely on confession, and by making the disciplinary standards for sales personnel more stringent by adding suspension of business and caution to disciplinary actions.
  - (iii) The Internal Audit Department will collect and organize necessary materials and data at an early stage, strengthen the system for conducting analysis from the perspective of customer-first business operations, and formulate an audit program that goes beyond confirmation of compliance with regulations to verify the effects of the guidance and effectiveness of recurrence prevention measures, and whether any matters that are disadvantageous to customers have occurred.
- In addition, in order to discuss various issues including matters related to the enhancement and strengthening of the internal control system of Japan Post Co., Ltd., meetings have been held with the presidents of both the Company and Japan Post Co., Ltd. to discuss measures necessary for guidance and management, after a review of the frequency and content of these meetings.

(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 clarified the methods and system for retaining and managing documents concerning the execution of duties by the Executive Officers, including the minutes of the Executive Committee meetings and approval documents, and appropriately retained and 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 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.

- In order to develop a system that will lead to the further strengthening of the PDCA cycle, we will organize the issues to be addressed and develop a verification system by collecting and analyzing potential risks of the Company from objective data, such as complaints, employee feedback, and solicitation quality diagnosis records (a compilation of data on solicitation quality for each individual sales personnel), and reporting it to the relevant departments and management.
- The Company responded to disasters such as typhoons and infectious diseases in a timely and appropriate manner, such as by establishing the Crisis Management Committee, in the areas of customer service, insurance administration, head office functions, and IT systems.

(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. In addition, nine specialized committees were established as advisory bodies to the Executive Committee, and engaged in deliberations regarding cross-divisional issues.
- Furthermore, in order to promptly and reliably implement measures under the leadership of the management team and improve solicitation quality, the Company has established a Customer-first Solicitation Committee in July 2019 and holds discussions. In addition, the Company established a new “deliberation” session at the Board of Directors’ meeting to utilize the knowledge of Outside Directors from the drafting stage of proposals in March 2020, enhanced and accelerated the provision of information to Outside Directors, and proactively held extraordinary meetings of the Board of Directors to actively exchange opinions with Outside Directors.

(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. In addition, in the fiscal year ended March 31, 2020, in order to ensure the appropriateness of operations among Group companies, we have established and enhanced Group liaison meetings, etc., on various management issues such as internal audits, compliance, operational risk, and the promotion of customer satisfaction.
- In addition to the existing internal contact point for whistleblowing, we have established an external contact point for whistleblowing in March 2020 to report not only inappropriate events related to the business operations for financial products, but also when there is a risk that internal systems or sales policies related to such business operations may be

disadvantageous for customers, as well as a contact point to accept a wide range of business consultations from employees of Group companies, including those that do not constitute compliance violations in February 2020. We will also carry out Group-wide initiatives; for example, if there is a report from a sales personnel of Japan Post Co., Ltd. regarding a Japan Post Insurance product, the Company and Japan Post Co., Ltd. will share the necessary information and respond to the report.

- 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

- The Company established the Audit Committee Office and assigned full-time employees who are independent. In addition, in order to strengthen the functions of the Audit Committee, we will increase the number of staff in the Audit Committee Office and appoint external personnel with expertise in law and corporate accounting to the executive positions.
- 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 responsible for internal control reports regularly on the status of business execution, and important matters are immediately reported to a member of the Audit Committee. Moreover, in order to strengthen the involvement of the Audit Committee in the Internal Audit Department, formulations or amendments to the internal audit plan and important personnel appointments of the Executive Officers responsible for internal audits and the Senior General Manager of the Internal Audit Department are made with the consent of the Audit Committee or an Audit Committee Member selected by the Audit Committee.
- In response to reports from the Executive Officer responsible for internal audits, the Audit Committee instructs the Internal Audit Department to investigate as necessary, and has established a system that allows for in-depth discussions based on reports of investigations by the Executive Officer responsible for internal audits, or to provide advice to the said Executive Officer as necessary. In addition, in order to enrich the discussions of the Audit Committee, Audit Committee Members are updated on the status of the most recent audits related to the Audit Committee's audit topics each month.
- The Audit Committee regularly exchanged opinions with the President, CEO, Representative Executive Officer, and with the Audit Committee of Japan Post Holdings Co., Ltd. and the Audit and Supervisory Board of Japan Post Co., Ltd., 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 reasoning 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 stable dividend per share 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 dividend for the fiscal year ended March 31, 2020, payment of ¥76 per share (including an interim dividend of ¥38) was decided at the Board of Directors' meeting held on May 15, 2020.

The Company stipulates in its Articles of Incorporation that it is able to pay interim dividends with a record date of September 30 of each year. However, for the fiscal year ending March 31, 2021, as it is necessary to carefully identify the impact of the spread of COVID-19, only the year-end dividend is scheduled to be paid.

Going forward, the Company will promptly make announcements when new disclosures become necessary due to the impact of the spread of COVID-19 and other developments.

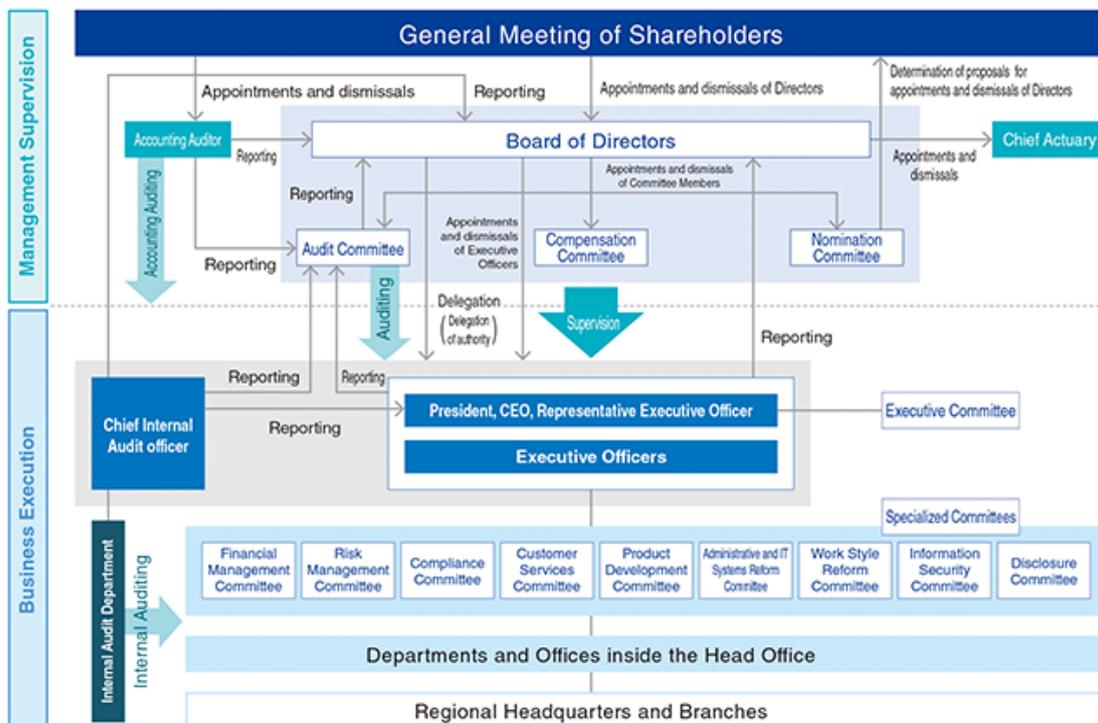
**[Reference]**

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.

Internal Control System



[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.

**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Balance Sheet (As of March 31, 2020)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>1,410,298</b>
<b>Call loans</b>	<b>380,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,191,710</b>
<b>Monetary claims bought</b>	<b>318,581</b>
<b>Money held in trust</b>	<b>3,056,072</b>
<b>Securities</b>	<b>55,870,557</b>
<b>Loans</b>	<b>5,662,748</b>
<b>Tangible fixed assets</b>	<b>110,219</b>
Land	47,828
Buildings	41,710
Leased assets	2,203
Construction in progress	176
Other tangible fixed assets	18,300
<b>Intangible fixed assets</b>	<b>135,010</b>
Software	134,993
Other intangible fixed assets	16
<b>Agency accounts receivable</b>	<b>45,587</b>
<b>Reinsurance receivables</b>	<b>4,057</b>
<b>Other assets</b>	<b>306,596</b>
<b>Deferred tax assets</b>	<b>1,173,789</b>
<b>Reserve for possible loan losses</b>	<b>(448)</b>
<b>Total assets</b>	<b>71,664,781</b>

(Millions of yen)	
Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>64,191,926</b>
Reserve for outstanding claims	461,224
Policy reserves	62,293,166
Reserve for policyholder dividends	1,437,535
<b>Reinsurance payables</b>	<b>6,595</b>
<b>Bonds payable</b>	<b>100,000</b>
<b>Payables under securities lending transactions</b>	<b>4,290,140</b>
<b>Other liabilities</b>	<b>193,449</b>
<b>Reserve for insurance claims and others</b>	<b>29,722</b>
<b>Liability for retirement benefits</b>	<b>66,060</b>
<b>Reserve for management board benefit trust</b>	<b>164</b>
<b>Reserve for price fluctuations</b>	<b>858,339</b>
<b>Total liabilities</b>	<b>69,736,400</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>405,044</b>
<b>Retained earnings</b>	<b>756,665</b>
<b>Treasury stock</b>	<b>(422)</b>
<b>Total shareholders' equity</b>	<b>1,661,286</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>264,009</b>
<b>Net deferred gains (losses) on hedges</b>	<b>16</b>
<b>Accumulated adjustments for retirement benefits</b>	<b>3,067</b>
<b>Total accumulated other comprehensive income</b>	<b>267,094</b>
<b>Total net assets</b>	<b>1,928,380</b>
<b>Total liabilities and net assets</b>	<b>71,664,781</b>

**Consolidated Statement of Income** (From April 1, 2019 to March 31, 2020)

(Millions of yen)	
Account	Amount
<b>ORDINARY INCOME</b>	<b>7,211,405</b>
<b>Insurance premiums and others</b>	<b>3,245,541</b>
<b>Investment income</b>	<b>1,137,789</b>
Interest and dividend income	1,049,804
Gains on money held in trust	51,560
Gains on sales of securities	35,699
Gains on redemption of securities	614
Reversal of reserve for possible loan losses	8
Other investment income	101
<b>Other ordinary income</b>	<b>2,828,074</b>
Reversal of reserve for outstanding claims	58,343
Reversal of policy reserves	2,767,383
Other ordinary income	2,348
<b>ORDINARY EXPENSES</b>	<b>6,924,803</b>
<b>Insurance claims and others</b>	<b>6,191,369</b>
Insurance claims	4,889,175
Annuity payments	394,005
Benefits	110,254
Surrender benefits	602,583
Other refunds	171,590
Reinsurance premiums	23,760
<b>Provision for policy reserves and others</b>	<b>8</b>
Provision for interest on policyholder dividends	8
<b>Investment expenses</b>	<b>124,000</b>
Interest expenses	2,132
Losses on sales of securities	32,020
Losses on valuation of securities	2,689
Losses on redemption of securities	6,847
Losses on derivative financial instruments	74,799
Losses on foreign exchanges	2,085
Other investment expenses	3,425
<b>Operating expenses</b>	<b>473,871</b>
<b>Other ordinary expenses</b>	<b>135,553</b>
<b>ORDINARY PROFIT</b>	<b>286,601</b>
<b>EXTRAORDINARY GAINS</b>	<b>39,546</b>
<b>Gains on sales of fixed assets</b>	<b>393</b>
<b>Reversal of reserve for price fluctuations</b>	<b>39,152</b>
<b>EXTRAORDINARY LOSSES</b>	<b>303</b>
<b>Losses on sales and disposal of fixed assets</b>	<b>303</b>
<b>Provision for reserve for policyholder dividends</b>	<b>109,236</b>
<b>Income before income taxes</b>	<b>216,607</b>

(Millions of yen)	
Account	Amount
<b>Income taxes – Current</b>	<b>143,539</b>
<b>Income taxes – Deferred</b>	<b>(77,618)</b>
<b>Total income taxes</b>	<b>65,920</b>
<b>Net income</b>	<b>150,687</b>
<b>Net income attributable to non-controlling interests</b>	<b>–</b>
<b>Net income attributable to Japan Post Insurance</b>	<b>150,687</b>

## Consolidated Statement of Changes in Net Assets (From April 1, 2019 to March 31, 2020)

(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>	<b>500,000</b>	<b>500,044</b>	<b>675,526</b>	<b>(450)</b>	<b>1,675,120</b>
<b>Changes in the fiscal year</b>					
Cash dividends			(64,578)		(64,578)
Net income attributable to Japan Post Insurance			150,687		150,687
Purchases of treasury stock				(99,999)	(99,999)
Disposals of treasury stock				57	57
Cancellation of treasury stock		(99,970)		99,970	–
Transfer from retained earnings to capital surplus		4,970	(4,970)		–
Net changes in items other than shareholders' equity in the fiscal year					
<b>Net changes in the fiscal year</b>	<b>–</b>	<b>(95,000)</b>	<b>81,138</b>	<b>28</b>	<b>(13,833)</b>
<b>Balance at the end of the fiscal year</b>	<b>500,000</b>	<b>405,044</b>	<b>756,665</b>	<b>(422)</b>	<b>1,661,286</b>

	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>	<b>456,694</b>	<b>33</b>	<b>3,289</b>	<b>460,017</b>	<b>2,135,137</b>
<b>Changes in the fiscal year</b>					
Cash dividends					(64,578)
Net income attributable to Japan Post Insurance					150,687
Purchases of treasury stock					(99,999)
Disposals of treasury stock					57
Cancellation of treasury stock					–
Transfer from retained earnings to capital surplus					–
Net changes in items other than shareholders' equity in the fiscal year	(192,684)	(16)	(221)	(192,923)	(192,923)
<b>Net changes in the fiscal year</b>	<b>(192,684)</b>	<b>(16)</b>	<b>(221)</b>	<b>(192,923)</b>	<b>(206,756)</b>
<b>Balance at the end of the fiscal year</b>	<b>264,009</b>	<b>16</b>	<b>3,067</b>	<b>267,094</b>	<b>1,928,380</b>

**NON-CONSOLIDATED FINANCIAL STATEMENTS**

**Non-Consolidated Balance Sheet (As of March 31, 2020)**

(Millions of yen)

Account	Amount
<b>ASSETS:</b>	
<b>Cash and deposits</b>	<b>1,406,640</b>
Cash	485
Deposits	1,406,154
<b>Call loans</b>	<b>380,000</b>
<b>Receivables under securities borrowing transactions</b>	<b>3,191,710</b>
<b>Monetary claims bought</b>	<b>318,581</b>
<b>Money held in trust</b>	<b>3,056,072</b>
<b>Securities</b>	<b>55,871,541</b>
Japanese government bonds	36,730,786
Japanese local government bonds	6,737,380
Japanese corporate bonds	5,486,350
Stocks	286,975
Foreign securities	4,687,342
Other securities	1,942,706
<b>Loans</b>	<b>5,662,748</b>
Policy loans	152,681
Industrial and commercial loans	994,446
Loans to the Management Network	4,515,620
<b>Tangible fixed assets</b>	<b>109,704</b>
Land	47,828
Buildings	41,556
Leased assets	2,007
Construction in progress	176
Other tangible fixed assets	18,135
<b>Intangible fixed assets</b>	<b>140,696</b>
Software	140,679
Other intangible fixed assets	16
<b>Agency accounts receivable</b>	<b>45,587</b>
<b>Reinsurance receivables</b>	<b>4,057</b>
<b>Other assets</b>	<b>306,755</b>
Accounts receivable	70,594
Prepaid expenses	2,285
Accrued income	149,756
Money on deposit	6,896
Derivative financial instruments	72,301
Cash collateral paid for financial instruments	2,319
Suspense payments	916
Other assets	1,685
<b>Deferred tax assets</b>	<b>1,173,751</b>
<b>Reserve for possible loan losses</b>	<b>(448)</b>
<b>Total assets</b>	<b>71,667,398</b>

(Millions of yen)

Account	Amount
<b>LIABILITIES:</b>	
<b>Policy reserves and others</b>	<b>64,191,926</b>
Reserve for outstanding claims	461,224
Policy reserves	62,293,166
Reserve for policyholder dividends	1,437,535
<b>Reinsurance payables</b>	<b>6,595</b>
<b>Bonds payable</b>	<b>100,000</b>
<b>Other liabilities</b>	<b>4,485,343</b>
Payables under securities lending transactions	4,290,140
Income taxes payable	62,298
Accounts payable	18,175
Accrued expenses	24,756
Deposits received	2,247
Deposits from the Management Network	42,231
Guarantee deposits received	73
Derivative financial instruments	35,305
Lease obligations	2,095
Asset retirement obligation	5
Suspense receipt	829
Other liabilities	7,183
<b>Reserve for insurance claims and others</b>	<b>29,722</b>
<b>Reserve for employees' retirement benefits</b>	<b>68,831</b>
<b>Reserve for management board benefit trust</b>	<b>164</b>
<b>Reserve for price fluctuations</b>	<b>858,339</b>
<b>Total liabilities</b>	<b>69,740,924</b>
<b>NET ASSETS:</b>	
<b>Capital stock</b>	<b>500,000</b>
<b>Capital surplus</b>	<b>405,044</b>
Legal capital surplus	405,044
<b>Retained earnings</b>	<b>757,826</b>
Legal retained earnings	60,485
Other retained earnings	697,340
Reserve for reduction entry of real estate	5,545
Retained earnings brought forward	691,794
<b>Treasury stock</b>	<b>(422)</b>
<b>Total shareholders' equity</b>	<b>1,662,447</b>
<b>Net unrealized gains (losses) on available-for-sale securities</b>	<b>264,009</b>
<b>Net deferred gains (losses) on hedges</b>	<b>16</b>
<b>Total valuation and translation adjustments</b>	<b>264,026</b>
<b>Total net assets</b>	<b>1,926,474</b>
<b>Total liabilities and net assets</b>	<b>71,667,398</b>

**Non-Consolidated Statement of Income** (From April 1, 2019 to March 31, 2020)

(Millions of yen)

Account	Amount
<b>ORDINARY INCOME</b>	<b>7,211,403</b>
<b>Insurance premiums and others</b>	<b>3,245,541</b>
Insurance premiums	3,229,518
Reinsurance income	16,022
<b>Investment income</b>	<b>1,137,789</b>
Interest and dividend income	1,049,804
Interest on deposits	23
Interest and dividends on securities	924,098
Interest on loans	14,684
Interest on loans to the Management Network	105,830
Other interest and dividend income	5,167
Gains on money held in trust	51,560
Gains on sales of securities	35,699
Gains on redemption of securities	614
Reversal of reserve for possible loan losses	8
Other investment income	101
<b>Other ordinary income</b>	<b>2,828,072</b>
Reversal of reserve for outstanding claims	58,343
Reversal of policy reserves	2,767,383
Other ordinary income	2,346
<b>ORDINARY EXPENSES</b>	<b>6,924,573</b>
<b>Insurance claims and others</b>	<b>6,191,369</b>
Insurance claims	4,889,175
Annuity payments	394,005
Benefits	110,254
Surrender benefits	602,583
Other refunds	171,590
Reinsurance premiums	23,760
<b>Provision for policy reserves and others</b>	<b>8</b>
Provision for interest on policyholder dividends	8
<b>Investment expenses</b>	<b>123,999</b>
Interest expenses	2,130
Losses on sales of securities	32,020
Losses on valuation of securities	2,689
Losses on redemption of securities	6,847
Losses on derivative financial instruments	74,799
Losses on foreign exchanges	2,085
Other investment expenses	3,425
<b>Operating expenses</b>	<b>472,177</b>
<b>Other ordinary expenses</b>	<b>137,018</b>
Taxes	43,974
Depreciation and amortization	59,125
Provision for reserve for insurance claims and others	29,722
Provision for reserve for employees' retirement benefits	262
Other ordinary expenses	3,934

(Millions of yen)	
Account	Amount
<b>ORDINARY PROFIT</b>	<b>286,829</b>
<b>EXTRAORDINARY GAINS</b>	<b>39,546</b>
Gains on sales of fixed assets	393
Reversal of reserve for price fluctuations	39,152
<b>EXTRAORDINARY LOSSES</b>	<b>303</b>
Losses on sales and disposal of fixed assets	303
Provision for reserve for policyholder dividends	109,236
<b>Income before income taxes</b>	<b>216,835</b>
<b>Income taxes – Current</b>	<b>143,463</b>
<b>Income taxes – Deferred</b>	<b>(77,759)</b>
<b>Total income taxes</b>	<b>65,703</b>
<b>Net income</b>	<b>151,132</b>

## Non-Consolidated Statement of Changes in Net Assets (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	Total retained earnings
<b>Balance at the beginning of the fiscal year</b>	<b>500,000</b>	<b>405,044</b>	<b>95,000</b>	<b>500,044</b>	<b>47,569</b>	<b>5,805</b>		
<b>Changes in the fiscal year</b>								
Cash dividends					12,915		(77,494)	(64,578)
Net income							151,132	151,132
Purchases of treasury stock								
Disposals of treasury stock								
Cancellation of treasury stock			(99,970)	(99,970)				
Reversal of reserve for reduction entry of real estate						(259)	259	
Transfer from retained earnings to capital surplus			4,970	4,970			(4,970)	(4,970)
Net changes in items other than shareholders' equity in the fiscal year								
<b>Net changes in the fiscal year</b>	<b>-</b>	<b>-</b>	<b>(95,000)</b>	<b>(95,000)</b>	<b>12,915</b>	<b>(259)</b>	<b>68,927</b>	<b>81,583</b>
<b>Balance at the end of the fiscal year</b>	<b>500,000</b>	<b>405,044</b>	<b>-</b>	<b>405,044</b>	<b>60,485</b>	<b>5,545</b>	<b>691,794</b>	<b>757,826</b>

	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>	<b>(450)</b>	<b>1,675,836</b>	<b>456,694</b>	<b>33</b>	<b>456,727</b>	<b>2,132,564</b>
<b>Changes in the fiscal year</b>						
Cash dividends		(64,578)				(64,578)
Net income		151,132				151,132
Purchases of treasury stock	(99,999)	(99,999)				(99,999)
Disposals of treasury stock	57	57				57
Cancellation of treasury stock	99,970	-				-
Reversal of reserve for reduction entry of real estate		-				-
Transfer from retained earnings to capital surplus		-				-
Net changes in items other than shareholders' equity in the fiscal year			(192,684)	(16)	(192,701)	(192,701)
<b>Net changes in the fiscal year</b>	<b>28</b>	<b>(13,388)</b>	<b>(192,684)</b>	<b>(16)</b>	<b>(192,701)</b>	<b>(206,089)</b>
<b>Balance at the end of the fiscal year</b>	<b>(422)</b>	<b>1,662,447</b>	<b>264,009</b>	<b>16</b>	<b>264,026</b>	<b>1,926,474</b>

## Audit Report

[The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report (issued in the Japanese language) as required by the Companies Act.]

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

May 11, 2020

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

**KPMG AZSA LLC**  
Tokyo Office, Japan  
TATSUMI Yukihiisa (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

KANNO Masako (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

SATO Eihiro (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the consolidated financial statements, which comprise 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. ("the Company") and its consolidated subsidiary (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

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

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and the Audit Committee 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.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company and its subsidiary which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Audit Report

[The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report (issued in the Japanese language) as required by the Companies Act.]

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

May 11, 2020

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

**KPMG AZSA LLC**  
Tokyo Office, Japan  
TATSUMI Yukihiisa (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

KANNO Masako (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

SATO Eihiro (seal)  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

#### **Opinion**

We have audited the non-consolidated financial statements, which comprise 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. ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

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 the Company 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.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and the Audit Committee 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.

In preparing the non-consolidated financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The audit committee is responsible for overseeing the executive officers and directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements and Others**

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The audit procedures shall be selected and applied as determined by the auditor.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the non-consolidated financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the non-consolidated financial statements and the supplementary schedules, including the disclosures, and whether the non-consolidated financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act 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 14th fiscal year from April 1, 2019 to March 31, 2020 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, 2020.

**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.

However, as mentioned in the business report, administrative dispositions were imposed by the Financial Services Agency of Japan pursuant to the Insurance Business Act as a result of causing the problems related to solicitation quality. The Company acknowledges that operational improvements need to be made in its internal control systems. Although the Audit Committee has confirmed that the Company has formulated a business improvement plan and steadily implemented improvement measures based on this plan in an effort to restore the trust of customers, the Audit Committee will continue monitoring and verifying the status of improvement in the future.

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, 2020

Audit Committee of JAPAN POST INSURANCE Co., Ltd.

Audit Committee Member

OZAKI Michiaki (seal)

Audit Committee Member

SUZUKI Masako (seal)

Audit Committee Member

YAMADA Meyumi (seal)

(HARA Meyumi)

Audit Committee Member

SATAKE Akira (seal)

(Note) Audit Committee Members Mr. OZAKI Michiaki, Ms. SUZUKI Masako, Ms. YAMADA Meyumi and Mr. SATAKE Akira 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, and September 30 if interim dividends are paid
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="https://www.jp-life.japanpost.jp/IR/notice/">https://www.jp-life.japanpost.jp/IR/notice/</a>
Share Trading Units	100 shares
Stock Exchange	Tokyo Stock Exchange

Contact Points for Various Administrative Procedures Related to Stock

Details of inquiry	Contact information
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

**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.

Please visit our website for any significant changes to the style and operation of the General Meeting of Shareholders due to future circumstances.



Transportation Guide		Shibakoen Station		Akabanebashi Station		Daimon Station		Hamamatsucho Station	
<b>I</b>	Toei Subway Mita Line	<b>A4</b>	Exit approx. 6-minute walk	<b>Akabanebashi Exit</b>	approx. 8-minute walk	<b>A6</b>	Exit approx. 13-minute walk	<b>North Exit</b>	approx. 15-minute walk
<b>E</b>	Toei Subway Oedo Line								
<b>A E</b>	Toei Subway Asakusa Line/Oedo Line								
<b>JY JK</b>	JR Yamanote Line/Keihin Tohoku Line								

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.