

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

CONVOCATION NOTICE OF THE 15TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Date and Time	Wednesday, June 16, 2021 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 15th Ordinary General Meeting of Shareholders	3
▪ Guidance on the Exercise of Voting Rights	5
▪ Reference Documents for the General Meeting of Shareholders.....	8
Proposal: Election of Nine (9) Directors	
[Attachment of the 15th Ordinary General Meeting of Shareholders]	
▪ Business Report	22
▪ Consolidated Financial Statements	87
▪ Non-consolidated Financial Statements.....	92
▪ Audit Report.....	97

<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 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.
- The meeting will be streamed live on the Internet so that you can view it at home.
- 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 Tuesday, June 15, 2021 at 5:15 p.m. Japan time

► Deadline for exercising voting rights by the Internet, etc.
Received by Tuesday, June 15, 2021 at 5:15 p.m. Japan time

Simply use your smartphone to exercise your voting rights or view this Convocation Notice

Exercise your voting rights	See the Convocation Notice
Use the QR Code on the bottom right of the Voting Rights Exercise Form.	Use this QR Code or the URL (https://s.srdb.jp/7181/) to access information.

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

JAPAN POST INSURANCE Co., Ltd.

Securities Identification Code: 7181

To Our Shareholders

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

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

This year, Japan Post Group celebrated the 150th anniversary of its founding. While fulfilling our social mission to “provide peace of mind to our customers by providing basic security through a post office network centered on the community, always being close to people’s lives,” we are determined to respond with precision to the social needs of “an age of 100-year life.”

We will continue to solemnly conduct activities that recover the trust of our customers which we cultivated over the course of many years, and make efforts to achieve the management philosophy of Japan Post Insurance to “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” to embody the Japan Post Group’s unique reason for existence.

This year also marks the start of our new Medium-term Management Plan, with a period of five years starting in the fiscal year ending March 31, 2022.

In this Medium-term Management Plan, all employees will cooperate to revive the Company so it is truly trusted by customers, and improve insurance services that impress customers with the aim of sustainable growth.

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

May 2021

SENDA Tetsuya
Director and President, CEO,
Representative Executive Officer

CONVOCATION NOTICE

(Securities Identification Code: 7181)

May 31, 2021

Dear Shareholders:

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

CONVOCATION NOTICE OF THE 15TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

The 15th Ordinary General Meeting of Shareholders of JAPAN POST INSURANCE Co., Ltd. (the “Company”) will be held for the purposes described below.

In order to stop the spread of COVID-19, we request that all shareholders exercise their voting rights for this General Meeting of Shareholders either in writing (on the Voting Rights Exercise Form) or by electromagnetic means (on the Internet, etc.) in advance, and refrain from coming to the venue on the day of the General Meeting of Shareholders.

Please review the Reference Documents for the General Meeting of Shareholders (pages 8–21) and **exercise your voting rights by no later than 5:15 p.m., Tuesday, June 15, 2021 (Japan time)** in accordance with the “Guidance on the Exercise of Voting Rights” (pages 5–6).

1. Date and Time: Wednesday, June 16, 2021 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 a measure to prevent the spread of COVID-19, the number of seats at the General Meeting of Shareholders will be limited in order to ensure sufficient space between attendees, and thus admission to the meeting may be denied. Thank you very much for your understanding in advance.

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, 2020 to March 31, 2021)
2. Report on the contents of the Non-consolidated Financial Statements (from April 1, 2020 to March 31, 2021)

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

The Company will take the following actions to prevent the spread of COVID-19 at the 15th Ordinary General Meeting of Shareholders.

We appreciate your understanding and cooperation.

1. 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 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 number of seats is limited to ensure sufficient space between attendees at the venue of the General Meeting of Shareholders. Please note that we may have to decline the entry of some shareholders.
- Please refrain from asking any questions other than those related to the meeting agenda in order to ensure smooth proceedings.

2. Live Streaming via the Internet

The 15th 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” described on the next page, and access the streaming site from the link under the “Internet Live Streaming Information.”

<Time and date of release>

Wednesday, June 16, 2021 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 the online live stream.
- 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.
- Please refrain from recording and saving or publishing any video or audio of the online livestream.

3. Advance acceptance of questions

We plan to accept questions from shareholders regarding matters to be reported and matter to be resolved at the 15th Ordinary General Meeting of Shareholders (from Monday, May 31, 2021 at 10:00 a.m. to Thursday, June 10, 2021 at 5:00 p.m. Japan time).

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

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

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://www.jp-life.japanpost.jp/>). Please make sure to check the latest information before coming to the venue.

Guidance on the Exercise of Voting Rights

For those not attending the Ordinary General Meeting of Shareholders

Exercise of voting rights by mail

Voting Deadline

Votes shall arrive no later than Tuesday, June 15, 2021 at 5:15 p.m. Japan time



Please indicate your approval or disapproval of the 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 Tuesday, June 15, 2021 at 5:15 p.m. Japan time



Please refer to the procedures on the next page to enter your approval or disapproval of the proposal no later than the voting deadline.

For Institutional Investors

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

For those attending the Ordinary General Meeting of Shareholders

Please submit your Voting rights Exercise Form at the reception.

Date and Time

Wednesday, June 16, 2021 at 10:00 p.m. Japan time (Reception starts at 9:00 a.m.)

Place

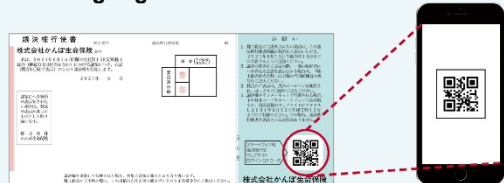
The Prince Park Tower Tokyo

Ballroom, Level B2, 8-1, Shibakoen 4-chome, Minato-ku, Tokyo, Japan

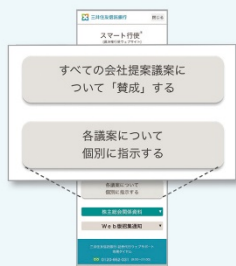
Access procedures via the Internet

For shareholders using smartphones or tablets (“smart exercise”)

1 Scan the QR code on the bottom right of the Voting Rights Exercise Form



2 Enter information according to on-screen guidance



You can only use the QR code once to exercise your voting rights.

To exercise your voting rights again, follow the procedure as described in “For shareholders using a PC” on the right

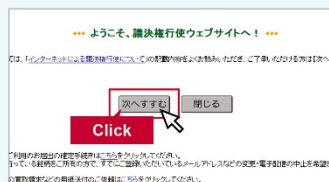
For shareholders using a PC

1 Access the voting website

<https://www.web54.net>

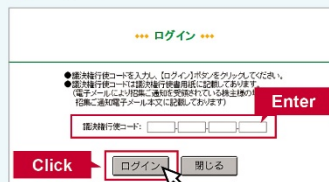


You can access the voting website also by scanning the QR code.



Click “Next.”

2 Login



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

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

NOTE

- Communication 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.

If you are not sure how to operate your PC or smartphone when exercising voting rights online, please contact the help desk on the right.

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

☎ 0120-652-031
(toll free in Japan)(Open from 9:00 a.m. to 9:00 p.m.)

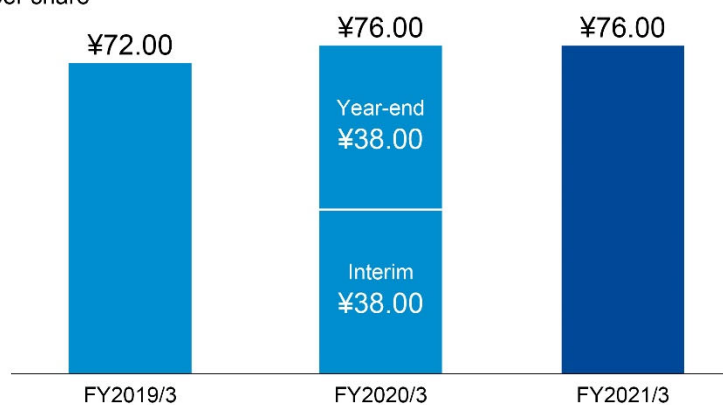
Dividends

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 ¥76 per share

2 Effective date June 17, 2021

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

The terms of office of all nine (9) Directors elected at the 14th Ordinary General Meeting of Shareholders will expire at the conclusion of this General Meeting of Shareholders. It is therefore proposed to elect nine (9) Directors pursuant to the decision by the Nomination Committee.

We consider that the Company's Board of Directors needs insight into "corporate management," "finance/accounting," "legal affairs/compliance," "personnel affairs/human resource development," "sales/marketing," "ICT^{*1}/DX,^{*2}" as well as business knowledge regarding life insurance. Accordingly, those who have insight in these areas are nominated as candidates for Directors.

Candidates for Directors are as follows:

No.	Name	Current positions and responsibilities at the Company	
1	Re-elected SENDA Tetsuya	Director and President, CEO, Representative Executive Officer Nomination Committee Member	
2	Re-elected ICHIKURA Noboru	Director and Deputy President, Representative Executive Officer	
3	Newly elected NARA Tomoaki	Senior Managing Executive Officer	
4	Re-elected MASUDA Hiroya	Director, Nomination Committee Member, Compensation Committee Member	
5	Re-elected SUZUKI Masako	Director, Compensation Committee Chair, Audit Committee Member	Outside Independent
6	Re-elected SAITO Tamotsu	Director, Audit Committee Chair, Nomination Committee Member	Outside Independent
7	Re-elected YAMADA Meyumi	Director, Nomination Committee Member, Audit Committee Member	Outside Independent
8	Re-elected HARADA Kazuyuki	Director, Nomination Committee Chair, Compensation Committee Member	Outside Independent
9	Re-elected YAMAZAKI Hisashi	Director, Audit Committee Member	Outside Independent

Outside: Candidate for Outside Director

Independent: Candidate for Independent Officer

Notes:

1. ICT is an acronym for Information and Communication Technology and collectively refers to technology relating to information and communications.
2. DX, or Digital Transformation, refers to transforming a company's products, services, and business models based on the needs of its customers and society as a whole, using data and digital technology in response to drastic changes in the business environment, while changing its operations, organizations, processes, and corporate culture and climate to establish a competitive advantage.

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
1	SENDA Tetsuya (Apr. 22, 1960) Re-elected Director and President, CEO, Representative Executive Officer, Nomination Committee Member Number of years and months in office as a Director 1 year Status of attendance at the Board of Directors 100% (14/14 meetings) Status of attendance at the Nomination Committee 100% (3/3 meetings)	<u>Reasons for the election as candidate for Director</u> He has considerable knowledge and experience in the life insurance business, as he has held prominent positions in the corporate planning, business process and other departments of the Company, and has also taken part in the management of the Company as President, CEO, Representative Executive Officer. We nominate him as Director because we expect him to continue to play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers by drawing on his considerable experience and achievements. Apr. 1984 Joined the Ministry of Posts and Telecommunications Oct. 2007 Senior General Manager of Customer Service Department of the Company Oct. 2008 Senior General Manager of Tokyo Service Center of the Company Apr. 2010 General Manager of Business Process Planning Department of the Company Jul. 2010 Senior General Manager of Business Process Supporting Department of the Company Apr. 2011 Senior General Manager of Corporate Planning Department of the Company Jul. 2011 Executive Officer and Senior General Manager of Corporate Planning Department of the Company Oct. 2011 Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. Jun. 2013 Managing Executive Officer of Japan Post Holdings Co., Ltd. Jul. 2013 Managing Executive Officer of the Company Jun. 2016 Senior Managing Executive Officer of the Company Nov. 2017 Senior Managing Executive Officer of Japan Post Holdings Co., Ltd. Apr. 2019 Deputy President, Representative Executive Officer of the Company Aug. 2019 Managing Executive Officer of Japan Post Holdings Co., Ltd. Jan. 2020 President, CEO, Representative Executive Officer of the Company Jun. 2020 Director and President, CEO, Representative Executive Officer of the Company (current position) Jun. 2020 Director of Japan Post Holdings Co., Ltd. (current position) Significant concurrent positions: Director of Japan Post Holdings Co., Ltd.	6,600 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
2	ICHIKURA Noboru (Jun. 10, 1958) Re-elected Director and Deputy President, Representative Executive Officer Number of years and months in office as a Director 1 year Status of attendance at the Board of Directors 100% (14/14 meetings)	<u>Reasons for the election as candidate for Director</u> He has considerable knowledge and experience in the life insurance business, as he has held prominent positions in the finance and other departments of Japan Post Holdings Co., Ltd., the parent company of the Company, and has also taken part in the management of the Company as Deputy President, Representative Executive Officer. We nominate him as Director because we expect him to continue to play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers by drawing on his considerable experience and achievements. Apr. 1983 Joined the Japan Tobacco and Salt Public Corporation Jun. 2009 Executive Officer and Senior General Manager of IPO Planning Office of Japan Post Holdings Co., Ltd. Aug. 2009 Executive Officer, Senior General Manager of IPO Planning Office and General Manager of Corporate Planning Department of Japan Post Holdings Co., Ltd. Jan. 2010 Executive Officer and General Manager of Corporate Planning Department of Japan Post Holdings Co., Ltd. Oct. 2010 Executive Officer of Japan Post Holdings Co., Ltd. Sep. 2013 Executive Officer and Senior General Manager of Accounting Department of Japan Post Holdings Co., Ltd. Nov. 2013 Executive Officer of Japan Post Holdings Co., Ltd. Jun. 2014 Managing Executive Officer of Japan Post Holdings Co., Ltd. Jun. 2016 Senior Managing Executive Officer of Japan Post Holdings Co., Ltd. Jun. 2020 Director and Deputy President, Representative Executive Officer of the Company (current position) Jun. 2020 Managing Executive Officer of Japan Post Holdings Co., Ltd. (current position) Significant concurrent positions: Managing Executive Officer of Japan Post Holdings Co., Ltd.	800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
3	NARA Tomoaki (Feb. 5, 1961) Newly elected Senior Managing Executive Officer Number of years and months in office as a Director - years Status of attendance at the Board of Directors - % (-/- meetings)	<u>Reasons for the election as candidate for Director</u> He has considerable knowledge and experience in the life insurance business, as he has held prominent positions in the investment, business process and risk management and other departments of the Company, and has also taken part in the management of the Company as Senior Managing Executive Officer. We nominate him as Director because we expect him to play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers by drawing on his considerable experience and achievements. Apr. 1984 Joined the Ministry of Posts and Telecommunications Oct. 2007 General Manager of the Company Dec. 2007 Head of Office of Task Force Payment Services Improvement of the Company Jun. 2010 Executive Officer, Senior General Manager of Claim Settlement Planning and Management Department and Head of Office of Task Force Payment Services Improvement of the Company Oct. 2010 Executive Officer, Senior General Manager of Claim Settlement Planning and Management Department and Senior General Manager of Payment Services Office of the Company Jan. 2012 Executive Officer, Senior General Manager of Claim Settlement Planning and Management Department and Senior General Manager of Payment Services Office and Senior General Manager of Representative Office for Future Claim Payment Processing of the Company Feb. 2013 Executive Officer of the Company Jul. 2013 Executive Officer and Senior General Manager of Investment Planning Department of the Company Jun. 2017 Managing Executive Officer of the Company Jun. 2020 Senior Managing Executive Officer of the Company (current position) Significant concurrent positions: None	1,100 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
4	MASUDA Hiroya (Dec. 20, 1951) Re-elected Director, Nomination Committee Member, Compensation Committee Member Number of years and months in office as a Director 1 year Status of attendance at the Board of Directors 100% (14/14 meetings) Status of attendance at the Nomination Committee 100% (3/3 meetings) Status of attendance at the Compensation Committee 100% (6/6 meetings)	<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 Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd., the parent company of the Company. We nominate him as Director because we expect him to continue to play a significant role in making decisions on the execution of our important operations, and in supervising the execution of duties by Executive Officers by drawing on his considerable experience and achievements. 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 & CEO of Japan Post Holdings Co., Ltd. Jun. 2020 Director of the Company (current position) Jun. 2020 Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. (current position) Jun. 2020 Director of Japan Post Co., Ltd. (current position) Jun. 2020 Director of Japan Post Bank Co., Ltd. (current position) Significant concurrent positions: Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. Director of Japan Post Co., Ltd. Director of Japan Post Bank Co., Ltd. Visiting Professor, Graduate School of Public Policy, The University of Tokyo	- shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
5	SUZUKI Masako (Feb. 4, 1954) Re-elected Outside Director, Independent Officer Director, Compensation Committee Chair, Audit Committee Member Number of years and months in office as a Director 5 years Status of attendance at the Board of Directors 100% (17/17 meetings) Status of attendance at the Audit Committee 100% (17/17 meetings) Status of attendance at the Compensation Committee 100% (6/6 meetings)	<u>Reasons for the election as candidate for Outside Director and overview of the role expected as Outside Director</u> We expect her to fulfill supervisory and monitoring functions over management based on her experience and insight as a management expert nurtured through her career in the management of companies in the field of deploying human resource and health support services including Pasona Group Inc. Since taking office as Director of the Company in June 2016, she has been deeply engaged in discussion at the Board of Directors, the Audit Committee and the Compensation Committee, and actively provided opinions and suggestions especially from the perspective of personnel affairs/human resource development and corporate management. We nominate her as Outside Director because we expect her to continue to contribute to maintaining and strengthening governance of the Company through the board and committees. 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 Executive Advisor of Pasona Group Inc. (current position) Dec. 2019 President and Representative Director of Pasona Force Inc. (current position) Significant concurrent positions: Executive Advisor of Pasona Group Inc. President and Representative Director of Pasona Force Inc.	2,600 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, Audit Committee Chair, Nomination Committee Member	<u>Reasons for the election as candidate for Outside Director and overview of the role expected as Outside Director</u> We expect him to fulfill supervisory and monitoring functions over management based on his experience and insight as a management expert nurtured through his career in the management of IHI Corporation, a company operating internationally. Since taking office as Director of the Company in June 2017, he has been deeply engaged in discussion at the Board of Directors, the Nomination Committee, the Audit Committee and the Compensation Committee, and actively provided opinions and suggestions especially from the perspective of corporate culture reform and corporate management. We nominate him as Outside Director because we expect him to continue to contribute to maintaining and strengthening governance of the Company through the board and committees. Apr. 1975 Joined Ishikawajima-Harima Heavy Industries Co., Ltd. Jun. 2006 Executive Officer, Vice President of Aero-Engine & Space Operations of Ishikawajima-Harima Heavy Industries Co., Ltd. Jul. 2007 Executive Officer, Vice President of Aero-Engine & Space Operations of IHI Corporation Jan. 2008 Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation Apr. 2008 Director, Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation Apr. 2009 Director, Managing Executive Officer, President of Aero-Engine & Space Operations of IHI Corporation Apr. 2010 Director of IHI Corporation Apr. 2011 Executive Vice President of IHI Corporation Apr. 2012 President, Chief Executive Officer of IHI Corporation Apr. 2016 Chairman of the Board, Chief Executive Officer, General Manager of Monozukuri System Strategy Planning Headquarters of IHI Corporation Apr. 2017 Chairman of the Board of IHI Corporation Jun. 2017 Director of the Company (current position) Jun. 2018 Outside Director of Oki Electric Industry Co., Ltd. (current position) Apr. 2020 Director of IHI Corporation Jun. 2020 Senior Counselor of IHI Corporation (current position) Significant concurrent positions: Senior Counselor of IHI Corporation Outside Director of Oki Electric Industry Co., Ltd. Outside Director of Furukawa Electric Co., Ltd. (to be appointed on June 24, 2021)	1,000 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
7	YAMADA Meyumi (Aug. 30, 1972) Re-elected Outside Director, Independent Officer Director, Nomination Committee Member, Audit Committee Member Number of years and months in office as a Director 4 years Status of attendance at the Board of Directors 100% (17/17 meetings) Status of attendance at the Nomination Committee 100% (3/3 meetings) Status of attendance at the Audit Committee 100% (17/17 meetings)	<u>Reasons for the election as candidate for Outside Director and overview of the role expected as Outside Director</u> We expect her to fulfill supervisory and monitoring functions over management based on her experience and insight as a management expert nurtured through her career in the management of companies with strength in digital strategies including istyle Inc. Since taking office as Director of the Company in June 2017, she has been deeply engaged in discussion at the Board of Directors, the Nomination Committee and the Audit Committee, and actively provided opinions and suggestions especially from the perspective of business reform through IT and corporate management. We nominate her as Outside Director because we expect her to continue to contribute to maintaining and strengthening governance of the Company through the board and committees. 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) Significant concurrent positions: Director of istyle Inc. Outside Director of Seino Holdings Co., Ltd.	1,800 shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
8	HARADA Kazuyuki (Jan. 22, 1954) Re-elected Outside Director, Independent Officer Director, Nomination Committee Chair, Compensation Committee Member Number of years and months in office as a Director 3 years Status of attendance at the Board of Directors 100% (17/17 meetings) Status of attendance at the Nomination Committee 100% (5/5 meetings) Status of attendance at the Compensation Committee 100% (8/8 meetings)	<u>Reasons for the election as candidate for Outside Director and overview of the role expected as Outside Director</u> We expect him to fulfill supervisory and monitoring functions over management based on his experience and insight as a management expert nurtured through his career in the management of Keikyu Corporation, a company serving as a social infrastructure with a strong public nature. Since taking office as Director of the Company in June 2018, he has been deeply engaged in discussion at the Board of Directors, the Nomination Committee and the Compensation Committee, and actively provided opinions and suggestions especially from the perspective of corporate culture reform and corporate management. We nominate him as Outside Director because we expect him to continue to contribute to maintaining and strengthening governance of the Company through the board and committees. 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 and 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 and Executive Officer of Keikyu Corporation (current position) Significant concurrent positions: President and Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd.	- shares

No.	Name (Date of birth)	Past experience, positions and responsibilities	Number of shares of the Company held
9	YAMAZAKI Hisashi (Nov. 14, 1948) Re-elected Outside Director, Independent Officer Director, Audit Committee Member Number of years and months in office as a Director 1 year Status of attendance at the Board of Directors 100% (14/14 meetings) Status of attendance at the Audit Committee 100% (13/13 meetings)	<u>Reasons for the election as candidate for Outside Director and overview of the role expected as Outside Director</u> We expect him to fulfill supervisory and monitoring functions over management based on his experience and insight as a legal expert nurtured through years of experience as a judge and attorney-at-law. Since taking office as Director of the Company in June 2020, he has been deeply engaged in discussion at the Board of Directors and the Audit Committee, and actively provided opinions and suggestions especially from the perspective of legal affairs and compliance. We nominate him as Outside Director because we expect him to continue to contribute to maintaining and strengthening governance of the Company through the board and committee. We believe that he can appropriately perform duties as an Outside Director based on the aforementioned reasons. 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 Chief Judge, 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) Jun. 2020 Director of the Company (current position) Significant concurrent positions: Attorney-at-law Supervisory Board Member, National Federation of Agricultural Cooperative Associations Outside Director of Sumitomo Corporation	400 shares

Notes:

1. Japan Post Holdings Co., Ltd., where Mr. MASUDA Hiroya serves as Director and 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, Mr. ICHIKURA Noboru and Mr. MASUDA Hiroya as executive persons at the parent company for the past 10 years and at present are as described under "Past experience, positions and responsibilities."
3. The status of attendance at the Board of Directors, the Nomination Committee, the Audit Committee and the Compensation Committee by each candidate for Director refers to the status of attendance for the fiscal year ended March 31, 2021. For Directors who took office mid-term, the status of attendance reported is for the period after their appointment.
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 five years, that of Mr. SAITO Tamotsu and Ms. YAMADA Meyumi will be four years, that of Mr. HARADA Kazuyuki will be three years, and that of Mr. YAMAZAKI Hisashi will be one year, respectively, at the conclusion of this General Meeting of Shareholders.
6. The Company has entered into liability limitation agreements with Mr. MASUDA Hiroya, Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Ms. YAMADA Meyumi, Mr. HARADA Kazuyuki and Mr. YAMAZAKI Hisashi 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 the election of Mr. NARA Tomoaki is approved, the Company will enter into a liability limitation agreement with him.
7. The Company has in effect a Directors and Officers Liability Insurance contract with an insurance company to cover damages that may arise when the insured assume liability for the execution of their duties or receive any claims in the pursuit of such liability. All candidates for Director will be insured under this contract. The Company plans to renew the insurance contract with the same terms and conditions upon its expiry.
8. The Company has designated each of Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Ms. YAMADA Meyumi, Mr. HARADA Kazuyuki and Mr. YAMAZAKI Hisashi as an Independent Officer with the Tokyo Stock Exchange, and will continue to designate them as Independent Officers if their election is approved.
9. 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.
10. 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 fulfilled their responsibilities by making recommendations for the protection of customers and prevention of recurrence after the cases had been discovered. Subsequently, five Directors including Mr. YAMAZAKI Hisashi have received regular reporting on the progress of the business improvement plan at the Board of Directors, and appropriately monitor the details and progress of the various measures.

[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 15th Ordinary General Meeting of Shareholders] Graphs and charts in this report are for reference purposes.

Business Report (From April 1, 2020 to March 31, 2021)

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

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

[Details of main business of the corporate group]

The Company belongs to the Japan Post Group, for which the parent company is Japan Post Holdings Co., Ltd. (“Japan Post Holdings”). 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, 2021]

During the fiscal year ended March 31, 2021, the Japanese economy rapidly deteriorated due to the implementation of countermeasures against the spread of COVID-19 at the beginning of the fiscal year, which was subsequently followed by movements toward recovery due to large-scale fiscal and monetary policy packages and gradual resumption of economic activities. However, recovery was moderate due primarily to intermittent resurgence of the spread of COVID-19. Overseas economies including the U.S. and the Eurozone also suffered a sharp deterioration from the beginning of the fiscal year due to the implementation of countermeasures against the spread of COVID-19, which was followed by continuing recovery supported by government policies in the U.S. and the Eurozone experienced a moderate recovery due to the prolonged restrictions on activities in response to the resurgence of the spread of COVID-19.

In the life insurance industry, customer needs have diversified with heightened selectivity against the backdrop of the advent of a super-aging society and evolving lifestyles, along with the continuing uncertainty caused by the spread of COVID-19. 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.

The Company had formulated the Medium-term Management Plan covering the three years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2021, and from the fiscal year ended March 31, 2019, we have been working on efforts such as strengthening of sales activities focusing on protection needs and diversification of asset management, with the aim of increasing profit in both sales and asset management, as well as reversing the declining trend and achieving growth in annualized premiums from policies in force. However, since the fiscal year ended March 31, 2020,

due to the occurrence of solicitation quality issues, we have decided to suspend active sales activities and place top priority on efforts to regain the trust of our customers.

As a result, of the three key quantitative targets set in the Medium-term Management Plan, we exceeded our target for net income per share due to a decrease in operating expenses as a result of refraining from making proactive sales efforts in response to solicitation quality issues, in addition to a steady increase in investment income. We have decided to maintain the dividend per share as targeted. Annualized premiums from policies in force (individual insurance) fell short of the target due to a greater decrease in new policy acquisitions than anticipated for savings-type products caused by factors such as increases in premiums in line with declining market interest rates, as well as the fact that we refrained from sales activities from July 2019 in response to solicitation quality issues.

Major initiatives in the fiscal year ended March 31, 2021 were as follows.

1. Response to solicitation quality issues

To address the issues related to solicitation quality of the Company and its agents that occurred during the fiscal year ended March 31, 2020, we have made company-wide efforts to investigate insurance policies and take other measures to compensate for disadvantages experienced by affected customers, as well as to implement preventive countermeasures.

(1) Status of the investigations of insurance policies and sales personnel investigations

We finished responding to customers in regard to two types of investigations; namely, the “investigations of specified rewriting cases” to confirm whether there were specific cases involving potential disadvantages to customers because customers’ policies are not in line with their intentions for the categories of cases for which we were able to identify as such, as well as the “investigation of all insurance policies” to confirm whether there were cases involving potential disadvantages to customers because customers’ policies are not in line with their intentions with respect to all of our policies, except for cases that could not be completed due to reasons attributable to customers. In addition, we have finished responding to customers in regard to the further investigation of all insurance policies (including the investigations of multiple policies, in which we confirmed cases where sales personnel repeatedly made many policy cancellations and applications, which may not have been in line with the intentions of the customers), except for cases that could not be completed due to reasons attributable to customers.

Sales personnel investigations in connection with the investigations of specified rewriting cases were mostly completed by the end of April 2020, except for cases where the investigations cannot be completed due to sick leave or other reasons. In addition, the sales personnel investigations in

connection with the portion of investigations of multiple policies which have been implemented since 2019 were completed by the end of October 2020, except for cases where the investigations cannot be finished due to sick leave. Furthermore, the sales personnel investigations in connection with the further investigations of all insurance policies and other investigations that were given priority were mostly completed by the end of March 2021, except for retirees and others. Since March 2021, we have been conducting investigations on sales personnel who are considered problematic based on the contents of customer comments, and we also have investigated in writing sales personnel who were not included in prior investigations.

(2) Efforts to improve solicitation quality

We received orders from the Financial Services Agency (FSA) 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, submitted a business improvement plan to FSA on January 31, 2020, and has since been making regular reports on its progress.

We have already implemented most of our 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.

a. Establishing an appropriate sales promotion scheme and creating a healthy corporate culture

In April 2020, the Company announced a solicitation policy that reflects the customer-first philosophy, and has been providing ongoing training to sales personnel to ensure their understanding and instill our sales action principles, the Standard of Japan Post Insurance Sales, which have been formulated based on the solicitation policy. Furthermore, in April 2020, as a measure for policy rewriting, we have decided to abolish the incentive payments for policy rewriting (at 50% of the allowances for normal new contracts), and reviewed the personnel evaluations so that securing solicitation quality is mandatory. In addition, we obtained approval in November 2020 for a policy conversion system that allows customers to revise their coverage without having to cancel their existing policies, and started offering this system in April 2021.

Moreover, while savings-type products have been our mainstay, we are working to expand our product line-up and enhance our coverage in order to better meet the needs of our customers even in a low interest rate environment. Specifically, we decided to enhance products that can be proposed to customers who want long-term coverage at low premiums, mainly young adults and working-age customers, and added ordinary term insurance and special endowment insurance with extended term to our existing insurance product line-up on April 2, 2021.

In addition, as an initiative to create a healthy corporate culture, the Company has introduced a system that allows employees to directly make suggestions to the President, so that management can hear all of the employees' voices, and we also continue to hold Dialogue with Management events during which management directly listens to those voices in the field such as at branches. In addition, in November 2020, we conducted an employee satisfaction (ES) survey of all employees to identify company-wide issues and issues in each department. Based on the opinions of employees and issues identified through these efforts, we are working to create a more open organization by improving operations and considering measures to improve ES.

b. Strengthening of the appropriate solicitation quality control scheme

The Company has strengthened its control function by implementing checks and controls on the front lines and at the Head Office to prevent the occurrence of policies that are not in line with the intentions of customers.

Specifically, in April 2020, we expanded the policy rewriting qualifying period, established a system for displaying alert messages for policies that are in close proximity to the qualifying period and prompting policyholders to confirm them, and built a system that enables us to easily confirm the customers' past policy enrollment and cancellation histories on our systems. In addition to the establishment of a multi-layered system for the verification of customers' intentions by post office managers, dedicated call centers for Japan Post Insurance, and service centers, in an effort to ensure transparency of the solicitation process, recording and keeping voice records of the solicitation process, which had been conducted on a trial basis since March 2020, was fully implemented for all consultants* at post offices beginning in August 2020.

* Sales personnel have been renamed as consultants from April 2020.

c. Strengthening governance by the Board of Directors, etc.

The Company has worked to strengthen its governance through efforts such as establishing a system that enables the management to appropriately understand risks and reinforcing internal controls.

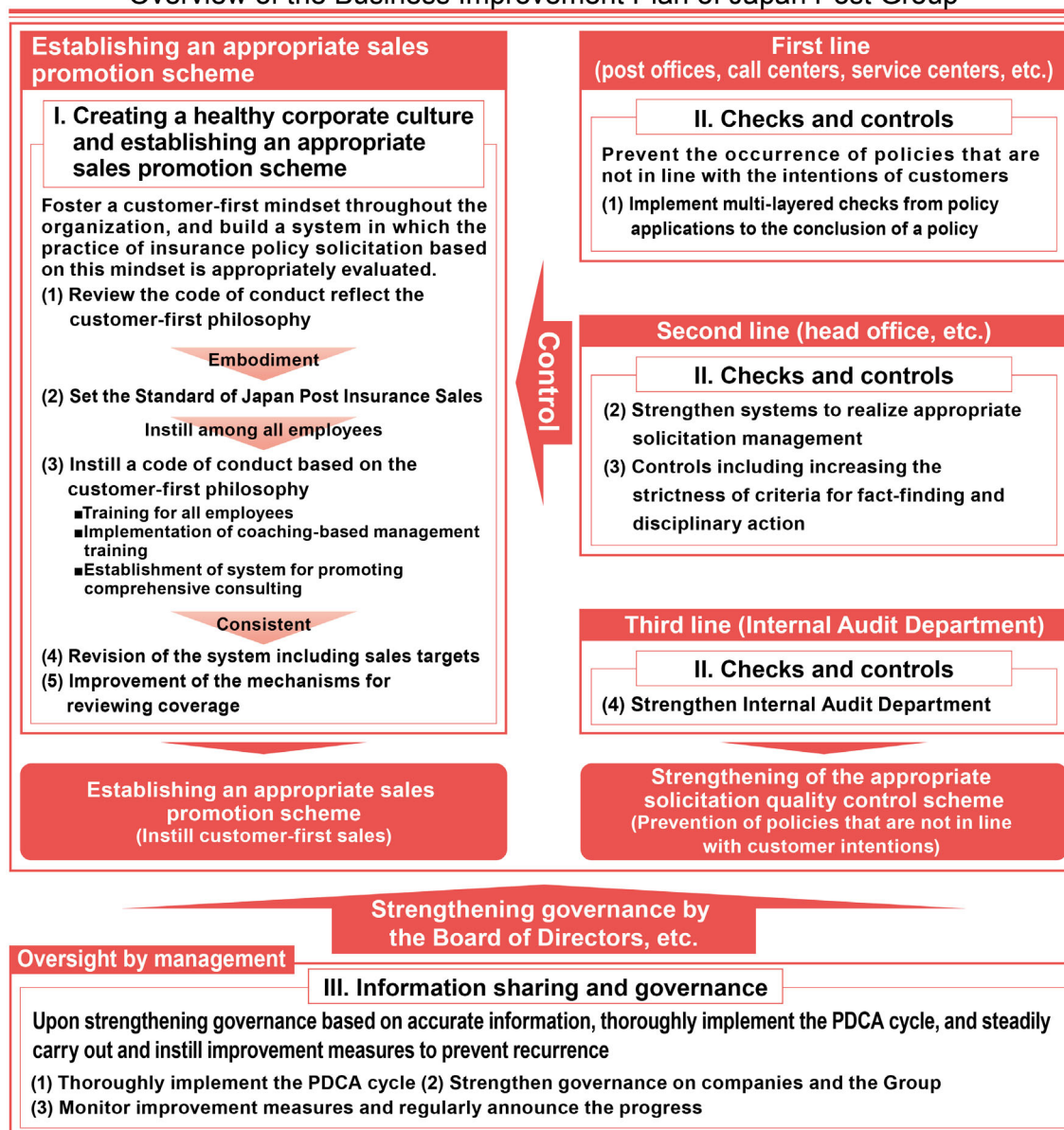
Specifically, in April 2020, we established a PDCA system to utilize the various risk information detected for improvement measures, such as by setting up a dedicated team to grasp and analyze internal and external risk information and report to the management team. In addition, in order to ensure that material risks do not go unnoticed, the relevant departments actively investigate cases with a type or structure that are similar to those of the improper solicitation cases discovered.

Furthermore, the Board of Directors has been working to enhance and expedite the provision of information so that Outside Directors can utilize their knowledge and experience and exercise appropriate control functions from an objective standpoint. Moreover, the Internal Audit Department

has strengthened its human resources and organizational structure, and is working to reinforce its risk assessment implementation structure with the cooperation of external experts.

Since April 2020, companies of the Japan Post Group have been cooperating to address the cross-sectional sales of the Company's products and investment trusts. Confirmation with customers and related employees has been completed, with the exception of customers who could not be contacted. Going forward, we will continue to respond appropriately to cases that require customer support.

Overview of the Business Improvement Plan of Japan Post Group



(2) Transition to a new sales stance

Since July 2019, we have refrained from making proactive sales efforts on our insurance products at post offices and our directly-managed offices, including the period of the business suspension order from January to March 2020. However, the JP Reform Execution Committee* assessed that the minimum necessary conditions for resuming sales activities have been met, and it has been confirmed that the purpose of operations for regaining customers' trust is instilled company-wide. Accordingly, on October 5, 2020, we commenced operations aimed at regaining customers' trust, placing top priority on apologizing to our customers. Subsequently, as we have made some progress in our activities on operations for regaining customers' trust and in addressing cross-sectional sales of our products and investment trusts and have earned the understanding of our customers regarding these activities, starting from April 1, 2021, we have shifted to a new sales stance that builds a relationship of trust with customers through sales activities, providing information and making proposals to all customers on insurance products and services that meet customer needs at post offices and our directly-managed offices.

Going forward, all employees of the Japan Post Group will continue to comply with our "Commitments to Regain Customers' Trust," which was formulated so that customers can once again use our products and services with peace of mind, and will do their utmost to ensure proper operations to regain customers' trust.

* Established on April 2, 2020 for the purpose of seeking advice from external experts from a fair and neutral standpoint in order to restore public confidence in the Japan Post Group.

Commitments to Regain Customers' Trust

[Company we commit to becoming]

We commit to become a trusted company that gives individual customers utmost cares, satisfaction, and peace of mind.

[Actions we commit to taking]

- We will ensure that we are always customer-oriented in our business operations and will perform our work with the utmost care to deliver customer satisfaction.
- We will carefully listen to our customers and reflect their feedback to make improvements in our services.
- We will enhance our employees' expertise and provide our customers with accurate, clear explanations of our products and services.
- We will comply with laws and rules to provide our customers with reliable, high-quality services.
- We will offer products and services that can please customers and address their needs.

2. Countermeasures and initiatives in response to COVID-19

We have strived to maintain appropriate business operations and implemented initiatives to support our customers in order to ensure that we fulfill our social mission and functions as a life insurance company even during the COVID-19 pandemic.

Specifically, in response to the expanding impact of COVID-19, from March 2020, we implemented emergency measures including the extension of the grace period for payment of premiums, reduction or exemption of interest rates applicable to policy loans excluding premium loans (finished accepting claims in June 2020), and omission of some of the necessary documents at the request of policyholders to enable simple and quick handling. Furthermore, considering that the sudden death of the insured due to an unexpected accident, etc. will have a significant impact on the bereaved family, we have implemented a measure to include death due to COVID-19 in the scope of double payment of insurance benefits from April 2020, where insurance benefits stipulated in the insurance policy are paid out in addition to the death benefit. In addition, we are providing payment of hospitalization benefits even if medical institutions did not allow hospitalization due to the effects of COVID-19, to persons receiving medical treatment for COVID-19 in lodging or other facilities provided by the local government, or in the case of treatment at home, upon submission of a doctor's certificate or other documentation.

Moreover, in order to respond to the growing demand for non-face-to-face use of our services, we expanded the My Page web service for policyholders to include a function for requesting documents necessary for payment of hospitalization and surgery benefits in November 2020, and a function for reporting the current status, which is required for pension payments, in March 2021.

3. Initiatives related to asset management and ERM

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^{*1} for secure payment of insurance claims, etc. In an aim to diversify 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^{*2}. As a result, the balance of risk assets of the total assets at the end of the fiscal year ended March 31, 2021 was 15.9% and interest margin was ¥76.3 billion.

These asset management measures are performed under the enterprise risk management (ERM^{*3}) framework as part of efforts to secure financial soundness and improve return on risk.

*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. Initiatives that contribute to resolving social problems

(1) ESG investment

In order to fulfill our social responsibility as a life insurance company, we have established an ESG* Investment Policy for asset management, and we make investments based on this policy.

During the fiscal year ended March 31, 2021, following investments in “COVID-19 bonds” issued by the European Investment Bank and the Inter-American Development Bank, we invested in bonds that will contribute to the promotion of reconstruction policies with a view to economic recovery from the COVID-19 pandemic. In addition, we have expanded the scope of ESG investment such as by investing in bonds that support education and gender equality in the Asia-Pacific region, as well as a “One Health” approach that recognizes the health of people, animals and global environment as a whole.



Photo courtesy of the Inter-American Development Bank

* ESG is a term that combines the initials of ‘Environment,’ ‘Social’ and ‘Governance.’

Major ESG-themed investment examples		Major ESG-themed investment examples	
Investment in a Climate Awareness Bond © European Investment Bank		Investment in a Thematic Bond promoting gender equality © Asian Development Bank	
Investment in a Sustainable Development Bond in response to the COVID-19 © Inter-American Development Bank		Investment in a Social Bond themed Feed Africa to increase food production on the African continent © African Development Bank	
Investment in a Sustainability Awareness Bond to fight against COVID-19 © Community of Madrid European Investment Bank		Investment in solar power generation projects (project finance) © Asian Development Bank	
Investment in a Sustainable Development Bond to Raise Awareness of Health and Nutrition of Women, Children, and Adolescents © World Bank		Investment in an Education Bond that supports education and gender equality in the Asia-Pacific region © Asian Development Bank	



(2) Health promotion and social contribution

In June 2020, the Japan Post Group contributed a total of ¥100 million to the Japanese Red Cross Society to support measures against COVID-19, and in August 2020, it contributed a total of ¥20 million to help those affected by the heavy rain event of July 2020.

Furthermore, in August 2020, we held the Japan Post Insurance Digital Radio Exercise Competition with the aim of restoring opportunities for exercise that had been reduced due to the impact of COVID-19 and contributing to the promotion of health of all people across Japan and the sound development of children. In September 2020, we produced videos that show the appeal of local areas along with radio exercise* as the Radio Exercise Digital Tour, with the cooperation of local government agencies. In addition to contributing to the revitalization of local communities, as a part of the support for countermeasures against COVID-19, we launched an initiative in which we donate a certain amount to the Japanese Red Cross Society based on the number of views of the YouTube videos distributed under the program.

- * 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.



Radio exercise in Komaki-shi, Aichi



Website for the Digital Radio Exercise Competition

(3) Diversity and workstyle reform (diverse human resources and workstyles)

We aim to create an attractive company where diverse talents can all grow together with the Company by delivering their full potential, find self-fulfillment and job satisfaction and work with energy and vitality. To this end, we are working to expand roles of female employees, support the balance of work with child rearing and nursing care, promote employment of people with disabilities, be LGBT-friendly, and support para-athletes.

In addition, in the fiscal year ended March 31, 2021, as additional efforts on workstyle reform, we have promoted the company-wide deployment of remote work, paperless and stampless operations, and other operational improvements, with the aim of improving operations, increasing productivity, transforming workstyles, and improving the well-being* of employees.

In addition, under the Management Policy stating “We create a working environment in which all employees can develop their talents and work with energy and vitality,” we are working to maintain and promote the health of our employees through measures such as by enriching health guidance based on the results of periodic health checkups aimed at preventing lifestyle-related diseases, making anti-smoking efforts, and taking mental health measures. Through a health and productivity management survey, we were certified by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as a Health and Productivity Management Outstanding Organization 2021 (large enterprise category) and a White 500 company, which is a certification given to the top 500 corporations.



- * Well-being, or happiness, is a concept that refers to a state where one is physically, mentally, and socially whole.

5. Initiatives to ensure sound business operations

(1) Countermeasures against money laundering and financing of terrorism

The Company is promoting efforts to appropriately reduce the risk of money laundering, etc. based on the Policy on Anti-Money Laundering and Combating the Financing of Terrorism.

As a part of these efforts, in October 2020, we abolished the handling of non-local cash for insurance benefits, etc. in order to curb the risk of crimes occurring through cash transactions. In addition, from the perspective of preventing the misuse of our products and services for money laundering and other purposes, we are working to revise our systems for identifying and assessing risks to those based on the nature of our business, conditions at agencies, and laws and regulations.

(2) Cybersecurity measures

Given that cyberattacks are becoming more advanced and sophisticated every day, we consider the threat of cyberattacks as a material risk and have implemented multi-layered defense measures that combine defense and detection mechanisms across the Japan Post Group. In addition, as our own initiative, the Company is working on cybersecurity measures such as conducting cybersecurity assessments of the systems that provide services to our customers via the Internet.

Policy amounts during the fiscal year ended March 31, 2021 were as follows.

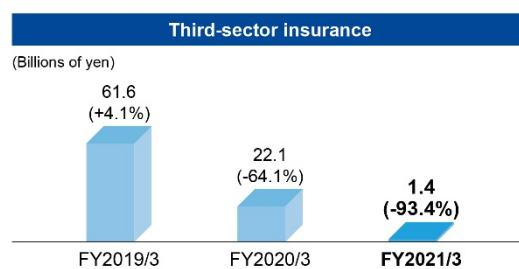
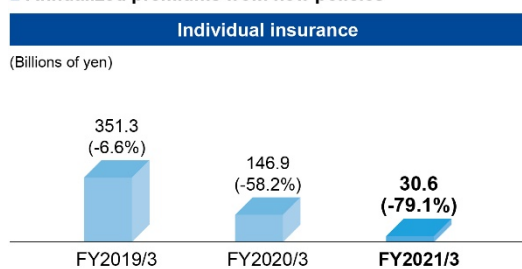
Annualized premiums^{*1} from new policies for individual insurance reached ¥30.6 billion (79.1% decrease year on year), and annualized premiums from new policies for medical care coverages^{*2} amounted to ¥1.4 billion (93.4% decrease year on year).

For individual insurance, annualized premiums from policies in force^{*3} reached ¥3,898.1 billion (9.7% decrease year on year), and annualized premiums from policies in force^{*3} for medical care coverages reached ¥669.1 billion (6.5% decrease year on year).

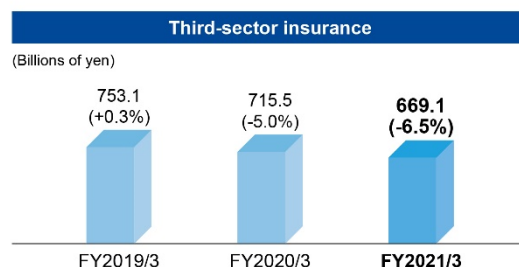
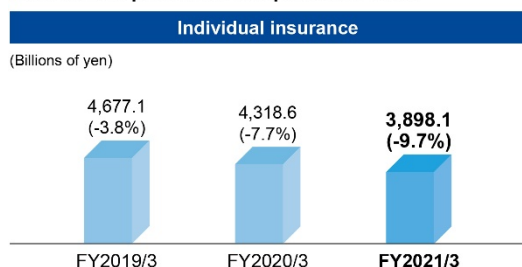
- *1 “Annualized premiums” are the amount of insurance premiums adjusted according to differences in payment method (monthly, yearly, etc.), and converted to one year (12 months). Annualized premiums from new policies and policies in force are indicators that show the size of sales of life insurance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



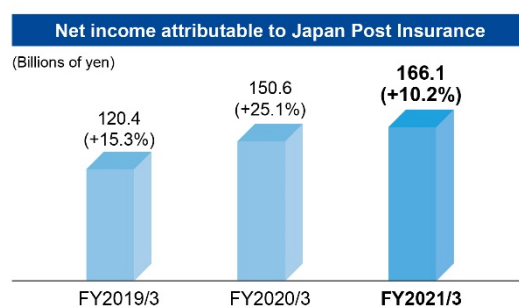
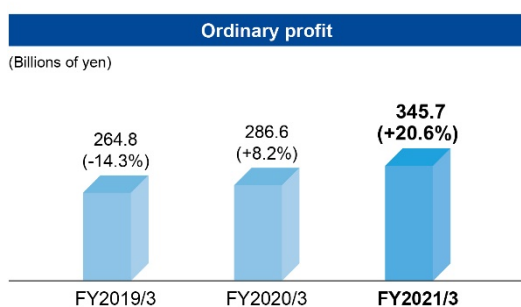
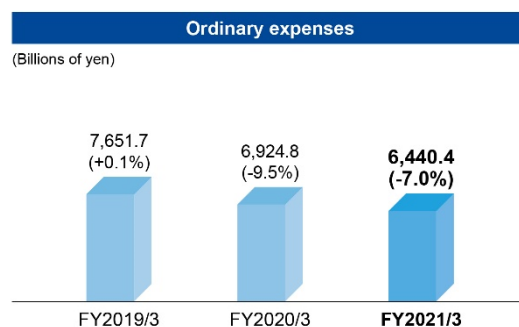
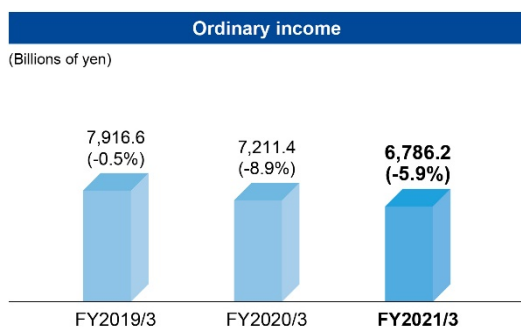
Consolidated profit and loss during the fiscal year ended March 31, 2021 were as follows.

Ordinary income amounted to ¥6,786.2 billion (5.9% decrease year on year), comprising the sum of insurance premiums and others of ¥2,697.9 billion (16.9% decrease year on year), investment income of ¥1,121.6 billion (1.4% decrease year on year), and other ordinary income of ¥2,966.6 billion (4.9% increase year on year).

Ordinary expenses amounted to ¥6,440.4 billion (7.0% decrease year on year), comprising the sum of insurance claims and others of ¥5,866.0 billion (5.3% decrease year on year), investment expenses of ¥70.8 billion (42.9% decrease year on year), operating expenses of ¥403.0 billion (14.9% decrease year on year), and other ordinary expenses of ¥100.4 billion (25.9% decrease year on year).

As a result, ordinary profit amounted to ¥345.7 billion (20.6% increase year on year), and net income attributable to Japan Post Insurance amounted to ¥166.1 billion (10.2% increase year on year), which is calculated by subtracting extraordinary losses, provision for reserve for policyholder dividends, and total income taxes from ordinary profit.

<Reference> Consolidated profit and loss



[Issues to be Addressed]

Recovery and growth strategies set forth in the next Medium-term Management Plan

The Company announced in May 2021 a new Medium-term Management Plan that covers the period from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026.

Under this new Medium-term Management Plan, the Company will once again return to its management philosophy of, “Being a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” to fulfill its social mission as a life insurance company. The Company will aim to achieve sustainable growth by reconstructing itself as a company truly trusted by its customers and shifting to a business model that gives top priority to customer experience value (CX).*

- * Customer experience value (CX) refers to the focus not only on the rational value of a product or service, such as its functions, performance, and price, but also on the appeal of the emotional value of the experience in the whole process from before purchase, usage, to follow-up support after purchase.

Japan Post Group’s new Medium-term Management Plan, JP Vision 2025, aims to reduce the shareholding ratio of the two financial companies (the Company and Japan Post Bank Co., Ltd.) held by Japan Post Holdings Co., Ltd. to 50% or less as early as possible during the period of the plan. When the shareholding ratio is reduced to 50% or less, the Company will be able to provide insurance services that meet the needs of its customers more easily due to the further privatization of the postal service and the relaxation of legal restrictions stipulated in the Postal Service Privatization Act (additional restrictions on new operations) that other companies in the same industry do not have. The Company will also take necessary measures to achieve this as a path to enhancing the corporate value of the Company and the Japan Post Group.

1. Initiatives for reconstruction

(1) Continued efforts aimed at regaining trust

In order to reconstruct itself as a company truly trusted by customers, the Company will thoroughly conduct customer-first business operations and make continued efforts aimed at regaining customers’ trust.

Under an appropriate solicitation process, we will fundamentally transition to a new sales style and thoroughly ensure that our customers using our products and services are well-informed and satisfied. Specifically, we will shift to a management approach that appreciates activities based on principles such as the Solicitation Policy^{*1} and the Standard of Japan Post Insurance Sales,^{*2} as well as the process of activities including retaining policies and after-sales follow-up support. Through these efforts, we

will fundamentally transition to a new sales stance and ensure that our customers using our products and services are well-informed and satisfied. We will work to rebuild relationships of trust with our customers by carefully attending to follow-up support with the notion that life insurance is a service provided throughout the insurance period.

*1 The Solicitation Policy is a principle-based policy on the customer-first philosophy to provide coverage in accordance with high ethical standards based on the mission of life insurance.

*2 The Standard of Japan Post Insurance Sales is a set of action principles for implementing truly customer-oriented sales activities based on the Solicitation Policy.

(2) Strengthening our business foundation

In order to reconstruct the Company into what it should be as a life insurance company, while continuing the efforts to regain trust as described above, the Company will work to strengthen its business foundation by establishing a new Japan Post Insurance sales system, enhancing insurance services, boosting the efficiency of business operations, and achieving greater depth and sophistication of asset management.

a. Establishing a new Japan Post Insurance sales system

In order to provide insurance services that meet the diverse protection needs of customers, we will build a new sales system at Japan Post Insurance that combines expertise and breadth to realize comprehensive consulting services provided by Japan Post Group as a whole.

Specifically, consultants are assigned a role to provide customers with careful follow-up support and insurance services through home visits and other means. They will focus on proposing life insurance and providing follow-up support as well as provide our customers with meticulous and high-quality after-sales services by introducing an account manager system.

In addition, counter service personnel at post offices with a nationwide network propose and offer a wide range of financial products, including insurance, to customers over the counter and will continue with their mission to provide wide-ranging products and services.

b. Enhancing insurance services

We will work to develop insurance services that meet the protection needs of customers of all generations in an age of the 100-year life.

Specifically, we will be engaged in the research and development of products that contribute to extending healthy life expectancies, in addition to providing well-balanced protection at lower premiums to meet the needs of young adults and working-age customers and expanding the product

range to meet the protection needs of the middle-aged and elderly population in view of the age of the 100-year life.

c. Boosting the efficiency of business operations

Through the promotion of digitalization, we will work to improve customer service, increase operational efficiency, and reduce costs. Management resources saved by streamlining will be shifted to focus areas such as customer support and DX promotion.

d. Achieving greater depth and sophistication of asset management

In the area of asset management, we aim to secure stable investment income based on ALM management under the ERM framework while appropriately addressing the movement toward the introduction of new economic value-based capital regulations scheduled for 2025. We will also engage in deeper and more sophisticated asset management in terms of investment areas, including alternative investments, and portfolio building. In addition, from April 2021 onward, we will consider various ESG factors for all assets under management and make investments and loans with a focus on themes contributing to environmental protection including “enhancement of well-being,” “development of local communities and society,” and “addressing climate change.” Through these efforts, we will contribute to achieving the targets of SDGs* on a wider scale and solving social challenges, and promote ESG investment in the hope of giving a sense of “warmth” that people will feel to be typical of Japan Post Insurance.

* 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 pursuing a sustainable future.” It consists of 17 goals and 169 targets to solve global issues by 2030.

2. Initiatives for sustainable growth

(1) Improving customer experience value

While working to reconstruct the Company into a company that is truly trusted by its customers, as described in the above “Initiatives for reconstruction,” the Company will rediscover its social mission and create new social value that is unique to us, thereby enhancing our competitiveness in the market and aiming for sustainable growth.

We will fundamentally review our insurance services from the perspective of improving CX, and work to improve customer convenience and solicitation quality, so that customers feel glad to be with Japan Post Insurance. In addition, we will expand our customer base by encouraging customers who

appreciate the value of the experience to recommend Japan Post Insurance to their families, acquaintances, and even the entire community and society.

Specifically, we will work on providing appropriate proposals that are tailored to each customer's needs, offering simple procedures that can be completed on the spot, providing meticulous support as a team, and enhancing after-sales follow-up services that focus on our relationship with customers.

a. Appropriate proposals that are tailored to each customer's needs

We will realize appropriate proposals in line with the individual circumstances of each customer by visualizing their needs and the details of required protection through tools using digital technologies.

b. Offering simple procedures that can be completed on the spot

With the use of digital technologies, we will enable customers to choose the mode of application and claim-filing from various options, such as online and face-to-face channels, depending on their needs. Specialist staff attending to customers on a remote basis will also enable the completion of various procedures on the spot.

c. Providing meticulous support as a team

We will establish a customer database that integrates policy and inquiry information and other records for each customer. Then, we will develop an environment where all employees, including consultants and personnel at post office counters and customer service centers, deal with customers as a team to provide meticulous and heart-to-heart support.

d. Enhancing after-sales follow-up services that focus on our relationship with customers

In addition to face-to-face service through home visits, we will offer extensive after-sales follow-up services using various methods including telephone and TV conferences, as well as digital-based follow-up services for each customer timed to suit their needs through e-mail and social media. We will respond to a wide range of customer needs and aim to gain the trust of customers and those around them.

(2) Promotion of ESG management (helping solve social challenges)

We will contribute to solving social issues regarding sustainability by fulfilling our social mission.

We have set five priority social issues ("materiality" items) to be addressed: provision of insurance services through the post office network, contribution to regional and social development and environmental protection, extension of healthy life expectancy and improvement of well-being through health promotion, establishment of a working environment where all employees can work

with vitality, and corporate governance that supports our social mission. We will work to solve these issues.

Specifically, we will set specific targets such as reducing greenhouse gas emissions to achieve carbon neutrality and improving the female manager ratio, as well as implement initiatives such as those in line with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). We will also proactively disclose the statuses of these initiatives through means such as our sustainability reports.

In addition, by responding to the various concerns of our customers and providing services that are closely connected with their daily lives, we will stand true to our *raison d'être* and contribute to solving social issues such as the declining birthrate, aging population, and other health issues, as well as consider initiatives that will make the Company more familiar to customers and build greater trust.

3. Building a foundation of reconstruction and sustainable growth

(1) Corporate culture and workstyle reform

We aim to be a company where management and employees share a vision for the future, and where each individual grows with the company with a sense of fulfillment (ES).

Specifically, we will promote corporate culture reform focusing on revitalizing communication between management and employees, supporting the diverse career development of each employee, strengthening management capabilities, and improving the personnel evaluation system. In addition, we will promote self-imposed improvement activities based on the results of the ES survey, as well as implement workstyle reform that realizes diversity by creating an environment that allows employees to choose diverse and flexible workstyles through the use of means such as remote work.

Through these efforts, we will revitalize internal communication and become a company that acts autonomously and proactively based on customer-oriented principles with a sense of unity throughout the company based on mutual understanding.

(2) Strengthening governance

We will conduct sound business operations by ensuring greater transparency and fairness as an organization and, moreover, by increasing the risk sensitivity of each and every employee.

Specifically, we will first ensure sound corporate governance, and then continue efforts to prevent money laundering and other criminal activities, and strengthen privacy measures to protect personal information and information security measures as initiatives to ensure sound business operations. We consider the voices of our customers and employees to be valuable assets, and we will incorporate them in our efforts to improve our customer service and business operations.

By implementing the initiatives mentioned above in the new Medium-term Management Plan, we will aim to improve corporate value in a sustainable manner to meet the expectations of various stakeholders including shareholders and investors.

[Main performance of the Company]

<Policy amounts>

As for individual insurance, annualized premiums from new policies reached ¥30.6 billion (79.1% decrease year on year), while those from policies in force reached ¥2,840.0 billion (9.7% decrease year on year). Policy amount of new policies based on coverage amount reached ¥390.3 billion (79.4% decrease year on year), while policy amount of policies in force based on coverage amount reached ¥45,912.2 billion (8.0% decrease year on year).

As for individual annuities, annualized premiums from new policies reached ¥0.0 billion (94.9% decrease year on year), while those from policies in force reached ¥357.1 billion (13.3% decrease year on year). Policy amount of new annuity policies based on accumulated contribution payment and policy reserves reached ¥0.1 billion (95.0% decrease year on year), while policy amount of policies in force based on accumulated contribution payment and policy reserves reached ¥1,563.8 billion (19.0% decrease year on year).

	(Billions of yen)			
For the fiscal year ended March 31	2018	2019	2020	2021
Individual insurance (annualized premiums)				
New policies	376.2	351.3	146.9	30.6
Policies in force (As of March 31)	3,367.3	3,363.9	3,144.6	2,840.0
Individual annuities (annualized premiums)				
New policies	0.2	0.1	0.3	0.0
Policies in force (As of March 31)	491.1	452.4	412.0	357.1
Individual insurance (coverage amount)				
New policies	5,464.1	5,563.8	1,893.7	390.3
Decreased policies	3,202.4	4,921.7	4,980.0	4,393.7
Policies in force (As of March 31)	52,359.7	53,001.8	49,915.5	45,912.2
Individual annuities (accumulated contribution payment and policy reserves)				
New policies	3.0	1.9	3.5	0.1
Decreased policies	391.6	415.0	402.3	366.9
Policies in force (As of March 31)	2,742.5	2,329.4	1,930.6	1,563.8

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, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021
Insurance (insured amount)	33,077.2	29,143.1	26,143.2	23,634.8
Annuities (annuity amount)	682.8	590.9	524.1	478.9

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

<Policy reserves>

(Billions of yen)

	As of March 31, 2018	As of March 31, 2019	As of March 31, 2020	As of March 31, 2021
Policy reserves	67,777.2	65,060.5	62,293.1	59,397.7
Contingency reserve	2,114.3	1,962.7	1,797.3	1,611.3

Notes:

1. The figures are truncated.
2. Of the policy reserves as of March 31, 2021, policy reserves, excluding contingency reserve, related to reinsurance contracts with the Management Network, amounted to ¥31,408.7 billion, while contingency reserve is provided in the amount of ¥1,129.6 billion.

<Indicators of core profit, etc.>

(Billions of yen)

For the fiscal year ended March 31	2018	2019	2020	2021
Core profit	386.1	377.1	400.6	421.9
Real net assets (as of March 31)	12,899.8	13,531.9	12,347.8	12,077.5
Solvency margin ratio (as of March 31)	1,130.5%	1,188.0%	1,068.9%	1,118.1%
Consolidated real net assets (as of March 31)	12,904.8	13,535.7	12,350.9	12,081.7
Consolidated solvency margin ratio (as of March 31)	1,131.8%	1,189.8%	1,070.9%	1,121.2%

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	2018	2019	2020	2021
Ordinary income	7,952,951	7,916,655	7,211,405	6,786,226
Ordinary profit	309,233	264,870	286,601	345,736
Net income attributable to Japan Post Insurance	104,487	120,480	150,687	166,103
Comprehensive income	185,868	172,795	(42,235)	934,447
Net assets	2,003,126	2,135,137	1,928,380	2,841,475
Total assets	76,831,261	73,905,017	71,664,781	70,172,982

Note: The figures are truncated.

2) Financial condition and results of operations of the Company

For the fiscal year ended March 31		2018	2019	2020	2021
Policy amount in force as of the fiscal year-end	Individual insurance	(Billions of yen) 52,359.7	(Billions of yen) 53,001.8	(Billions of yen) 49,915.5	(Billions of yen) 45,912.2
	Individual annuities	2,742.5	2,329.4	1,930.6	1,563.8
	Group insurance	—	—	—	—
	Group annuities	—	—	—	—
	Other insurance	0.1	0.1	0.1	0.1
		(Billions of yen)	(Billions of yen)	(Billions of yen)	(Billions of yen)
		(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Insurance premiums and others		4,236,461	3,959,928	3,245,541	2,697,936
Investment income		1,284,529	1,204,428	1,137,789	1,121,668
Insurance claims and others		6,890,020	6,868,893	6,191,369	5,866,091
Ordinary profit		308,845	265,143	286,829	345,022
Provision for reserve for policyholder dividends		117,792	111,806	109,236	65,465
Net income		104,309	120,958	151,132	165,586
Total assets		76,832,508	73,904,576	71,667,398	70,173,857
		(Yen)	(Yen)	(Yen)	(Yen)
Net income per share		173.91	201.66	268.19	294.41

Notes:

1. The figures are truncated. However, amount of net income per share is rounded off.
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, 2020	As of March 31, 2021	Increase (Decrease)
Regional Headquarters	13	13	—
Branches	82	82	—
Agency	540	507	(33)
Japan Post Co.	1	1	—
Contracted post office	539	506	(33)

Notes:

1. Number of offices (post offices) of Japan Post Co. handling insurance solicitation business for the Company was 20,035 as of March 31, 2021 (a decrease of 2 year on year). In addition, 33 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 2,418 as of March 31, 2021 (a decrease of 9 year on year).

4. Employees of the Corporate Group

(Persons)			
Department	As of March 31, 2020	As of March 31, 2021	Increase (Decrease)
Insurance business and related business	7,638	7,645	7
Information systems-related business	645	607	(38)
Total	8,283	8,252	(31)

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, 2020	As of March 31, 2021	Increase (Decrease)	As of March 31, 2021		
				Average age	Average years of service	Average monthly salary
	(Persons)	(Persons)	(Persons)	(Years old)	(Years)	(Thousand yen)
In-house employees	6,534	6,503	(31)	40.2	15.7	365
Sales employees	1,104	1,142	38	38.1		

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, 2021, and truncated to one decimal place.
4. Average monthly salary represents fixed salary as of March 2021, excluding overtime allowance and bonus. The figures are truncated.

5. Major Creditors of the Corporate Group

Not applicable.

6. Financing of the Corporate Group

The Company (insurance and related businesses) issued its second series of subordinated unsecured bonds with interest deferral and early redemption options (total: ¥200.0 billion) through a domestic public offering in January 2021.

7. Capital Investment of the Corporate Group

1) Total amount of capital investment

(Millions of yen)	
Department	Amount
Insurance business and related business	33,062
Information systems-related business	47

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, 2021

Not applicable.

- Disposal of significant equipment in the fiscal year ended March 31, 2021

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 off to the second decimal place.

(Significant agreements with the parent company regarding management)

The Company concluded the Japan Post Group Agreement with Japan Post Holdings Co., Ltd., Japan Post Co., Ltd. and Japan Post Bank Co., Ltd., while concluding the “Japan Post Group Operating Agreement” with Japan Post Holdings Co., Ltd.

Based on the above agreements, the matters necessary to conduct appropriate and smooth group management and those that require management by Japan Post Holdings in accordance with applicable laws and regulations are subject to consultation with Japan Post Holdings beforehand or reporting to Japan Post Holdings, but the “Japan Post Group Operating Agreement” stipulates that such prior consultation will not deter or bind the Company from making its own decisions. Therefore, the Company recognizes that it maintains its independence.

In addition, the Agreement stipulates that the Company shall pay brand royalties to Japan Post Holdings Co., Ltd. as consideration for permission to use group trademarks such as “*Kampo*” which are calculated in a consistent manner that does not change unless exceptional circumstances arise such as material changes in economic trends, and are not directly affected by the ratio of the Company’s shares held by Japan Post Holdings Co., Ltd.

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, 2021)			
Name	Position and assignment	Significant concurrent positions	Others
SENDA Tetsuya	Director Nomination Committee Member	Director of Japan Post Holdings Co., Ltd.	
ICHIKURA Noboru	Director	Managing Executive Officer of Japan Post Holdings Co., Ltd.	
HORIGANE Masaaki	Director Audit Committee Member		Note 1
MASUDA Hiroya	Director Nomination Committee Member, Compensation Committee Member	Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. Director of Japan Post Co., Ltd. Director of Japan Post Bank Co., Ltd. Visiting Professor, Graduate School of Public Policy, The University of Tokyo	
SUZUKI Masako	Director (Outside Director) Compensation Committee Chair, Audit Committee Member	Executive Advisor of Pasona Group Inc. President and Representative Director of Pasona Force Inc.	
SAITO Tamotsu	Director (Outside Director) Audit Committee Chair, Nomination Committee Member	Senior Counselor of IHI Corporation Outside Director of Oki Electric Industry Co., Ltd.	
YAMADA Meyumi	Director (Outside Director) Nomination Committee Member, Audit Committee Member	Director of istyle Inc. Outside Director of Seino Holdings Co., Ltd.	
HARADA Kazuyuki	Director (Outside Director) Nomination Committee Chair, Compensation Committee Member	President and Representative Director of Keikyu Corporation Outside Director of Japan Airport Terminal Co., Ltd.	
YAMAZAKI Hisashi	Director (Outside Director) Audit Committee Member	Attorney-at-law Supervisory Board Member, National Federation of Agricultural Cooperative Associations Outside Director of Sumitomo Corporation	

Notes:

1. Mr. HORIGANE Masaaki has long been involved in the finance department and has considerable knowledge in finance and accounting.
2. Mr. HORIGANE Masaaki has been elected as standing member of the Audit Committee for the purpose of ensuring audit effectiveness.

3. The five Directors Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Ms. YAMADA Meyumi, Mr. HARADA Kazuyuki and Mr. YAMAZAKI Hisashi are Outside Directors, and are Independent Officers registered with Tokyo Stock Exchange, Inc.
4. At the Ordinary General Meeting of Shareholders held on June 15, 2020, Mr. SENDA Tetsuya, Mr. ICHIKURA Noboru, Mr. MASUDA Hiroya and Mr. YAMAZAKI Hisashi were newly elected as Director and assumed their posts on the same day. Meanwhile, at the meeting of the Board of Directors held on the same day, Mr. SENDA Tetsuya, Mr. Horigane Masaaki, Mr. MASUDA Hiroya, Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Ms. YAMADA Meyumi and Mr. YAMAZAKI Hisashi were elected as Nomination Committee Member, Audit Committee Member, Nomination Committee Member/Compensation Committee Member, Chairman of the Compensation Committee, Chairman of the Audit Committee, Nomination Committee Member and Audit Committee Member, respectively, and assumed their posts on the same day.
5. After being appointed as Director of IHI Corporation on April 1, 2020, Mr. SAITO Tamotsu resigned from the post and was appointed as Senior Counselor of IHI Corporation on June 25, 2020.
6. Mr. MASUDA Hiroya was appointed as Director of Japan Post Bank Co., Ltd., on June 16, 2020, as Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd. on June 17, 2020, and as Director of Japan Post Co., Ltd. on June 24, 2020.
7. Mr. SENDA Tetsuya resigned from the post of Managing Executive Officer of Japan Post Holdings Co., Ltd. on June 17, 2020, and was appointed as Director of Japan Post Holdings Co., Ltd. on the same day.
8. Mr. ICHIKURA Noboru was appointed as Managing Executive Officer of Japan Post Holdings Co., Ltd. on June 18, 2020.

[Executive Officers]

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
SENDA Tetsuya	President, CEO, Representative Executive Officer	Director of Japan Post Holdings Co., Ltd.	
ICHIKURA Noboru	Deputy President, Representative Executive Officer, Assistant to the President, Compliance Control Department, Sales Quality Control Department and Actuarial and Accounting Department	Managing Executive Officer of Japan Post Holdings Co., Ltd.	
HIRONAKA Yasuaki	Senior Managing Executive Officer, Customer Services Department, Business Process Planning Department, Quality Control 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, Assistant to the Executive Officer responsible for Policy Assessment Department and Assistant to the Executive Officer responsible for IT Systems Management Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
NARA Tomoaki	Senior Managing Executive Officer, Risk Management Department		
TACHIBANA Atsushi	Managing Executive Officer, President's Special Assignment, Human Resources Department, Human Resources Development Department, Investment Planning Department, Investment Operation Department and Credit and Alternative Investment Department		
KATO Nobuyasu	Managing Executive Officer, Digital Services Acceleration Department and Product Planning Department		
UCHIKOBA Nobuatsu	Managing Executive Officer, Sales Planning Department, Agency Support Training Department and Regional Headquarters		

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
SUZUKAWA Yasumi	Managing Executive Officer, Underwriting Department, Policy Administration Department, Claims- Related Services Department, Policy Assessment Department, Assistant to the Executive Officer responsible for Customer Services Department, Assistant to the Executive Officer responsible for Business Process Planning Department and Assistant to the Executive Officer responsible for Quality Control Department		Note 6
MIYANISHI Yoshiki	Managing Executive Officer, Legal Affairs Department, Whole Sales Promotion Training Department and 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 Business Process Planning Department and General Manager, Tokyo Administration Services Center		Note 6
KOIE Junko	Managing Executive Officer, Cash-Flow and Expense Management Department and Credit Assessment Department		
TANAKA Motonori	Managing Executive Officer, General Affairs Department, Loan Department, Assistant to the Executive Officer responsible for Agency Support Training Department and Assistant to the Executive Officer responsible for Whole Sales Promotion Training Department		
ONISHI Toru	Managing Executive Officer, Corporate Planning Department and Public Relations Department	Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	
FUJIMORI Norihiro	Managing Executive Officer, Senior General Manager, Tokyo Regional Headquarters		

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
SAKAMOTO Hidekazu	Executive Officer, Secretariate, Assistant to the Executive Officer responsible for Human Resources Department, Assistant to the Executive Officer responsible for Human Resources Development Department and Senior General Manager, Human Resources Department		
YOKOYAMA Masamichi	Executive Officer, 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, Assistant to the Executive Officer responsible for Sales Quality Control Department		
FUJII Shinsuke	Executive Officer, Internal Audit Department		
SAITO Hajime	Executive Officer, Assistant to the Executive Officer responsible for Agency Support Training Department and Senior General Manager, Agency Support Training Department		
MIYAMOTO Susumu	Executive Officer, Assistant to the Executive Officer responsible for Corporate Planning Department		
MURO Takashi	Executive Officer, Assistant to the Executive Officer responsible for Compliance Control Department		
HARUNA Takayuki	Executive Officer, Assistant to the Executive Officer responsible for Investment Planning Department, Assistant to the Executive Officer responsible for Credit and Alternative Investment Department and Senior General Manager, Investment Planning Department		
KUME Takeshi	Executive Officer, Assistant to the Executive Officer responsible for Whole Sales Promotion Training Department and Senior General Manager, Whole Sales Promotion Training Department		

(As of March 31, 2021)

Name	Position and assignment	Significant concurrent positions	Others
IMAIZUMI Michinori	Executive Officer, Assistant to the Executive Officer, responsible for Internal Audit Department		
TAGUCHI Yoshihiro	Executive Officer, Assistant to the Executive Officer, responsible for Sales Planning Department and Senior General Manager, Sales Planning Department		
MAETANI Isao	Executive Officer, Senior General Manager, Tokai Regional Headquarters		
KUROSAKI Yoshiyuki	Executive Officer, Senior General Manager, Kyushu Regional Headquarters		
SHIGEMATSU Jun	Executive Officer, Assistant to the Executive Officer responsible for Sales Planning Department		

Notes:

1. Mr. SENDA Tetsuya and Mr. ICHIKURA Noboru concurrently serve as Director.
2. 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.
3. At the meeting of the Board of Directors held on June 15, 2020, Mr. ICHIKURA Noboru was newly elected as Executive Officer and assumed his post on June 18, 2020.
4. At the meeting of the Board of Directors held on June 15, 2020, Executive Officers with titles were elected and changed as follows.

Name	Position (Before)	Position (After)	Date of change
ICHIKURA Noboru	(Newly appointed)	Deputy President Representative Executive Officer	June 18, 2020
HIRONAKA Yasuaki	Managing Executive Officer	Senior Managing Executive Officer	June 15, 2020
NARA Tomoaki	Managing Executive Officer	Senior Managing Executive Officer	June 15, 2020
ONISHI Toru	Executive Officer	Managing Executive Officer	June 15, 2020
FUJIMORI Norihiro	Executive Officer	Managing Executive Officer	June 15, 2020

5. At the meeting of the Board of Directors held on December 23, 2020, Mr. SHIGEMATSU Jun was newly elected as Executive Officer and assumed his post on January 1, 2021. Mr. SHIGEMATSU Jun serves as Executive Officer of Aflac Life Insurance Japan Ltd. However, since he became Executive Officer of the Company, he has not executed business at Aflac and has been fully devoted to business execution of the Company.
6. Mr. SUZUKAWA Yasumi and Ms. ONOKI Kieko resigned from the post of Executive Officer on March 31, 2021.

7. Mr. ONISHI Toru was appointed as Director of JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd. on April 1, 2020.
8. Mr. KATO Nobuyasu retired from the post of Managing Executive Officer of Japan Post Holdings Co., Ltd. on June 17, 2020.
9. Important matters related to Executive Officers for the period after March 31, 2021 are as follows.
 - (1) At the meeting of the Board of Directors held on March 24, 2021, Mr. YOSHIDA Syouichi, Mr. KIMURA Yoshihisa, Mr. NISHIZAWA Yuki and Mr. MIYAZAWA Hitoshi were newly elected as Executive Officers and assumed their posts on April 1, 2021.
 - (2) At the meeting of the Board of Directors held on March 24, 2021, Executive Officers with titles were elected and changed as follows.

Name	Position (Before)	Position (After)	Date of change
TACHIBANA Atsushi	Managing Executive Officer	Senior Managing Executive Officer	April 1, 2021
SAKAMOTO Hidekazu	Executive Officer	Managing Executive Officer	April 1, 2021
FUJII Shinsuke	Executive Officer	Managing Executive Officer	April 1, 2021
HARUNA Takayuki	Executive Officer	Managing Executive Officer	April 1, 2021
KUME Takeshi	Executive Officer	Managing Executive Officer	April 1, 2021

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

[Total Compensation by Type]

Category	Total compensation, etc. (Millions of yen)	Total compensation, etc. by type (Millions of yen)			Number of eligible Directors/ Executive Officers (Persons)
		Basic compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors	70	70	—	—	8
Executive Officers	625	630	(4)	—	31
Total	695	700	(4)	—	39

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 eligible Directors does not include 3 Directors who concurrently serve as Executive Officer of the Company or the parent company, etc.
3. Total compensation, etc., total compensation, etc. by type, and number of eligible Directors/Executive Officers include compensation, etc. for 2 Directors and 2 Executive Officers who retired during the current fiscal year and 2 Executive Officers who resigned at the end of the current fiscal year.
4. With respect to the total compensation, etc. by type, all of the Company's performance-linked stock compensation is disclosed as performance-linked compensation, etc., including the case where the Company's shares are delivered, and the relevant amount is that recorded as expenses in the current fiscal year.

[Matters Concerning Performance-linked Compensation, etc.]

(Summary of performance-linked stock compensation system)

The Company determined to introduce a performance-linked stock compensation system (the “System”) utilizing a trust for its Executive Officers at a meeting of the Compensation Committee held on December 22, 2015, with details of the System determined at a separate meeting of the committee held on April 27, 2016.

(1) Overview of the System

The objective of the System is to further motivate Executive Officers to contribute to achieving sustainable growth and enhancing the medium-to-long-term corporate value of the Company through clarification of the linkage between the Executive Officers’ compensation and share values of the Company so that Executive Officers share interests with shareholders not only in terms of the benefits from rising share prices, but also in risks associated with falling share prices.

The System adopts a structure called the Board Benefit Trust (BBT). BBT is a performance-linked stock compensation system whereby the Company’s shares are acquired from the stock market through a trust funded by cash contributed by the Company, whose shares and cash in the amount translated at fair value of a certain portion of the shares at the retirement date (provided, in the case of resignation for personal reasons, the shares will not be translated into cash, and only the Company’s shares will be delivered; hereinafter, the “Company’s Shares, Etc.”) are granted to Executive Officers through the trust in accordance with the predetermined Stock Benefit Rules. In principle, Executive Officers will receive the Company’s Shares, Etc. when they retire from their positions as Executive Officers of the Company.

Voting rights related to shares of the Company attributable to trust assets of the said trust shall not be exercised.

(2) Total number of shares of the Company to be granted to Executive Officers

109,300 (as of March 31, 2021)

As described in “Overview of the System,” the System delivers the Company’s shares and cash in the amount translated at fair value of a certain portion of the shares at the retirement date (provided, in the case of resignation for personal reasons, the shares will not be translated into cash, and only the Company’s shares will be delivered), and the number of shares shown above is the total number of the Company’s shares to be granted to the relevant Executive Officers (as of March 31, 2021) on the assumption that all eligible Executive Officers retire upon expiration of their terms of office, and does not include the portion to be paid in cash. The status of benefits during the current fiscal year is as stated in “IV. Matters Concerning Shares, 4. Shares Delivered to Directors and Executive Officers as Consideration for Execution of Their Duties for the Current Fiscal Year.”

(3) Scope of persons who are entitled to beneficiary interests and other rights under the System

Retired Executive Officers who meet the beneficiary requirements set forth in the Stock Benefit Rules.

(Indicators for performance-linked compensation, reasons for selecting such indicators, and method to determine the amount of performance-linked compensation)

Points under the performance-linked stock compensation are granted to Executive Officers, calculated based on the Company's performance, a certain coefficient determined according to their duties, and the evaluation of the individual based on such matters as the execution status of the Executive Officer's duties for the current fiscal year.

[Point calculation method]

"Points granted" = ("Basic points commensurate with duties" + "Individual evaluation points") × "Company performance-linked coefficient"

As for basic points commensurate with duties, the Company has established points according to each position.

Evaluation points for each Executive Officer are determined by individually evaluating the results, statuses, and other factors of operations of which such Executive Officers are in charge.

Regarding the company performance-linked coefficient, in order to enable the Company to comprehensively evaluate the degree of achievement in management plans, the coefficient is selected from multiple different categories, and "income targets," "degree of achievement in matters related to sales/solicitation quality," and "degree of achievement in establishment of administrative and IT system framework, etc." are determined based on the degree of achievement of such indicators since they are suitable for the Company's business structure and business operations.

The policy on determining the payment ratio of performance-linked compensation and compensation other than performance-linked compensation, etc. has not been formulated.

(Targets and results of indicators for performance-linked compensation for the current fiscal year)

Indicator	Target	Result
Income target for the fiscal year: Net income per share (consolidated)	¥220	¥295.33
Degree of achievement in matters related to sales/solicitation quality: Annualized premiums from policies in force (Note)	Policy investigations, after-sales follow-up activities, creation of a healthy corporate culture, establishment of an appropriate sales promotion scheme	Progress of measures generally in line with the plan
Degree of achievement in establishment of administrative and IT system framework, etc.	Strengthening an appropriate solicitation quality control scheme, asset management, ERM, improvement in business efficiency, restructuring of the business model, development of human resources/workstyle reform, and measures for preventing crime and money laundering	Progress of measures generally in line with the plan

Note: In the fiscal year ended March 31, 2021, we did not set any annualized premiums in force as a management target because we did not set sales targets to place the highest priority on efforts to regain customers' trust.

[Matters Concerning Non-monetary Compensation, etc.]

The Company grants stock compensation to Executive Officers under the System as non-monetary compensation. The stock compensation is included in the performance-linked compensation, etc., as described in “Total Compensation by Type” above, and the details and delivery status are as described in “Matters Concerning Performance-linked Compensation, etc.”

[Policy for Determining Compensation, etc. for Directors and Executive Officers by Individual]

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.

[Reason that the Compensation Committee Determined that the Content of Compensation, etc. for Directors and Executive Officers by Individual for the Current Fiscal Year is in Line with the Policy]

In addition to the Policy above, the Compensation Committee formulated the “Standard for Officers’ Compensation” that stipulates basic compensation by position and “Officers’ Stock Benefit Rules” that stipulates details about the performance-linked stock compensation.

In determining the compensation amount by position for individual Directors and Executive Officers, and points to be granted for performance-linked stock compensation reflecting the evaluation of individual Executive Officers and performance, the Compensation Committee conducts a multifaceted review of the draft, including consistency with the above Policies, etc., and determines that the content of the compensation, etc. by individual is in line with the Policies, etc. above.

3. Liability Limitation Agreement and Compensation Agreement

Name	Overview of the contracts for limitation of liability, compensation agreement, etc.
HORIGANE Masaaki	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. Regarding the compensation agreement, there are no applicable matters.
MASUDA Hiroya	
SUZUKI Masako	
SAITO Tamotsu	
YAMADA Meyumi	
HARADA Kazuyuki	
YAMAZAKI Hisashi	

4. Directors and Officers Liability Insurance Contract

Scope of the Insured	Overview of Directors and Officers Liability Insurance contract
Directors and Executive Officers	The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company to cover damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim in the pursuit of such liability. Provided that damages, etc. incurred by the officers themselves as a result of bribery or other criminal acts or intentional misconduct are not covered, as a measure to ensure that the appropriate execution of duties by officers, etc. is not impaired.

III. Matters Concerning Outside Directors

1. Concurrent Positions and Other Details on Outside Directors

(As of March 31, 2021)

Name	Concurrent positions and other details
SUZUKI Masako	Executive 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	Outside Director of Oki Electric Industry Co., Ltd. <Transactions and other relationships with the Company and each company> Not applicable
YAMADA 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 and 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
YAMAZAKI Hisashi	Outside Director of Sumitomo Corporation <Transactions and other relationships with the Company and each company> Not applicable

2. Main Activities of Outside Directors

Name	Term of office	Attendance and remarks made at meetings of the Board of Directors and other activities
SUZUKI Masako	4 years, 9 months	She has a wealth of experience in corporate management in the field of deploying human resources and health support services. We have expected her to fulfill supervisory functions from such perspective. She attended all of the 17 meetings of the Board of Directors held during the current fiscal year and actively provided comments, in particular from the perspective of personnel affairs, human resource development, and corporate management. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution and implementation of the business improvement plan. Furthermore, as Chairman of the Compensation Committee and Audit Committee Member, she attended all of the meetings of the Committees (6 meetings of the Compensation Committee since becoming a member and 17 meetings of the Audit Committee) held during the current fiscal year and actively provided opinions.
SAITO Tamotsu	3 years, 9 months	He has a wealth of experience in corporate management in companies operating business internationally. We have expected him to fulfill supervisory functions from such perspective. He attended all of the 17 meetings of the Board of Directors held during the current fiscal year and actively provided comments, in particular from the perspective of corporate culture reform and corporate management. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution and implementation of the business improvement plan. Furthermore, as Chairman of the Audit Committee and Nomination Committee Member, he attended all of the meetings of the Committees (13 meetings of the Audit Committee since becoming a member and 5 meetings of the Nomination Committee) held during the current fiscal year, as well as all of the 2 meetings of the Compensation Committee during his term as a member in the current fiscal year, and actively provided opinions.

Name	Term of office	Attendance and remarks made at meetings of the Board of Directors and other activities
YAMADA Meyumi	3 years, 9 months	She has a wealth of experience in corporate management of companies with strength in digital strategies. We have expected her to fulfill supervisory functions from such perspective. She attended all of the 17 meetings of the Board of Directors held during the current fiscal year and actively provided comments, in particular from the perspective of business reform through IT and corporate management. She fulfilled her role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution and implementation of the business improvement plan. Furthermore, as Member of the Nomination Committee and Audit Committee, she attended all of the meetings of the Committees (3 meetings of the Nomination Committee since becoming a member and 17 meetings of the Audit Committee) held during the current fiscal year and actively provided opinions.
HARADA Kazuyuki	2 years, 9 months	He has a wealth of experience in corporate management in a company serving as a social infrastructure with a strong public nature. We have expected him to fulfill supervisory functions from such perspective. He attended all of the 17 meetings of the Board of Directors held during the current fiscal year and actively provided comments, in particular from the perspective of corporate culture reform and corporate management. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution and implementation of the business improvement plan. Furthermore, as Chairman of the Nomination Committee and Compensation Committee Member, he attended all of the meetings of the Committees (5 meetings of the Nomination Committee and 8 meetings of the Compensation Committee) held during the current fiscal year and actively provided opinions.
YAMAZAKI Hisashi	9 months	He has extensive expertise in compliance and internal control as a legal expert. We have expected him to fulfill supervisory functions from such perspective. He attended all of the 14 meetings of the Board of Directors held during the current fiscal year since he became a Director and actively provided comments, in particular from the perspective of legal affairs and compliance. He fulfilled his role appropriately as Outside Director of the Company, such as supervision and the provision of advice regarding the Company's business execution and implementation of the business improvement plan. Furthermore, as Audit Committee Member, he attended all of the meetings of the Committee (13 meetings since becoming a member) held during the current fiscal year and actively provided opinions.

Note: The term of office is the period up to March 31, 2021, and the period less than one month is truncated.

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

During the service of Ms. SUZUKI Masako, Mr. SAITO Tamotsu, Ms. YAMADA Meyumi and Mr. HARADA Kazuyuki as Directors, it was found that there were cases, including policy rewriting not in line with customer intentions, that may have caused disadvantages to those customers, for which 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.

In addition to making recommendations from the perspective of legal compliance and customer compliance management at normal times, the same four Directors fulfilled their responsibilities by making recommendations for the protection of customers and prevention of recurrence after the cases had been discovered. Subsequently, the five Directors including Mr. YAMAZAKI Hisashi have received regular reporting on the progress of the business improvement plan at the Board of Directors' meetings, and appropriately monitor the details and progress of the various measures.

4. Compensation for Outside Directors

(Millions of yen)

	Compensation paid to	Compensation from the Company	Compensation from parent company of the Company
Total compensation	7 persons	48 (of which, other than compensation: —)	—

Note: The figures are truncated.

5. Opinions of Outside Directors

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, 2021: 186,071

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%
The Master Trust Bank of Japan, Ltd. (Trust Account)	17,137 thousand shares	3.05%
Custody Bank of Japan, Ltd. (Trust Account)	10,402 thousand shares	1.85%
Custody Bank of Japan, Ltd. (Trust Account 5)	3,749 thousand shares	0.67%
Custody Bank of Japan, Ltd. (Trust Account 6)	3,323 thousand shares	0.59%
STATE STREET BANK WEST CLIENT - TREATY 505234	3,231 thousand shares	0.57%
SMBC Nikko Securities Inc.	3,098 thousand shares	0.55%
Japan Post Insurance Employee Shareholding Association	2,994 thousand shares	0.53%
Custody Bank of Japan, Ltd. (Trust Account 1)	2,976 thousand shares	0.53%
Custody Bank of Japan, Ltd. (Trust Account 2)	2,375 thousand shares	0.42%

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 156 thousand shares of the Company's stock held in the Board Benefit Trust (BBT).

4. Shares Delivered to Directors and Executive Officers as Consideration for Execution of Their Duties
for the Current Fiscal Year

	Number of shares	Number of recipients
Directors (excluding Outside Directors) and Executive Officers	10,700 (Note)	2
Outside Directors (limited to Outside Directors)	Not applicable	Not applicable

Note: Delivered in accordance with the performance-linked stock compensation system described in “II. Matters Concerning Directors and Executive Officers, 2. Compensation, etc., for Directors and Executive Officers, [Matters Concerning Performance-linked Compensation, etc.]” Since the System grants the Company’s shares and cash in the amount translated at fair value of a certain portion of the shares at the retirement date, the above number of shares does not include the portion of shares to be paid in cash.

5. Other Significant Matters Concerning Shares

Not applicable.

V. Matters Concerning Stock Acquisition Rights, etc.

1. Stock Acquisition Rights, etc., Held by Directors and Executive Officers of the Company as of March 31, 2021

Not applicable.

2. Stock Acquisition Rights, etc., of the Company that have been Granted to Employees, etc., during the Fiscal Year Ended March 31, 2021

Not applicable.

VI. Matters Concerning Independent Auditor

1. Independent Auditor

(Millions of yen)

Name	Compensation, etc., for the fiscal year ended March 31, 2021	Others
KPMG AZSA LLC TATSUMI Yukihi Designated Limited Liability Partner KANNO Masako Designated Limited Liability Partner SATO Eihiro Designated Limited Liability Partner	184	- 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 compensation, etc., for the fiscal year ended March 31, 2021.
3. The total monetary and other property benefits which are to be paid to the independent auditor by the Company and its subsidiary is ¥206 million.

2. Liability Limitation Agreement and Compensation Agreement

Not applicable.

3. Directors and Officers Liability Insurance Contract

Not applicable.

4. 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, 2021, the Company positioned the implementation of the business improvement plan as the most important management task and established and operated the internal control systems as follows:

(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, with regard to the Standard of Japan Post Insurance Sales which was formulated to ensure that our principle-based approach to providing coverage has a high level of ethics that takes into account the original role and mission of life insurance and to reflect our customer-first philosophy, the Company provided training to establish and instill this standard, and also disclosed the “Commitments to Regain Customers’ Trust” and provided related training to ensure customer-first business operations.
- 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 multi-layered 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 addition, in order to improve the reliability of points of contact for whistleblowing, the Company has promoted measures such as better explaining the policy on how the reported incident will be handled to the whistleblower and actively detecting whether there were any disadvantageous treatments of whistleblowers on the ground of such reporting by following up on them.
- The Company developed the following organizational systems and established an appropriate solicitation quality control scheme.
 - (i) Post offices, call centers, and service centers have conducted multi-layered checks from policy signing to the conclusion of a policy, including a pre-solicitation check and a check of all policies on solicitation by post office managers.

- (ii) The sales divisions at the Head Office implemented planning and guidance operations aiming at realizing appropriate solicitation activities to be more accountable for sales activities focusing on the maintenance of solicitation quality, while compliance and solicitation quality control divisions focused on the verification of measures taken by the sales divisions. Through these measures, the Company has established a scheme that enables the formulation of truly customer-first measures under appropriate mutual checks and balances system. In addition, the Company strengthened its checks and balances system against sales personnel who were found to have engaged in inappropriate solicitation activities by conducting fact-finding that does not rely on confession, and by applying stringent disciplinary standards to sales personnel.
- (iii) The Internal Audit Department formulated an audit program not only to confirm that the operations related to solicitation complied with the regulations, but also based on whether operations were implemented to achieve the goals of measures for appropriate solicitation activities and whether it was designed to enable reviews of the measures as necessary. The Internal Audit Department verifies each measure from the viewpoints of sufficiency, appropriateness and effectiveness.
- 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 were held regularly with the presidents of both the Company and Japan Post Co., Ltd. to discuss measures necessary for guidance and management.

(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.
- The Company has developed a PDCA cycle, which utilizes risk information detected from customer feedback, employee feedback, social interests/trends of other companies, status of

policies in force, etc., and links them to improvement measures. In addition, incidents for which problems were detected have been verified by horizontally implementing an investigation of incidents in a similar type or structure.

- The Company responded to disasters such as earthquakes and typhoons 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. The Company continued company-wide measures to address COVID-19, such as thoroughly implementing infection prevention measures for employees by restraining commuting as well as taking up remote working, in order to secure a business continuity structure.

(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, 10 specialized committees were established as advisory bodies to the Executive Committee and engaged in deliberations regarding cross-divisional issues, including the Sustainability Committee which was established to discuss the policy for promoting sustainability strategies from an expert viewpoint. In addition, the Customer Services Committee has been renamed the Customer Experience Committee to promote and manage customer experience initiatives on a company-wide basis in addition to improving customer services.
- Furthermore, in order to promptly and reliably implement measures under the leadership of the management team and improve solicitation quality, the Company implemented various measures such as establishing a Customer-first Solicitation Committee and holding discussions, holding a new “deliberation” session at the Board of Directors’ meeting to utilize the knowledge of Outside Directors from the drafting stage of proposals, holding extraordinary meetings of the Board of Directors and meetings of Outside Directors as necessary, and enhancing and accelerating the provision of information to 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 order to ensure the appropriateness of operations among the Group companies, we held the Group Steering Committee to discuss critical issues for the Group such as the operational status of each company, customers’ and employees’ feedback and operational risks. We also held Group liaison meetings regularly on various management issues such as internal audits and compliance.
- In addition to the internal contact point for whistleblowing within the Company, we

established an external contact point for whistleblowing 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. We also established a contact point to accept a wide range of business consultations from employees of Group companies, including those that do not constitute compliance violations. Employees have been fully informed of these contact points. In addition, 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 and have knowledge and capabilities needed to support the duties of the Audit Committee.
- Based on a resolution of the Audit Committee, the Company stipulated Audit Committee auditing standards and prescribed a system for ensuring effective audits by the Audit Committee. A system for reports to the Audit Committee has been established, whereby the Executive Officer 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 the Internal Audit Department, 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. Other Matters

[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 in principle aims not to decrease but to increase dividend per share for the period of the Medium-term Management Plan up to the fiscal year ending March 31, 2026, 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, 2021, payment of ¥76 per share was decided at the Board of Directors' meeting held on May 14, 2021.

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. For the purpose of enhancing the opportunities to distribute profits to shareholders, the Company plans to provide cash dividends twice a year as the interim dividends and the year-end dividends.

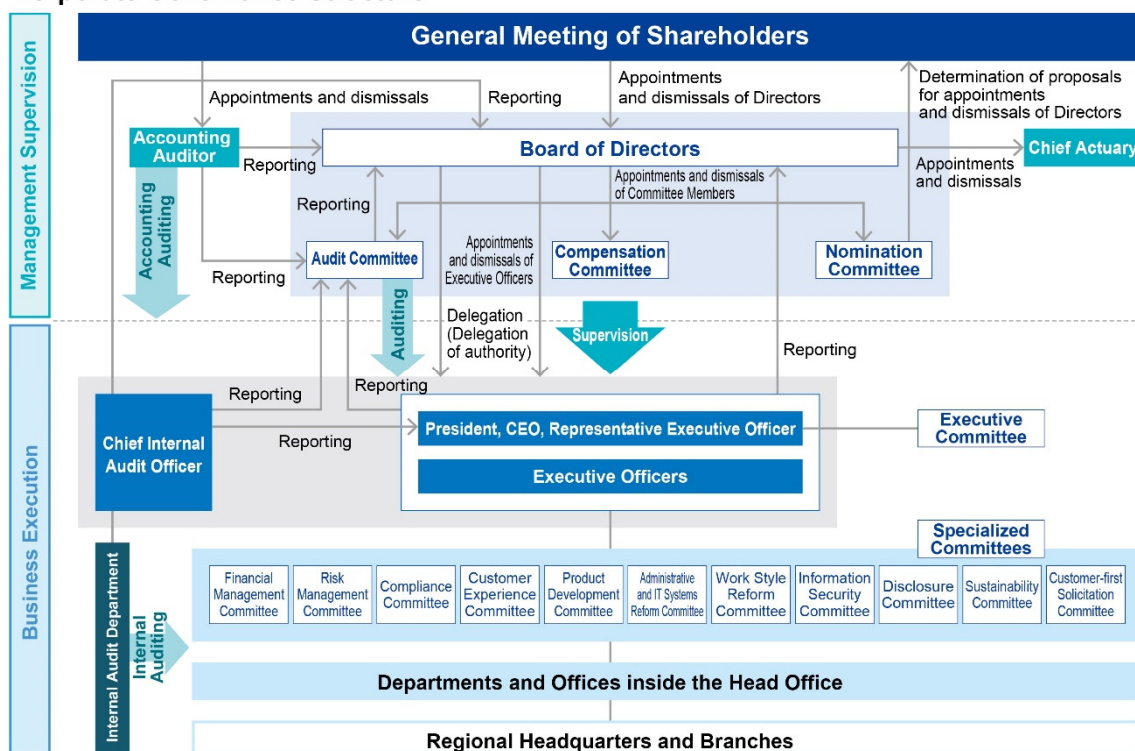
[Reference]

Basic Views on Corporate Governance

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

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

Corporate Governance Structure



*In April 2021, specialized committees were updated by renaming the Customer Services Committee as the Customer Experience Committee, and newly establishing the Sustainability Committee.

[Reference]

Board of Directors (Management Supervision)

The Board of Directors of the Company determines matters such as the basic management policy of the Company, segregation of duties of Executive Officers and the fundamental policy for establishment of internal control systems and has the authority of supervising the execution of duties by Executive Officers. Meanwhile, the Board of Directors promotes the development of a framework that enables supervision of management from the external and broader perspective by appointing lawyers and corporate managers as Outside Directors.

The three committees, the Nomination Committee, the Audit Committee and the Compensation Committee, have been established to fully utilize external views on the management of the Company and ensure the transparency and fairness of decision-making of the management. The specific roles of these committees are as follows:

- **Nomination Committee**
The committee determines proposals for general meetings of shareholders concerning the election and dismissal of Directors.
- **Audit Committee**
The committee audits the execution of duties by Directors and Executive Officers, prepares audit reports, determines the content of proposals regarding the election and dismissal of the accounting auditor to be submitted to general meetings of shareholders and approves the compensation for the accounting auditor.
- **Compensation Committee**
The committee formulates compensation policies for Directors and Executive Officers and determines detailed compensation for each individual.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheet (As of March 31, 2021)

(Millions of yen)	
Account	Amount
ASSETS:	
Cash and deposits	1,335,014
Call loans	130,000
Receivables under securities borrowing transactions	2,585,087
Monetary claims bought	276,772
Money held in trust	4,189,294
Securities	55,273,610
Loans	4,964,087
Tangible fixed assets	105,399
Land	47,828
Buildings	40,439
Leased assets	1,978
Construction in progress	579
Other tangible fixed assets	14,573
Intangible fixed assets	113,420
Software	113,405
Other intangible fixed assets	14
Agency accounts receivable	53,250
Reinsurance receivables	3,938
Other assets	239,354
Deferred tax assets	904,135
Reserve for possible loan losses	(384)
Total assets	70,172,982

(Millions of yen)	
Account	Amount
LIABILITIES:	
Policy reserves and others	61,159,597
Reserve for outstanding claims	419,021
Policy reserves	59,397,720
Reserve for policyholder dividends	1,342,855
Reinsurance payables	6,394
Bonds payable	300,000
Payables under securities lending transactions	4,587,469
Other liabilities	303,851
Reserve for insurance claims and others	2,851
Liability for retirement benefits	66,414
Reserve for management board benefit trust	110
Reserve for price fluctuations	904,816
Total liabilities	67,331,506
NET ASSETS:	
Capital stock	500,000
Capital surplus	405,044
Retained earnings	901,390
Treasury stock	(397)
Total shareholders' equity	1,806,036
Net unrealized gains (losses) on available-for-sale securities	1,031,384
Net deferred gains (losses) on hedges	573
Accumulated adjustments for retirement benefits	3,480
Total accumulated other comprehensive income	1,035,438
Total net assets	2,841,475
Total liabilities and net assets	70,172,982

Consolidated Statement of Income (From April 1, 2020 to March 31, 2021)

(Millions of yen)	
Account	Amount
ORDINARY INCOME	6,786,226
Insurance premiums and others	2,697,936
Investment income	1,121,668
Interest and dividend income	1,004,635
Gains on money held in trust	87,593
Gains on sales of securities	20,422
Gains on redemption of securities	1,170
Gains on foreign exchanges	7,759
Reversal of reserve for possible loan losses	0
Other investment income	86
Other ordinary income	2,966,621
Reversal of reserve for outstanding claims	42,203
Reversal of policy reserves	2,895,445
Other ordinary income	28,971
ORDINARY EXPENSES	6,440,490
Insurance claims and others	5,866,091
Insurance claims	4,681,106
Annuity payments	359,821
Benefits	120,324
Surrender benefits	480,477
Other refunds	201,420
Reinsurance premiums	22,940
Provision for policy reserves and others	8
Provision for interest on policyholder dividends	8
Investment expenses	70,865
Interest expenses	2,312
Losses on sales of securities	32,789
Losses on redemption of securities	10,950
Losses on derivative financial instruments	21,604
Other investment expenses	3,207
Operating expenses	403,033
Other ordinary expenses	100,492
ORDINARY PROFIT	345,736
EXTRAORDINARY GAINS	—
EXTRAORDINARY LOSSES	46,732
Losses on sales and disposal of fixed assets	255
Provision for reserve for price fluctuations	46,477
Provision for reserve for policyholder dividends	65,465
Income before income taxes	233,537
Income taxes – Current	91,632
Income taxes – Deferred	(24,197)

(Millions of yen)	
Account	Amount
Total income taxes	67,434
Net income	166,103
Net income attributable to non-controlling interests	—
Net income attributable to Japan Post Insurance	166,103

Consolidated Statement of Changes in Net Assets (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	500,000	405,044	756,665	(422)	1,661,286
Changes in the fiscal year					
Cash dividends			(21,378)		(21,378)
Net income attributable to Japan Post Insurance			166,103		166,103
Purchases of treasury stock				(0)	(0)
Disposals of treasury stock				25	25
Net changes in items other than shareholders' equity in the fiscal year					
Net changes in the fiscal year	—	—	144,724	25	144,750
Balance at the end of the fiscal year	500,000	405,044	901,390	(397)	1,806,036

	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	
Balance at the beginning of the fiscal year	264,009	16	3,067	267,094	1,928,380
Changes in the fiscal year					
Cash dividends					(21,378)
Net income attributable to Japan Post Insurance					166,103
Purchases of treasury stock					(0)
Disposals of treasury stock					25
Net changes in items other than shareholders' equity in the fiscal year	767,374	556	413	768,344	768,344
Net changes in the fiscal year	767,374	556	413	768,344	913,094
Balance at the end of the fiscal year	1,031,384	573	3,480	1,035,438	2,841,475

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Balance Sheet (As of March 31, 2021)

(Millions of yen)

Account	Amount
ASSETS:	
Cash and deposits	1,329,749
Cash	662
Deposits	1,329,087
Call loans	130,000
Receivables under securities borrowing transactions	2,585,087
Monetary claims bought	276,772
Money held in trust	4,189,294
Securities	55,274,594
Japanese government bonds	37,345,671
Japanese local government bonds	5,593,508
Japanese corporate bonds	5,325,276
Stocks	404,577
Foreign securities	4,632,376
Other securities	1,973,184
Loans	4,964,087
Policy loans	161,419
Industrial and commercial loans	996,127
Loans to the Management Network	3,806,540
Tangible fixed assets	104,977
Land	47,828
Buildings	40,299
Leased assets	1,839
Construction in progress	579
Other tangible fixed assets	14,429
Intangible fixed assets	118,748
Software	118,734
Other intangible fixed assets	14
Agency accounts receivable	53,250
Reinsurance receivables	3,938
Other assets	239,407
Accounts receivable	67,545
Prepaid expenses	2,473
Accrued income	144,746
Money on deposit	7,863
Margin deposits for futures transactions	1,105
Derivative financial instruments	752
Cash collateral paid for financial instruments	11,286
Suspense payments	1,771
Other assets	1,863
Deferred tax assets	904,333
Reserve for possible loan losses	(384)
Total assets	70,173,857

(Millions of yen)	
Account	Amount
LIABILITIES:	
Policy reserves and others	61,159,597
Reserve for outstanding claims	419,021
Policy reserves	59,397,720
Reserve for policyholder dividends	1,342,855
Reinsurance payables	6,394
Bonds payable	300,000
Other liabilities	4,891,788
Payables under securities lending transactions	4,587,469
Income taxes payable	42,915
Accounts payable	20,468
Accrued expenses	28,488
Deposits received	2,520
Deposits from the Management Network	41,143
Guarantee deposits received	73
Derivative financial instruments	157,418
Lease obligations	1,950
Asset retirement obligation	5
Suspense receipt	2,491
Other liabilities	6,842
Reserve for insurance claims and others	2,851
Reserve for employees' retirement benefits	69,659
Reserve for management board benefit trust	110
Reserve for price fluctuations	904,816
Total liabilities	67,335,219
NET ASSETS:	
Capital stock	500,000
Capital surplus	405,044
Legal capital surplus	405,044
Retained earnings	902,034
Legal retained earnings	64,761
Other retained earnings	837,272
Reserve for reduction entry of real estate	5,286
Retained earnings brought forward	831,986
Treasury stock	(397)
Total shareholders' equity	1,806,680
Net unrealized gains (losses) on available-for-sale securities	1,031,384
Net deferred gains (losses) on hedges	573
Total valuation and translation adjustments	1,031,957
Total net assets	2,838,638
Total liabilities and net assets	70,173,857

Non-Consolidated Statement of Income (From April 1, 2020 to March 31, 2021)

(Millions of yen)

Account	Amount
ORDINARY INCOME	6,786,210
Insurance premiums and others	2,697,936
Insurance premiums	2,682,067
Reinsurance income	15,868
Investment income	1,121,668
Interest and dividend income	1,004,635
Interest on deposits	29
Interest and dividends on securities	898,429
Interest on loans	13,314
Interest on loans to the Management Network	86,934
Other interest and dividend income	5,926
Gains on money held in trust	87,593
Gains on sales of securities	20,422
Gains on redemption of securities	1,170
Gains on foreign exchanges	7,759
Reversal of reserve for possible loan losses	0
Other investment income	86
Other ordinary income	2,966,604
Reversal of reserve for outstanding claims	42,203
Reversal of policy reserves	2,895,445
Reversal of reserve for insurance claims and others	26,870
Other ordinary income	2,084
ORDINARY EXPENSES	6,441,187
Insurance claims and others	5,866,091
Insurance claims	4,681,106
Annuity payments	359,821
Benefits	120,324
Surrender benefits	480,477
Other refunds	201,420
Reinsurance premiums	22,940
Provision for policy reserves and others	8
Provision for interest on policyholder dividends	8
Investment expenses	70,863
Interest expenses	2,311
Losses on sales of securities	32,789
Losses on redemption of securities	10,950
Losses on derivative financial instruments	21,604
Other investment expenses	3,207
Operating expenses	402,065
Other ordinary expenses	102,158
Taxes	38,402
Depreciation and amortization	61,214
Provision for reserve for employees' retirement benefits	716
Other ordinary expenses	1,825
ORDINARY PROFIT	345,022

(Millions of yen)	
Account	Amount
EXTRAORDINARY GAINS	—
EXTRAORDINARY LOSSES	46,732
Losses on sales and disposal of fixed assets	255
Provision for reserve for price fluctuations	46,477
Provision for reserve for policyholder dividends	65,465
Income before income taxes	232,824
Income taxes – Current	91,510
Income taxes – Deferred	(24,272)
Total income taxes	67,238
Net income	165,586

Non-Consolidated Statement of Changes in Net Assets (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Total capital surplus		Other retained earnings	Reserve for reduction entry of real estate	Total retained earnings
Balance at the beginning of the fiscal year	500,000	405,044	405,044	60,485	5,545	691,794	757,826
Changes in the fiscal year							
Cash dividends				4,275		(25,654)	(21,378)
Net income						165,586	165,586
Purchases of treasury stock							
Disposals of treasury stock							
Reversal of reserve for reduction entry of real estate					(259)	259	—
Net changes in items other than shareholders' equity in the fiscal year							
Net changes in the fiscal year	—	—	—	4,275	(259)	140,191	144,207
Balance at the end of the fiscal year	500,000	405,044	405,044	64,761	5,286	831,986	902,034

	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	
Balance at the beginning of the fiscal year	(422)	1,662,447	264,009	16	264,026	1,926,474
Changes in the fiscal year						
Cash dividends		(21,378)				(21,378)
Net income		165,586				165,586
Purchases of treasury stock	(0)	(0)				(0)
Disposals of treasury stock	25	25				25
Reversal of reserve for reduction entry of real estate		—				—
Net changes in items other than shareholders' equity in the fiscal year			767,374	556	767,931	767,931
Net changes in the fiscal year	25	144,233	767,374	556	767,931	912,164
Balance at the end of the fiscal year	(397)	1,806,680	1,031,384	573	1,031,957	2,838,638

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, 2021

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, 2021 and for the year from April 1, 2020 to March 31, 2021 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, 2021

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, 2021 and for the year from April 1, 2020 to March 31, 2021 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 15th fiscal year from April 1, 2020 to March 31, 2021 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 (c) 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, 2021.

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 found no evidence of misconduct or any material facts that violate the applicable laws and regulations of Japan or the Articles of Incorporation of the Company.
- 3) In our opinion, the resolutions of the Board of Directors regarding the internal control system are appropriate. In addition, we found no matters to be pointed out regarding such system or the execution of duties by Directors and Executive Officers described in the business report.

As mentioned in the report, in January 2020, the Company submitted a business improvement plan to the Financial Services Agency of Japan regarding the problems related to solicitation quality discovered in the fiscal year ended March 31, 2020, and is working to improve the situation.

The Audit Committee has confirmed that the Company is implementing its business improvement plan and taking steps to prevent recurrence and restore the trust of customers. The committee will continue to monitor the status of improvement.

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 14, 2021

Audit Committee of JAPAN POST INSURANCE Co., Ltd.

Audit Committee Member

SAITO Tamotsu (seal)

Audit Committee Member

HORIGANE Masaaki (seal)

Audit Committee Member

SUZUKI Masako (seal)

Audit Committee Member

YAMADA Meyumi (seal)

Audit Committee Member

YAMAZAKI Hisashi (seal)

(Note) Audit Committee Members Mr. SAITO Tamotsu, Ms. SUZUKI Masako, Ms. YAMADA Meyumi and Mr. YAMAZAKI Hisashi 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. https://www.jp-life.japanpost.jp/IR/notice/
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

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

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.