

1. Preparation of the consolidated and nonconsolidated financial statements

(1) Japan Post Insurance Co., Ltd. (the "Company") prepares the consolidated financial statements in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements (the Ordinance of the Ministry of Finance No. 28 of 1976, hereinafter the "Ordinance on Consolidated Financial Statements") except for the classification of assets and liabilities, and income and expenses, which complies with the Ordinance for Enforcement of the Insurance Business Act (the Ordinance of the Ministry of Finance No. 5 of 1996).

Comparative information included in the consolidated financial statements for the current consolidated fiscal year (from April 1, 2013 to March 31, 2014) is prepared in accordance with the Ordinance on Consolidated Financial Statements (before amendments) as prescribed in Article 3, Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance on Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Cabinet Office Ordinance No. 61 of September 21, 2012) except for the classification of assets and liabilities, and income and expenses, which complies with the Ordinance for Enforcement of the Insurance Business Act (before amendments) as prescribed in Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance on Partial Revision of the Ordinance for Enforcement of the Banking Act, etc. (Cabinet Office Ordinance No. 63 of September 27, 2013).

(2) The Company prepares the nonconsolidated financial statements in accordance with the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Ordinance of the Ministry of Finance Ordinance No. 59 of 1963, hereinafter the "Ordinance on Financial Statements, etc.") except for the classification of assets and liabilities, and income and expenses, which complies with the Ordinance for Enforcement of the Insurance Business Act (Ordinance of the Ministry of Finance No. 5 of 1996).

Comparative information included in the nonconsolidated financial statements for the current fiscal year (from April 1, 2013 to March 31, 2014) is prepared in accordance with the Ordinance on Financial Statements, etc. (before amendments) as prescribed in Article 2, Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance on Partial Revision of the Ordinance on Terminology, Forms, and Preparation Methods of Financial Statements, etc. (Cabinet Office Ordinance No. 61 of September 21, 2012) except for the classification of assets and liabilities, and income and expenses, which complies with the Ordinance for Enforcement of the Insurance Business Act (before amendments) as prescribed in Paragraph 2 of the Supplementary Provisions of the Cabinet Office Ordinance on Partial Revision of the Ordinance for Enforcement of the Banking Act, etc. (Cabinet Office Ordinance No. 63 of September 27, 2013).

2. Audit certification

The consolidated financial statements for the consolidated fiscal year (from April 1, 2013 to March 31, 2014) and nonconsolidated financial statements for the fiscal year (from April 1, 2013 to March 31, 2014) are audited by KPMG AZSA LLC pursuant to the provisions in Article 13, Paragraph 2 of the Ordinance for Enforcement of the Japan Post Holdings Co., Ltd., Act.

3. Initiatives to ensure the appropriateness of the consolidated financial statements, etc.

The Company makes efforts to ensure the appropriateness of the consolidated financial statements, etc. The Company is a member of the Financial Accounting Standards Foundation, obtains necessary information, and participates in training courses or seminars held by external organizations in order to understand accounting standards, etc. properly and respond in a timely manner to changes in accounting standards.

The Company also establishes basic policies and manuals in order to prepare appropriate consolidated financial statements, etc.