



Japan Post Group
CSR Report
2019



Always nearby to help customers and local communities.
This is CSR at Japan Post Group.



Overview of Group Companies

Japan Post Holdings Co., Ltd.

Japan Post Co., Ltd.

Japan Post Bank Co., Ltd.

Japan Post Insurance Co., Ltd.

JAPAN POST HOLDINGS
Line of Business
Strategy formulation of Group management

JAPAN POST
Line of Business
Post operations, banking counter operations, insurance counter operations, domestic distribution and delivery business and international cargo transport and agency services for air cargo business, real estate business, merchandise sales, etc.

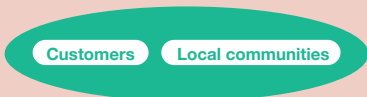
JAPAN POST BANK
Line of Business
Banking

JAPAN POST INSURANCE
Line of Business
Life insurance

© As of September 30, 2019

Japan Post Group Management Philosophy

Stressing the security and confidence of Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.



Provide Product Services/Contribute to Local Communities



A Network of Post Offices That Supports Your Daily Life

Based on a post office network that stretches from urban areas to remote islands, we provide universal services for mail, savings, and insurance to support your daily life.



Number of postboxes
180,774



Number of post offices
24,367

Japan Post Bank branches: 234
Japan Post Insurance branches: 82



Number of ATMs
29,837



Number of employees in Japan Post Group
420,000

Regular employees: 215,000
Non-regular employees: 202,000

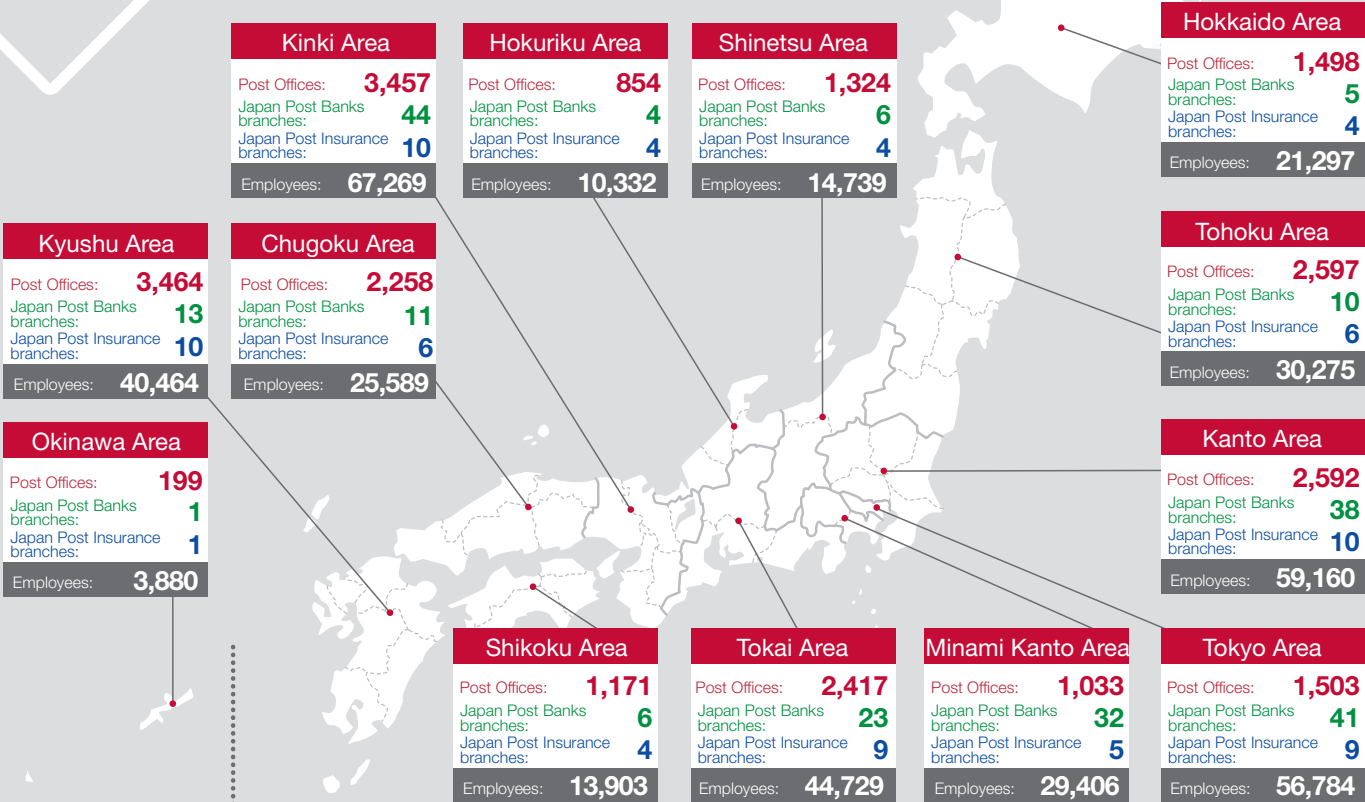


Number of countries with international logistics bases
Approx. **50**

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Local Contribution Through Employment

We contribute to the development of the local economy through the employment and promotion of over 420,000 people across the country.



© As of March 2019



Japan Post Holdings

Upholding a customer first approach and always standing close to customers and local communities, we aim to develop as a “Total Lifestyle Support Group”

Regarding the incidents that inconvenienced a number of our customers in relation to the insurance business conducted by Japan Post, and Japan Post Insurance, we would like to offer our sincere apologies for any trouble these incidents caused for our customers and related stakeholders.

With genuine regret on the insufficient implementation of customer first business management, we will devote our efforts to truly achieving Customer-Oriented business management so that the confidence of the customers in Japan Post Group is restored as soon as possible.

Offering support in the era of the 100-year life, we aim to develop as a “Total Lifestyle Support Group”

Japan Post Group dates back to 1871, when the modern postal service was established 148 years ago. The postal savings service was established four years later, followed by the insurance service. Ever since, Japan Post Group has been developing business that offers customer first services in local communities through approximately 24,000 post offices established in every municipality throughout the

nation, including mountain areas and isolated islands.

It is said to be the era of the 100-year life and Japan Post Group aims to develop as a “Total Lifestyle Support Group” that can stably offer a variety of products and services according to the diverse lifestyles of customers and by lifecycle stage, providing support so they can lead enriched and fulfilling lives.

Toward the realization of a sustainable society, we will strengthen our ESG initiatives

We strongly feel that management strategies based on a long-term perspective have emerged as very important factors in recent years. ESG (Environment, Social and Governance) initiatives are essential for ensuring the continued existence of Japan Post Group for the next 100 years.

In the same way that the G20 Osaka summit recognized the importance of global efforts to address climate change concerns and environmental issues, the companies in Japan Post Group will require more environmental consideration in their business operations. In April 2019, Japan Post Holdings, Japan Post Bank and Japan Post Insurance declared

support for the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which were established by the Financial Stability Board (FSB). In addition to the initiatives that it has been promoting, including the reduction of greenhouse gas emissions and investment in Green Bonds, Japan Post Group will strive to increase information disclosure by deepening the analysis on the impact of climate change on the business of each Japan Post Group company based on the TCFD recommendations.

Moreover, as Japan faces falling birth rates, an aging population and depopulation, maintaining universal services under which impartial services regardless where customers live through the national post office network will become increasingly important. We will be a reliable provider of postal, savings and insurance services nationwide and contribute to the revitalization and development of local communities through initiatives such as the provision at post offices of co-branded services with local public organizations and other private companies and participation in regional revitalization funds in cooperation with local financial institutions. This is common with the pledge of “No one will be left behind” in an agenda for global SDGs (Sustainable Development Goals), which was adopted by the United Nations.

Needless to say, the enhancement of corporate governance is significant for preventing the incidents mentioned in the opening sentence from reoccurring. We will work to strengthen corporate governance of Japan Post Group by listening sincerely to the voices of stakeholders.

Human resources are Japan Post Group's Most Important Asset

It is the employees of Japan Post Group that have been offering support to customers and local communities and bolstering the development of Japan Post Group for over 100 years. To create a working environment that allows each employee to realize their full potential and work positively and vigorously, we will promote our business management centered on employees' good health and continue to focus on human resource development and diversity management. The entire Japan Post Group will continue to work as one in our business operations, combining the strengths of individual members under the name Team JP.



In addition, the Tokyo Olympic and Paralympic Games will be held in 2020. Japan Post, a major subsidiary of Japan Post Holdings, has been appointed as a Tokyo 2020 Official Partner in the category of Postal Services. We will ensure that customers visiting Japan can use postal services conveniently and we will provide support towards the success of the Tokyo 2020 Olympic and Paralympic Games by utilizing the national post office network.

The business environment surrounding Japan Post Group has been changing rapidly with recent advances in technology. However, the last mile of delivering mail to customers is handled by our people in Japan Post Group. Capitalizing on our strengths based on direct contact with customers, we strive to respond to the needs of customers and society.

Remembering the words of Hisoka Maejima, who established the modern postal system in Japan, “Don't be averse to working behind the scenes. Keep hope for the well-being of others,” we will make every effort to build a sustainable society through business activities that support customers and local communities.

October 2019

Masatsugu (Mat) Nagato

President & CEO
Director and Representative Executive Officer
Japan Post Holdings



Japan Post

We would like to offer our sincere apologies for any inconvenience that the incidents related to the insurance business of Japan Post Insurance have caused for our customers and stakeholders.

At Japan Post we have been working closely with local communities, providing universal services for postal, savings and insurance through the post office network in Japan. To respond to the needs of local communities, we will continuously strive to expand and enrich our services by leveraging the individual characteristics and versatility of each post office that reflect regional characteristics. We will make every effort to be more beloved by local people as their post offices of choice.

We will continue to advance internal communication and create a workplace environment that allows employees to work vigorously and fully demonstrate their abilities with the aim to create post offices that can build excitement among customers and all other stakeholders, including local societies.

Moreover, as a company holding post offices and many other facilities and vehicles, we will contribute to measures against global warming.

Hoping to protect this beautiful planet and hand it down to future generations, we will incorporate innovative technology such as electronic vehicles and next-generation mobility and reduce redelivery in our efforts to cut greenhouse gas emissions.

By contributing to the realization of SDGs*¹ through a variety of business operations, Japan Post aims to become a company trusted by society.

Kunio Yokoyama

President & CEO
Representative Executive Officer
Japan Post



Japan Post Bank

Under the slogan: "Have more people say, 'JP Bank, of course,'" Japan Post Bank hopes to be a bank that walks hand-in-hand with customers by sustaining corporate growth while surviving twists and turns over time to help them live safely from a long-term perspective. Moreover, as the agendas for SDGs*¹ overlap with the philosophy, history and future of Japan Post Bank we aim to conduct business operations based on SDGs and declared support for the Recommendations of the TCFD*² to address global climate change. In addition to upgrading our policies on the environment and human rights and implementing business operations accordingly, we have established our ESG Investment Policy. At the same time, with Customer-Oriented business management in mind, we will continuously improve services by utilizing new technologies and offer excellent and attentive support to asset building for customers. Through investment in funds to create a monetary cycle in each region based on positive cooperation with local financial institutions, we will contribute to the development of the regional economy. To this end, we will make efforts to establish a workplace environment for all employees and make the most of diverse human resources so that they can work positively and energetically.

We will continue to enhance our corporate value by showcasing the tradition of Japan Post Bank to tackle environmental and societal issues through the financial functions of its overall business operations, while taking on new challenges and encouraging dialogues with stakeholders.

Norito Ikeda

Director,
President and Representative Executive Officer
Japan Post Bank

*1 SDGs : Sustainable Development Goals *2 TCFD : Task Force on Climate-Related Financial Disclosures



Japan Post Insurance

Once again we would like to apologize for any inconvenience that the incidents related to the insurance contracts of Japan Post Insurance have caused for our customers and stakeholders. In order to restore confidence in Japan Post Insurance, all employees will make concerted efforts to prioritize the elimination of drawbacks for customers and thoroughly implement truly Customer-Oriented business management.

Contributing to build a sustainable society

More than 100 years have passed since the establishment of postal life insurance. The social significance and mission of bringing security in the form of insurance to many customers remains unchanged from those at the time of the initial establishment of postal life insurance business and is alive in the current management philosophy: “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” It matches the pledge of “No one will be left behind” in the agenda for SDGs^{*1}. In addition to contributing to the development of society through its core business, Japan Post Insurance declared support for the Recommendations of the TCFD^{*2} in 2019, with the aim to contributing to the formation of a sustainable society through environmentally friendly business activities. Moreover, to facilitate the health of people in regional communities in the era of the 100-year life, we will accelerate the use of Radio Exercise which anyone can participate in anywhere, anytime, and our unique “health support app” that supports health promotion of our customers as an initiative for extending the healthy life-span, a social challenge in Japan.

Mitsuhiro Uehira

Director and President, CEO,
Representative Executive Officer
Japan Post Insurance

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Editorial Policy

- This report was created to further deepen the understanding of all of our stakeholders about our community and social contribution activities as well as the environmental initiatives of Japan Post Group.
- This report provides even more specific information about Japan Post Group initiatives by actively sharing unedited remarks of companies, associations and individuals interviewed about their involvement with those initiatives.

Reporting Scope

This report fundamentally focuses on Japan Post Holdings and the main Group companies*.

*Japan Post Japan Post Bank and Japan Post Insurance

Reporting Period

This report mainly focuses on initiatives between October 2018 and September 2019, but some information includes initiatives that took place before October 2018.

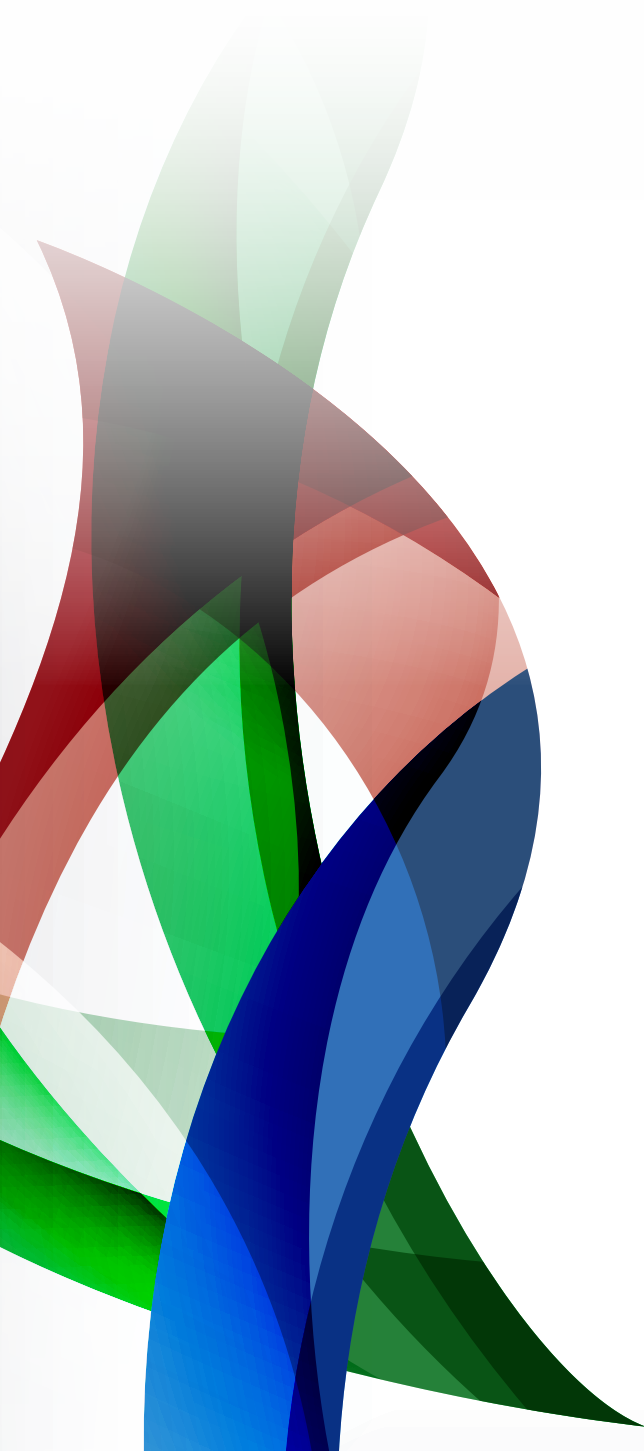
Publication Date

October 2019

Regarding Notation

- This report refers to Japan Post Holdings Co., Ltd. as Japan Post Holdings, Japan Post Co., Ltd. as Japan Post, Japan Post Bank Co., Ltd. as Japan Post Bank and Japan Post Insurance Co., Ltd. as Japan Post Insurance.
- The fiscal year for the Japan Post Group is from April 1st through March 31st the following year.

CSR Management



Japan Post Group CSR Basic Policy



Japan Post Group establishes and promotes Japan Post Group CSR Basic Policy for achieving our Management Philosophy.

Japan Post Group Management Philosophy

Stressing the security and confidence of the Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.

Japan Post Group CSR Basic Policy

Japan Post Group will achieve sustainable growth as a company and contribute to the creation of a sustainable society and future with the aim of being a "Total Lifestyle Support Group" that is of service to customers and local communities.

We will contribute to realizing a safe, secure and prosperous society by maintaining fair, transparent and sound management, while also faithfully fulfilling our role as a key infrastructure of local communities through our post office network and employees.

We will work as a group to address each of the following issues through all of our business activities, beginning with universal services in our postal, banking and insurance businesses.

1. Together with Local Communities

We shall strive for sustainable coexistence with local communities by understanding their issues and demands and communicating with stakeholders to provide the best services.

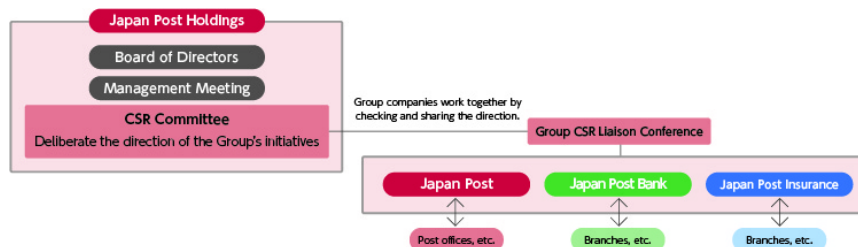
2. Together with the Earth

We shall strive to undertake business operations adapted to the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment.

3. Together with People

We shall respect the human rights of all people involved in the business activities of the Group and aim to ensure a safe and friendly working environment and build a fulfilling workplace where individual employees can exercise independence and creativity.

Promotional Approach to CSR



Related information

- ▶ [Japan Post Group CSR](#)
- ▶ [Priority Issues in CSR](#)
- ▶ [Together with Local Communities](#)
- ▶ [Together with the Earth](#)
- ▶ [Together with People](#)

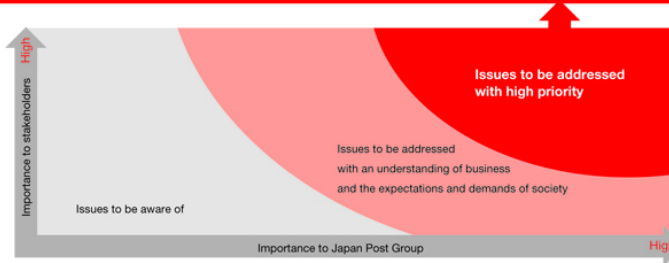
CSR Priority Issues (Materiality) of Japan Post Group



To contribute to the creation of a sustainable society and future in keeping with Japan Post Group CSR Basic Policy, Japan Post Group has conducted analyses from both the perspective of importance to Japan Post Group and that of society, including the expectations and demands of its stakeholders, and has identified CSR priority issues (materiality) to be addressed as a group.

Japan Post Group CSR Priority Issues (Materiality)

Category	Priority Issue (Materiality)	Corresponding SDGs
Society	Development and revitalization of local communities	Goal 11 (Sustainable Cities and Communities) Make cities and anywhere people live more inclusive, safe, resilient and sustainable
	Nurturing the next generation	Goal 4 (Quality Education) Provide inclusive, equitable and high-quality education to and promote lifelong learning opportunities for all people
	Promoting healthy living	Goal 3 (Good Health and Well-Being) Ensure healthy lives and promote well-being for all ages
Environment	Reducing greenhouse gas emissions	Goal 13 (Climate Action) Take urgent action to combat climate change and its impact
	Effective use of resources and reduction of waste	Goal 15 (Life on Land) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss
Employees	Workstyle reform	Goal 8 (Decent Work and Economic Growth) Promote sustainable and inclusive economic growth, full and productive employment, and decent work (humane work with meaning) for all
	Development of human resources	



CSR Priority Issues (Materiality) Identification Process

CSR priority issues (materiality) are determined by the following process.



Related information

- ▶ [Japan Post Group CSR](#)
- ▶ [Japan Post Group CSR Basic Policy](#)
- ▶ [Together with Local Communities](#)
- ▶ [Together with the Earth](#)
- ▶ [Together with People](#)



Participation in the UN Global Compact

Japan Post Holdings joined the United Nations Global Compact in May 2008.

The UN Global Compact is the international framework advocated by then UN Secretary-General Kofi Annan at the World Economic Forum on January 31, 1999, that calls for affiliated companies to practice the Ten Principles in four areas of human rights, labour, the environment and anti-corruption, within their sphere of influence.

As of July 2015, more than 13,000 organizations (including approximately 8,300 companies) from about 160 countries are involved in this initiative. Each company aims to bring positive changes to the world by observing and implementing these principles while executing business.

WE SUPPORT



The Ten Principles of the UN Global Compact

Human Rights

1. Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Principle 2: make sure that they are not complicit in human rights abuses.

Labour

1. Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
2. Principle 4: the elimination of all forms of forced and compulsory labour;
3. Principle 5: the effective abolition of child labour; and
4. Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

1. Principle 7: Businesses should support a precautionary approach to environmental challenges;
2. Principle 8: undertake initiatives to promote greater environmental responsibility; and
3. Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

1. Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

[Global Compact Network Japan](#)





Initiatives for Achieving SDGs

The Sustainable Development Goals (SDGs) are global goals that were adopted at the UN General Assembly in September 2015 to end poverty and pursue a sustainable future. Aiming to solve global issues by 2030, SDGs are comprised of 17 goals and 169 specific targets to achieve the goals.

Japan Post Group has selected its CSR Priority Issues (Materiality) in the three fields of local communities, the earth and people, which are key themes of Japan Post Group CSR Basic Policy, and promotes activities linked with SDGs. In addition, the Group includes SDGs in the framework of its management strategy in Japan Post Group Medium-Term Management Plan 2020 announced in May 2018, in its efforts to integrate its management strategy with initiatives for achieving SDGs.

SUSTAINABLE DEVELOPMENT GOALS



Priority Issues	Future Vision	Measures	FY2021/3 Targets
1. Provision of universal services 	Provide products and services necessary for every stage of life based on a post office network that is essential to the infrastructure of society and prioritizes the livelihood of customers	<ul style="list-style-type: none"> • Maintenance of post office network and provision of universal services 	<ul style="list-style-type: none"> • Provision of universal services through a seamless post office network
Together with local communities 2. Promotion of healthy living 3. Development of the next generation 4. Development and revitalization of regional communities   	Create a secure and prosperous society where everyone can live a safe and healthy life, and a sustainable society that will lead us into the future	<ul style="list-style-type: none"> • Expansion of Watch Over Service • Promotion of Radio Exercise • Promotion of Kampo Platinum Life Service • Promotion of letter-writing • Financial education (on-site lessons at elementary and other schools, and Japan Post Bank Piggy Bank Design Contest for Children) • Partnerships with local municipal organizations 	<ul style="list-style-type: none"> • Continued promotion of Watch Over Service and other services
Together with the Earth 5. Reduction of greenhouse gas emissions 6. Effective use of resources and reduction of waste  	Actively contribute to society through corporate activities that take into consideration climate change and global warming	<ul style="list-style-type: none"> • Regeneration of regional communities through development of green areas • Support for environmental conservation activities through expanded use of nonpassbook general accounts • Implementation of donations based on online provision of contract guidelines and policy conditions 	<ul style="list-style-type: none"> • Reduction of CO2 emissions by 47,000tons (4.4%) compared to FY2017/3
Together with people 7. Development of human resources 8. Workstyle reform 	Create an environment where each and every employee is motivated to actively demonstrate their full capabilities	<ul style="list-style-type: none"> • Training in accordance with career paths (training by level, frontline leader training, etc.) • Group joint training (for transferees, newly appointed executives, etc.) • Promotion of active participation of female employees (promotion to higher positions including management, etc.) • Promotion of employment of people with disabilities • Acceleration of understanding of gender diversity (LGBT) • Promotion of child and family care leaves • Workstyle reform (reduction of working hours, etc.) • Promotion of employee physical and mental health maintenance and improvement 	<ul style="list-style-type: none"> • Target percentage of women in management Japan Post Holdings:11% or more Japan Post: 10% or more Japan Post Bank:14% or more Japan Post Insurance: 14% or more • Achievement and maintenance of Group target employment rate of 2.5% for people with disabilities
9. Fair business practices 	Require transparent management, comply with regulations, and contribute to the development of society and the local community	<ul style="list-style-type: none"> • Thorough Group-wide compliance • Elimination of relationships with antisocial forces 	<ul style="list-style-type: none"> • Zero internal criminal activity • Continued elimination of relationships with antisocial forces

Related Information

- ▶ [Japan Post Group CSR](#)
- ▶ [Japan Post Group CSR Basic Policy](#)
- ▶ [Priority Issues in CSR](#)

Stakeholder Engagement



Japan Post Group aims to become a Total Lifestyle Support Group to serve all stakeholders, including customers and local communities. For this reason, we believe it is important to accurately understand and satisfy stakeholders' requirements and expectations towards the Group through means such as dialogue.

Stakeholders	Main ways to gain stakeholder engagement
Customers	<ul style="list-style-type: none"> • Provision of information regarding products and services and the receipt of feedback and inquiries over the counter at post offices, etc. and through delivery persons, employees in charge of public relations and call centers • Provision of information on Japan Post Group website, social media and by other means • Implementation of customer satisfaction surveys • Publication of integrated reports and CSR reports
NPOs & NGOs	<ul style="list-style-type: none"> • Cooperation with NPOs • Implementation of collaborative projects
Business partners	<ul style="list-style-type: none"> • Disclosure of procurement information on Japan Post Group websites • Disclosure of Japan Post Group's approaches to procurement activities
Shareholders & Investors	<ul style="list-style-type: none"> • General meetings of shareholders • Briefing sessions for private investors • Implementation of results briefing sessions, small meetings for institutional investors and analysts and IR conferences • Dialogues with institutional investors and analysts • Publication of integrated reports and CSR reports • Implementation of dialogues with stakeholders
Local communities	<ul style="list-style-type: none"> • Cooperation with local public authorities • Disaster prevention activities • Monitoring activities for local communities • Workplace tours and work experience in post offices, etc. • Support for fostering the next generation • Volunteer activities
Employees	<ul style="list-style-type: none"> • Dialogues with employees • Implementation of questionnaires • Implementation of employee satisfaction surveys • Implementation of training • Publication of in-house Group newsletters • Intranet for employees • Implementation of counseling



On August 20, 2019, Japan Post Group invited three outside experts to hold a dialogue session. The panel of experts offered a variety of opinions and recommendations regarding the main initiatives implemented by Japan Post Group based on the advice received during the dialogue session held last year, what is required of Japan Post Group and future visions to be pursued by Japan Post Group.



Facilitator:
Makiko Akabane,
Director of CSR Asia Japan

Comments from experts



Masao Seki, Non-tenured Professor, Meiji University School of Business Administration

Climate change should be immediately recognized as a state of emergency. Regarding the greenhouse gas reduction target, rather than setting a standard consistent with the reduction level specified by Japanese government, Japan Post Group should set higher goals. Moreover, the Group should take the lead in the introduction of electric vehicles and move toward introducing new technologies, such as the use of drones and automatic driving. In addition, I believe that the incidents related to the switch over of insurance contracts with Japan Post Insurance provide an impetus for reflection on the significance of the corporate existence of Japan Post Group and its social responsibilities. I recommend monitoring the opinions of the people onsite in a bottom-up manner and holding discussions with everyone involved. Furthermore, having dialogues with a wide range of stakeholders and ensuring that such dialogues firmly take root as a corporate culture will become a catalyst to bring changes to the Group.



Masaru Arai, Chair of Japan Sustainable Investment Forum

Looking at the status of the response, significant progress has been made, including the issues we pointed out last year. However, as climate change has been considered in recent years to create a financial risk for companies in the medium to long term, it would be a significant adverse factor if this were not integrated into management decisions and policies. In addition, financial education in Japan has yet to touch on the Sustainable Development Goals (SDGs) and Environmental, Social and Governance (ESG) issues and so far has failed to incorporate the essence of finance in which a financial institution creates fund flow for the development of services and products that are useful to society while making efforts to earn returns from its own business. I hope that Japan Post Bank becomes a leader in financial education, including education for its employees. Regarding the incidents related to the switch over of insurance contracts with Japan Post Insurance, it is necessary to further strengthen the supervisory function of the Board of Directors. Next fiscal year's disclosure should go into more detail on changes made regarding how the Board of Directors works and its checking system.



Yukiko Furuya, Representative, Consumer Conference for Sustainability

It is wonderful to see solid progress in the initiatives, including the establishment of Japan Post Group Human Rights Policy and Japan Post Group's Approach to Procurement Activities. It will be good to specifically indicate issues in Japan Post Group's value chain. In addition, fair transactions and consumer safety are the basics for creating a sustainable society, although they are not included in the SDGs. In response to the case of incidents related to the switch over of insurance contracts with Japan Post Insurance, strictly reviewing such basic issues is necessary. Regarding initiatives to be carried out by businesses for the creation of a sustainable society, ISO 26000, an international standard that provides organizations with guidance on social responsibility, should be the reference. In addition, I believe that Education for Sustainable Development (ESD) is particularly necessary for the employees. I hope that Japan Post Group promotes ESD in the economic and financial areas for the employees as well as consumers.

In response to experts' comments

The fact that we need to steadily improve our initiatives and enhance our efforts for the next stage renews our resolve. I quite strongly felt the need to accelerate efforts regarding environmental issues. We are determined to promote CSR initiatives by properly grasping global trends, channeling a variety of risks and societal issues to corporate management and strategies, keeping in mind that earning customers' trust is most essential in our business.



Japan Post Holdings
Noriko Kinoshita,
Executive Officer

Customer-oriented business operations

In order to further promote customer-oriented business operations, Japan Post Group established The Basic Policies Concerning on Customer-Oriented Business Management. (Japan Post Insurance: April 2017, Japan Post Bank: June 2017, Japan Post Holdings and Japan Post: March 2018.)

Under the guidance of the management philosophy described below, Japan Post Group strives to promote customer-oriented business operations:

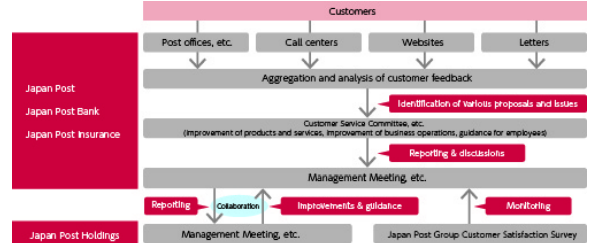
"Stressing the security and confidence of Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region."

Basic Policy on Customer-oriented Business Operations

Initiatives to reflect customer feedback in management

Japan Post Group collects and analyzes customer feedback, implements necessary improvements and strives to offer products and services that satisfy customers.

Initiatives to reflect customer feedback in management -- System chart --



Examples of improvements based on customer feedback

Company	Customer feedback	Improvements
Japan Post	I hope that regional-edition New Year's postcards are revived because I looked forward to them every year.	We issued 19 types of donation-added, illustrated postcards (regional editions) with drawings of official regional mascots as regional, limited-edition postcards (from November 1, 2018).
Japan Post Bank	I hope that the hours for using Japan Post Bank's ATMs are extended.	We extended the hours of Japan Post Bank ATMs for deposits so that the hours for deposits and withdrawals are the same.
Japan Post Insurance	I am elderly, so I hope other family members are notified about my contracts.	We introduced the "Family Registration System". Under this system, the contents of a contract may be disclosed to registered family members to the same degree as the policyholder in order for them to provide support for maintaining and managing the policy (from April 2018).

Japan Post Group Customer Satisfaction Survey

Japan Post Group conducts surveys on customer satisfaction and their intention to use products and services to accurately grasp their perspectives and assessments, and to respond to new needs.

The Group will regularly conduct Japan Post Group Customer Satisfaction Survey in the future to further improve customer satisfaction and reflect the results to management operations.

Overall customer satisfaction regarding Japan Post Group

How satisfied are you with post offices, etc. overall*1?

*1 "Overall" is a collective term for counter operations and telephone support, quantity and types of products and services handled by post offices, etc., business days and hours and facilities.

(Satisfied: 79.5%, Dissatisfied: 4.4%)*2



*2 This survey was conducted in October 2018.

Results of Japan Post Group Customer Satisfaction Survey

Dialogues with shareholders and investors

To achieve sustained growth and medium- to long- term improvement in enterprise value, Japan Post Group discloses information in a fair and accurate manner to shareholders, investors and other stakeholders. Moreover, the Group uses a variety of opportunities to engage in dialogues with shareholders and investors, including general meetings of shareholders, briefing sessions for private investors and conferences with analysts and institutional investors. Valuable feedback will be properly incorporated in management and used to further enhance corporate value.



Briefing session for private investors



General meeting of shareholders

Related information

- [Japan Post Group CSR](#)
- [Japan Post Group CSR Basic Policy](#)
- [Priority Issues in CSR](#)

Japan Post Group Human Rights Policy



Japan Post Group recognizes that the respect for human rights of all persons involved in our business activities is indispensable to the achievement of a sustainable society. Accordingly, in April 2019 the Group established Japan Post Group Human Rights Policy, in accordance with international principles, such as the United Nations Guiding Principles on Business and Human Rights. Japan Post Group will promote human rights initiatives across the Group.

Japan Post Group Human Rights Policy

1. Working to realize our management philosophy, Japan Post Group (hereinafter referred to as "the Group") recognizes that the respect for human rights is an important social responsibility. By fulfilling the responsibility, the Group will contribute to the realization of a society which is safe, secure and enriched.
2. As a signatory company of the United Nations Global Compact, the Group complies with applicable laws in the areas where it operates its business, and upholds human rights by respecting the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.
3. This policy applies to officers and employees of the Group. The Group expects that its stakeholders will also respect human rights in the same manner.
4. The Group respects human rights, and does not discriminate on the basis of race, color, gender, sexual orientation, sexual identity, language, religion, politics or creed, nationality or social origin, poverty or wealth, birth, disability, etc. The Group also aims to avoid indirect discrimination.
5. The Group ensures safe and comfortable working environments that are free of harassment. In addition, the Group does not tolerate human rights violations, such as forced labor and child labor.
6. In order to fulfill its responsibility to respect human rights, the Group works to promote and revitalize awareness activities concerning human rights issues, such as the "Dowa issue" (Buraku discrimination). The Group also strives to deepen recognition and understanding of the issues, and to avoid and reduce negative effects on human rights. In the event that any negative effects on human rights arise, the Group will respond appropriately.
7. The Group deliberates on this policy in Japan Post Holdings CSR Committee and the Group CSR Liaison Conference, which deliberate on the Group's responses to environmental and social issues. The Group then makes decisions based on discussions in Japan Post Holdings Management Meeting. The content of the policy will be reviewed as appropriate, based on changes in the business environment and on dialogs with stakeholders.

Related information

- ▶ [Japan Post Group CSR](#)
- ▶ [Japan Post Group CSR Basic Policy](#)
- ▶ [Priority Issues in CSR](#)
- ▶ [Together with People](#)

Japan Post Group's Approach to Procurement Activity



Japan Post Group conducts its procurement activity according to the following concept.

Japan Post Group's Approach to Procurement Activity

1. Open, fair and appropriate procurement

- The Group opens the door widely to suppliers and offer fair entry opportunities.
- The Group selects suppliers based on a comprehensive and appropriate evaluation of quality, price, delivery period, technology, business condition and other factors.

2. Compliance with laws, regulations and social standards

- The Group complies with all applicable laws, regulations and social standards and carries out procurement activity in good faith.
- In its procurement activity, the Group forms no relationship with anti-social forces that pose a threat to the order and safety of civil society.

3. Environmental considerations

- The Group carries out procurement activity in consideration of global and local environmental preservation and the effective use of resources.

4. Building trusting relationships

- Through good communication with suppliers, the Group builds strong trust and strives for mutual prosperity.
- The Group appropriately manages information about suppliers that it obtains through its procurement activity.

5. Request to suppliers (Compliance with the UN Global Compact)

- The Group supports the Ten Principles of the UN Global Compact regarding the four areas of human rights, labor, the environment and anti-corruption and promotes CSR procurement activity. The Group expects its suppliers to understand the above and asks for their proactive cooperation.

[The Ten Principles of the UN Global Compact](#)

ESG Investment Policy



As a responsible institutional investor advancing diversified international investments, Japan Post Bank establishes and publishes ESG Investment Policy. Please refer to the corporate website of Japan Post Bank for more detail.

[ESG Investment Policy](#) - Japan Post Bank

As an institutional investor managing assets over the long term, Japan Post Insurance manages assets in accordance with ESG Investment Policy. Please refer to the corporate website of Japan Post Insurance for more detail.

[ESG Investment Policy](#) - Japan Post Insurance

Related information

[Japan Post Group CSR](#)

[Japan Post Group CSR Basic Policy](#)

[Priority Issues in CSR](#)

Environmental Management System

We will strive to operate our businesses in ways that adapt to the impact of climate change. At the same time, we will be proactive in promoting business activities in an environmentally friendly manner and implementing environmental conservation activities.



Specific Policy on Promotion

In accordance with Japan Post Group CSR Basic Policy, Japan Post Group will promote business activities with consideration for climate change and environmental pollution in its efforts to achieve a sustainable society. At the same time, the Group will strive to make effective use of limited resources and reduce waste.

[Japan Post Group CSR Basic Policy](#)

Reduction of Greenhouse Gases

In accordance with Japan's Plan for Global Warming Countermeasures based on the Paris Agreement, we have set the Group's greenhouse gas (GHG) reduction target to achieve by FY2030 and an intermediate benchmark for FY2020. We will thus strive to reduce GHG arising from our business activities.

[Japan Post Group GHG Emission Reduction Target](#)

Reduction of Energy Consumption

To steadily promote measures for reducing GHG arising from our business activities, we have set the Group's FY2020 target concerning energy consumption and a specific plan to reduce the consumption. We will thus strive to reduce energy consumption in our business activities.

[Energy Consumption Reduction Target, Plan and the costs related to climate change](#)

Effective Resource Utilization and Waste Reduction

We will use limited resources without wasting them and promote initiatives for building a recycling-based society, such as paperless operations and reducing, reusing and recycling.

Compliance with Laws, Regulations and Other Rules

We will comply with laws, regulations, various agreements and other rules in our efforts to prevent our business activities from causing pollution and other problems.

Collaborations with External Parties

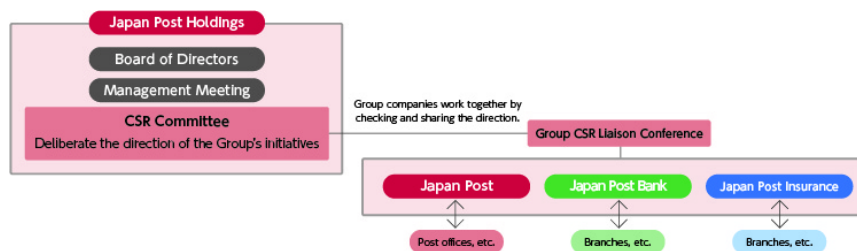
In April 2019, Japan Post Holdings, Japan Post Bank and Japan Post Insurance expressed support for the TCFD* recommendations. Moving forward, we will deepen analysis of the impact of climate change on the Group's businesses and strive to disclose even more information in accordance with the TCFD recommendations.

*TCFD stands for the Task Force on Climate-related Financial Disclosures, which was established by the Financial Stability Board.

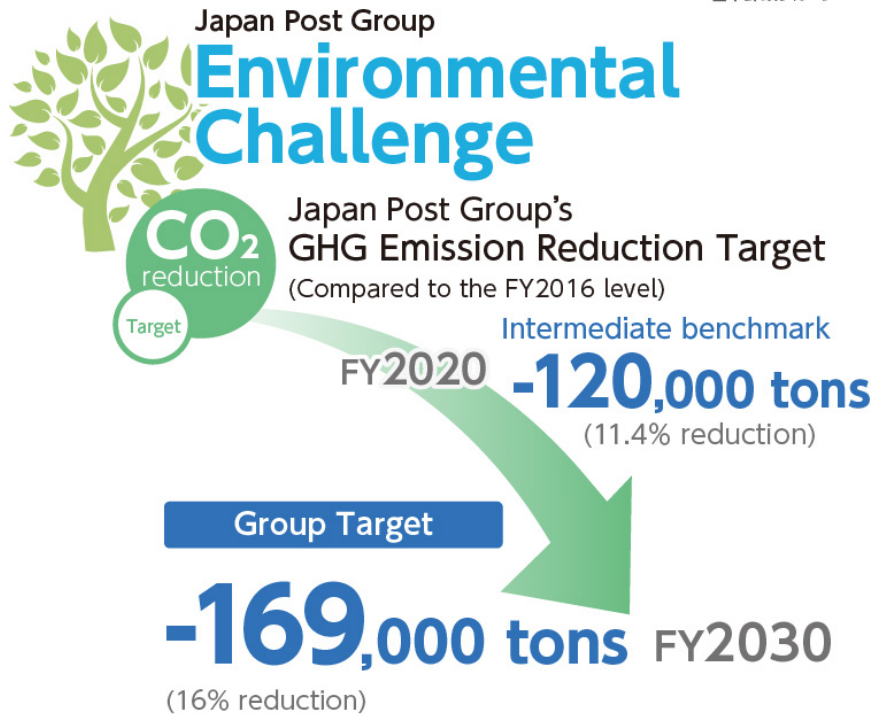
[Expression of Support for the TCFD Recommendations](#)

Environmental Management System

Recognizing the importance of initiatives for tackling climate change and global warming, making effective use of resources and reducing waste, we have set the CSR Committee as an advisory body to the Management Meeting. The CSR Committee deliberates on policies related to sustainability and reports the content of the deliberations to the Board of Directors and the Management Meeting. We have also established the Group CSR Liaison Conference for Group companies to check and share the direction.



We have set the Group's FY2030 GHG reduction target and an intermediate benchmark for FY2020 for achieving the FY2030 target.



The target corresponds to the GHG reduction target (26% reduction from the FY2013 level) of Japan's Plan for Global Warming Countermeasures, which is based on the Paris Agreement.

The greenhouse gas arising from the Japan Post Group's business activities is CO₂.

Energy Consumption Reduction Target, Plan and the costs related to climate change

To achieve its GHG reduction target, Japan Post Group has set an energy consumption reduction target linked with the FY2020 intermediate benchmark.

Energy Consumption Reduction Target

FY2020 target: -835,000 GJ (4.4% reduction from the FY2016 level)

To achieve the target, Japan Post Group will mainly take the following actions. And the amount of investment needed for tackling climate change is below.

[Action for FY2020 (Process Targets)]

(millions of yen)

Company	Business	Action for FY2020 (Process Targets)	Reduction of energy consumption enabled by the action (GJ)	Type of energy	Amount of Investment Needed for Tackling climate change
Japan Post	Postal and domestic logistics business	Environmentally friendly delivery <ul style="list-style-type: none"> Introduction of electric vehicles (including 1,200 four-wheeled vehicles) Switching to fuel-efficient vehicles (approx. 7,000 four-wheeled vehicles and approx. 20,000 two-wheeled vehicles) 	-72,000	Gasoline	14,130
Company	Business	Action for FY2020 (Process Targets)	Reduction of energy consumption enabled by the action (GJ)	Type of energy	Amount of Investment Needed for Tackling climate change
		Initiatives for reducing redelivery (including diversification of our channels for receiving mail)	-39,000	Gasoline	2,706
		Reduction of delivery vehicles through efficiency improvement of mail collection (1,000 four-wheeled vehicles)	-49,000	Gasoline	0
		Switching to high-efficiency air conditioning systems and LED lights (at approx. 100 post offices), etc.	-49,000	Electricity, gas, etc.	27,882
	Post office business	Switching to high-efficiency air conditioning systems and LED lights (at approx. 3,000 post offices), etc.	-196,000	Electricity, gas, etc.	17,639
Japan Post Bank	Banking business	Saving power at (downsizing) off-premise ATMs, etc.	-2,000	Electricity	215
		Saving energy in offices (including introduction of LED lights)	-7,000	Electricity and gasoline	183
Japan Post Insurance	Life insurance business	Saving energy in offices (replacement of air-conditioning systems with high efficiency ones)	-200	Electricity	55
		Switching to fuel-efficient vehicles (approx. 150 vehicles)	-500	Gasoline	359
Japan Post Holdings	Accommodation facilities and hospitals	Saving energy at accommodation facilities (introduction of LED lights), etc.	-30,000	Electricity, gas, etc.	254
Total			-444,700		63,423

Performance Data

[Data on GHG Emission and Energy Consumption](#)

[Data on Resources \(Data on the Amount of Waste, Recycle, Copy Paper and Water Use\)](#)

Status of Progress

[Status of Progress towards Japan Post Group GHG Emission Reduction Target and Energy Consumption Reduction Target](#)

Actions Taken in Collaboration with External Parties

Expression of Support for the TCFD Recommendations

Japan Post Holdings, Japan Post Bank and Japan Post Insurance expressed support for recommendations by the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board (FSB). In Japan Post Group CSR Basic Policy, the Group declares: "We shall strive to undertake business operations adopted the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment." At the same time, in Japan Post Group Medium-Term Management Plan 2020, the Group has set the reduction of greenhouse gas emissions as an action to take to achieve SDGs. The Group also promotes initiatives for helping to build a sustainable society, including investment in green bonds. In addition, Japan Post Group will deepen its analysis of the impact of climate change on the Group's businesses and strive to disclose even more information, in accordance with the TCFD recommendations.



Support for Cool Choice



未来の
ために、
いま選ぼう。

Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance support Cool Choice.

Cool Choice is a national movement promoted by the Government of Japan (Ministry of the Environment). Aimed at achieving a 26% reduction in greenhouse gas emissions from the FY2013 level by FY2030, Cool Choice encourages wise choices that help tackle global warming, such as services and lifestyles that contribute to building a low-carbon society.

→ We support Cool Choice.

Specific Actions

- ▶ [CSR Priority Issue: Reduction of Greenhouse Gas Emissions](#)
- ▶ [CSR Priority Issue: Effective Resource Utilization and Waste Reduction](#)

Related information

- ▶ [Japan Post Group CSR](#)
- ▶ [Japan Post Group CSR Basic Policy](#)
- ▶ [Priority Issues in CSR](#)

External Assessments, etc.



May 2019

The four Japan Post Group companies (Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance) were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2019" for the second year in a row.

▶ [The four Japan Post Group companies were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2019" for the second year in a row.](#)



February 2019

During the relocation of the head office to Otemachi, Chiyoda-ku, Tokyo, Japan Post Holdings worked to introduce office space with world-class environmental performance. Based on this project, it earned the LEED (Leadership in Energy and Efficient Design) CI (Commercial Interiors) Gold Certification from the U.S. Green Building Council (USGBC).

▶ [The head office of Japan Post Holdings earned the LEED-CI 2009 Gold Certification.](#)



December 2018

Japan Post Bank has been positively evaluated for its initiatives in ESG thus far, and has been included in the following Socially Responsible Investment (SRI) indices. The MSCI Japan Empowering Women Index (WIN) is an index composed of companies that are leading in promoting and maintaining gender diversity, created by MSCI.

For details, please visit MSCI's web pages.

▶ [MSCI Japan Empowering Women Index \(WIN\)](#)



February 2018

The four Japan Post Group companies (Japan Post Holdings, Japan Post, Japan Post Bank and Japan Post Insurance) were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2018."

▶ [The four Japan Post Group companies were ranked first in the "Finance/Insurance" industry division of "Randstad Award: Employer Brand Research 2018."](#)



September 2017

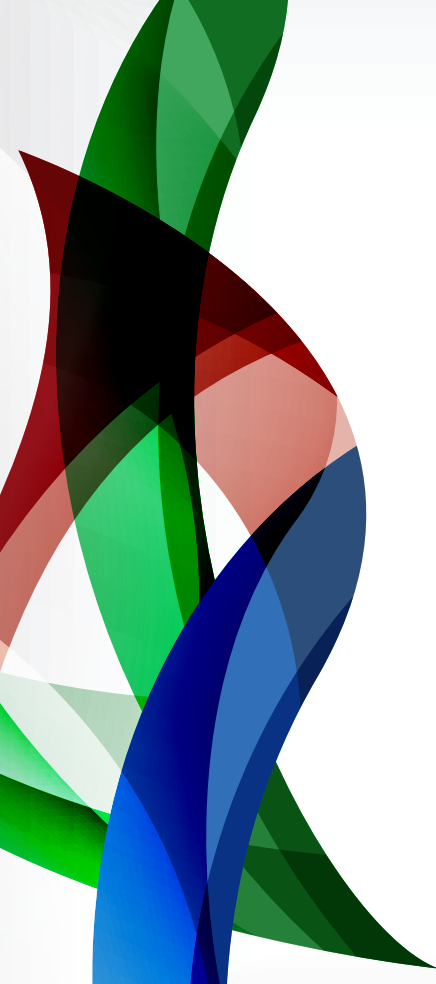
JP Children's Tree Planting Campaign "Tohoku Regeneration Green Wave" was recognized as an initiative contributing to the Green Wave activities by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J).

▶ [JP Children's Tree Planting Campaign "Tohoku Regeneration Green Wave" was granted a certificate for an initiative contributing to the Green Wave activities by the Japan Committee for the United Nations Decade on Biodiversity \(UNDB-J\).](#)



Related information

- ▶ [Japan Post Group CSR](#)
- ▶ [Japan Post Group CSR Basic Policy](#)
- ▶ [Priority Issues in CSR](#)



Together with Local Communities

We shall strive for sustainable coexistence with local communities by understanding their issues and demands and communicating with stakeholders to provide the best services.

Development with Local Communities

■ Number of agreements/Agreement conclusion rate regarding cooperation with local communities (As of June 2019)

Prefectures ^{*1} 29 / 62%
 Municipalities ^{*2} 1,681 / 97%

*1 Comprehensive partnership agreements concluded post-privatization

*2 Agreements in which employees can report any unusual activities during the course of their work ("community watch activities", "providing information about road damage", "providing information about illegal dumping")



■ Number of participation in regional vitalization funds

18 funds



Nurturing the Next Generations

■ Number of participation in regional vitalization funds (FY2018)

71 schools / 149 lessons

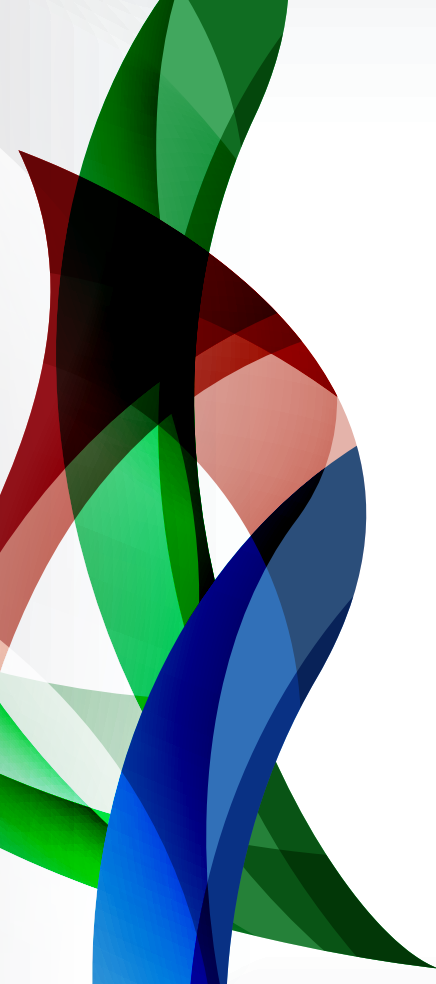


Promoting Healthy Living

■ Number of venues where the Radio Exercise and Minna no Taiso Tour was held

43 prefectures in Japan / 50 venues





Together with the Earth

We shall strive to undertake business operations adapted to the impact of climate change and actively promote business and environmental conservation activities with consideration toward reducing our burden on the environment.

Reducing Greenhouse Gas Emissions

- Group reduction goal of greenhouse gas emissions for FY2030 (Compared to FY2016)

▲169,000 t-CO₂ (▲16%)



- Reduction status as of the end of FY2018 (Compared to FY2016)

▲75,015.6 t-CO₂ (▲7.1%)



- Number of electric cars deployed (As of September 2019)

72 cars



- Number of "HAKO POST" setup* (As of September 2019)

654 setups

* Includes PUDO Station-based HAKO POSTs (315 locations), a service launched in June, 2019.

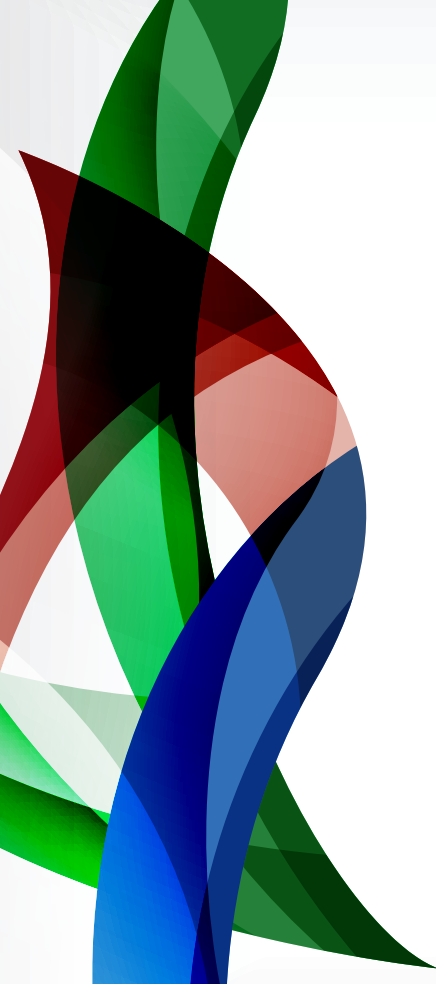


Effective Use of Resources and Reduction of Waste

- Contributions to environmental preservation through online provision of the contract guidelines and policy conditions (FY2019)

34 organizations





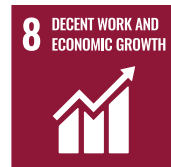
Together with People

We shall respect the human rights of all people involved in the business activities of the Group and aim to ensure a safe and friendly working environment and build a fulfilling workplace where individual employees can exercise independence and creativity.

Workstyle Reform

■ Number of women in management positions (As of April 1, 2019)

2,719 / 8.1%

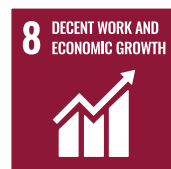


■ Number of female executive officers (As of July 1, 2019)

22 / 13.8%

■ Average number of paid holidays taken (FY2018)

18.1

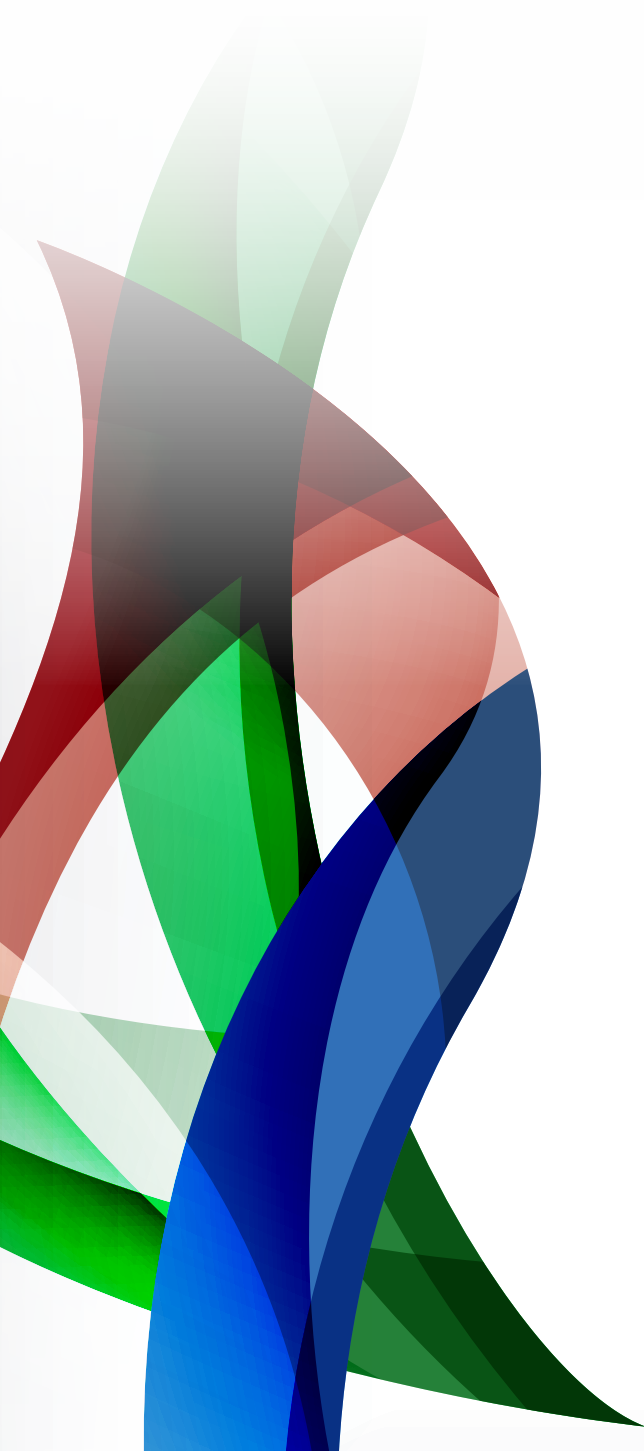


■ Number of persons taking childcare leave (FY2018)

4,544
Male 2,839
Female 1,705



Corporate Governance



Japan Post Group Corporate Governance

Basic Views

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

1. Japan Post Holdings Co. shall continue to create new convenience for customers and pursue the provision of high quality services, while generating consistent value by providing universal services of Japan Post Group's three core businesses through Japan Post Group's post office network.
2. Fully recognizing its fiduciary responsibility to its shareholders, Japan Post Holdings Co. shall give consideration to appropriately secure rights and equal treatment of shareholders.
3. Japan Post Holdings Co. shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, Japan Post Holdings Co. shall strive to secure management

transparency and commit to appropriate disclosure and provision of information.

4. Japan Post Holdings Co. shall carry out swift and decisive decision-making and business execution under the effective supervision of the Board of Directors, in order to promptly cope with changes in the social and economic environment and meet the expectations of all stakeholders.

Japan Post Holdings Co. sets out its "Basic Policy on Corporate Governance" concerning the basic views, framework and operation policy regarding the corporate governance of Japan Post Holdings Co., with a view to ensuring sustainable growth of Japan Post Group and enhancing its corporate value over the medium to long term, and develops the corporate governance structure of Japan Post Group.

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

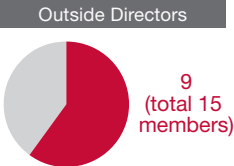
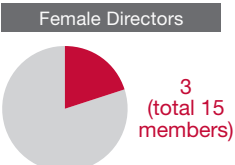

Group Operation and Management Structure

Japan Post Holdings Co. has concluded agreements on Japan Post Group's operation and management (hereinafter "Japan Post Group Management Agreements") with and between Japan Post Co., Japan Post Bank Co. and Japan Post Insurance Co. on Japan Post Group's common philosophy, policies and other basic matters concerning group management, thereby setting up a system to facilitate mutual collaboration and cooperation as well as exerting synergistic effects among Japan Post Group companies.

In addition, Japan Post Co. is required to give prior approval or report on matters which must be done in order to conduct Group operations in a smooth and appropriate manner, as well as matters

which require management based on laws and regulations. The two financial subsidiaries (Japan Post Bank Co. and Japan Post Insurance Co.) are required to give prior approval or reports for the purpose of securing the independence of the two finance corporations, and the Group is promoting consolidated management as a Group and working to ensure appropriate governance. Moreover, in accordance with Japan Post Group Management Agreements, the Group Steering Committee was established to discuss and share a common understanding of important matters concerning group management among the management of Japan Post Group companies for the purpose of promoting effective and efficient operation of Japan Post Group.

Characteristics of the Board of Directors

Characteristic (1)	Characteristic (2)	Characteristic (3)	Characteristic (4)
Company with nomination committee, etc.	The majority of the board are outside directors	Putting diversity into practice	Implementation of Board of Directors effectiveness evaluation
Since becoming a listed company in November 2015, Japan Post Holdings Co. has maintained a system as a company with nomination committee etc. The nomination, compensation and audit committees have at least three members each, the majority of which are independent officers.	The Board of Directors consists of 15 directors (up to 20 as defined in the Articles of Incorporation), of which the majority nine directors are independent outside directors. 	The Board of Directors consists of diverse directors, who have a wealth of knowledge, experience and insight.  	Every year, the Board of Directors confirms the opinions of each director regarding the Board of Directors meetings, then analyzes and evaluates the effectiveness of the Board of Directors overall, and discloses an overview of the results, using them to improve operation of the Board of Directors.

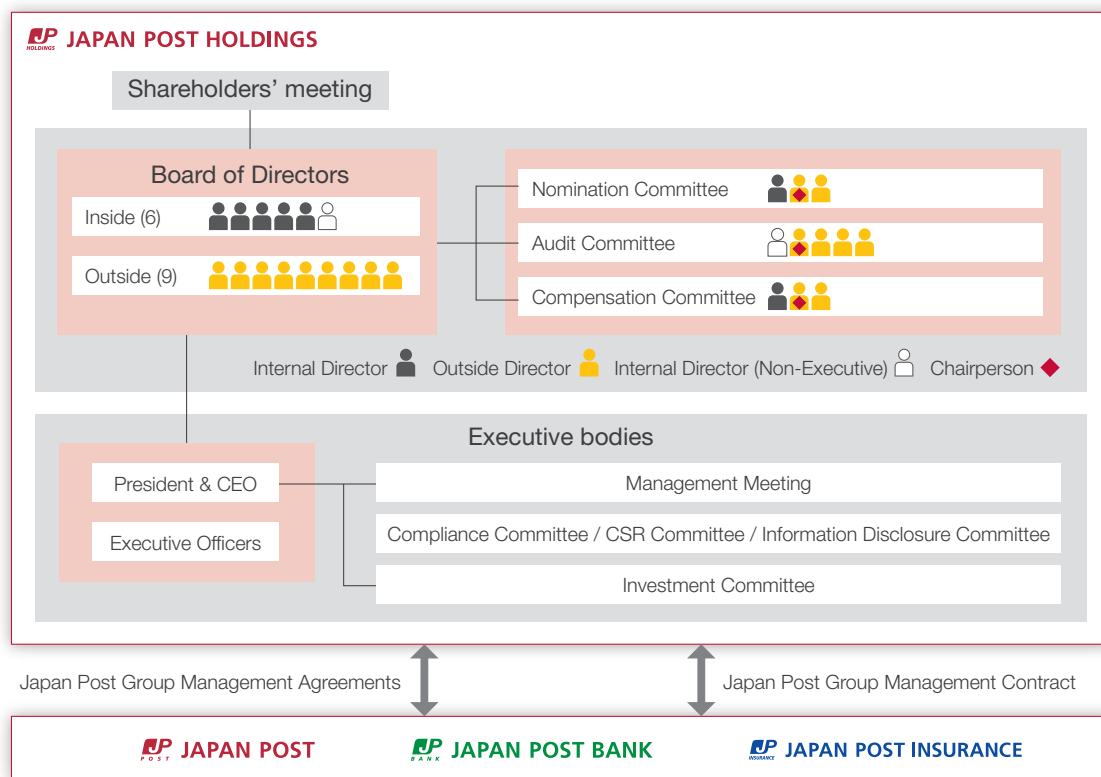
Overview of Committees

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

	Role and Structure	Operation Status	Meetings in the fiscal year ended March 31, 2019 (average attendance rate)
Board of Directors	The Board of Directors, comprised of 15 Directors (including nine Outside Directors), determines matters such as the basic management policy required by relevant laws and regulations, as well as the matters relating to the important execution of duties, and supervises the execution of duties by Directors and Executive Officers.	In the fiscal year ended March 31, 2019, the Board of Directors discussed the development of the Group Medium-term Management Plan, as well as matters concerning the revision of our basic policies concerning corporate governance, and received reports concerning the operation status of the “internal control system”, group performance important issues, risk management and the state of compliance and internal audits.	12 times (97%)
Nomination Committee	The Nomination Committee, comprised of three Directors (including two Outside Directors), submits proposals to the General Meeting of Shareholders concerning the election and dismissal of Directors. In accordance with the provisions of the Act on Japan Post Holdings Co., resolutions for the election and dismissal of Directors of the Japan Post Holdings Co. shall not become effective without the approval of the Minister for Internal Affairs and Communications.	In the fiscal year ended March 31, 2019, the Nomination Committee determined candidates for Directors, listened to succession plans for the Directors and Representative Executive Officers and discussed the content of plans. In addition, this committee examined and discussed the appointment and dismissal criteria for officers.	3 times (100%)
Compensation Committee	The Compensation Committee, comprised of three Directors (including two Outside Directors) establishes the policy for determining the amount of compensation for each Director and Executive Officer, and determines the amount for individual officers on the basis of this policy.	In the fiscal year ended March 31, 2019, the Compensation Committee decided on individual compensation for Directors and Executive Officers, as well as performance-linked compensation for executives, and examined and discussed the executive compensation system of Japan Post Holdings Co.	3 times (100%)
Audit Committee	The Audit Committee consists of five Directors (including four Outside Directors), who audit the execution of duties by Directors and Executive Officers, audit the validity of methods and results of auditing of financial statements by accounting auditors and make audit reports. They also decide on the content of proposals submitted at the general shareholders' meetings regarding the election, dismissal and non- reappointment of accounting auditors.	In the fiscal year ended March 31, 2019, the Audit Committee determined the auditing policy and auditing plan, and collaborated with the accounting auditors and Internal Auditing Department to conduct audits by attending important meetings such as those of the Management Meeting. With regard to the internal control system developed based on resolutions by the Board of Directors, the Audit Committee received regular reports from Directors and Executive Officers about the development and operation status of the internal control system, and received regular reports from the departments in charge of internal control functions, such as the Compliance Department, the Risk Management Department, the Accounting Department and the Finance Department. With regard to subsidiaries, the Audit Committee exchanged information with subsidiary Directors, Audit Committee members and Corporate Auditors, and received reports on business as necessary. In addition, the Audit Committee monitored and verified whether accounting auditors hold an independent positions and conduct audits properly. The Audit Committee also reviewed financial documents by receiving reports from the accounting auditors on the status of the execution of duties by the accounting auditors, and by receiving notices based on Article 131 of the Ordinance on Company Accounting.	20 times (100%)

Japan Post Group Corporate Governance

■ Japan Post Holdings Co. Corporate Governance System



*The number of members on the Board of Directors shall be an appropriate number of no more than 20 as stipulated in the articles of incorporation, and in principle, the majority shall be composed consist of independent officers.

Evaluation of Effectiveness of the Board of Directors

Method of Evaluation

The effectiveness of the Board of Directors of Japan Post Holdings Co. in the fiscal year ended March 31, 2019 was evaluated based on the questionnaires for the directors and opinions expressed at meetings of Outside Directors.

Overview of Evaluation Results

The evaluation reached the conclusion that in the Board of Directors, members with diverse experience and expertise actively engage in constructive discussions that make full of use their respective insights and experiences, and so the Board of Directors is generally functioning well.

In the evaluation made the previous year, the issue was raised that there was room to improve, as the Board of Directors of a holding company should spend more time discussing the direction of management of the entire Group, the medium-term growth strategy and other important issues.

Since then, the Board of Directors has addressed these issues, but in this evaluation the issue was raised that despite the fact that discussions have been held that spend more time on important issues, it is necessary for all Directors to have a common understanding of the environment affecting business and hold deeper discussions about giving direction to the medium-term vision and strategy.

Furthermore, with regard to important management issues, the opinion was stated in the Board of Directors that continuous monitoring and follow-up are necessary.

In the future, from a broad perspective the Board of Directors will hold deeper discussions on the direction of business in the medium to long term, and from the perspective of Group governance, and will further enhance its effectiveness as the Board of Directors of a holding company.

Independence Criteria of Outside Directors

All nine Outside Directors have been designated as independent executives having been deemed as meeting the “Standards for Designating Independent Directors of Japan Post Holdings Co.”

defined by Japan Post Holdings Co., and being Outside Directors who have no risk of conflicts of interest with general shareholders, as defined by the Tokyo Stock Exchange.

Standards for Designating Independent Directors of Japan Post Holdings Co.

Japan Post Holdings Co. shall designate independent officers as defined by the Tokyo Stock Exchange from among Outside Directors who do not fall under any of the following categories.

1. Anyone who has been an executive of the Japan Post Group in the past
2. Anyone for whom Japan Post Group is a major business partner, or an executive thereof
3. Anyone who is a major business partner of Japan Post Group, or an executive thereof
4. Consultants, accounting experts or legal experts who receive or have received large payments of money or property from Japan Post Group, other than executive compensation (if the party who obtains the property is a corporation, a union, or other such organization, this includes anyone who belongs to that organization now or who has belonged to that organization in the past)
5. Major shareholders of Japan Post Holdings Co. (if that party is a legal entity (excluding the Japanese Government), then anyone who is an executive of that legal entity)
6. The spouse or relatives within second degree of kinship of the following parties (excluding unimportant ones.)
 - (1) Anyone listed in parts 1 to 5 above
 - (2) Executives of subsidiaries of Japan Post Holdings Co.
7. Executives of other companies in which an executive of Japan Post Group is appointed as an outside director
8. Anyone who has received a large amount of donations from the Group (if the party who receives the donation is a corporation, a union, or other such organization, this includes anyone who is an executive of that organization)

*Please see the following website for details.
https://www.japanpost.jp/group/governance/pdf/02_08.pdf (Japanese)

Training of Directors & Support System for Outside Directors

Training of Directors

Japan Post Holdings Co. provides opportunities for Directors to deepen their understanding and acquire necessary knowledge about such things as Japan Post Group's businesses, issues to be addressed and management strategies by implementing measures such as tours of Japan Post Group's facilities, so that Directors may properly fulfill the roles and responsibilities expected of them.

Support System for Outside Directors

Japan Post Holdings Co. has developed an operation system for Outside Directors with consideration for the coordination of a flexible

annual schedule, accurate provision of information as necessary, adequate advance explanation of proposal contents and securing of time for preliminary consideration and question-asking by the Board of Directors to ensure smooth and effective operation of the Board and improve the effectiveness of supervision by Outside Directors. In addition, Japan Post Holdings Co. has established the Office of the Board of Directors to streamline the deliberation and reporting processes of the Board of Directors and check on the progress of resolutions made by the Board, as well as to support management and ensure communication and coordination with Outside Directors to conduct Board of Directors' meetings effectively and efficiently.

Policy on Appointment of Directors

Scale and Composition of Candidates for Directors

The Nominating Committee nominates diverse director candidates with different types of expertise and experience while taking into consideration the balance of the Board of Directors as a whole. The number of director candidates shall be an appropriate number of no more than 20, as defined in the Articles of Incorporation, and as a rule the majority shall be composed of independent outside director candidates.

Internal Directors

The Nomination Committee nominates people who meet the following conditions as Internal Director candidates of Japan Post Holdings Co.

- (1) Has expertise in the business of Japan Post Holdings Co.
- (2) Has superior ability in management judgment and management execution

- (3) Has superior ability in leadership, determination, foresight and planning
- (4) Has an appropriate personality and insight as a Director
- (5) Has no health problems when performing duties as an Internal Director

Outside Directors

The Nomination Committee nominates people who meet the following conditions as Outside Director candidates of Japan Post Holdings Co.

- (1) Has knowledge of a specialized field, such as management, accounting, finance, law, administration, society and culture, etc., and has achieved appropriate results in these specialized fields
- (2) Has an appropriate personality and insight as a Director
- (3) Has no health or operational problems when performing duties as an Outside Director

Japan Post Group Risk Management

Japan Post Holdings Co., as the holding company of Japan Post Group, recognizes that properly managing risk within the Group is one of management’s highest priorities and has formulated a basic policy concerning Group risk management. Based on the shared understanding of this policy among Group companies, Japan Post Holdings Co. establishes a risk management system for the entire Group.

Japan Post Holdings Co. is committed to preventing the transfer of risk from one Group company to another. Japan Post Holdings Co. is also committed to assuring that Japan Post Bank Co. and Japan Post Insurance Co., the Group’s financial companies, continue to strengthen their risk management systems as independent financial institutions and implement autonomous risk management.

Group Risk Management Framework

As a basic policy concerning Group risk management, Japan Post Group has laid down basic principles of risk management and fundamental matters that should be observed by Group companies in implementing risk management, including categories of risks that should be managed by each company. Japan Post Group performs Group risk management based on this policy.

Directors and Executive Officers of Group companies recognize the importance of risk management and are responsible for notifying employees of risk management policy as well as working to develop and properly operate risk management systems.

In addition, Japan Post Holdings Co. has a Risk Management Department for the purpose of monitoring risk for the entire Japan Post Group. The Risk Management Department receives reports from and has discussions with Group companies on matters related to their risk management, thereby setting up a system to properly identify and monitor risk for the Group as a whole.

The Executive Officer in charge of risk periodically submits Group company risk management reports to the Board of Directors and the Management Meeting. The Management Meeting also discusses the Group’s risk management policies and risk management systems. In addition, the Board of Directors appropriately supervises Executive Officers who execute business.

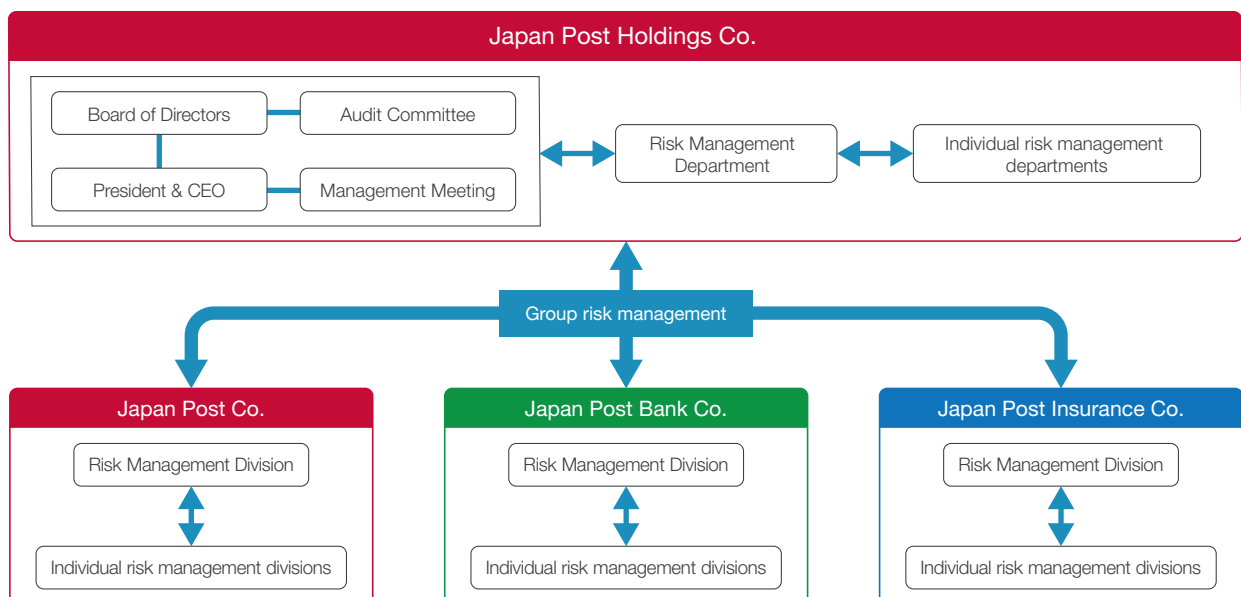
Japan Post Group pays particular attention to preventing any conflicts of interest when determining the authority and responsibility of organizations, executives and employees who engage in risk management and has a system in place that ensures appropriate checks and balances among these parties.

Japan Post Bank Co. and Japan Post Insurance Co. are exposed to market risk, credit risk and other types of risk that are unique to the provision of financial services. Each Group company identifies risks to be quantified and then uses VaR (value at risk, a measure of the maximum expected loss that could occur due to events with a certain probability) and other methods to objectively and appropriately measure these risks in a uniform manner.

Japan Post Holdings Co. manages risk by confirming that the amount of risk measured at each of these two companies is suitable in relation to each Group company’s equity capital.

Japan Post Holdings Co. also checks the implementation status of stress tests conducted by Group companies to ascertain risks that cannot be determined through normal risk measurement, and reports this to the Board of Directors and the Management Meeting. In addition, Japan Post Holdings Co. and Japan Post Group follow internal and external financial regulations that include the Basel Capital Accord to carry out management corresponding to the capital adequacy ratio

■ Risk Management Framework for Japan Post Group



and solvency margin ratio, as well as respond or make disclosures as necessary, such as by submitting reports in response to demands from regulatory authorities.

Operational risk is managed for the business activities of Japan Post Co., Japan Post Bank Co. and Japan Post Insurance Co. Opera-

tional risk management is monitored on a regular basis to properly supervise this risk. In addition, actions are taken to enable Group companies to work more closely together to prevent the recurrence of problems and strengthen risk management.

Japan Post Group Risk Management System

Managing risk at Japan Post Group companies is recognized as one of management's highest priorities. After specifying risks associated with each business activity, each Group company has established a management system in accordance with the characteristics of each risk based on the basic policy for Group risk management and

manages those risks autonomously. A department responsible for managing risk has been set up in each Group company and a system for checks and balances has been created together with the individual risk management departments.

■ Risk Categories and Definitions

Risk category	Definition
Insurance underwriting risk	The risk of losses arising due to change in economic conditions or insurance accident occurrence ratios as opposed to the projections made at the time when insurance premiums were set.
Credit risk	The risk of losses arising from the decline or elimination of the value of assets (including off-balance-sheet assets) due to deterioration in the financial condition of an entity to which credit is provided.
Market risk	The risk of loss resulting from changes in the value of assets and liabilities (including off-balance-sheet assets and liabilities) due to fluctuations in risk factors such as interest rates, foreign exchange rates and stock prices and the risk of losses resulting from changes in earnings generated from assets and liabilities. There are three material market risks as follows:
1) Interest rate risk	The risk of losses resulting from changes in interest rates. As a result of a mismatch of interest rates on its assets and liabilities and/or timing differences in the maturity thereof, the company may suffer a loss or a decline in profit due to changes in interest rates.
2) Price volatility risk	The risk of declines in the value of assets due to changes in the prices of securities and other financial instruments.
3) Foreign exchange risk	The risk of losses resulting from the difference between assumed and actual foreign exchange rates in the case where the company has a long position or short position on a net basis with regard to its assets and liabilities denominated in foreign currencies.
Asset investment risk	The risk of losses arising from fluctuations in the values of assets or liabilities held (including off-balance-sheet items). Asset investment risk consists of the following credit, market and real estate investment risks.
1) Credit risk	Same as credit risk above
2) Market risk	Same as market risk above
3) Real estate investment risk	The risk of losses due to decline in profitability of real estate caused by the changes of rental rates, or due to decrease in the value of real estate itself caused by factors such as changes in market conditions.

Risk category	Definition
Liquidity risk	(1) Funding-liquidity risk: The risk of losses because a company finds it difficult to secure the necessary funds or is forced to obtain funds at far higher interest rates or the company must unavoidably trade at remarkably lower prices than usual under normal conditions because of a worsening financial condition. (2) Market-liquidity risk: The risk of losses arising due to an inability to conduct market transactions or the need to conduct transactions at far more unfavorable prices because of market turmoil.
Operational risk	The risk of losses resulting from inadequate operation processes, inadequate activities by officers and employees and inadequate systems or from external events. There are three categories of operational risk that apply to the entire Group: (1) administrative risk, (2) IT system risk and (3) information assets risk.
1) Administrative risk	The risk of losses resulting from the neglect by officers and employees to conduct administrative work properly, accidents caused by them and violation of laws conducted by them in the course of the administrative work process.
2) IT system risk	The risk of losses because of a breakdown or malfunctioning of computer systems or other computer system inadequacies, or because of improper use of computer systems.
3) Information assets risk	The risk of losses arising from the loss, falsification, inappropriate use, or external leakage of information due to IT system damage or inappropriate processing.

Japan Post Group Compliance Framework

Japan Post Group recognizes compliance as one of its highest management priorities and conducts rigorous compliance activities. In particular, as one of our highest management priorities, we are further promoting and managing initiatives for preventing the recurrence of misconduct such as the inappropriate receipt of fees and the abandonment and concealment of mail and for the implementation of anti-corruption measures such as anti-money laundering and combating the financing of terrorism measures.

All Group companies build an effective compliance framework giving due consideration to the public characteristics of the business.

Japan Post Group Compliance Framework

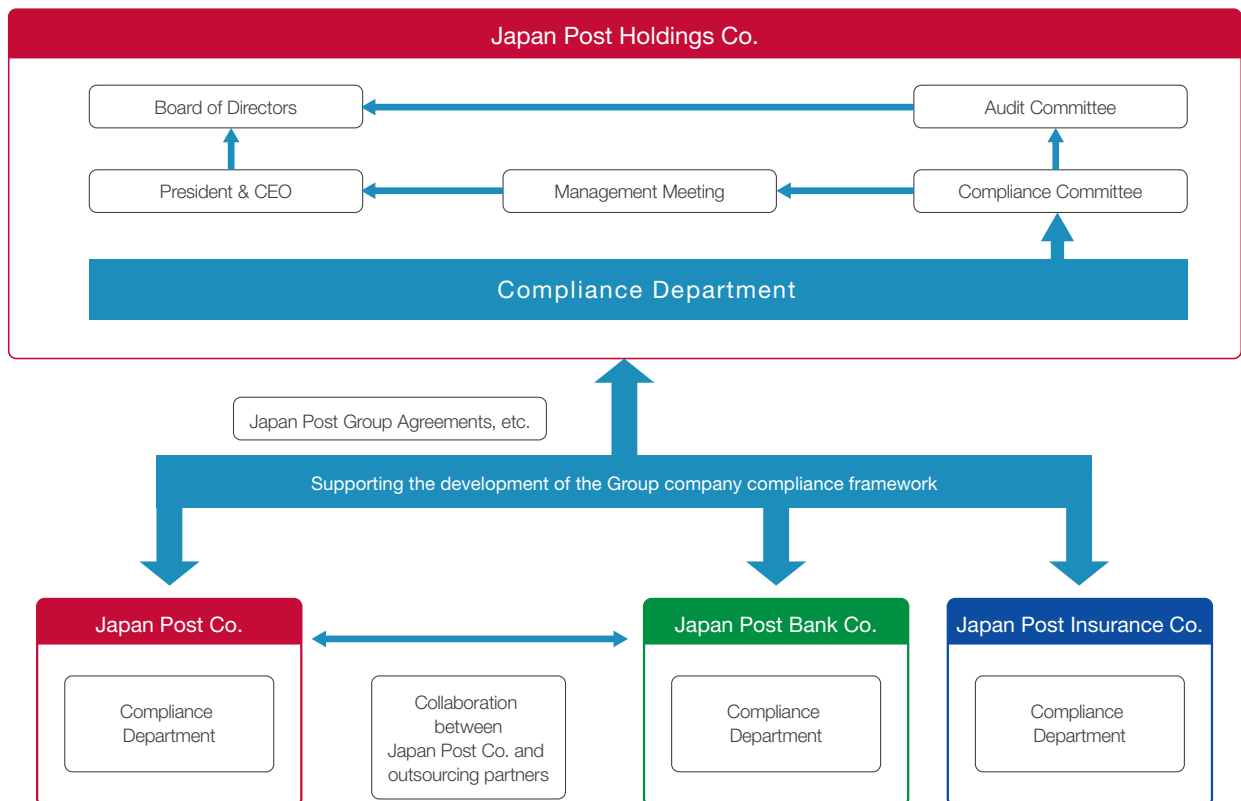
Japan Post Group employs a common compliance framework. Each Group company establishes a Compliance Department to conduct integrated management of compliance-related matters.

In addition, each Group company has a Compliance Committee that provides advice to its Management Meeting to review the compliance policy, framework, specific activities and associated issues. The director in charge of compliance then reports important matters discussed by the Compliance Committee to the Management Meeting and the Board of Directors.

A Compliance Department has been set up and placed under the control of a director in charge of compliance to propose measures to promote compliance and manage the progress of each measure.

In order to ensure Group-wide compliance, the Compliance Department of Japan Post Holdings Co. provides support in accordance with Japan Post Group Agreements, etc., to Group companies to help them establish their respective compliance frameworks, and by doing so, strives to maintain and improve compliance functions for the Group as a whole.

■ Japan Post Group Compliance Framework



Group Company Compliance Framework

Japan Post Group companies have built a compliance framework as outlined below and use various measures to promote compliance so

that the compliance framework can function effectively.

1. Compliance Framework

● Line of responsibility for compliance activities

Each Group company has a Compliance Department that is independent from departments related to business execution in order to promote compliance activities throughout the company. This and other departments have a compliance officer who is responsible for executing specific compliance activities. In addition, compliance managers have been appointed at all head office departments, regional offices, post offices and branch offices in order to establish a line of reporting for compliance activities.

● Response to compliance violations

In the event of the discovery of any compliance violations or facts that raise suspicion of compliance violations at any Group company, including corruption such as giving or taking bribes or giving or taking inappropriate gifts or entertainment, we shall investigate and clarify the relevant facts and causes of the violations, and implement measures to prevent their recurrence.

● Internal reporting system

In each Group company, the Compliance Department has a compliance hotline that can be used by employees and others to prevent compliance violations, including corruption such as giving or taking bribes or giving or taking inappropriate gifts or entertainment, prevent their recurrence and resolve them quickly. In addition, a compliance hotline has been established at a designated external law firm. This reporting system makes it possible to quickly deal with compliance violations and prevent them from spreading while maintaining a structure to resolve issues at the earliest stage.

By operating this internal reporting system, we are working to protect internal reporters thoroughly and develop an environment that facilitates internal reporting, such as by prohibiting disadvantageous handling of internal reporters and accepting anonymous reports.

2. Promotion of Compliance

● Establishment of compliance program

Each fiscal year, a compliance program is established to provide a plan for specific actions involving compliance. Progress is then checked on a regular basis.

● Activities related to compliance items

At Group companies, specific compliance items have been selected, including anti-corruption such as giving or taking bribes and giving or taking inappropriate gifts and entertainment, and departments have been assigned to take responsibility for individual compliance items in order to promote compliance in a focused manner. The Compliance Department oversees the compliance promotion activities undertaken by these units and conducts integrated management of compliance related issues across the board.

● Preparation and distribution of compliance manual

A compliance manual is prepared to serve as a practical guide to promote compliance. The manual explains the compliance framework, matters concerning areas of compliance and other subjects. All executives and employees also receive a compliance handbook that summarizes the manual and is used in training programs and other activities to raise awareness among executives and employees of the importance of compliance.

● Implementation of compliance-related training

Each Group company conducts a variety of training activities for compliance items using group training, DVDs, e-learning, etc., in order to promote a better understanding of legal matters and other areas, and to raise awareness of compliance.

3. Efforts for anti-money laundering and combating the financing of terrorism (“AML/CFT”)

In response to the increasing demands to prevent money laundering and terrorism financing in recent years, Group companies, as a unified Group, cooperate with each other to establish a framework for

implementing AML/CFT measures, and based on the characteristics of each business, are working on AML/CFT measures.

Japan Post Group Internal Audit System

Japan Post Group has established an effective internal audit system at each Group company in order to ensure sound administration and proper operations aimed at building customer trust.

Japan Post Group Internal Audit System Framework

Japan Post Group sets forth the fundamental matters necessary to create an internal audit system framework in the Group agreements.

Based on these agreements, each Group company develops an effective internal audit system framework befitting the nature of its business and the type and degree of risk.

The Internal Audit Department of Japan Post Holdings Co. evaluates

and examines the audit regulations, audit plans and internal audit systems of and provides guidance and advice to Japan Post Co., Japan Post Bank Co. and Japan Post Insurance Co. from the perspective of enhancing the internal audit system framework of the entire Group.

This Internal Audit Department also makes recommendations for improvements and directly undertakes audits when required.

Internal Audit System at Group Companies

1. Overview

Each Group company has an Internal Audit Department independent from the business-executing departments which conducts internal audits from an independent and objective standpoint. These depart-

ments examine the internal management system, such as ascertaining the state of the execution of management activities and whether mutual supervision is functioning.

2. Implementation of Effective Internal Audits

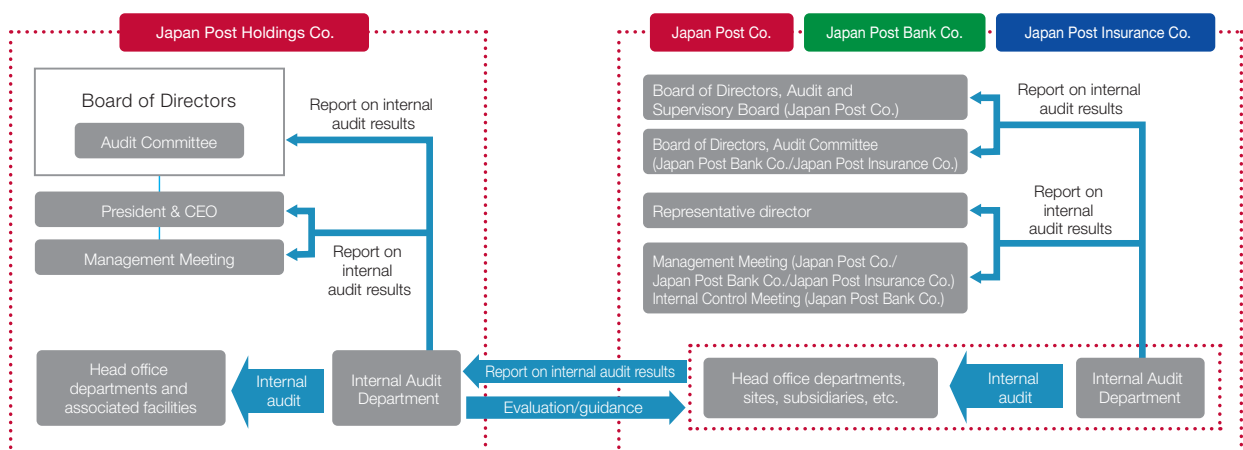
In implementing internal audits, the Internal Audit Department undertakes audits in accordance with IIA's (The Institute of Internal Auditors) International Standards for the Professional Practice of Internal Auditing (Standards). This includes conducting risk-based internal audits, in which audit frequency and audit items are determined by evaluating specific types and extent of risks in the branches and departments or operations within the scope of the internal audit.

In addition, efforts are made to ensure efficient and effective internal audits through off-site monitoring that includes routinely attending various meetings and gathering relevant internally managed materials, as well as obtaining insights from audit firms and specialists through seminars and other occasions both internally and externally to improve the quality of audits.

3. Reporting on Results of Internal Audits and Making Improvements

The Internal Audit Department of each Group company reports on internal audit results to the business-executing departments as well as to the Board of Directors, representative director, Audit Committee and Board of Corporate Auditors.

Moreover, each Internal Audit Department works to improve operations at their respective companies. To this end, progress reports of improvement requests indicated in audit reports are periodically made to the representative director.



Japan Post Group IT Governance

The innovation and spread of information technology is a factor which greatly affects our corporate value, and we recognize it as a major management risk. The Japan Post Group has established a highly effective IT governance system in order to respond appropriately to such an environment.

Group IT Governance System

In the Japan Post Group Agreement, the Japan Post Group defines the basic matters for establishing and developing an IT governance system.

Based on this agreement, Group companies minimize risk arising

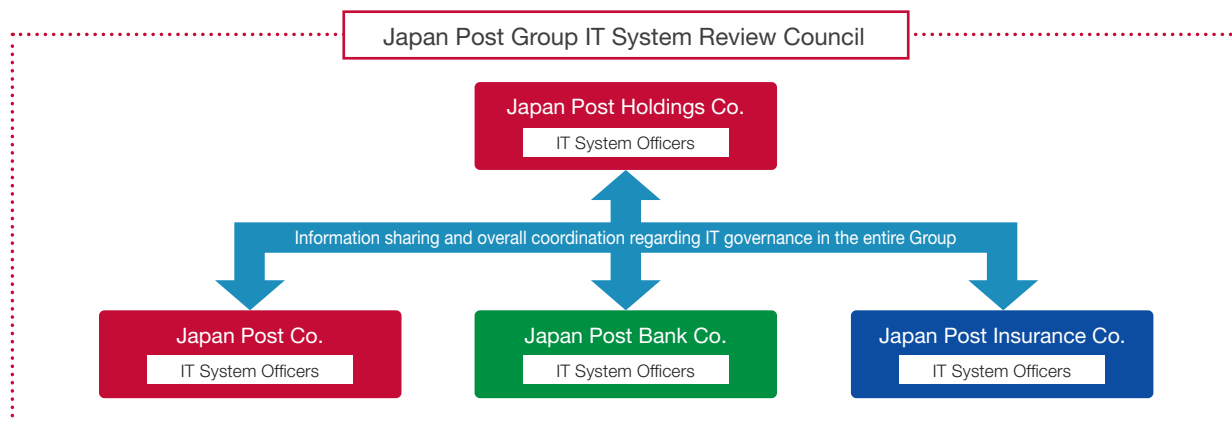
from improving productivity through the development and execution of an IT strategy, streamlining management and using IT, and realize IT governance necessary to maximize corporate value by ensuring the soundness of Group management.

Implementing Effective IT Governance

Japan Post Group has set up a Japan Post Group Information System Review Council with members including the CIO of each Group company, with the purpose of information sharing and overall coordination related to IT governance in the entire Group. Effective IT governance is implemented based mainly on the agenda items and report items on the right.

- Examine policies and measures related to IT governance in the entire Japan Post Group
- Study the direction, confirm impact, and adjust the development schedule of major IT system development
- Status of IT governance activities of the entire Group and four Group companies
- Reporting and sharing information on the operation status of major IT systems
- Other matters deemed necessary by members of the Review Council

Organizational chart of IT governance in Japan Post Group



IT Strategy to Support Group Management

The Japan Post Group has stated the following three IT strategies in order to respond to changes in the business environment including customer needs, as well as promote business innovation using IT.

1. Promote IT to support new business development for future growth
 - Respond to the changing needs of society and customers by providing products and services that totally support their lives
2. Promote work style reform and productivity improvement
 - Actively adopt the latest technology in order to develop an IT

environment where employees can fully demonstrate their own abilities

- Train IT human resources who are familiar with business and technology, and can support the next generation of systems
3. Reinforce our management base in order to support sustainable growth
 - Reduce IT costs for the Group by concentrating Group IT infrastructure in stages
 - Strengthen cyber security and provide reliable IT services

Cyber Security Measures

In response to the constantly increasing advancement and sophistication of cyber attacks, the Japan Post Group has recognized the threat of cyber attacks as a serious risk, and has developed a system to deal with cyber attacks. We are working to safeguard and manage important information from damage such as information leaks and loss caused by cyber attacks.

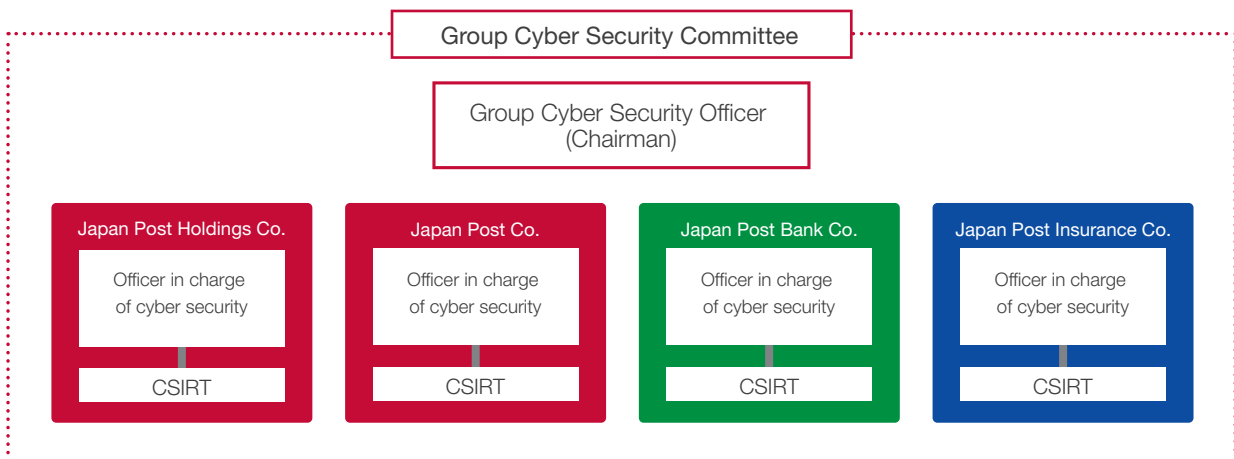
Group Cyber Security System

Under governance of the holding company Japan Post Holdings Co., we have developed a cyber security management system for Japan Post Group.

We have established a Group Cyber Security Committee consisting of executives in charge of cyber security from the four main Group companies of Japan Post Group. This committee develops Group cyber security strategy, and works to track and evaluate the status of

cyber security measures in Group companies.

In our system, executives in charge of cyber security at Japan Post Holdings Co. oversee Group governance related to cyber security. They regularly report on the status of cyber security efforts to management.



Efforts for Cyber Security Measures by Japan Post Holdings Co.

Defense in Depth	In order to reduce the risk of malware attacks from outside the company and unauthorized transfer of information from inside the company, we have introduced multiple detection and defense mechanisms against unauthorized access and unauthorized programs, and are implementing multi-level countermeasures (defense in depth). The effectiveness of defense is regularly evaluated by a third party.
Incident Response System	We have developed an incident response system centered on CSIRT, so that when a cyber attack occurs, we can quickly find the cause and minimize the damage, and at the same time report it to management quickly. We are conducting response training for security incidents on a regular basis, and checking whether our incident response system is functioning effectively, while also working to improve the incident response capabilities of CSIRT staff and other employees.
Education / Training	We conduct cyber security education and training for executives and employees, and are working to improve security awareness among executives and employees.
External Collaboration	We collaborate with external organizations such as JPCERT/CC, the Nippon CSIRT Association and the Tokyo Metropolitan Police Department in order to share attack information and countermeasure trends, and strive to respond quickly to increasingly sophisticated cyber attacks.

Japan Post Group Privacy Policy

Japan Post Group (“the Group”) is dedicated to providing services that can achieve a high degree of customer satisfaction. Properly protecting and the treatment of personal information is vital to accomplishing this goal. Accordingly, the Group has established the following fundamental policy (hereinafter referred to as “the Privacy Policy”) for protecting personal information.

(1) Compliance with laws and regulations

When handling personal information, the Group complies with all laws and regulations associated with protecting personal information, national government policies and the provisions of the Privacy Policy (“laws, regulations, etc.,” hereafter).

(2) Purpose of using personal information

The Group specifies the purpose of using personal information and does not use this information beyond the scope necessary for achieving this purpose.

The purposes for which Group companies use personal information are listed in the privacy policies on each company’s website and where applicable.

(3) Acquisition of personal information

The Group acquires personal information using methods that are legal and proper.

(4) Security measures for management of personal information

The Group uses an appropriate security management system to prevent leaks, losses or alterations of personal information. In addition, the Group properly supervises persons engaged in the business of handling personal information, outsourcing parties and others.

(5) Provision of personal information to third parties

Except in cases where required by laws and regulations, the Group

does not supply personal information to third parties without the prior consent of each individual.

In cases where two or more Group companies share the same personal information, this sharing is performed only after providing prior notice or public announcements of items required by law.

Irrespective of the above, specific personal information shall not be provided to third parties or shared jointly except when prescribed by laws or ordinances.

(6) Procedures for requesting disclosure of personal data

The Group responds in a sincere manner in cases where there are requests for the notification of the purpose of use or for the disclosure, correction or termination of use of retained personal data as prescribed by laws, regulations, etc.

The disclosure request procedures for each company can be found on their respective websites and where applicable.

(7) Points of contact for inquiries

Requests regarding retained personal data set forth in the preceding section and inquiries and requests regarding treatment of personal information can be made to designated points of contact.

(8) Continuous improvements

The Group constantly reviews and improves its management and handling methods for the protection of personal information in response to advances in information technology and shifts in social demands.

Sharing of Personal Data among Japan Post Group Companies

Japan Post Group began with the October 2007 privatization of Japan’s postal system. Japan Post Group companies consist of Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., Japan Post Insurance Co., Ltd. and several other subsidiaries and affiliated companies.

Each Japan Post Group company uses its respective specialized skills to provide high-quality services. The objective is to achieve even greater customer satisfaction.

To accomplish this goal, Japan Post Group wishes to share customers’ personal data solely to the degree required and within the scope explained below. This data is used to conduct business activities performed directly by Group companies or through outsourcing parties.

The Group asks for customers’ understanding and pledges that strict information management will be used during the shared use of personal data.

(1) Personal data items for shared use

Shared use covers names, birth dates, addresses, telephone numbers and other contact information, family members, occupations and data concerning business transactions with the Group. However, this

excludes information about materials sent or delivered by postal mail or any sensitive information.

(2) Scope of parties involved in shared use

Shared use is limited to Japan Post Group. However, this applies only to companies included in the consolidated financial statements, including equity-method affiliates, of Japan Post Holdings, as prescribed by laws, regulations, etc., and is limited to the following companies:

Japan Post Holdings Co., Ltd, Japan Post Co., Ltd, Japan Post Bank Co., Ltd, Japan Post Insurance Co., Ltd.

(3) Purpose of use

- 1) Distribution of information about services and research and development involving services
- 2) Decisions involving the provision of services
- 3) For the proper management of Group business operations primarily for the purpose of monitoring and managing risks

(4) Name of party with responsibility for managing personal data

Japan Post Holdings Co., Ltd.

Japan Post Group Conflicts of Interest Management Policy

Japan Post Group (“the Group”) conducts business activities fairly based on laws, ordinances and internal regulations so that the interests of customers are not unduly impaired due to transactions that may give rise to a conflict of interest.

- 1 The following representative examples of companies in Japan Post Group (“Group companies”) fall within the scope of the Conflicts of Interest Management Policy.
 - Japan Post Bank Co., Ltd.
 - Japan Post Insurance Co., Ltd.
 - Japan Post Co., Ltd.
- 2 The Group will manage conflicts of interest for the transactions stipulated below.
 - (1) Transactions that may unduly impair the interests of customers among the following transactions:
 - Transaction with a customer that has an interest in one of the Group companies based on an agreement
 - Transaction with a party that has conflicting interests or is competing with a customer that has an interest in one of the Group companies based on an agreement
 - Transaction that makes wrongful use of information gained from a customer with an interest in one of the Group companies based on an agreement
 - (2) Any transaction aside from the aforementioned that may unduly impair the interests of the customer due to a conflict of interest
- 3 The Group will select one or a combination of the following methods and other measures to manage transactions with a conflict of interest:
 - (1) Separate the business unit conducting the target transaction and the business unit conducting the secondary transaction with the customer
 - (2) Amend the terms and conditions or method of the target transaction or the secondary transaction with the customer
 - (3) Discontinue the target transaction or the secondary transaction with the customer
 - (4) Properly disclose to the customer that the target transaction may unduly impair his or her interests
- 4 The Group will establish a department that handles conflicts of interest independent from business departments that will specify target transactions and properly manage conflicts of interest. In addition, the Group will educate and train executives and employees so that they comply with laws, ordinances and internal regulations set down regarding the management of conflicts of interest.
- 5 The Group will continuously review its management stance regarding conflicts of interest and strive to make improvements.

Japan Post Group Information Security Declaration

Services provided by Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. as Japan Post Group are used by a large number of customers. We believe that information about these customers must be strictly managed, and the services used by customers must be absolutely safe.

We understand that information security is essential for

customers to use our services with confidence. Our activities reflect this awareness of the importance of information security. We place priority on the following items in order to manage information about customers safely and to protect this information from leaks and alterations resulting from unauthorized access and from disruptions in services caused by accidents, natural disasters and other events.

- 1 Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. will establish information security policies and follow the policies for the purpose of conducting information security activities.
- 2 We will conduct a continuous information security training program for the purpose of maintaining a strong awareness among employees of the importance of information security and reinforcing that awareness.
- 3 We will conduct continuous inspections of information security activities and make revisions and improvements whenever needed for the purpose of maintaining and enhancing the effectiveness of information security activities.

Declaration by Top Management regarding the Elimination of Relationships with Antisocial Forces

To eliminate any relationships with antisocial forces and prevent damage to the organization, Japan Post Group has made the following declaration in line with the Fundamental Policy for Establishment of Internal Control Systems.

- 1 Organizational response**
In firm recognition of its social responsibility and to strengthen management based on compliance, Japan Post Group, as an organization in its entirety, will ensure that any relationships with antisocial forces are eliminated.
- 2 Complete elimination of relationships, including transactions**
Japan Post Group will have no relationships whatsoever with antisocial forces, including transactions.
- 3 Legal measures and prohibition of secret negotiations**
Japan Post Group will strongly refuse any unjustified demands by antisocial forces and will take legal measures, either via a civil court or a criminal court, or both. Japan Post Group will never negotiate in secrecy with antisocial forces, even if their unjustified demands are to conceal matters related to any misconduct of the Group's own activities or that of its staff.
- 4 Cooperation with outside experts**
Japan Post Group will establish close relationships with outside experts in preparation for any unjustified demands by antisocial forces in order to ensure the safety of its staff against such demands.
- 5 Prohibiting financing for antisocial forces**
Japan Post Group will never engage in financing for antisocial forces.

Disclosure Policy

Fundamental policy

Japan Post Group has stipulated in its Charter of Corporate Conduct to “fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner” to earn the trust of customers. To achieve sustainable growth and medium- to long-term improvement in our enterprise value, Japan Post Holdings Co., Ltd. (the “Company”) shall disclose information in a fair and accurate manner to its shareholders, investors, and other stakeholders. In addition, the management shall make efforts to actively communicate with them and share among its own staff the requests, expectations, and so on obtained through this communication.

Standards for information disclosure

The Company shall comply with the Financial Instruments and Exchange Act of Japan, other applicable laws and regulations and the securities listing regulations stipulated by the Tokyo Stock Exchange, manage important information about the Company and its subsidiaries, and swiftly disclose it in a timely manner.

Moreover, the Company shall not only disclose information in accordance with the aforementioned laws and regulations and other relevant rules and regulations, but it shall also strive to voluntarily disclose information that will contribute to the deepening of understanding of the Company and its subsidiaries at occasions such as investor information meetings.

Establishment of internal systems

The Company shall strive to establish and reinforce its internal systems by appointing the executive officer in charge of the Corporate Planning

Division to be responsible for establishing the internal system for our IR activities, so that each division works together in an organic manner to ensure appropriate information disclosure. Furthermore, the Company has established the Disclosure Committee for discussions about information disclosure.

Method of disclosing information

The Company shall make disclosure as required based on the Financial Instruments and Exchange Act of Japan, other related laws and regulations, securities listing regulations of the Tokyo Stock Exchange, etc. through prescribed means including the Electronic Disclosure for Investors' Network (EDINET), which is operated by the Financial Services Agency, the Timely Disclosure network (TDnet), which is operated by the Tokyo Stock Exchange, and through the Company's website.

Disclosure of information through methods other than the above shall be made through the Company's website and other means.

Future outlook

Information disclosed of the Company might include forward-looking statements. Such statements have been prepared in accordance with judgments made by the management based on the information available to the Company at the time of disclosure and on certain assumptions that the Company believes to be reasonable in making its predictions of the future, thereby containing various risks, as well as some degree of indeterminacy and uncertainty. Accordingly, actual figures and financial results may differ from the forward-looking statements included in the disclosed information depending on future business operation as well as changes in economic and other circumstances.