

# Aiming to realize a “Co-creation Platform” supporting customers and local communities



## Our History

- 1871 ○ Modern postal service was established. Issuance of postage stamps was commenced.
- 1872 ○ The nationwide postal service network was completed.
- 1873 ○ The nationwide uniform postage charge system was implemented. Issuance of postcards was commenced.
- 1875 ○ Postal money order service and postal savings service were established.
- 1885 ○ The Ministry of Communications was established.
- 1892 ○ The parcel post service was launched.
- 1901 ○ Red post boxes were introduced.
- 1908 ○ Current outstanding balance of postal savings: 100 million yen
- 1911 ○ The express mail service was launched.
- 1916 ○ Postal life insurance service was established.
- 1928 ○ National Health Exercise Program (precursor of the Radio Exercise Program) was established.
- 1949 ○ The Ministry of Posts and Telecommunications was established.
- 1960 ○ Current outstanding balance of postal savings: 1 trillion yen
- 1971 ○ Educational endowment insurance and special whole life insurance services were established.
- 1984 ○ The nationwide online network for postal savings was completed.
- 1985 ○ Current outstanding balance of postal savings: 100 trillion yen
- 2001 ○ The Postal Services Agency was established.
- 2003 ○ Japan Post was established.
- 2007 ○ The Japan Post Group was established.
- 2012 ○ Reorganized into the current four-company structure
- JP JAPAN POST HOLDINGS JP JAPAN POST BANK**  
**JP JAPAN POST JP JAPAN POST INSURANCE**
- 2015 ○ Listed on the First Section of the Tokyo Stock Exchange
- 2021 ○ The 150th anniversary of the foundation of the Japan Post Group



A scene of sorting mails by destination and routing for delivery from the "Mail Handling Picture Book"/1884



"〒" was established as the mark of the Ministry of Communications.



The first poster at the time when the postal life insurance service was established



A scene of mail delivery/1971



Paperwork at the postal savings counter/1983



## 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.

## Group Management Policy

1. We will duly consider our customers' lives, exercise our creativity and provide through our nationwide network a selection of products and services needed by customers in every stage of their lives.
2. We will establish effective corporate governance and compliance programs, including internal audits and internal controls.
3. We will maintain the transparency of the Group's operations through the timely and proper disclosure of information, the appropriate use of intra-group transactions and other activities.
4. We aim for the Group's sustainable growth and a mid-to-long term improvement in our corporate value.
5. We will create opportunities for all employees, business partners and the community to mutually cooperate and for each and every employee to grow.

## Japan Post Group Charter of Corporate Conduct

- |                                  |  |
|----------------------------------|--|
| 1. Earn the trust of customers   | <ul style="list-style-type: none"><li>• We earn the trust of customers by adopting their perspective and meeting their expectations.</li><li>• We protect and manage information strictly so that customers can use our services with peace of mind.</li><li>• We fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner.</li></ul>   |
| 2. Observe ethical standards     | <ul style="list-style-type: none"><li>• We continue to conduct business activities with sincerity by complying with laws, regulations, social standards and internal rules.</li><li>• We stand firmly against antisocial forces and organizations that threaten the order and safety of civil society.</li><li>• We maintain workplace discipline by clearly defining responsibilities and authority and fairly evaluating performance and results.</li></ul>  |
| 3. Place priority on coexistence | <ul style="list-style-type: none"><li>• We actively promote environmental conservation and make a significant contribution to society through business activities.</li><li>• We aim for sustainable coexistence by placing importance on maintaining dialogues with diverse stakeholders.</li><li>• We respect human rights and provide safe and pleasant workplaces.</li></ul>  |
| 4. Create value                  | <ul style="list-style-type: none"><li>• We will create new convenience for customers and provide them with high-quality services.</li><li>• We will create stable value by providing universal services in our three core businesses through the Japan Post Group network.</li><li>• We will utilize teamwork and create corporate value for the Japan Post Group by promoting mutual understanding and cooperation among employees and encouraging each and every employee to fulfill their roles and responsibilities.</li></ul> |
| 5. Be a source of change         | <ul style="list-style-type: none"><li>• We will apply technological innovation and continually make innovative changes internally to provide stable services to our customers.</li><li>• We exercise our creativity from a broad viewpoint and lofty perspective to promote the Group's development.</li><li>• We aggressively take on the challenge of conducting global business activities.</li></ul>   |

# CONTENTS

1. Introduction

## Top Commitment

4. Message from the President  
12. Top Messages from Each Company

## Value Creation Strategy

14. Financial and Non-Financial Highlights  
16. Medium-Term Management Plan “JP Vision 2025”  
18. Initiatives for “JP Vision 2025”  
24. Capital Strategy  
25. Developing Communications with Customers to Further Enhance the Japan Post Group’s Brand Image  
26. Promotion of Group DX  
28. DX Initiatives of the Group Companies  
30. Real Estate Business

32. Initiatives to Realize a “Co-creation Platform”  
34. Initiatives toward the Creation of Value by Group Companies  
40. Initiatives toward Enhancing the Sophistication of Crisis Management  
42. Sports & Communications  
44. Structure of the Japan Post Group  
46. Financial Results, Strengths, and Challenges of Each Group Company

## Sustainability

50. Sustainability Management  
68. Human Resource Strategy

## Corporate Governance

76. Message from an Outside Director  
78. Initiatives toward Enhancing Corporate Governance

79. Japan Post Group Corporate Governance  
88. Directors  
90. Japan Post Group Risk Management  
92. Japan Post Group Compliance Framework  
94. Japan Post Group IT Governance  
95. Japan Post Group Cyber Security Measures  
96. Japan Post Group Internal Audit System  
97. Initiatives for Transportation Safety  
98. Dialogue with Stakeholders

## Data Compilation

101. Data Compilation

### Company Outline

Company name:  
JAPAN POST HOLDINGS Co., Ltd.

Head office:  
3-1, Otemachi 2-chome, Chiyoda-ku,  
Tokyo 100-8791, Japan

Date of establishment: January 23, 2006

Paid-in capital: ¥3,500 billion

Securities code: 6178

Total number of shareholders:  
741,798  
(As of March 31, 2023)

**Date of Publication:** September 2023

### Editorial Policy

This Annual Report (hereinafter, “this Report”) is created from the dual perspectives of providing financial and non-financial information pertaining to an overview of the Japan Post Group as well as its business strategies and management issues for the purpose of promoting an understanding among stakeholders of the Group’s initiatives toward sustainable value creation.

This Report has been combined with the Disclosure Report.

- Reference guideline: International Integrated Reporting Framework, International Integrated Reporting Council (IIRC)

### Subject of Reporting

Reporting period: April 2022–March 2023 (Part of this Report includes information after this period.)

Scope of report: Japan Post Holdings Co., Ltd. and its subsidiaries and affiliated companies

Others: In addition to this Report, please refer to the Integrated Reports of Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.

Please also refer to the most recent materials disclosed by Japan Post Holdings Co., Ltd., including the Notice of Ordinary General Meeting of Shareholders (Business Report, etc.), Annual Securities Report, and Summary Report of Financial Results, for detailed information on the state of business, financial conditions, and business results of Japan Post Holdings Co., Ltd. and each company of the Japan Post Group.

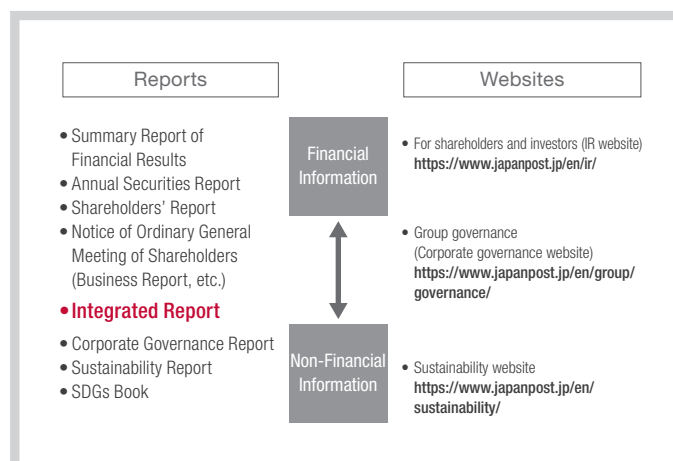
### Disclaimer with Respect to Forward-Looking Statements

This Report is a translation of the Disclosure Document (the written explanation in Japanese of the business and financial conditions of Japan Post Holdings Co., Ltd. and the Japan Post Group) that was prepared pursuant to Article 52-29 of the Banking Act. This Report is not prepared for the purpose of soliciting any shares or other securities of Japan Post Holdings and its subsidiaries. This Report contains forward-looking statements regarding future performance and other matters of the Japan Post Group and each company of the Japan Post Group.

These forward-looking statements do not constitute guarantees of future performance and are subject to risks and uncertainties. Therefore, these statements are subject to the impact of a wide range of future risk factors that include changes in preconditions concerning the business environment, economic circumstances and economic trends, changes in laws and regulations, the occurrence of large-scale disasters, changes in the value of assets held, reputation and rumor risk, and other risks. Accordingly, it should be noted that actual business results and other matters could differ from the details contained in this Report.

Figures and percentages shown in this Report have been rounded off, except for financial numbers in the accounting statements, etc., that have been truncated without rounding. As a consequence, sums of figures may not match the totals presented. Figures and percentages, with exceptions as specifically indicated, are as of March 31, 2023.

### Publications and Their Positioning



# Message from the President



## **MASUDA Hiroya**

Director and Representative Executive Officer,  
President & CEO  
Japan Post Holdings Co., Ltd.

By realizing our “Co-creation Platform,” we aim to be essential and the first choice for customers and local communities throughout Japan.

### Introduction

We are rolling out various measures, including Group-wide digital transformation (DX) and collaborative partnerships with a wide variety of companies outside the Japan Post Group, to realize a “Co-creation Platform” that will support the realization of safe, peaceful, comfortable, and enriched lives.

It is now two years since the announcement of the Medium-Term Management Plan “JP Vision 2025,” and this has been a period of “laying foundations.” We will work to ensure that this year will be the one in which, as we proceed with the concrete measures that we developed over the past two years, all of our stakeholders—including customers, shareholders, and employees—are able to see meaningful results.

By aiming to realize a “Co-creation Platform” supporting customers and local communities, we will address social issues through our post office network in a highly visible way. Providing an even higher level of products and services and enhancing operational efficiency, in doing so, we will transform ourselves into a more robust enterprise that is better able to generate profits.

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## A “Post Office of the Future” that Combines Human Warmth and Pleasant Surprises

In aiming to create a “Co-creation Platform,” one of the most important tasks is to realize an evolution of our post office network.

By combining the strengths of our physical post office network with digital technologies, we provide new value to customers across a wide range of ages and regions. As one form of this, we are currently working on the “post office of the future,” which fuses the digital aspect, utilizing the capabilities of a variety of digital technologies to provide customers with new, pleasant surprises, and the physical aspect, which provides warm, personal service.

We have chosen the Otemachi Post Office (in Chiyoda Ward, Tokyo) as the pilot project post office for the “post office of the future,” and are proceeding with various types of demonstration experiments.

On the digital side, we are working to provide enhanced convenience for customers by adopting a “digital ticket dispenser” that enables them to check how busy the counters at a particular post office are at a given time using their PC or smartphone, and a “self-service postal checkout” (for postal services) where customers can use a single device to post ordinary mail and to purchase Letter Pack envelopes, etc., without lining up at the counters. On the physical side, we will be enhancing experiential value for customers by designing post office interior spaces in a way that aligns with customer needs, through the installation of Life Counseling spaces where customers can have consultations about financial matters or lifestyle issues close at hand, and Lounge spaces where they can make their waiting time more comfortable and enjoy a pleasant purchasing experience. Starting from this fiscal year, we are also rolling out revamped post offices, based on existing post office buildings, that realize online financial consultation and other services in accordance with the characteristics of each region.

I believe that it is extremely important to realize the “post office of the future,” looking ahead 5, 10, or 20 years, and taking the know-how and creativity of Japan Post Group employees as the foundation for ensuring that, in the future, post offices will continue to be appreciated by customers and local communities, and will continue making a positive contribution to society. With this in mind, we are asking our employees

to submit ideas for the “post office of the future,” with the aim of realizing the best ideas through the demonstration experiments that are now underway.

Moving ahead, our goal is to roll out the “post office of the future” throughout Japan. This will be implemented in a stage-by-stage process, taking into consideration the special characteristics of the area where each post office is located, as we strive to provide customers with enhanced value from a smarter, more enjoyable user experience.

We are also proceeding with digitalization in each of our businesses. In the postal and domestic logistics business, we have developed the Ichikawa Minami Post Office as a next-generation post office designed to support practical implementation of DX, making effective use of transportation telematics, new control and management systems, and automated guided vehicles (AGVs). In the post office business, we have introduced online consultations in relation to investment trusts, and digital application services for cancer insurance, simplified issue health insurance, and vehicle insurance. In our banking business, we have launched the Yucho Reco Personal Financial Management (PFM) App, which enables customers to use their smartphones to manage financial assets and monthly income and expenditure, while our life insurance business expanded the functionality of the “My Page” website for policyholders to include a direct claim submission function for hospitalization and operation-related insurance payments.

Moving ahead, we will be accelerating the process of digitalization, with plans to consolidate and overhaul existing apps and unify the customer ID verification system.

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## Collaboration with Companies Outside the Japan Post Group

While working to enhance the value of our post office network by integrating the physical and the digital, the Japan Post Group is also actively promoting the forging of collaborative partnerships between our postal and domestic logistics, banking, and life insurance businesses with a wide variety of companies from outside the Japan Post Group, to realize a “Co-creation Platform” supporting customers and local communities. In this section, I will introduce a few of these collaborative projects.

The COVID-19 pandemic accelerated changes in lifestyles, and as a result e-commerce has come to play an increasingly important role as key infrastructure in people's lives. At the same time, the needs of parcel senders and recipients have become even more diversified, and providing reliable logistics services in a sustainable manner has become a significant issue.

In response to these developments, in 2021 Japan Post joined forces with Rakuten Group, Inc. to establish JP Rakuten Logistics, Inc., and the Japan Post Group and Rakuten Group are working together to build shared logistics hubs and delivery systems.

In October 2022, a new logistics hub for Rakuten Super Logistics (RSL), a comprehensive logistics service that handles everything from receiving to product delivery for Rakuten Ichiba online stores, was established in Fukuoka, with the aim of further strengthening capabilities and reducing lead time for deliveries in the Kyushu region.

In addition, in April 2023 a new, large automated logistics center was established in Hachioji City, Tokyo to further strengthen product supply capability, while also reducing delivery lead times in the Eastern Japan region. This is because distribution through Rakuten 24, a direct sales service for daily necessities, grew and increased the utilization rate of the existing distribution center.

In the future, besides expanding the scope of our collaborative projects to include not only logistics but also retail, DX, and regional revitalization, we will also be constantly examining the possibilities for collaboration in new fields.

Problems that are shared by every company in the logistics sector include the "2024 issue," referring to the necessity for responding to tightened regulation regarding truck drivers working in excess of normal working hours, and the need to reduce CO<sub>2</sub> emissions associated with transport.

To address these issues, we have begun implementing joint transport on trunk routes with Sagawa Express Co., Ltd. We are also participating in the initiative that is being implemented by Tokyo Kyusyu Ferry Co., Ltd. and Sagawa Express to switch over to sea transport via the Yokosuka–Shinmoji ferry route for part of the long-distance transportation trunk route between the Kanto region and Kyushu region.

Regarding the need to maintain a stable delivery network in districts that are affected by a falling population, in order to identify key issues that must be addressed in order to make effective use of the limited

human resources and limited facilities that are available in these areas, in March 2023 we began implementing a trial joint delivery project in the Togatta hot springs district of Miyagi Prefecture and several neighborhoods in the town of Nishikawa-machi in Nishimurayama-gun district, Yamagata Prefecture, whereby parcels collected by Sagawa Express from locations throughout Japan will be delivered in these areas by Japan Post.

On June 19, 2023, the Japan Post Group and the Yamato Group entered into a basic agreement to promote sustainable logistics services. Both booklet parcels (*mail-bin*) and small, lightweight parcels collected by Yamato Transport Co., Ltd. are going to be delivered through Japan Post's delivery network.

Going forward, we will continue to address issues affecting the logistics sector, and to develop a sustainable business while maintaining convenience for our customers in local areas.

Starting from 2022, Japan Post Bank and Daiwa Securities Co., Ltd. have begun providing "Yucho Fund Wrap," which provides optimal investment portfolios matched to customers' life plans and changes in household finances, through 233 directly managed Japan Post Bank branches. This makes it possible to meet customers' individual life planning and asset management requirements with great attention to detail. In the future, we will continue striving to provide customer-focused asset management services, by offering life planning and consulting support that are even more closely tailored to what customers need.

Japan Post Holdings, Japan Post, Japan Post Insurance, Aflac Incorporated, and Aflac Life Insurance Japan, Ltd. are continuing to strengthen their strategic partnership. By collaborating with one another, they are aiming to achieve further synergy, and they continue to explore the potential for new collaborative initiatives. In April 2023, a new Lump Sum Critical Illness Benefit Rider was launched to meet the needs of customers who wish to have generous coverage for serious illnesses in addition to cancer.

With the goal of realizing a "Co-creation Platform" supporting customers and local communities, we will continue to position the cancer insurance offered by Aflac Life Insurance as a product that has an important role to play in our sales strategy. By collaborating on thoroughgoing efforts to implement customer-oriented business operations, we will further develop our strategic partnerships.



## Strengthening Both New Businesses and Core Businesses

One new business area that the Japan Post Group is working actively to develop as an important source of revenue is the real estate business.

Since the completion of the JP Tower (KITTE) in May 2012, which was the Japan Post Group's first real estate project, we have continued to develop high-profitability real estate projects, such as those located near railway stations, retail property, residential property, etc. We have proceeded with measures to further expand revenue from this business, for example, by establishing a dedicated real estate company—Japan Post Real Estate Co., Ltd.—in April 2018.

In addition to the completion of Kuramae JP Terrace in March 2023 and Azabudai Hills Mori JP Tower in June 2023 as development properties of the Group's real estate holdings, other large-scale projects such as JP Tower Osaka, and the Gotanda JP Building are scheduled to be completed in sequence.

As well, by investing in excellent non-Group real estate projects—such as our participation in the Nishiki 3-Chome 25th Block Project (located near Sakae Station in Nagoya), and in the Nakano Station North Exit Project in Tokyo—we are working to further expand the profits generated by the real estate business.

With new businesses, it is unlikely that revenue will be generated immediately, and there is no guarantee that everything will go according to plan. I personally believe that it is important to cultivate a corporate ethos whereby, if there is something new that the Japan Post Group can attempt, we will make an active effort to do so, and that we should make a deliberate effort to encourage the taking on of challenges. In this way, we will be able to generate new ideas and cultivate new businesses, but as a first step, it is extremely important that we adopt a painstaking approach to laying the foundations for this process.

While developing new businesses, it is also extremely important for us to further strengthen the Japan Post Group's core businesses: postal and domestic logistics, banking, and life insurance.

In the postal and domestic logistics business, besides striving to enhance productivity and efficiency through initiatives such as the promotion of DX, we are also aiming to maintain postal service utilization, for example, by providing support for letter-writing workshop programs, providing a service that enables people to send traditional New Year's greeting cards

using their smartphone, and implementing other measures to revive letter-writing and show people the joy of writing and receiving letters.

To effectively develop the growing e-commerce market and the online "flea market" website market, we are working to increase the number of e-commerce sites that make use of Japan Post's "ehasso" delivery service, grow the number of items handled by expanding the locations where contactless automated e-commerce lockers are available, and make the transport and delivery network more efficient.

In our banking business, while maintaining our physical bank branch network, we are also aiming to expand self-service channels and digital channels, for example, by enhancing the functionality of Madotab self-service terminals and of our ATMs, and expanding the range of functions provided by the Yucho Bankbook App and the Yucho Reco Personal Financial Management (PFM) App. In addition, while proceeding with selective investment tailored to the market environment, with appropriate risk management, and steadily increasing our risk asset balance, we will also be focusing on optimizing our overall portfolio, including the restructuring of yen interest rate risk assets to take interest rate movements both within and outside Japan into account.

Turning to the life insurance business, besides working to ensure customers feel truly glad they chose Japan Post Insurance by improving customer convenience and solicitation quality, from the



perspective of boosting the customer experience value (CX), we will also be proceeding with the development of insurance services that respond to the protection needs of customers of all generations in an age of 100-year life, and will be enhancing our insurance services accordingly.

## Working toward the Realization of a Sustainable Society

The Japan Post Group Basic Sustainability Policy states that the Group will strive to realize sustainable growth and enhance corporate value over the medium to long term, by contributing toward the resolution of social issues related to sustainability through its business activities.

Besides clarifying the value creation process, based on examination of the impact on the Japan Post Group's corporate value and the importance to stakeholders (and their expectations), we have summarized important topics and related topics, in six areas: (1) Local communities and economies; (2) Responding to the aging society; (3) Access to services; (4) Environment; (5) Human resources and human capital; and (6) Management base, and used these to set the strategic direction for our initiatives.

With the aim of addressing these key issues, in JP Vision 2025 we have set the ultra-long-term goal of becoming carbon neutral by 2050, and have also set the medium-term goal of reducing greenhouse gas emissions by 46% by the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020) as a milestone on the way to achieving this goal.

The main initiatives that we will be implementing over the period up to the fiscal year ending March 31, 2026 include the promotion of energy-saving by adopting electric vehicles (EVs) for collection and delivery vehicles, installing LED lights in our facilities, and switching over to highly efficient air conditioning systems, as well as a stage-by-stage transition to using low-carbon electric power. In addition, as the realization of carbon neutrality is predicated on progress being made toward carbon neutrality in the wider society, such as the spread of renewable energy, we will also be providing support for carbon neutral initiatives in local communities.

We are currently collaborating with Tokyo Electric Power Company Holdings, Inc. and MITSUBISHI MOTORS CORPORATION on a demonstration

experiment at the Numazu Post Office (in Numazu City, Shizuoka Prefecture) and the Oyama Post Office (in Oyama City, Tochigi Prefecture) in relation to the challenge of long-distance travel using EVs (which has been a problem affecting the transition to EVs), involving the installation of rapid chargers and analysis of EV travel data. We are also contributing toward the improvement of the EV charging infrastructure in local communities by making the rapid chargers available for use by the general public.

Japan Post has also forged a strategic tie-up with the Chubu Electric Power Group to promote the shift to carbon neutrality, and we are proceeding with preparations for making effective use of renewable energy by installing photovoltaic generating equipment and storage batteries at post offices. This will also contribute toward strengthening local communities' resilience in the event of a natural disaster, because the power will be available for use in the event of an outage.

In another initiative, as of the fiscal year ended March 31, 2023, Japan Post had opened a total of eight environmentally friendly "+Eco Post Offices." The special features of these "+Eco Post Offices" include being built using cross-laminated timber (CLT) panels, which are made using sustainable timber and provide outstanding strength and thermal insulation, as well as the use of renewable energy, including photovoltaic generating equipment.

The Toma Post Office, which opened in February 2023 in Toma-cho in the Kamikawa-gun district of Hokkaido, not only uses CLT made from locally sourced timber but is also the first post office to feature chip boiler heating equipment that uses wood biomass fuel, as well as solar panels installed on the walls (rather than on the roof) so that photovoltaic power can still be generated during periods of heavy snowfall, when the roof is likely to be covered with snow.

Through initiatives such as these, we will continue working to reduce greenhouse gas emissions and promote carbon neutrality in local communities.

From a corporate perspective, measures aimed at resolving social issues in local communities often pose challenges in terms of maintaining profitability. However, we believe that, by making the local post office a hub for coordination with other participants, initiatives of this kind can be made sustainable, which in turn will help to enhance the sustainability of local communities itself.

In April 2022, we launched a Local Co-creation Initiative, the aim of which is to generate new businesses in local communities by assigning head office employees of Japan Post Group companies, selected through a

call for applicants, to spend two years working with local venture-stage companies and local government agencies in rural areas. By spending time at start-ups and local government agencies that are working vigorously to develop services which can contribute toward revitalizing local economies, increasing the number of people who are involved with local communities (even if they may not actually live there), and maintaining and enhancing local government functions, the employees will accumulate useful experience. In this way, the project will help to cultivate human talent with an entrepreneurial mindset, and by partnering with local start-ups and local government agencies, the Japan Post Group is taking on the challenge of generating new businesses that can help resolve social issues.

In February 2023, in the Local Co-creation Initiative's first project, a demonstration experiment was performed for a new Community-based Shopping Service in parts of the eastern district of Nara City in Nara Prefecture (including the Tsukigase, Yagyu, and Higashisato areas), the aim of which is to strengthen local communities, making effective use of Japan Post's post offices and distribution network. Going forward, based on the results obtained in this demonstration experiment, we aim to work together with local government authorities and business enterprises throughout Japan to make everyday shopping more convenient and strengthen local communities, by utilizing Japan Post's network, which extends into every part of the country.

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## **Making Effective Use of Our Human Capital, Which Represents an Important Management Resource**

Human resources are extremely important in realizing our goal of building a "Co-creation Platform." Since we are aiming to stimulate the Japan Post Group's growth and enhance its corporate value, we believe it is vital to maximize the value of human capital.

To realize human capital management, we have formulated the Japan Post Group Human Resources Policy, and have been clarifying the direction needed for human resources initiatives aimed at making us the organization we want to be.

So that we become a company that all employees can take pride in and feel rewarding working for, we are working on the following three points. First, we will



realize true diversity that respects different viewpoints and values based on the recognition and acceptance of differences. Second, in order to enhance the abilities of our employees, we will support their career development by providing opportunities for them to challenge and improve their skills. Third, we are working to implement human resources cultivation and create an environment that supports employees' efforts to grow and to challenge themselves, with the main focus being on developing employees who are able to make full use of their own strengths and creativity for the benefit of our customers. As well, we are working to create an environment where talent is staffed in the right seats.

Currently, in response to the fall in the working-age population in Japan, many companies are focusing on how they can effectively make use of former employees. In the Japan Post Group, we have established an Alumni Network at our head office with the aim of getting "alumni" (Japan Post Group's former employees) who have acquired new experiences and capabilities outside the Group to come back and play a useful role within it, starting from the fiscal year ended March 31, 2023. By building a strong, medium- to long-term relationship with alumni through provision of the latest Japan Post Group information, business outsourcing, side business opportunities, and mid-career recruits, we aim to take full advantage of the superiority of our Group, which has more employees than any other business enterprise in Japan, and to enhance our corporate value by making good use of the diverse human resources that constitute our Group's single biggest advantage.

## Initiatives to Improve Employee Conduct

The Japan Post Group has on numerous occasions been affected by incidents that went against the spirit of the Group's management philosophy and caused the public to lose trust in the Group as a whole. Each time, we have had to make an all-out effort to regain customers' trust.

To coincide with the launch of the new Japan Post Insurance sales system, we have formulated and begun implementing the JP Code of Conduct, a unified code of conduct for the entire Japan Post Group which concisely outlines how employees and company officers should act in order to live up to the expectations of customers, local communities, and society as a whole, so that the Japan Post Group can grow into an even more trusted enterprise in the future.

In March 2023, we drew up and began implementing a three-year Group Conduct Enhancement Plan to ensure that the JP Code of Conduct is fully embodied in our organizational culture and corporate culture, and to enhance the quality of the actions taken by each individual employee and company officer.

To ensure that the message of the JP Code of Conduct permeates throughout the Group, besides the top-down and bottom-up approaches represented by my own statements and by the creation of a JP Code of Conduct Suggestion Box to which employees can submit their insights, etc., what is particularly important is to disseminate the message effectively among employees holding middle-management positions, who supervise large numbers of employees, act as a model for their subordinates, and have a responsibility to strive to ensure that an emphasis on appropriate conduct permeates widely. By spreading awareness of the JP Code of Conduct through incorporating the key aspects of the Code into the training provided for middle managers, we are getting the Japan Post Group as a whole to work together to realize operational management that is genuinely customer-focused, which in turn will lead to sustainable, strong growth for the Group.

## Playing a Vital Role behind the Scenes

What we are aiming for is to build a "Co-creation Platform" supporting our customers and local communities by providing integrated postal, savings, and insurance services through our network of post offices, which is the Japan Post Group's greatest strength, and by collaborating with a wide range of companies outside the Group, and to provide the support needed to ensure that customers living in local areas can realize comfortable, enriched lives and lifestyles characterized by safety and peace of mind.

To realize this goal, we believe that it is extremely important for us to collaborate not only with large enterprises but also with local government authorities and with local enterprises.

More specifically, by undertaking various tasks relating to Japan's Individual Number Card ("My Number Card") system and the issuing of official certificates on behalf of local government authorities; by providing new shopping services in areas where depopulation has made it difficult for people to do their regular shopping; by providing Mimamori (Watch Over) Service to keep an eye on senior citizens living alone, or to keep an eye on empty houses; by providing End-of-life Planning Services, which help relieve senior citizens' anxiety about end-of-life affairs; and by expanding the range of services to support people's lives that we provide at our post offices on behalf of regional banks, we aim to make the value provided by our post office network more obvious to people throughout the country.

I feel certain that, today more than ever, there is a need for us to focus on further strengthening the importance of the role that the post office plays, by introducing new services, aiming to increase our public nature as well as our profitability, and providing an even higher level of convenience for customers.

One of the tenets of Hisoka Maejima, who laid the foundations for the modern Japanese postal system in the late 19th century, was "Do not hesitate to work behind the scenes. Always aspire yourself to bring others good." In line with this ethos, during the Meiji era, in which Japan was modernizing rapidly, he and the post office continued, quietly but steadily, to introduce new ways of making life more convenient and more pleasant for people. In accordance with Maejima's teachings, going forward we will continue to support our customers and local communities from behind the scenes.

## Top Messages from Each Company

**JP** JAPAN POST  
POST



**SENDA Tetsuya**

President & CEO  
(Representative Executive Officer)  
Japan Post Co., Ltd.

**We will contribute to the realization of a society with an abundance of human contact for our customers and the local communities we serve by utilizing our nationwide network of post offices.**

My name is SENDA Tetsuya, and I have recently accepted the position of President & CEO, Representative Executive Officer of Japan Post Co., Ltd. To realize the management philosophy of “Japan Post Co., Ltd. will fully utilize its resources that include its post office and delivery networks covering every corner of the country to provide safe, reliable, and fast services tailored to the needs of each community while contributing to the realization of a society with an abundance of human contact by supporting people’s lifestyles throughout their entire lives,” I hope to conduct business by firmly meeting the demands of our customers and the local communities we serve as well as the opinions of our employees who work in close contact with our customers and members of the local communities.

The fiscal year ending March 31, 2024, will mark the halfway point of the Medium-Term Management Plan “JP Vision 2025.” We will accelerate our initiatives

**JP** JAPAN POST BANK  
BANK



**IKEDA Norito**

Director, President and  
Representative Executive Officer  
Japan Post Bank Co., Ltd.

**We will fire up our three business engines and promote ESG management.**

The business environment surrounding Japan Post Bank is undergoing significant changes, including a declining population, the advent of a super-aging society, shrinking regional economies, advances in digital innovation, and rapid monetary tightening by the U.S. and European central banks in response to higher inflation.

While responding flexibly to these changes, we will strive to enhance corporate value and help resolve social issues under our Purpose of “We aim for the happiness of customers and employees, and will contribute to the development of society and the region,” our Management Philosophy of “We aim to become ‘the most accessible and trustworthy bank in Japan,’ guided by the needs and expectations of our customers,” and the three missions set out in our current Medium-Term Management Plan.

In FY2024/3, which is the third year of our current management plan, in a highly uncertain market environment, we will strive to secure profits steadily in the market business, our largest source of revenue. We will also focus on further strengthening the retail business to build a strong and stable business foundation, and on building the foundation for the  $\Sigma$  (sigma) business, which we see as a new growth engine.

With regard to the first engine, the retail business, under our basic policy of complementarity between the physical and the digital, we will enhance self-service transaction channels and digital channels such as improving the features of Madotab

**JP** JAPAN POST INSURANCE  
INSURANCE



**TANIGAKI Kunio**

Director and President, CEO  
Representative Executive Officer  
Japan Post Insurance Co., Ltd.

**All employees are working as one to achieve the reconstruction and sustainable growth of Japan Post Insurance.**

My name is TANIGAKI Kunio, and I have been appointed as the President of Japan Post Insurance. In an effort to achieve its social mission (purpose) of “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product,” and contribute to the resolution of social issues related to sustainability, Japan Post Insurance has formulated the Medium-Term Management Plan (FY2021–FY2025) as its milestone. Based thereon, we have been advancing initiatives to achieve reconstruction and sustainable growth as a company truly trusted by its customers.

Specifically, as an initiative toward reconstruction, a new Japan Post Insurance sales system was built starting in the fiscal year ended March 31, 2023, in which consultants (employees who mainly visit customers’ homes to conduct activities) leverage their high level of expertise and flexibility as life insurance professionals and concentrate on the proposal and follow-up of life insurance products. We also

to realize a “Co-creation Platform” supporting customers and local communities by aggressively promoting DX to integrate our nationwide network of post offices, our greatest strength, with digital technologies, and by creating new value through collaboration and cooperation with companies outside of the Group and local government authorities.

In the postal and domestic logistics business, Japan Post is striving to raise the quality of customer services including enhancing the convenience of sending and receiving mail and parcels in order to expand the number of packages handled in the growing e-commerce market, while also strengthening its collaborations with other companies. In addition, we will also promote initiatives to further raise productivity, including the utilization of telematics and AI to increase the efficiency of delivery operations, and reducing manpower and streamlining of post office operations through the use of state-of-the-art technology. Furthermore, given the many companies cooperating with Japan Post in our mail and parcel delivery and pickup services, we will promote initiatives to build partnerships with these cooperating companies.

In the post office business, we will advance the digitalization of post

office counter operations and raise operational efficiency, including the utilization of tablets and the establishment of online support systems, thereby allowing our employees more time to meet customers and members of the local communities in person. We will also roll out various services that match the needs of our customers and the members of the local communities we serve to raise the value of our network of post offices, by thoroughly implementing customer-first business operations, offering consulting services that align with customer needs, and collaborating with other companies and local government authorities.

In the international logistics business, we will push forward with selection and concentration to maximize profits, such as our focus on the Asian market. Furthermore, by contributing to the resolution of social problems surrounding sustainability through company-wide activities, Japan Post hopes to grow sustainably while bolstering enterprise value over the medium to long term. Through these efforts, the employees of Japan Post are working as a team to make the post office a needed presence and a chosen partner for customers and local communities. We ask for your continuing patronage and support of Japan Post more than ever.

self-service terminals and ATMs, expanding the features of the Yucho Bankbook App and the Yucho Reco Personal Financial Management (PFM) App, while maintaining our branch network.

We will provide thorough guidance according to customer needs so that customers can conduct transactions more easily and conveniently. In addition, as a new retail business strategy, we will start phasing in a “Co-creation Platform” strategy. This will work with a variety of businesses, using the Yucho Bankbook App and the Yucho Reco PFM App to guide customers on the best products and services for their needs. In addition, with regard to the asset building support business, based on the expansion of the NISA system<sup>\*1</sup> from 2024, we will strengthen our ability to propose to customers, including Tsumitate NISA<sup>\*2</sup>.

In the market business, our second engine, we will flexibly rebuild the yen interest rate portfolio in anticipation of the possibility that domestic interest rates, which have been low for a long time, will rise.

In addition, from the viewpoint of strengthening risk tolerance, we will continue to accumulate balance mainly in credit assets in the investment grade area. In the strategic investment area, we will strive to ensure stable returns by selectively investing in quality funds, mainly in debt (bond)-type products with relatively high resistance to market fluctuations.

With regard to the  $\Sigma$  business, our third engine, we have positioned the two-year period from October 2022 to the end of September 2024 as the pilot period toward full-scale deployment from FY2027/3 onward. We will work to develop the implementation platform while striving to strengthen domestic general partner (GP)-related investment aimed at full-scale operation of the GP business and steadily expanding businesses that we support in marketing.

To ensure the success of these three businesses, we are promoting human resource strategies that align with the Medium-Term Management Plan. In specific terms, we will nurture employees who develop themselves through challenges and develop an environment in which their abilities can be maximized, thereby building a lively and exciting company that allows diverse human resources to thrive.

We will continue to firmly engage in dialogue with all of our stakeholders to achieve further growth by strengthening our sustainability initiatives through our business activities and establishing a business model that is sustainable over the medium to long term. I ask for your continued support and patronage.

\*1 A tax exemption system for small investments

\*2 A savings-type NISA for purchases of a fixed amount on a regular basis in Japanese mutual funds

transitioned to a new system (account manager system) where employees with expertise provide high-quality, attentive after-sales follow-up services to individual customers.

Based on this new sales system, in the fiscal year ending March 31, 2024, we will go forward with the establishment of an integrated company-wide sales promotion system and the reinforcement of functions by preparing for the adoption of common standards and systems in the human resource development of consultants and integrating the front line (the sales division, etc., which handles customers' services) with the head office.

Moreover, to achieve sustainable growth, we are working on initiatives to improve customer experience value (CX). We hope to expand our customer base and enhance our competitive edge as a life insurance company by making customers feel glad to be with Japan Post Insurance at every contact point, from enrollment in the insurance policy to after-sales follow-ups and payment.

Specifically, to meet the needs of customers who want to make various claims and carry out procedures without being restricted by time or location, we are improving our web services, among other initiatives. During the fiscal

year ended March 31, 2023, claims for hospitalization insurance due to COVID-19 became available on web services. We believe that it is our fundamental mission as an insurance company to stay close to our customers and simply and quickly pay insurance claims, especially in times of need.

Furthermore, the foundation that supports these “pillars” of reconstruction and sustainable growth are our employees. Having each employee firmly understand the vision and mission of Japan Post Insurance and act autonomously toward those goals is indispensable for the company's growth. Japan Post Insurance is promoting management in which employees who will become the foundations of the businesses are treated as assets to fully demonstrate their abilities (= human capital management).

We will continue to listen carefully to the thoughts of all of our stakeholders, including customers, shareholders, employees, and local residents, and press ahead to meet their expectations with the resilience to respond to the changing times and unchanging passion. We sincerely hope that going forward you will continue to follow Japan Post Insurance with interest.