

2010

JAPAN POST GROUP Annual Report

Year ended March 31, 2010



2010 JAPAN POST GROUP Annual Report

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This Annual Report is a translation of the Disclosure Document (the written explanation in Japanese of the Company's business and financial conditions) that was prepared pursuant to Article 52-29 of the Banking Act and Article 271-25 of the Insurance Business Act.

This Annual Report contains forward-looking statements regarding future performance and other matters. These forward-looking statements do not constitute guarantees of future performance and are subject to risks and uncertainties. Please note that actual performance may differ materially from these statements as a result of changes in the underlying assumptions regarding the business environment.

Figures and percentages shown in this Annual 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, 2010.

Japan Post Group Highlights in Fiscal 2010

(April 1, 2009, to March 31, 2010)

2009

April

- 4.1
Began rolling out ID confirmation delivery service conveying specific details nationwide.
Commenced service for conveying information about confirmation of the recipient's identity to the sender after mail has been delivered. [Go to P.30, 34](#)

- 4.1
Implemented a variety of measures, including elimination of commission fees charge on cash-on-delivery Yu-Pack service. [Go to P.30](#)

- 4.1 to 5.29
Held a marketing campaign promoting services related to lump-sum retirement benefits.

- 4.1
Began accepting credit cards and cash cards as payment.

Began accepting credit cards and cash cards as payment using mobile settlement terminals in an effort to improve customer service and promote cashless transactions.



[Go to P.51](#)

- 4.1
Expanded eligibility for payment of costs corresponding to expenses for acquiring medical certificates.
Expanded eligibility for payment of uniform ¥5,000 payments, which correspond to the cost of acquiring medical certificates. [Go to P.51](#)

- 4.13
Began offering Yucho Nenkin Teiki and Yucho Tokimeki Kurabu.

Began offering preferential interest rates for standard time deposits (term: one year) for customers who elect to have public pensions automatically transferred into a Japan Post Bank Co., Ltd., account.



[Go to P.22, 42](#)

- 4.18 to 4.22
Held the 2009 All-Japan Stamp Exhibition.

- 4.20
Began offering the Yucho IC Cash Card Sulca. [Go to P.42](#)

- 4.23
Announced winners of the 2009 All-Japan Stamp Exhibition.

May

- 5.7
Added new Yucho Direct services.
Dramatically improved the convenience of Yucho Direct by implementing services that many customers had requested, including the ability to transfer funds to other financial institutions. [Go to P.42, 46](#)

- 5.7
Lowered the minimum purchase for automatic accumulation for investment trusts.
Lowered the minimum monthly purchase for automatic accumulation service, which allows customers to make a purchase in a designated amount on a designated date every month, from ¥10,000 to ¥5,000.

- 5.11
Added house cleaning to the menu of Post Office Referrals services.
Added house cleaning (by Duskin Co., Ltd.) to the existing comprehensive lifestyle referral service menu of home security, optic fiber connection, and moving services. [Go to P.23, 24](#)

- 5.18
Began offering JP BANK CARD WAON.
Began offering JP BANK CARD WAON to JP BANK CARD (VISA and MasterCard) cardholders. [Go to P.45](#)



- 5.18
Finalized distribution of fiscal 2009 New Year's postcard charitable donations.
Finalized distribution of fiscal 2009 New Year's postcard charitable donations, including ¥446.02 million for 266 organizations raised from New Year's postcard donations and ¥151.41 million for 12 organizations raised from carbon offset postcards donations. [Go to P.79, 81](#)

- ◎5.22
Announced Japan Post Group's business results for the fiscal year ended March 31, 2009.

June

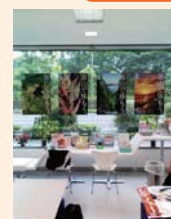
- 6.1
Issued Kamo-Mail summer 2009 greeting postcards.

Introduced postcards featuring plain designs and two kinds of pictures as well as Irodori "Sky" postcards filled with color as the fiscal 2009 Kamo-Mail offerings. Japan Post Group also trialed delivery service for Kamo-Mail to all sender-specified regions (limited-term mail delivery service throughout a sender-specified area). [Go to P.32](#)



- 6.1
Opened new Investment Trust Referral Offices.
Designated 267 post offices nationwide as Investment Trust Referral Offices, which provide information related to asset management and investment trusts to customers. [Go to P.22](#)

- 6.1 to 6.30
Conducted the first campaign by post offices to promote local government tourism.
Displayed advertisements as part of "Panorama Kito-kito Welcome to Toyama," a campaign promoting tourism in Toyama Prefecture, at about 450 post offices in the Kanto, Kansai, and Chukyo regions. [Go to P.23, 27](#)



- 6.1 to 7.31
Held a summer premium interest rates on deposits campaign.

- 6.8
Introduced original post office-related merchandise.
Began selling "Posta Collect" merchandise nationwide. [Go to P.23, 27](#)

- 6.8
Launched the first part of the "Catch Your Dreams" promotional campaign.
Launched a promotional campaign including free piggy banks in support of the 2010 International Federation of Association Football (FIFA) World Cup. [Go to P.43](#)

- 6.15 to 8.14
Held a promotional campaign commemorating the one-year anniversary of Japan Post Insurance's introduction of the hospitalization rider Sono hi kara. [Go to P.22, 54](#)

July

- 7.1
Began sales of increasing term life insurance and expanded offerings of new financial products.
 Increased the number of post offices handling third-sector insurance products, automobile insurance, and Commissioned sales of corporate insurance products. Go to P.23, 25, 26
- 7.7
Began offering special discounts for original stamp design service.
 Began offering special discounts for original stamp design service customers placing orders of at least 1,000 sheets per order with at least 100,000 total sheets purchased per fiscal year.
- 7.8
Hosted a meeting of CEOs of the Kahala Posts Group in Kyoto.
 Hosted the annual CEO meeting of the Kahala Posts Group, an alliance of ten leading postal operators worldwide, in Kyoto to discuss wide-ranging topics including efforts to improve the quality of EMS (Express Mail Service) and to enhance the level of other services.
- 7.15
Announced results from the "Summer Healthy Living" questionnaire.
 Administered an Internet-based questionnaire to about 1,000 respondents (men and women in their twenties to fifties) about their plans for the summer and their attitude toward healthy living in advance of the summer, when radio exercise is a popular activity.
- 7.23
Began stationing electric vehicles (EVs) at branch offices.
 Began stationing 40 electric vehicles (EVs) at 34 branches in Kanagawa Prefecture and 3 branches outside Kanagawa Prefecture as part of a series of efforts to promote environmental conservation activities. Go to P.81

- 7.26
Held symposium commemorating the 60th anniversary of the establishment of the New Year's postcard charitable donation program.
 The program has generated a total of some ¥45.9 billion yen in charitable donations over the 60 years since its inception (including fiscal 2009 donations).



August

- 8.2
Held The 48th Festival of 10 Million People's Radio Exercise and Minna no Taisou ("Exercise for Everyone").
 The festival at Red Brick Park (Red Brick Warehouse Plaza) in Yokohama, Kanagawa Prefecture. About 8,000 people participated, including radio exercise fans from around Japan as well as local elementary school students and their parents. Go to P.52, 79



- 8.10 to 10.31
Held the second part of the "Catch Your Dreams" promotional campaign. Held a promotional campaign for TEIGAKU and time deposits. Go to P.43

- 8.14
Added new Post Office Referrals services.
 Began adding mobile phone, appliance electrification, and solar power referral services in some geographic areas. Added postal rate meter at all post offices nationwide starting September 1. Go to P.23, 24



- 8.22 and 8.23
Held Waku-waku Puzzle, a hands-on postcard-making program for elementary school students (in Joetsu and Kashiwazaki, Niigata Prefecture).

September

- ● ● ● ● 9.1 to 10.23
Held the Fall Arigatou-Fair.
 Held the Fall Arigatou-Fair at all nationwide post offices and Japan Post Group branch offices. Customers purchasing or using certain products and services were eligible for drawings, and a total of 100,000 persons won gifts including Kobe beef and T-fal/Narumi tea sets. Go to P.22



- 9.1 to 10.30
Held a promotional campaign to encourage JP BANK CARD membership.
- 9.1 to 11.30
Held a marketing campaign promoting services related to lump-sum retirement benefits.

October

●10.1

Extended period for the elimination of fees for internal transfer of funds through cash ATMs.

In response to being well received, the elimination of fees for internal transfer of funds was extended one year.

●10.3

Held *Waku-waku* Puzzle, a hands-on postcard-making program for elementary school students (in Osaka, Osaka Prefecture).

○10.15 to 11.14

Strengthened efforts to eliminate bank transfer scams.

Worked with law enforcement authorities to redouble measures aimed at preventing bank transfer scams in response to the continuing problem of frequent fraud.

●10.29

Issued 2010 New Year's postcards.

Issued original postcards and other products that promote a "desire to send postcards" based on the main text theme that "New Year's postcards are gifts that enrich the heart of and give joy to the sender." In conjunction, various campaigns were carried out.

[Go to P.30, 32](#)



November

●11.1 to 3.31

Held a promotional campaign offering triple JP BANK CARD points.

●11.19

Launched In print New Year's postcards and New Year's money envelopes.

Launched In print New Year's lottery postcards preprinted with greeting and pictures (set of five) as well as New Year's money envelopes (six types) featuring designs with characters that are popular among children, both at post offices nationwide.

[Go to P.23](#)



In print New Year's postcard

●11.24 to 1.29

Held the third part of the "Catch Your Dreams" promotional campaign.

Held a preferential interest campaign for time deposits.

[Go to P.43](#)

○11.25

Announced Japan Post Holding Group's fiscal 2010 interim business results.

●11.26

Introduced electric vehicles (EVs) at post offices on a trial basis.

Introduced electric vehicles (EVs) on a trial basis at five post offices and regional offices nationwide including the Koriyama Post Office (in Fukushima Prefecture) as part of a series of efforts to combat global warming.

[Go to P.81](#)



December

●12.8

Launched the *Sakura Saku* (successful exam results) student support bus.

[Go to P.21](#)

●12.9

Held the 34th piggy bank contest.

This contest drew 716,955 piggy banks based on fun ideas from 11,416 elementary schools across Japan from August 25 to September 30, 2009. Prizewinners were decided after preliminary and secondary judging.

[Go to P.79](#)



The piggy bank that won the Minister of Education, Culture, Sports, Science and Technology Incentive Award (first grade group).

○12.20

Held the first meeting to gather feedback on Japan Post Group services.

Held the first of a series of meetings to solicit feedback on Japan Post Group service from a large group of users and other stakeholders in Kochi Prefecture with participation from local officials, post office customers, postmasters, post office clerks, and others. Japan Post Group held five more similar meetings in Kyoto, Aichi, Niigata, Fukuoka, and Hokkaido by February 2010.

[Go to P.75](#)



○12.25

Commissioned post office monitors.

Recruited volunteers to serve as post office monitors as part of an effort to gather feedback and requests from customers concerning products and services offered by Japan Post Group companies as well as the Group's relationship with local communities for use in future management. Of the more than 40,000 people nationwide who responded to the request, 10,198 were commissioned as post office monitors following a rigorous screening process.

[Go to P.75](#)

2010

January

- 1.1
Held a New Year's Day ceremony marking the start of delivery of New Year's postcards.
Held the 2010 New Year's Day ceremony to mark the start of delivery of New Year's postcards at the Nihonbashi Branch and Adachi Branch (both in Tokyo).

- 1.4
Launched online applications for "Japan Post Bank Deposits for International Aid."
[Go to P.42, 79](#)

- 1.5 to 3.15
Sold *Kit Mail*, a product for sending messages of support to students taking university entrance examinations that was also offered last year, in partnership with Nestlé Japan Ltd..
[Go to P.21](#)



- 1.24
Held a drawing for 2010 New Year's lottery postcards.

- 1.26 and 2.2
Held the Direct Marketing Forum 2010.
Held a participatory learning forum on direct marketing for business managers and marketing personnel featuring conferences (lectures) by instructors in a range of fields. The event attracted about 2,000 attendees.
[Go to P.31](#)



February

- 2.1
Launched the Web Yubin service.
Brought customers new capabilities for sending mail online by launching the Web Yubin service, including the ability to apply for Letax service online (Web Letax).
[Go to P.30](#)



- 2.1 to 5.31
Held the "Freshers Campaign," the fourth part of the "Catch Your Dreams" promotional campaign.
Held the "Freshers Campaign," a promotional campaign offering customers applying for certain products and services a chance to win LCD televisions, gift cards, and other gifts in a drawing. Examples of eligible products and services included opening a new account or arranging direct deposit salary payments.
[Go to P.43](#)

- 2.23
Announced the prizewinners for the 42nd Letter Composition Contest (held from July 1 to September 18, 2009).

- February and March
Special support for Go tournament
With the aims of supporting children with great promise, fostering exchange among generations, and activating local communities, Japan Post Bank provides special support for a Go tournament for children.
[Go to P.43, 79](#)



March

- 3.1 to 4.30
Held the Spring Arigatou-Fair.
Held the Spring Arigatou-Fair nationwide at all post offices and Japan Post Group branch offices. Customers purchasing or using certain products and services were eligible for drawings, and a total of 100,000 persons won iPod shuffles and other gifts.
[Go to P.22](#)

- 3.1
Began offering new investment trust products.
Began offering four new products through Toshin (investment trust) Direct (an Internet transaction service).
[Go to P.42](#)

- 3.1
Improved mail service to Republic of Korea.
Worked with Korea Post to speed up surface shipping of parcels and to expand mail tracking service coverage.

- 3.1
Held "Japan Post Insurance Health Promotion Living Symposium 2010: What Athletes Can Teach Us about Good Health."
Held panel discussions exploring the topic of health, including a keynote by professional skier Yuichiro Miura, with the title "What Athletes Can Teach Us about Good Health."



- 3.2
Entered into a comprehensive alliance with Nissen Co., Ltd.
Nissen Co., Ltd., and Japan Post Service Co., Ltd., approved a comprehensive partnership.
[Go to P.31](#)



Shinya Samura, President and CEO of Nissen Co., Ltd., (left) and Shinichi Nabekura, President and CEO of Japan Post Service Co., Ltd., (right)

- 3.4
Stationed plug-in hybrid vehicles (PHVs) at branch offices and other facilities.
Followed up on stationing electric vehicles (EVs) at post office facilities by stationing 10 plug-in hybrid vehicles (PHVs) at regional offices and branch offices in EV/PHV Town regions for use as general business and sales vehicles.
[Go to P.81](#)