# Japan Post Group Overview

- 1. Message from the President ........................................... 2
- 2. Our Response to the Great East Japan Earthquake ........... 4
- 3. 140 Years of Japan’s Modern Postal Service ................. 10
- 4. Japan Post Group Highlights in Fiscal 2011 ..................... 16
- 6. The Operations of the Japan Post Group ....................... 24

# Dedicated to Providing the Public with the Best Possible Services

- 1. Operations of Japan Post Network .................................. 28
- 2. Operations of Japan Post Service ................................. 38
- 3. Operations of Japan Post Bank ..................................... 52
- 4. Operations of Japan Post Insurance ............................. 62
- 5. Other Businesses .................................................... 74

# Dedicated to Becoming an Even More Trustworthy Group

- 1. Japan Post Group Corporate Governance ...................... 78
- 2. Japan Post Group Compliance Framework ..................... 80
- 3. Japan Post Group Internal Audit System ....................... 82
- 4. Japan Post Group Risk and Crisis Management ............... 84
- 5. Japan Post Group Customer Satisfaction ....................... 86
- 6. Japan Post Group CSR ............................................. 88
# Corporate Data

1. Japan Post Group Management Philosophy, etc. · · · · · · · · 100
2. Outline of Japan Post Holdings Co., Ltd. · · · · · · · · · · · · · · 101
3. Outline of Japan Post Network Co., Ltd. · · · · · · · · · · · · · · 108
4. Outline of Japan Post Service Co., Ltd. · · · · · · · · · · · · · · 114
5. Outline of Japan Post Bank Co., Ltd. · · · · · · · · · · · · · · · · · 120
6. Outline of Japan Post Insurance Co., Ltd. · · · · · · · · · · · · · · 125

# Financial Data

1. Transition of Significant Management Indicators, etc. · · · · 130
2. Japan Post Group Companies—Consolidated Financial Data · · · 132
3. Japan Post Holdings Co., Ltd.—Non-consolidated Financial Data · · · 151
4. Japan Post Network Co., Ltd.—Non-consolidated Financial Data · · · 156
5. Japan Post Service Co., Ltd.—Non-consolidated Financial Data · · · 161
6. Japan Post Bank Co., Ltd.—Non-consolidated Financial Data · · · 166
7. Japan Post Insurance Co., Ltd.—Non-consolidated Financial Data · · 184

# Others

1. Business Hours and Points of Contact for Inquiries · · · · · · · 196
2. Japan Post Group Privacy Policy · · · · · · · · · · · · · · · · · · · 200
3. Japan Post Group Conflicts of Interest Management Policy · · · 202
4. Japan Post Group Information Security Declaration · · · · · · · 202

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, 2011.
I am pleased to have this opportunity to explain the business results of the Japan Post Group to our customers, investors and other stakeholders in this Annual Report for fiscal 2011.

In March 2011, the Great East Japan Earthquake, an epic disaster, caused enormous destruction mainly in the Tohoku region. I would like to express my deepest sympathies to all those persons who suffered damages from the earthquake as well as to their families and other affected people.

The Japan Post Group also was hit hard by the disaster, as numerous employees lost their lives, while damage to our buildings and vehicles was also extensive. Nonetheless, times of crisis such as this are precisely when our services are essential, and all employees on the front lines made their utmost efforts to live up to the expectations of our customers. In the future as well, we will work actively with everyone in local communities to rebuild each area and thus ask for your continued patronage of the Japan Post Group.

We have recently published this Japan Post Group Annual Report for fiscal 2011 and hope that reading this report will serve to deepen your understanding of the Group’s business results for the term.

**Review of Fiscal 2011**

Through our nationwide network of post offices, the Japan Post Group made unrelenting efforts during fiscal 2011 to ensure that customers can use the services of our three businesses with a sense of reassurance. We also began offering several new products and services so that customers can even more conveniently make use of our three core businesses.

As prime examples, in April we began offering Letter Pack 500 and 350 services, which can carry personal letters with the package. This service represents an alternative to EXPACK, which does not allow letters to be enclosed. Additionally, we commenced a euro-denominated international remittance service that enables funds to be sent from overseas financial institutions to Japan Post Bank accounts. We also started charging a lower commission fee, which is the same as the fee charged when transferring money using ATMs, for visually impaired customers making money transfers at the counter.
Japan Post Group Overview

Dedicated to Providing the Public with the Best Possible Services
Dedicated to Becoming an Even More Trustworthy Group

During fiscal 2011, we completed the integration of the Pelican parcel delivery operations of JP Express Co., Ltd. and started providing a new Yu-Pack service. However, at the time of completion of integration in July, we experienced delays in deliveries that caused inconveniences to our customers. To address this problem, we subsequently established a structure and made efforts to raise the quality of these delivery services. Thanks to these efforts, we were able to achieve top-level quality in deliveries during the year-end busy period. Going forward, we will work to further improve our services and meet the expectations of our customers.

The Japan Post Group companies actively supported the communities devastated by the Great East Japan Earthquake. Despite some initial problems, such as slow response times that resulted from post offices and postal services being operated by two separate companies, we made deliveries to evacuation shelters and surmounted various transportation difficulties to deliver to each home in the stricken areas. Meanwhile, mobile post offices visited evacuation shelters to handle bank deposits on an emergency basis and provide insurance-related consultations. We also furnished free postcards and other items to disaster victims, accepted victims at Kanpo no Yado Inns and provided free health consultations through Teishin Hospitals.

Regarding our business results, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. achieved growth in profits during fiscal 2011. However, on a consolidated basis the Japan Post Group recorded net ordinary income of ¥956.9 billion and net income of ¥418.9 billion, both representing slight decreases. The Japan Post Group is currently facing a harsh business environment. Of particular note, Japan Post Service Co., Ltd. incurred a large net operating loss of ¥103.4 billion, owing to the ongoing downtrend in the volume of postal mail as well as the impact of the earthquake and an increase in one-time expenses for responding to delays in deliveries. Although Japan Post Bank achieved increased profits with net income of ¥316.3 billion, the recent downtrend in deposits persisted. Similarly, while Japan Post Insurance achieved growth in profits and recorded net income of ¥77.2 billion, total assets and the number of policies in force declined. In this manner, each of our businesses is confronting tough circumstances. I believe we must devote our utmost management efforts to overcoming the severe circumstances we are facing.

The first issue is to rebuild the operations of Japan Post Service, which as I mentioned, recorded a large net operating loss in fiscal 2011. Our postal operations boast the longest history among our three businesses and this form of communication has been easily accessible to all as well as closely linked to enhancing people’s daily lives. I believe that maintaining and further developing postal operations in the years ahead is the mission of the Japan Post Group. To ensure that customers across Japan can continue to use these services in the future with a sense of reassurance, we are committed to further raising customer convenience throughout our entire postal operations, including mail, Yu-Mail and Yu-Pack, while working to extensively raise productivity.

The second issue is to strengthen the Group’s internal management systems. The trust the Group has earned from customers forms the cornerstone of our business operations and will serve as a major force driving the Group’s counteroffensive. We will work to assure thoroughgoing compliance and management transparency and further raise operational quality with the aim of becoming a corporate group that customers regard as outstanding in every area.

The third issue is to expand the range of products and services handled by the Group. Having waited for the realization of postal reforms, we would like to begin providing easy-to-use products and services to better respond to the needs of customers. Also, we will undertake new businesses to strengthen the Group’s management foundation and achieve further growth and development over the medium term.

In 2011, the Japan Post Group celebrates a noteworthy milestone, as we mark the 140th year since the establishment of postal operations in Japan. The Group plans to directly tackle various issues and work in concert to meet the challenges of executing reforms to ensure our customers can use our post offices across Japan with a sense of reassurance.

The Japan Post Group looks forward to your continued support.

Jiro Saito
President & CEO
Japan Post Holdings Co., Ltd.
July 2011

During fiscal 2011, we completed the integration of the Pelican parcel delivery operations of JP Express Co., Ltd. and started providing a new Yu-Pack service. However, at the time of completion of integration in July, we experienced delays in deliveries that caused inconveniences to our customers. To address this problem, we subsequently established a structure and made efforts to raise the quality of these delivery services. Thanks to these efforts, we were able to achieve top-level quality in deliveries during the year-end busy period. Going forward, we will work to further improve our services and meet the expectations of our customers.

The Japan Post Group companies actively supported the communities devastated by the Great East Japan Earthquake. Despite some initial problems, such as slow response times that resulted from post offices and postal services being operated by two separate companies, we made deliveries to evacuation shelters and surmounted various transportation difficulties to deliver to each home in the stricken areas. Meanwhile, mobile post offices visited evacuation shelters to handle bank deposits on an emergency basis and provide insurance-related consultations. We also furnished free postcards and other items to disaster victims, accepted victims at Kanpo no Yado Inns and provided free health consultations through Teishin Hospitals.

Regarding our business results, Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. achieved growth in profits during fiscal 2011. However, on a consolidated basis the Japan Post Group recorded net ordinary income of ¥956.9 billion and net income of ¥418.9 billion, both representing slight decreases. The Japan Post Group is currently facing a harsh business environment. Of particular note, Japan Post Service Co., Ltd. incurred a large net operating loss of ¥103.4 billion, owing to the ongoing downtrend in the volume of postal mail as well as the impact of the earthquake and an increase in one-time expenses for responding to delays in deliveries. Although Japan Post Bank achieved increased profits with net income of ¥316.3 billion, the recent downtrend in deposits persisted. Similarly, while Japan Post Insurance achieved growth in profits and recorded net income of ¥77.2 billion, total assets and the number of policies in force declined. In this manner, each of our businesses is confronting tough circumstances. I believe we must devote our utmost management efforts to overcoming the severe circumstances we are facing.

The first issue is to rebuild the operations of Japan Post Service, which as I mentioned, recorded a large net operating loss in fiscal 2011. Our postal operations boast the longest history among our three businesses and this form of communication has been easily accessible to all as well as closely linked to enhancing people’s daily lives. I believe that maintaining and further developing postal operations in the years ahead is the mission of the Japan Post Group. To ensure that customers across Japan can continue to use these services in the future with a sense of reassurance, we are committed to further raising customer convenience throughout our entire postal operations, including mail, Yu-Mail and Yu-Pack, while working to extensively raise productivity.

The second issue is to strengthen the Group’s internal management systems. The trust the Group has earned from customers forms the cornerstone of our business operations and will serve as a major force driving the Group’s counteroffensive. We will work to assure thoroughgoing compliance and management transparency and further raise operational quality with the aim of becoming a corporate group that customers regard as outstanding in every area.

The third issue is to expand the range of products and services handled by the Group. Having waited for the realization of postal reforms, we would like to begin providing easy-to-use products and services to better respond to the needs of customers. Also, we will undertake new businesses to strengthen the Group’s management foundation and achieve further growth and development over the medium term.

In 2011, the Japan Post Group celebrates a noteworthy milestone, as we mark the 140th year since the establishment of postal operations in Japan. The Group plans to directly tackle various issues and work in concert to meet the challenges of executing reforms to ensure our customers can use our post offices across Japan with a sense of reassurance.

The Japan Post Group looks forward to your continued support.

Jiro Saito
President & CEO
Japan Post Holdings Co., Ltd.
July 2011

In view of our business results in fiscal 2011, the Japan Post Group companies have positioned fiscal 2012 as the first year for going on the counteroffensive to ensure our postal business develops and grows over the medium and long terms. Accordingly, we will place priority on the following three issues.

Issues in Fiscal 2012

In view of our business results in fiscal 2011, the Japan Post Group companies have positioned fiscal 2012 as the first year for going on the counteroffensive to ensure our postal business develops and grows over the medium and long terms. Accordingly, we will place priority on the following three issues.
2. Our Response to the Great East Japan Earthquake

The Japan Post Group extends its heartfelt sympathy to the people who have suffered from the Great East Japan Earthquake that occurred on March 11, 2011.

The following sections describe the response and measures undertaken by each of the five companies in the Japan Post Group to support disaster victims.

The Japan Post Group itself sustained significant damage. Many of our employees were killed or are unaccounted for. Many post offices and related facilities were destroyed by the earthquake and subsequent tsunami. We are now devoting our utmost efforts to realize the earliest possible recovery of our operations.
1. Major Activities Taken by the Japan Post Group in Response to the Earthquake

1. Delivery of Mail and Yu-Pack Parcels

- Resuming Delivery Service
  Branches of Japan Post Service Co., Ltd. located in the devastated areas suffered major damage, with the massive tsunami sweeping up buildings, motorcycles and other facilities necessary for mail delivery.

  We borrowed undamaged buildings in the neighboring areas for mail sorting and gathered motorcycles and other delivery vehicles from around the country. As a result of these efforts, we were able to resume our mail delivery service early on, when other means of communication, including telephone and Internet connections, were still not operating. Many of our employees or their families were impacted by the disaster. Their homes were damaged and they came to work from evacuation shelters. What moved them was a strong sense of responsibility, and the will to deliver mail without delay.

  We recovered mail from delivery motorcycles as well as mail that was kept at our branches and swept up by the tsunami, and tried to deliver as much mail as possible to their recipients. After the earthquake, we also experienced a serious shortage of gasoline, and we delivered mail on foot or by bicycle in areas where mail is normally delivered by motorcycle.

  Because the privatization of Japan Post resulted in separation of its businesses with mail delivery service now undertaken by Japan Post Service, there were cases in which customers made inquiries to post offices for undelivered letters, but Japan Post Network Co., Ltd. did not have the information necessary to trace them.

  The separation of postal and banking/insurance services also caused inconvenience, in which Japan Post Service delivery staff could not give advice on banking and insurance matters when asked by disaster victims.

  We worked to eliminate these inconveniences by promoting cooperation and collaboration among the Group companies.

- Delivering Mail to Evacuation Shelters
  Immediately after the earthquake, we had difficulty in delivering mail to our customers because many of their homes were destroyed and they moved to evacuation shelters. We worked with local governments and utilized our long-established relationships with regional communities to find out their whereabouts and started delivering mail to evacuation shelters immediately after the earthquake.

  In the aftermath of the earthquake and tsunami, when telephone and other communication networks were still disrupted, our mail delivery service played a significant role in confirming the safety of persons affected by the disaster. Some posted mail to the stricken areas and were able to find their families, relatives and friends safe at evacuation shelters.

  To accelerate delivery of mail to disaster victims, Japan Post Service handed out customer address confirmation sheets at its post offices, branches and evacuation shelters. If there was a change in address after the earthquake, we asked customers to submit this sheet or relocation form to ensure mail would be delivered to their latest addresses.

  As of May 23, 2011, we have delivered mail to a total of 1,103 evacuation shelters, including 293 in Iwate Prefecture, 373 in Miyagi Prefecture, 128 in Fukushima Prefecture and 309 in other regions.

2. Post Office Counter Services

- Providing Special Counter Services by Mobile Post Offices
  We started operating mobile post offices on March 20. On March 28, a total of 15 mobile post offices commenced services in Iwate Prefecture (Miyako, Ofunato, Rikuzentakata and Kamaishi Cities, and Otsuchi Town and Yamada Town) and in Miyagi Prefecture (Sendai, Ishinomaki, Shiogama, Kesennuma, Natori, Tagajo and Iwanuma Cities, and Watari Town, Yamamoto Town, Shichigahama Town, Onagawa Town and Minamisanriku Town).

  At evacuation shelters and other places, these mobile post offices provided a range of services including 1) handling emergency withdrawals of ordinary deposits (allowing disaster victims who have lost their passbooks or seals to withdraw the maximum amount of ¥200,000/person); 2) accepting relocation forms; 3) providing postcards to disaster victims free of charge; and 4) dealing with customers seeking insurance-related advice.

  There was a delay of about one week before all 15 mobile post offices started providing services on March 28. This was because we had to settle some vehicle insurance matters for those mobile post offices lent from Japan Post Service to Japan Post Network.

2. Post Office Counter Services

- Providing Special Counter Services by Mobile Post Offices
  We started operating mobile post offices on March 20. On March 28, a total of 15 mobile post offices commenced services in Iwate Prefecture (Miyako, Ofunato, Rikuzentakata and Kamaishi Cities, and Otsuchi Town and Yamada Town) and in Miyagi Prefecture (Sendai, Ishinomaki, Shiogama, Kesennuma, Natori, Tagajo and Iwanuma Cities, and Watari Town, Yamamoto Town, Shichigahama Town, Onagawa Town and Minamisanriku Town).

  At evacuation shelters and other places, these mobile post offices provided a range of services including 1) handling emergency withdrawals of ordinary deposits (allowing disaster victims who have lost their passbooks or seals to withdraw the maximum amount of ¥200,000/person); 2) accepting relocation forms; 3) providing postcards to disaster victims free of charge; and 4) dealing with customers seeking insurance-related advice.

  There was a delay of about one week before all 15 mobile post offices started providing services on March 28. This was because we had to settle some vehicle insurance matters for those mobile post offices lent from Japan Post Service to Japan Post Network.
### Dispatching Post Office Staff to Evacuation Shelters

In Iwate and Miyagi Prefectures, Japan Post Network dispatched its post office staff to evacuation shelters to provide such services as handling emergency withdrawal of deposits and processing applications for reissue of cash cards as well as requests for reissue of insurance policies and certificates.

At evacuation shelters, we set up a long table in a vacant space and used it as a makeshift counter to provide services to evacuees. These were very difficult conditions, as we had to process everything by hand, but our staff members were eager to help those in need of support.

### 3. Support for Earthquake and Tsunami Victims

#### Accepting Disaster Victims at Kanpo no Yado Inns

At the request of local governments, our Kanpo no Yado inns in Iwaki, Koriyama and other places have been accepting earthquake and tsunami victims (272 persons as of June 6, 2011).

Immediately following the earthquake, we started providing meals to victims at some of our Kanpo no Yado inns. Kanpo no Yado inns Yokote, for example, invited people staying at nearby evacuation shelters and provided bath and meal services. Kanpo no Yado inns Ichinoseki prepared meals outdoors and delivered them to several evacuation shelters by bus.

In addition, Kanpo no Yado inns Kamogawa took in all the elderly residents and staff from a care facility located in Fukushima Prefecture. Upon accepting these residents, we installed 120 hospital beds in the inn's large banquet room and guest rooms. Relocating the entire nursing facility served to facilitate their smooth transfer and provide an environment where the elderly residents could feel safe and secure.

For voluntary evacuees, we offered a special accommodation plan at 13 Kanpo no Yado inns. Under the plan, an accumulated total of 1,085 persons stayed at these inns during the period from March 11 to May 31, 2011.

#### Medical Support by Teishin Hospitals

Immediately after the earthquake, about 50 people evacuated their home and took shelter at Sendai Teishin Hospital. On March 12, within a day after the disaster, we set up a free health consultation counter for disaster victims and offered consultation about 20 patients a day.

To counter shortages in water, daily commodities, medical supplies and medical materials, we gathered these supplies from Teishin Hospitals across the country by utilizing the nationwide network of the Japan Post Group.

#### Support via “Yellow Post Box Fund-raising Campaign”

For supporting victims of the Great East Japan Earthquake, employee volunteers of the Japan Post Group organized the Japan Post Fundraising Association to promote the “Yellow Post Box Fund-raising Campaign.” Small yellow post boxes were used to solicit donations at the counters of post offices across the country. This charity drive continued from March 22 to May 31, 2011.

On April 22, we announced the first fund allocation of ¥140 million to 74 cities, towns and villages affected by the earthquake. On April 23 and 24, we held the “Yellow Post Box Charity Event” in Tokyo. We invited children living in evacuation shelters located in Tokyo to clay works and other craft workshops.

As of the end of May, the total amount of donations exceeded ¥300 million, and we will make additional fund allocations to affected areas as they become ready for distribution, starting from June.

#### Dispatching Post Office Staff to Evacuation Shelters

In Iwate and Miyagi Prefectures, Japan Post Network dispatched its post office staff to evacuation shelters to provide such services as handling emergency withdrawal of deposits and processing applications for reissue of cash cards as well as requests for reissue of insurance policies and certificates.

At evacuation shelters, we set up a long table in a vacant space and used it as a makeshift counter to provide services to evacuees. These were very difficult conditions, as we had to process everything by hand, but our staff members were eager to help those in need of support.

### 3. Support for Earthquake and Tsunami Victims

#### Accepting Disaster Victims at Kanpo no Yado Inns

At the request of local governments, our Kanpo no Yado inns in Iwaki, Koriyama and other places have been accepting earthquake and tsunami victims (272 persons as of June 6, 2011).

Immediately following the earthquake, we started providing meals to victims at some of our Kanpo no Yado inns. Kanpo no Yado inns Yokote, for example, invited people staying at nearby evacuation shelters and provided bath and meal services. Kanpo no Yado inns Ichinoseki prepared meals outdoors and delivered them to several evacuation shelters by bus.

In addition, Kanpo no Yado inns Kamogawa took in all the elderly residents and staff from a care facility located in Fukushima Prefecture. Upon accepting these residents, we installed 120 hospital beds in the inn’s large banquet room and guest rooms. Relocating the entire nursing facility served to facilitate their smooth transfer and provide an environment where the elderly residents could feel safe and secure.

For voluntary evacuees, we offered a special accommodation plan at 13 Kanpo no Yado inns. Under the plan, an accumulated total of 1,085 persons stayed at these inns during the period from March 11 to May 31, 2011.

#### Medical Support by Teishin Hospitals

Immediately after the earthquake, about 50 people evacuated their home and took shelter at Sendai Teishin Hospital. On March 12, within a day after the disaster, we set up a free health consultation counter for disaster victims and offered consultation about 20 patients a day.

To counter shortages in water, daily commodities, medical supplies and medical materials, we gathered these supplies from Teishin Hospitals across the country by utilizing the nationwide network of the Japan Post Group.

#### Support via “Yellow Post Box Fund-raising Campaign”

For supporting victims of the Great East Japan Earthquake, employee volunteers of the Japan Post Group organized the Japan Post Fundraising Association to promote the “Yellow Post Box Fund-raising Campaign.” Small yellow post boxes were used to solicit donations at the counters of post offices across the country. This charity drive continued from March 22 to May 31, 2011.

On April 22, we announced the first fund allocation of ¥140 million to 74 cities, towns and villages affected by the earthquake. On April 23 and 24, we held the “Yellow Post Box Charity Event” in Tokyo. We invited children living in evacuation shelters located in Tokyo to clay works and other craft workshops.

As of the end of May, the total amount of donations exceeded ¥300 million, and we will make additional fund allocations to affected areas as they become ready for distribution, starting from June.
Following the Fukushima Daiichi Nuclear Power Plant accident that occurred in the aftermath of the earthquake and the subsequent tsunami, the Japanese government issued instructions to residents within a 20-kilometer zone around the plant to evacuate the area and those living between 20 km and 30 km from the plant to stay in-house. Accordingly, we suspended our postal counter operations and mail collection and delivery services within a 30-kilometer radius. Mail and parcels to this zone were either transferred to other addresses or evacuation shelters as specified by evacuees, or hand delivered at Japan Post Services’ branches or collection and delivery centers, which do not usually provide such services.

Within the “stay in-house” area in Minami Soma City, we reopened two post offices on April 4 and started distributing mail and parcels at branches of Japan Post Service on April 5.

On Friday, April 22, the 20-kilometer evacuation area was declared a restricted area by the Japanese government. The government also designated a deliberate evacuation area and an emergency evacuation-prepared area, while lifting its earlier instruction to stay in-house.

Following the designation, we reopened post offices and resumed mail collection and delivery services on Monday, April 25, in the emergency evacuation-prepared area and in other areas from which “stay in-house” restrictions were lifted. Two post offices and two collection and delivery centers remain closed in the formerly “stay in-house” areas that have become part of the deliberate evacuation area. In other parts of the deliberate evacuation area, we plan to determine the best way to provide our postal services through discussions with the relevant local authorities.

We are determined to maintain our mail delivery service for evacuees by transferring their mail and parcels to specified addresses, appropriate branches or evacuation shelters.
2. Steps towards Recovery

On March 14, 2011, which was the first business day after the earthquake, the number of “out-of-service” post offices in the three prefectures in the Tohoku area (Iwate, Miyagi and Fukushima) was 583, approximately half of the 1,103 post offices located within the district. After the earthquake, we started providing special counter services through mobile post offices and via the dispatch of post office staff to evacuation shelters. We also opened post offices for extra hours on Saturdays, Sundays and public holidays. All of these efforts were aimed at making our services available to as many customers as possible.

On April 26, we opened a makeshift post office (the Rikuzentakata Post Office) in Rikuzentakata City, Iwate Prefecture, and resumed normal counter operations and ATM services. The Ofunato Post Office and the Kamaishi Post Office, both of which suffered considerable damage, also resumed their counter operations and ATM services on June 10. The number of closed post offices as of June 10, 2011 decreased to 91.

The Japan Post Group will continue to strive for a swift recovery and work to provide sufficient and adequate services to its customers in devastated areas.

Note: The number of post offices mentioned in the above paragraphs only includes directly operated post offices.
3. Support Provided by the Japan Post Group to Disaster Victims

1. Casualties

(As of June 20, 2011) Persons

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>No. of post offices</th>
<th>Directly operated post offices</th>
<th>Contracted post offices</th>
<th>Killed</th>
<th>Missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iwate</td>
<td>118</td>
<td>14</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miyagi</td>
<td>89</td>
<td>9</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fukushima</td>
<td>112</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Ibaraki</td>
<td>54</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>373</td>
<td>25</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

Total number of post offices damaged: 32

Damage to ATMs: 131 (only including those installed at post offices)

2. Damage to Buildings

(Immediately after the earthquake)

<table>
<thead>
<tr>
<th>Prefecture</th>
<th>No. of post offices</th>
<th>Totally destroyed</th>
<th>Partial / Minor damage</th>
<th>Flooded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hokkaido</td>
<td>1,215</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Aomori</td>
<td>267</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Iwate</td>
<td>308</td>
<td>27</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Miyagi</td>
<td>363</td>
<td>24</td>
<td>9</td>
<td>22</td>
</tr>
<tr>
<td>Fukushima</td>
<td>432</td>
<td>7</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Ibaraki</td>
<td>465</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Chiba</td>
<td>691</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>3,741</td>
<td>58</td>
<td>15</td>
<td>33</td>
</tr>
</tbody>
</table>

Total number of post offices damaged: 106

3. Support Provided by the Japan Post Group to Disaster Victims

- **Counter Operations**
  - Extra counter service hours
  - Special counter services by mobile post offices
  - Counter services by dispatch of staff to evacuation shelters

- **Postal Operations**
  - Offering postcards free of charge
  - Delivery of mail and Yu-Pack parcels to evacuation shelters
  - No postal charge on registered mail used to send cash for disaster relief purposes
  - Issuing of donation-added postage stamps and postcards
  - Accepting disaster victims at Kanpo no Yado inns

- **Financial Services**
  - Emergency deposit withdrawals and insurance payments
  - No commission charge on transfer of relief funds
  - Accepting disaster victims at Kanpo no Yado inns

- **Others**
  - Accepting disaster victims at Kanpo no Yado inns
  - No commission charge on transfer of relief funds
  - Accepting disaster victims at Kanpo no Yado inns
  - No commission charge on transfer of relief funds

4. Impact of the Disaster on the Japan Post Group

Japan Post Network Co., Ltd.

- **Directly operated post offices**
  - Hokkaido: 1,215
  - Aomori: 267
  - Iwate: 308
  - Miyagi: 363
  - Fukushima: 432
  - Ibaraki: 465
  - Chiba: 691
  - Total: 3,741

Japan Post Service Co., Ltd.

- **Contracted post offices**
  - Iwate: 118
  - Miyagi: 89
  - Fukushima: 112
  - Ibaraki: 54
  - Total: 373

Total number of post offices damaged: 32

Damage to ATMs: 131 (only including those installed at post offices)

Japan Post Service Co., Ltd.

- **Inns closed due to damage to buildings**
  - Iwate: 1 (Ichinoseki)
  - Ibaraki: 2 (Oarai and Itako)
  - Iwate: 1 (Matsushima)
  - Chiba: 1 (Asahi)
  - Iwate: 1 (Koriyama and Isaki) Total: 10

Facilities owned by Japan Post Bank and Japan Post Insurance also sustained partial or minor damage.
3. 140 Years of Japan’s Modern Postal Service

Japan’s modern postal service was founded in 1871 and celebrates its 140th anniversary in 2011. Since its founding, the postal service has been offering various products and services through post offices, remaining close to people’s lives in each period.

The following sections provide a brief overview of the progress of Japan’s modern postal service over the course of 140 years.

1. Founding of Modern Postal Service and Hisoka Maejima

Japan’s modern postal service was founded on March 1 (or April 20 in the Gregorian calendar) in 1871 based on a proposal made by Hisoka Maejima, a government official working for the newly inaugurated Meiji government. Born in present-day Joetsu City, Niigata Prefecture, he came to Edo (now Tokyo) to receive the latest education. His encounter with the black ships of Commodore Perry during his stay in Edo turned his interest toward national defense and marine transportation, and he consequently learned ship handling and navigation. At that time, sending information to a remote location relied on private hikyaku messengers. This hikyaku runner service took days to deliver messages, was expensive with fees determined by negotiation between clients and runners, and was not always available in rural areas. Maejima himself felt these inconveniences when he exchanged letters with his home town.

After becoming a deputy director of the government office responsible for transportation and communications, he made a proposal on the establishment of an easily accessible postal service that is universally and equally available to everyone, allowing people to send letters at the lowest possible cost and have their letters delivered quickly using a relay system. To improve the accessibility of the service, he devised a system in which people buy postage stamps in advance, put them on letters and drop letters in letter collection boxes, now called post boxes.

Despite the Meiji government’s tight budget, a nationwide postal service network (excluding a part of Hokkaido) was set up almost within a year from the founding of the postal service. This was the result of dedicated efforts by mail handling agents in each region, who turned their homes into mail handling offices and worked for free, although they were treated as government officials. Most of them were former officials of inn towns along major roads, owners of official-use accommodation facilities in these towns and village mayors. The number of government mail offices and mail handling offices (both later renamed post offices), which was only 65 at the beginning, rapidly increased to over 1,100 by the end of the next year.

Immediately after making his proposal, Maejima visited the U.K. on the order of the Meiji government. Upon returning, he applied for and assumed the position of director of the said government office and established a nationwide flat-rate system on April 1, 1873 based on the findings during his trip to the U.K.
2. Establishment of Postal Service

The history of modern postal service is also the history of modern transportation service. In 1872, the year following the founding of the postal service, transportation of mail by horse-drawn wagons began under the name yubin basha. Later in the same year, transportation of mail by rail was initiated as a railway line began operating on a trial basis between Shinagawa and Yokohama. The speed of mail delivery increased significantly as a result of the continued expansion of the railway network throughout the country and the launch of on-board mail sorting for relay in 1892. Automobiles and aircraft were used to transport mail for the first time in 1908 and 1919, respectively.

From the very beginning, a flag with a red circle and a horizontal line was used as a symbol of the postal service. In 1887, it was replaced by the ˟ mark, a symbol of the Ministry of Communications. This mark is still used to represent postal service and post offices and is a brand logo of the Japan Post Group. Some say this mark has taken its shape from the first katakana letter, roperties of the ministry’s name.

By the middle of the Meiji era, the postal service became prevalent among Japanese citizens, and the number of postcards sent for New Year’s greeting purposes was showing a steady increase every year. In response, post offices launched a special New Year’s postcards delivery service in 1899, in which New Year’s postcards were collected from December 20 until 30 and delivered on the first day of the next year, with a postmark showing the date January 1 stamped on each postcard.

The first type of post box introduced in the year following the founding of the postal service was painted black. In 1901, red and round column post boxes were introduced, and they became a prototype of the ones currently in use. There were also concrete or ceramic post boxes used during the Second World War, but the color always remained red.

In the latter half of the Meiji era, the number of post offices offering telegraph and telephone switching services increased in rural areas. This resulted in a rapid spread of the use of telegrams and telephones across the country. These telegraph and telephone switching services at post offices continued for a long time after the Second World War, but the latter service continued until a nationwide automatic telephone switching network was established in 1979.

In 1934, the operation of the postal service was removed from the government’s general account and placed under one of its special accounts. Since then, the postal service has been operating on a stand-alone basis without getting financial support from the general account (i.e., tax money), except when commodity prices skyrocketed during the post-war period.
3. Recovery from Disaster, War-Damage Reconstruction and Postal Service

Post offices and facilities used for postal operations sustained considerable damage from the Great Kanto Earthquake that occurred in 1923 and the resulting fire that spread across the Kanto region. They were again badly damaged during the Second World War by air raids over major cities and the land battle in Okinawa. At both occasions, a great number of postal service employees and their families were killed or reported missing, becoming disaster/war victims themselves.

Under these circumstances, post office staff dedicated themselves to restoring normal postal operations, and the postal service became an important part of the infrastructure required for recovery and reconstruction during the post-disaster and post-war periods.

Immediately after the Great Kanto Earthquake, post offices quickly started offering emergency postal services similar to those provided today, such as deployment of mobile post offices using bicycles and handling of emergency withdrawals and insurance payments for people who lost their passbooks or insurance policies.

Following the Great Hanshin Awaji Earthquake in 1995 and the Niigata Chuetsu Earthquake in 2004, post offices in these damaged areas undertook similar activities to support disaster victims. These included checking the whereabouts of evacuees and delivering mail to evacuation shelters, charging no fees on registered mail or money transfers when used to send disaster relief funds and offering postal counter services via mobile post offices.

Delivery of mail in areas damaged by the Great Kanto Earthquake [from Postal Museum collection]
A photograph showing delivery of mail after the Great Kanto Earthquake. Post office staff tried to locate recipients by visiting each temporary shelter built in burnt-out areas and delivering mail to them.

Delivery of mail after the Great Hanshin Awaji Earthquake
Mail carriers leaving the Nagata Post Office (in Nagata-ku, Kobe City) to deliver mail in disaster-stricken areas after the earthquake on January 23, 1995.

Emergency postal services after the Great Hanshin Awaji Earthquake
A photograph showing emergency postal services provided at the Nagata Post Office.

History of Post Boxes

Letter Collection Box, 1871
The first type of post box introduced in urban areas upon the founding of the postal service. Said to be used in the Kansai region.

Black Pillar Box (Replica), 1872
The word yubin bako (post box) is written on its front in white lacquer. There is a humorous episode that some gentlemen from rural areas misread the word and mistook it for a public toilet.

Tawaraya-Type Post Box, 1901
An iron post box designed by Takashichi Tawaraya. The first post box to be painted red, with its shape resembling the round column post box currently in use (Post Box No. 1 – Round Type).

Rotary Disk Post Box, 1908
The first officially-designated prototype post box made of iron and painted red. Rotating the round disk attached to its front after inserting a letter from the slot drops it downward.
During the end of the Meiji era, mail carriers began to use bicycles to collect and deliver mail. Motor scooters were first deployed to post offices in 1948. Later, red motorcycles called yubin bike became the primary means of delivering mail, while red four-wheeled mini vehicles were also used to collect and deliver small parcels (now Yu-Pack parcels).

Also in 1948, post offices resumed the special delivery service of New Year’s postcards, which was suspended in 1940, the year before the Second World War started. They issued their first New Year’s lottery postcards in December of the next year (1949). For that year, the special prize was high-grade sewing machines, and the first prize was pure wool clothing materials. At that time, clothes were still a controlled item requiring rationing coupons.

In 1968, a three- or five-digit postal code system was introduced. The system allowed sorting machines to automatically read postal codes and sort mail and parcels by delivery post office, thereby increasing the speed of mail delivery service.

<table>
<thead>
<tr>
<th>Changes in New Year’s Postcards Lottery Prizes</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-grade sewing machines</td>
</tr>
<tr>
<td>1st prize</td>
</tr>
<tr>
<td>2nd prize</td>
</tr>
<tr>
<td>3rd prize</td>
</tr>
<tr>
<td>4th prize</td>
</tr>
<tr>
<td>5th prize</td>
</tr>
<tr>
<td>6th prize</td>
</tr>
</tbody>
</table>

In 1950, the special prize was high-grade sewing machines, and the first prize was pure wool clothing materials. It was a truly unique, epoch-making initiative, bringing fun and serving to promote social welfare at the same time.

Note: Photos are from the Postal Museum collection.
During the mid-1960s through the mid-1980s, the expansion of the expressway network and improved vehicle performance triggered a gradual shift of railway cargo transport to road transport. In 1971, upon the 100th anniversary of the postal service, the first long-distance land mail transportation service was launched between Tokyo and Osaka, and the primary mode of transport used in the national mail transportation system switched from railways to motor vehicles in February 1984. This also resulted in discontinuation of the on-board mail sorting service. Railway transport of mail (excluding rail container transportation of bulk mail) was discontinued by the end of September 1986.

Mail bags piling up high in a post office (1968, former Tokyo Northern Parcel Collection Center) [from Postal Museum collection]

Suyu-15 type railway mail car (1978) [from Postal Museum collection]

Postal staff sorting mail onboard the railway mail car (1975) [from Postal Museum collection]

A seven-digit postal code system was introduced in 1998. This enabled sorting machines to automatically arrange letters in the order of delivery, further speeding up mail delivery.

For the last 140 years, our mail and Yu-Pack services have been well used by a large number of customers and have become an essential part of their lives and economic and social activities. Despite the intensifying competition with other communications means and parcel delivery companies, the number of mail/parcels handled per year has shown a drastic increase from 10 million in 1873, the year following the completion of the nationwide postal network, to around 20 billion today. The number of post offices also increased from about 1,100 to 24,000 during the same period, and they offer communication, logistics and financial services closely linked to each community. The Japan Post Group will continue to provide useful and convenient services to its customers and to economic and social activities of the country through its truly nationwide network of post offices which are close to its customers.

Mail bags, which had been used to transport mail for a long time, were replaced by roll pallets and roll pallet cases throughout the country in 1990. The replacement served to prevent accidental damage to mail during handling and improve the efficiency of work within post offices.

Loading and unloading of roll pallets (2011, Shiba Branch, Japan Post Service Co., Ltd.)

Letters and postcards are placed in roll pallet cases and then loaded onto aluminum roll pallets for transportation, while Yu-Pack parcels are directly loaded onto roll pallets.
### Year Major Event

- **1871**
  - Modern postal service established (new postal system set up between Tokyo and Kyoto and Tokyo and Osaka)

- **1872**
  - Registered mail service launched
  - Nationwide postal network completed

- **1873**
  - Nationwide flat-rate system introduced
  - Issuance of postcards begun

- **1875**
  - Government mail offices and mail handling offices renamed post offices
  - Postal money order service established
  - International mail service launched
  - Postal savings service established

- **1877**
  - Joined the Universal Postal Union

- **1880**
  - Foreign postal money order service launched

- **1885**
  - Issuance of reply-paid postcards begun
  - Ministry of Communications established

- **1887**
  - The Configurer mark adopted as the logo for the Ministry of Communications

- **1892**
  - Parcel post service begun

- **1894**
  - First commemorative stamps (two types; celebrating the 25th royal wedding anniversary of the Meiji Emperor) issued

- **1899**
  - Special New Year's postcards delivery service launched (suspended in 1923, when the Great Kanto Earthquake occurred, and in the pre- and post-war periods from 1940 to 1947)

- **1901**
  - Red post boxes introduced

- **1906**
  - Postal giro service established

- **1910**
  - Annuities and government pensions payment service launched

- **1911**
  - Express mail service launched

- **1926**
  - Postal life insurance service established

- **1928**
  - Kokumin Hoken Taiso (radio exercise) program launched

- **1931**
  - Foreign postal giro service launched

- **1935**
  - TEIZAKU deposits introduced

- **1941**
  - TEIZAKU deposits introduced

- **1944**
  - System allowing payment of postage in arrears introduced

- **1949**
  - The Ministry of Posts and Telecommunications established
  - Law Concerning Contracted Post Offices went into effect
  - Issuance of New Year's lottery postcards begun

- **1950**
  - Issuance of summer greeting postcards begun

- **1951**
  - New radio exercise program launched

- **1961**
  - Postal orders (TEIZAKU KOGAWASE) service introduced

- **1968**
  - Three- or five-digit postal code system introduced

- **1973**
  - Depositor loan service introduced

- **1975**
  - Express mail service (EMS) launched

- **1977**
  - Online postal life insurance service launched

- **1978**
  - Online postal savings service launched

- **1980**
  - Cash dispensers (CDs) for postal savings introduced

- **1981**
  - Automatic teller machines (ATMs) for postal savings introduced
  - Trial service for electronic postal mail launched

- **1983**
  - Furusato parcel service launched

- **1986**
  - Automatic insurance premiums transfer service launched

- **1988**
  - Sales of Japanese government bonds begun

- **1989**
  - Issuance of regional stamps (later renamed Furusato stamps) and New Year's lottery stamps begun
  - New general passbook service launched

- **1991**
  - Issuance of Furusato picture postcards and donation-added New Year's lottery stamps begun
  - Foreign exchange service launched

- **1998**
  - Seven-digit postal code system introduced

- **1999**
  - ATM/CD alliance service with private-sector financial institutions launched
  - Minna no Taiso (“Exercise for Everyone”) program developed
  - Sales of lotteries begun

- **2000**
  - Mutual remittance services between post offices and private-sector financial institutions begun

- **2001**
  - Postal Service Agency established

- **2002**
  - Defined contribution pensions (individual annuities) service begun

- **2003**
  - Japan Post established
  - EXPACK500 standard-size parcel service launched

- **2005**
  - Sales of investment trusts begun

- **2007**
  - Japan Post Group established
  - Carbon offset New Year's postcards added to the lineup of 2008 New Year's postcards

- **2008**
  - Issuance of JP BANK CARD begun
  - Intermediary service for individual loans launched
  - Agent sales of individual annuities begun
  - A new hospitalization rider, Sono hi kara, launched
  - Post Office Referrals comprehensive lifestyle referral services launched
  - Sales of third-sector insurance begun
  - Sales of life insurance for corporate clients (for management-level personnel) begun
  - Online connection to the Zengin Data Telecommunication System (Zengin System) established

- **2010**
  - Letter Pack service launched
4. Japan Post Group Highlights in Fiscal 2011

**2010**

<table>
<thead>
<tr>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4.1</strong></td>
<td><strong>5.1 to 10.31</strong></td>
<td><strong>6.1</strong></td>
</tr>
<tr>
<td>Launched Letter Pack services. (4.1)</td>
<td>Exhibition at 2010 Shanghai Expo (5.1 to 10.31)</td>
<td>Started sales of Kamo-Mail. (6.1)</td>
</tr>
<tr>
<td>Reinforced verification of relocation forms. (4.1)</td>
<td>“Flowers” promotional campaign (5.10 to 6.30)</td>
<td>Supported the 2010 FIFA World Cup in South Africa. (6.1 to 7.11)</td>
</tr>
<tr>
<td>Started an automatic transfer service. (4.1)</td>
<td>Japanese Bank in Association with Visa</td>
<td>Supported the 2010 FIFA World Cup in South Africa. (6.15 to 8.31)</td>
</tr>
<tr>
<td>Original “Penguin” Goods Giveaway Campaign (4.1 to 5.31)</td>
<td>“Flowers” promotional campaign (6.10 to 8.31)</td>
<td>Sold Pocari Sweat Natsu Gokoro Letter. (6.15 to 8.31)</td>
</tr>
</tbody>
</table>

**2010 April**

- Launched Letter Pack services, which can carry personal letters that were prohibited in our previous EXPACK500 service. [Go to P.40](#)
- Reinforced verification of relocation forms. [Go to P.40](#)
- Started an automatic transfer service. [Go to P.40](#)

**2010 May**

- Yūcho Arigatō Campaign
  - Held a Yūcho Arigatō Campaign to show our appreciation to customers for their patronage.

**2010 June**

- Finalized distribution of New Year’s postcard charitable donations.
  - Alotted ¥400.46 million raised from New Year’s postcard donations to 236 organizations and ¥156.5 million raised from carbon offset postcards donations to 19 organizations.

- Announced an outline of JP Tower (tentative name) construction plan.
  - Announced an outline of the plan to construct JP Tower (tentative name: 38 stories, three illustrated and one with donations added).
Began sales of the second series of Gotochi Form Cards. (7.1)

Japan Post Insurance, NHK (Japan Broadcasting Corporation) and NPO Japan Radio-taiso Federation jointly held the 49th Festival of 10 Million People’s Radio Exercise and Minna no Taiso (“Exercise for Everyone”) in Oita City.

Took over Pelican parcel delivery service of JP Express Co., Ltd. and started providing a new Yu-Pack service on July 1. We apologize for delivery delays immediately following the launch, causing inconveniences to our customers. (The service has been restored by July 15.)

Began sales of the second series of Gotochi Form Cards. Released 47 new designs for Gotochi Form Cards, each bearing illustrations of local products, tourist spots, events or individuals representative of each prefecture.

Integrated Yu-Pack and Pelican delivery services.

Launched an Internet label printing service for Pos Packet parcels. Launched an online service that enables customers to print Pos Packet labels using their personal computers and printers.

Finalized distribution of postage stamp donations for animal protection. Issued special donation-added postage stamps commemorating the 60th anniversary of Be Kind to Animals Week in Japan in fiscal 2010 and allotted ¥41.67 million to 24 organizations.

8.1
Festival of 10 Million People’s Radio Exercise and Minna no Taiso
Japan Post Insurance, NHK (Japan Broadcasting Corporation) and NPO Japan Radio-taiso Federation jointly held the 49th Festival of 10 Million People’s Radio Exercise and Minna no Taiso (“Exercise for Everyone”) in Oita City.

8.2 to 9.30
“Support for Miyazaki” Fair
Ran a “Support for Miyazaki” Fair at post offices across the country to provide assistance to Miyazaki Prefecture, which suffered considerable economic damage caused by an outbreak of foot-and-mouth disease, and donated 5% of the proceeds, amounting to ¥6,431,790, to Miyazaki Prefecture.

8.16
Launched a series of TV commercials.

9.1 to 10.29
Fall Arigatou-Fair at Post Offices
Held the Fall Arigatou-Fair at all post offices nationwide and Japan Post Group branch offices, giving out special gifts, such as a selection of food from northern Japan and accommodation coupons for Karpo no Yado inns, to a total of 100,000 winners.

Held a special exhibition, “Tegami de egao wo kanadeyou › meets Taro Hakase.”

Launched a series of TV commercials.

8.16
Launched a series of TV commercials.

9.11 to 11.7
Held a special exhibition, “Tegami de egao wo kanadeyou › meets Taro Hakase.” Held a special exhibition called “Tegami de egao wo kanadeyou › meets Taro Hakase” at the Communications Museum, consisting of an exhibition and events based on the themes of “smile” and “letters.”

Fall Festival of 10 Million People’s Radio Exercise and Minna no Taiso (8.1)

Support for Miyazaki” Fair
(8.2 to 9.30)

“Support for Miyazaki” Fair
(8.16)
EMS 35th Anniversary Campaign
Opened a special website, “EMS 35th Anniversary Special Site,” and ran a campaign to celebrate the 35th anniversary of the express mail service (EMS).

Extended period for the elimination of fees for internal transfer of funds.
Extended the period for eliminating fees for transfer of funds between Japan Post Bank accounts through cash ATMs, which started in October 2007, until the end of September 2011.

Started over-the-counter sales of Direct products.
Started sales of four products, originally sold through Toshin Direct (an Internet transaction service), at the counter of Japan Post banks and post offices and through a telephone transaction service called “Investment Trust Home Service.” The fees on purchases made through Toshin Direct are now 20% lower than those on over-the-counter purchases.

Began accepting international remittance to Japan Post Bank accounts in Euros.
Started handling international remittance in Euros from overseas banks to Japan Post Bank accounts in addition to the conventional service available in U.S. dollars.

Started sales of New Year’s postcards.
Yu Aoi, a Japanese actress, appeared as the “image character” in the promotional campaign.

Started sales of In print New Year’s postcards and Otoshidama envelopes.
Once again, sold In print New Year’s lottery postcards and Otoshidama gift envelopes. Conducted sales of Otoshidama KitKat with Otoshidama envelope, a product jointly developed with Nestlé Japan Ltd., which was also offered last year.

Tie-up with China Post Group Corp. for expansion of international logistics business
Reached an agreement with China Post Group Corp. to strengthen cooperation in seeking new opportunities and challenges for the promotion of Japan-China international logistics business.

Began accepting international remittance to Japan Post Bank accounts in Euros.

Announced the prizewinners for the original piggy bank design contest.
Announced the prizewinners for the 35th original piggy bank design contest (held from August 23 to September 30, 2010).

Exhibited at Eco-Products 2010.
One of the largest environment-related exhibitions held at Tokyo Big Sight. Presented environmental initiatives, including the donation of funds raised through sales of carbon offset postcards and tree-planting activities by the Japan Post Group company employees, using video and panel displays.

Exhibited at Eco-Products 2010.
Piggy bank that won the Minister of Education, Culture, Sports, Science and Technology Incentive Award (first grade group) in the original piggy bank design contest.

Go to P.41
Go to P.41
Go to P.41
Go to P.46.9
Go to P.41
Go to P.41
Go to P.41

Yu Aoi, the “image character” of 2011 New Year’s postcard campaign
©Disney

Started sales of New Year’s postcards. (11.1)
Yu Aoi, the “image character” of 2011 New Year’s postcard campaign

Exhibited at Eco-Products 2010. (12.9 to 12.11)

Piggy bank that won the Minister of Education, Culture, Sports, Science and Technology Incentive Award (first grade group) in the original piggy bank design contest

Started sales of In print New Year’s postcards and Otoshidama envelopes. (11.15)
Delivery of New Year’s postcards
Delivered 2,084 million New Year’s postcards nationwide on January 1, 2011.

Started providing a special fee discount for the visually impaired customers.
Started charging a lower commission fee, which is the same as the one charged when transferring money using ATMs, for visually impaired customers making money transfers at the counter.

Started sales of a product jointly developed with Nestlé Japan Ltd., for sending messages of support to students taking entrance examinations in 2011.

Held a “New Year Dream Campaign.”
Held a “New Year Dream Campaign” at post offices and branches of Japan Post Bank nationwide.

Held a drawing for New Year’s lottery postcards.
Held a drawing for 2011 New Year’s lottery postcards at the Communications Museum and picked the winning numbers for the first to fourth prizes.

Held a drawing for “Suica Points” giveaway.
Held the “Suica Points” giveaway to give 10,000 Suica points (maximum) to winners who used Yuccho IC Cash Card Suica during the campaign period.

Held the National Presentation Contest for Communication by Postcard.
Encouraged elementary schools that have participated in the letter writing workshop program to send in heart-warming postcards exchanged in their classrooms, and selected and announced outstanding ones at this national contest.

Great East Japan earthquake occurred.

Held “Spring Fair” at post offices nationwide and branches of Japan Post Group companies, which is designed to provide support to new students, new employees and new community members starting a new life in April with a diverse range of products and services.

Announced the prizewinners for the All-Japan New Year’s Postcard Contest.
Announced the prizewinners for the 8th All-Japan New Year’s Postcard Contest (held from November 15 to December 17, 2010).

Debut of JP BANK JCB Card EXTAGE

Held the “Freshers Campaign” at post offices and branches of Japan Post Bank nationwide.

Spring Hajimeyou-Fair at post offices (3.1 to 4.28)

Held a “New Year Dream Campaign” (1.11 to 3.11)

Postcard that won the Minister of Education, Culture, Sports, Science and Technology Award in the Letter Writing Contest (2.25)

Debut of JP BANK JCB Card EXTAGE (2.1)
The Japan Post Group’s consolidated net ordinary income was ¥956.9 billion and net income was ¥418.9 billion. At the end of the fiscal year, total assets amounted to ¥292,933.0 billion and net assets totaled ¥9,999.9 billion.

1. Results of Operations

<table>
<thead>
<tr>
<th>Company</th>
<th>Net Ordinary Income (Year ended March 31, 2011)</th>
<th>Net Income (Year ended March 31, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Post Group (consol.)</td>
<td>¥956.9 billion</td>
<td>¥418.9 billion</td>
</tr>
<tr>
<td>Japan Post Holdings (non-cons.)</td>
<td>¥143.4 billion</td>
<td>¥153.6 billion</td>
</tr>
<tr>
<td>Japan Post Network (non-cons.)</td>
<td>¥58.2 billion</td>
<td>¥30.6 billion</td>
</tr>
<tr>
<td>Japan Post Service (non-cons.)</td>
<td>0 billion</td>
<td>0 billion</td>
</tr>
<tr>
<td>Japan Post Bank (non-cons.)</td>
<td>¥89.0 billion</td>
<td>¥35.4 billion</td>
</tr>
<tr>
<td>Japan Post Insurance (non-cons.)</td>
<td>¥265.5 billion</td>
<td>¥316.3 billion</td>
</tr>
</tbody>
</table>

Net ordinary income: ¥1,007.2 billion, Net income: ¥450.2 billion (Reference: Year ended March 31, 2010)

The results of operations for the fiscal year ended March 31, 2011 for five companies (Japan Post Holdings, Japan Post Network, Japan Post Service, Japan Post Bank and Japan Post Insurance) are shown above. After adding the results of operations of other subsidiaries and affiliated companies to consolidated operations, net income amounted to ¥418.9 billion.

2. Financial Conditions

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan Post Group (consol.)</td>
<td>¥292,933.0 billion</td>
<td>¥9,648.9 billion</td>
<td>¥9,999.9 billion</td>
</tr>
<tr>
<td>Japan Post Holdings (non-cons.)</td>
<td>¥3,249.8 billion</td>
<td>¥2,960.2 billion</td>
<td>¥389.5 billion</td>
</tr>
<tr>
<td>Japan Post Network (non-cons.)</td>
<td>¥1,863.4 billion</td>
<td>¥1,671.8 billion</td>
<td>¥191.5 billion</td>
</tr>
<tr>
<td>Japan Post Service (non-cons.)</td>
<td>0 billion</td>
<td>0 billion</td>
<td>0 billion</td>
</tr>
<tr>
<td>Japan Post Bank (non-cons.)</td>
<td>¥193,443.3 billion</td>
<td>¥184,349.7 billion</td>
<td>¥9,093.6 billion</td>
</tr>
<tr>
<td>Japan Post Insurance (non-cons.)</td>
<td>¥96,786.7 billion</td>
<td>¥95,579.0 billion</td>
<td>¥1,207.6 billion</td>
</tr>
</tbody>
</table>

Total assets: ¥298,571.3 billion, Total liabilities: ¥9,625.5 billion, Net assets: ¥9,625.9 billion (Reference: Year ended March 31, 2010)

Consolidated total assets at the end of the fiscal year were ¥292,933.0 billion, a year-on-year decrease of ¥5,638.3 billion. Assets included securities in the amount of ¥252,377.0 billion and loans discounted in the amount of ¥18,786.2 billion.

Consolidated total liabilities at the end of the fiscal year were ¥282,933.0 billion, a year-on-year decrease of ¥6,012.2 billion. Liabilities included deposits in the amount of ¥173,589.1 billion and policy reserves in the amount of ¥92,817.8 billion.

After excluding ¥36.3 billion in dividends within retained earnings and adding consolidated net income of ¥418.9 billion, net assets rose from ¥9,625.9 billion at the end of the previous fiscal year-end to ¥9,999.9 billion. Net assets included net unrealized gains on available-for-sale securities in the amount of ¥412.4 billion.

As of March 31, 2011, the consolidated capital adequacy ratio (domestic standard) was 61.30%.
3. Consolidated Financial Highlights (April 1, 2010 to March 31, 2011)

Consolidated Results of Operations

<table>
<thead>
<tr>
<th>Ordinary income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
</tr>
<tr>
<td>¥17,468,947 million</td>
<td>¥956,917 million</td>
<td>¥1,007,260 million</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
</tr>
<tr>
<td>¥18,773,630 million</td>
<td>¥1,007,260 million</td>
<td>¥1,007,260 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diluted net income per share</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
</tr>
<tr>
<td>¥2,792.86</td>
<td>¥3,001.47</td>
<td>—</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
</tr>
<tr>
<td>¥3,001.47</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Return on equity: (Year ended March 31, 2011) 4.3% (Year ended March 31, 2010) 4.9%

Consolidated Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Capital adequacy ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
</tr>
<tr>
<td>¥292,933,013 million</td>
<td>¥9,999,952 million</td>
<td>3.4%</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
</tr>
<tr>
<td>¥298,571,321 million</td>
<td>¥9,625,962 million</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

Notes: 1. The capital adequacy ratio is calculated by dividing net assets less minority interests at the end of the fiscal year by total assets at the end of the fiscal year.
2. The consolidated capital adequacy ratio (domestic standard) is calculated in line with provisions of Article 52-25 of the Banking Act and on the basis of criteria for judging whether a bank holding company’s capital adequacy ratio and that of its subsidiaries are appropriate in light of assets held (Financial Services Agency Notice No. 20, 2006).

2. Japan Post Holdings Financial Highlights (April 1, 2010 to March 31, 2011)

In addition to serving as a holding company, Japan Post Holdings operates hospitals and hotels and also contracts to provide shared services to Group companies. Ordinary income was ¥309.3 billion, net ordinary income was ¥143.4 billion and net income was ¥153.6 billion.

Results of Operations

<table>
<thead>
<tr>
<th>Operating income</th>
<th>Net operating income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥305,878 million</td>
<td>¥140,752 million</td>
<td>¥147,179 million</td>
<td>¥145,389 million</td>
</tr>
<tr>
<td>¥317,087 million</td>
<td>¥144,339 million</td>
<td>¥147,179 million</td>
<td>¥145,389 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diluted net income per share</th>
<th>Net operating income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>¥1,024.15</td>
<td>¥1,007,260 million</td>
<td>¥1,007,260 million</td>
<td>¥1,007,260 million</td>
</tr>
<tr>
<td>¥969.26</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

Return on equity: (Year ended March 31, 2011) 1.5% (Year ended March 31, 2010) 1.5%

Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Capital adequacy ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
<td>(Year ended March 31, 2011)</td>
</tr>
<tr>
<td>¥8,382,804 million</td>
<td>¥9,999,952 million</td>
<td>61.30%</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
<td>(Year ended March 31, 2010)</td>
</tr>
<tr>
<td>¥9,625,962 million</td>
<td>¥9,999,952 million</td>
<td>69.77%</td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.
As a result of strengthening collaboration with the Japan Post Group companies and promoting sales activities, operating income amounted to ¥1,256.3 billion, and net operating income totaled ¥49.5 billion. Ordinary income was ¥1,284.9 billion, net ordinary income was ¥58.2 billion and net income was ¥30.6 billion.

Results of Operations

<table>
<thead>
<tr>
<th>Operating income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥1,256,349 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥1,263,975 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net operating income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥49,548 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥52,173 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net ordinary income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥58,260 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥62,439 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥30,661 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥32,981 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net income per share</th>
<th>(Year ended March 31, 2011)</th>
<th>¥7,665.40</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥6,245.29</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diluted net income per share</th>
<th>(Year ended March 31, 2011)</th>
<th>—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>(Year ended March 31, 2011)</th>
<th>¥3,249,823 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥3,252,318 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets</th>
<th>(Year ended March 31, 2011)</th>
<th>¥723,847.3 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥667,780.65</td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Japan Post Service handled a total of 22,780.50 million items (a year-on-year decrease of 2.6%), including 19,812.10 million items of mail (down 3.7%), 343.32 million Yu-Pack parcels (up 47.3%) and 2,621.58 million Yu-Mail booklet parcels (up 3.2%). A decrease in revenue accompanying the decline in the number of items handled and an increase in expenses associated with taking over business operations from JP Express, resulted in ordinary income of ¥1,803.2 billion, a net ordinary loss of ¥89.0 billion, and a net loss of ¥35.4 billion.

Results of Operations

<table>
<thead>
<tr>
<th>Operating income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥1,779,870 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥1,813,048 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net operating income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥103,473 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥42,779 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net ordinary income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥89,093 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥56,997 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net income</th>
<th>(Year ended March 31, 2011)</th>
<th>¥35,435 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥47,493 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diluted net income per share</th>
<th>(Year ended March 31, 2011)</th>
<th>—</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>—</td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>(Year ended March 31, 2011)</th>
<th>¥1,863,433 million</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥1,963,440 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net assets</th>
<th>(Year ended March 31, 2011)</th>
<th>¥47,886.61</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Year ended March 31, 2010)</td>
<td>¥56,745.46</td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.

Japan Post Bank Financial Highlights (April 1, 2010 to March 31, 2011)

As a result of sales efforts for keeping the balances of many matured TEIGAKU deposits, Japan Post Bank held deposits totaling ¥174.6 trillion (down ¥1.1 trillion from the year ended March 31, 2010) (deposits including unpaid interest amounted to ¥175.3 trillion [down ¥1.1 trillion]). Ordinary income (revenues) was ¥2,205.3 billion, net ordinary income was ¥526.5 billion and net income was ¥316.3 billion. Net operating profit was ¥508.3 billion, while the capital adequacy ratio (Basel II) was 74.82%.

Results of Operations

<table>
<thead>
<tr>
<th>Ordinary income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>¥2,205,344 million</td>
<td>¥526,550 million</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥2,207,942 million</td>
<td>¥494,252 million</td>
</tr>
</tbody>
</table>

| Diluted net income per share |
| (Year ended March 31, 2011) | ¥2,108.86 |
| (Year ended March 31, 2010) | ¥1,978.38 |

Return on equity | (Year ended March 31, 2011) 3.5% | (Year ended March 31, 2010) 3.4%

Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Capital adequacy ratio</th>
<th>Capital adequacy ratio (domestic standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>¥193,443,350 million</td>
<td>¥9,093,634 million</td>
<td>4.7%</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥194,678,352 million</td>
<td>¥8,839,547 million</td>
<td>4.5%</td>
</tr>
<tr>
<td>Net assets per share</td>
<td>(Year ended March 31, 2011)</td>
<td>¥60,624.23</td>
<td>(Reference) Equity capital Fiscal year ended March 31, 2011: ¥9,093,634 million Fiscal year ended March 31, 2010: ¥8,839,547 million</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥58,930.31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: The capital adequacy ratio (domestic standard) is calculated in line with provisions of Article 14-2 of the Banking Act and on the basis of calculation formulae prescribed under the criteria for judging whether a bank’s capital adequacy ratio is appropriate in light of assets held (Financial Services Agency Notice No. 19, 2006).

Japan Post Insurance Financial Highlights (April 1, 2010 to March 31, 2011)

As a result of efforts to strengthen its sales promotion capabilities in collaboration with Japan Post Network, Japan Post Insurance established 2.06 million new insurance policies for individuals (a year-on-year increase of 8 thousand), which is almost same level as in the previous year, posting ordinary income of ¥13,375.4 billion, net ordinary income of ¥422.2 billion and net income of ¥329.56 billion, for a solvency margin ratio of 1,821.6%.

Results of Operations

<table>
<thead>
<tr>
<th>Ordinary income</th>
<th>Net ordinary income</th>
<th>Net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>¥13,375,468 million</td>
<td>¥422,207 million</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥14,591,640 million</td>
<td>¥379,623 million</td>
</tr>
</tbody>
</table>

| Diluted net income per share |
| (Year ended March 31, 2011) | ¥3,863.81 |
| (Year ended March 31, 2010) | ¥3,506.34 |

Return on equity | (Year ended March 31, 2011) 6.5% | (Year ended March 31, 2010) 6.3%

Financial Condition

<table>
<thead>
<tr>
<th>Total assets</th>
<th>Net assets</th>
<th>Capital adequacy ratio</th>
<th>Capital adequacy ratio (domestic standard)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Year ended March 31, 2011)</td>
<td>¥96,786,765 million</td>
<td>¥1,207,690 million</td>
<td>1.2%</td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥100,969,782 million</td>
<td>¥1,169,366 million</td>
<td>1.2%</td>
</tr>
<tr>
<td>Net assets per share</td>
<td>(Year ended March 31, 2011)</td>
<td>¥60,384.51</td>
<td></td>
</tr>
<tr>
<td>(Year ended March 31, 2010)</td>
<td>¥58,468.32</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Because there was no dilution, the amount for net income per share after dilution is omitted.
6. The Operations of the Japan Post Group

1. Japan Post Group Structure

![Diagram of Japan Post Group Structure]

2. Nationwide Post Office Network

With 24,529 locations, our network of post offices covers all of Japan’s 1,750 cities, towns, and villages*. These post offices, which serve as bases for various postal, banking, and insurance services that are offered by the Japan Post Group, have been an integral part of local communities for many years, and the Japanese public has come to greatly appreciate this extensive network.

The Group looks forward to taking advantage of these post offices to provide convenient new services to residents of the communities we serve while ensuring their ability to access postal, banking, and insurance services in a unified manner throughout Japan.

*Includes Tokyo’s 23 special wards (as of March 31, 2011).

![Post Offices in Japan (As of March 31, 2011)]

- **Directly operated post offices** (including branch offices): 20,233
- **Contracted post offices**: 4,296
- **Total**: 24,529

Note: Includes 137 directly operated post offices and 255 contracted post offices that are temporarily closed.

---

**Number of post offices**

- **Chugoku area**: 2,288 (Including 522 contracted post offices)
- **Kyushu area**: 3,470 (Including 945 contracted post offices)
- **Okinawa area**: 202 (Including 20 contracted post offices)
<table>
<thead>
<tr>
<th>Area</th>
<th>Number of Post Offices</th>
<th>Including Contracted Post Offices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hokkaido</td>
<td>1,515</td>
<td>300</td>
</tr>
<tr>
<td>Kanto</td>
<td>3,620</td>
<td>274</td>
</tr>
<tr>
<td>Tokai</td>
<td>2,462</td>
<td>410</td>
</tr>
<tr>
<td>Tokyo</td>
<td>1,514</td>
<td>7</td>
</tr>
<tr>
<td>Shinetsu</td>
<td>1,344</td>
<td>362</td>
</tr>
<tr>
<td>Tohoku</td>
<td>2,597</td>
<td>665</td>
</tr>
<tr>
<td>Hokuriku</td>
<td>861</td>
<td>184</td>
</tr>
<tr>
<td>Kinki</td>
<td>3,468</td>
<td>356</td>
</tr>
<tr>
<td>Shikoku</td>
<td>1,188</td>
<td>251</td>
</tr>
</tbody>
</table>

Our post office network includes post offices directly operated by Japan Post Network and contracted post offices operated by local residents under outsourcing agreements. Some operators of contracted post offices have been unable to continue providing services for a variety of reasons, resulting in unavoidable temporary closures.

In response, Japan Post Network works to quickly resume operations and provides alternative services and other measures in communities affected by the temporary closure of contracted post offices.

**Initiatives for Resuming Operations at Temporarily Closed Contracted Post Offices**

- **Visiting Services Provided by Personnel from Directly Operated Post Offices**
  We are providing visiting services by personnel from directly operated post offices to rural areas to provide services at a public facility or other location (twice a week, a half-day each). Among the areas where contracted post offices have been temporarily closed, these services were being provided at 65 locations.

- **Services Provided by Temporary Branches**
  Directly operated post offices are opening temporary branches near post offices temporarily closed in communities that have no financial institutions, which includes post offices. At the end of March 2011, temporary branches were in operation at two locations.

- **Services Provided by Mobile Post Offices**
  We are dispatching mobile post offices (Poskuru), which are specialized vehicles, to provide various services in Toyota City, Aichi Prefecture, as well as Naruto City and the surrounding area in Tokushima Prefecture.
  Additionally, as of the end of March 2011, services of mobile post offices in the respective regions are temporarily suspended to provide services in the disaster-affected areas of the Great East Japan Earthquake.

**Initiatives for Maintaining the Post Office Network**

- **Provide Provisional Services for Temporary Closed Contracted Post Offices**
  In areas where the operations of temporarily closed post offices are unlikely to be resumed soon, we are providing following provisional services.