

Dedicated to Becoming an Even More Trustworthy Group

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1. Japan Post Group Corporate Governance

1. Fundamental Policy for Corporate Governance

At the Japan Post Group, all Group companies establish their own corporate governance systems, and Japan Post Holdings Co., Ltd., as the holding company, uses the following system to oversee management of the Group. The objective is to establish an appropriate corporate governance system for the entire Japan Post Group.

1. Group Management

Japan Post Holdings has management control agreements between its four major subsidiaries. In addition, the holding company establishes basic Group policies concerning important management items and asks all Group companies to follow these policies. Group companies must receive approval by the holding company or

submit reports to the holding company with regard to items that have a significant effect on the entire Group and items required to maintain management transparency. Through these activities, Japan Post Holdings oversees management of the Japan Post Group.

2. Internal Controls

Japan Post Holdings, in accordance with management policies for the Japan Post Group, has established the Fundamental Policy for Establishment of Internal Control Systems for Japan Post Holdings Co., Ltd. for the purpose of establishing programs that ensure sound and proper business operations. In addition, the holding company has established basic Group policies for matters concerning such areas as compliance, internal audits, risk management, information

security and other items. Group companies are asked to establish their own systems based on these policies.

Furthermore, Japan Post Holdings constantly monitors Group companies to ensure proper business operations by asking Group companies to submit reports. This enables the holding company to assist Group companies in making improvements as needed.

3. Separation of Business Execution and Supervision

Japan Post Holdings is a company with committees, in which responsibilities for execution of business activities and oversight of management are separated for the purpose of strengthening corporate governance for the entire Japan Post Group. The president and CEO quickly makes decisions concerning business activities. The Board of Directors, comprising 19 directors among which 13 are outside directors, provides appropriate supervision of business activities.

In addition, there is a Nomination Committee, Audit Committee and Compensation Committee, each with a majority of outside directors. The Nomination Committee decides on proposals regarding candidates for director while the Audit Committee monitors the business execution functions of executive officers and other relevant individuals, and the Compensation Committee determines compensation for executive officers and other relevant individuals.

4. Management Meeting and Special Committees

Japan Post Holdings has a Management Meeting made up of executive officers that serves as an advisory body to the president and CEO. This meeting discusses important matters involving business activities and submits reports.

In addition, there are two special committees, the Compliance

Committee and Corporate Social Responsibility (CSR) Committee, that serve as advisory bodies to the Management Meeting. Having these committees examine specialized matters and submitting the results to the Management Meeting better enables the Japan Post Group to solve problems involving all aspects of management.

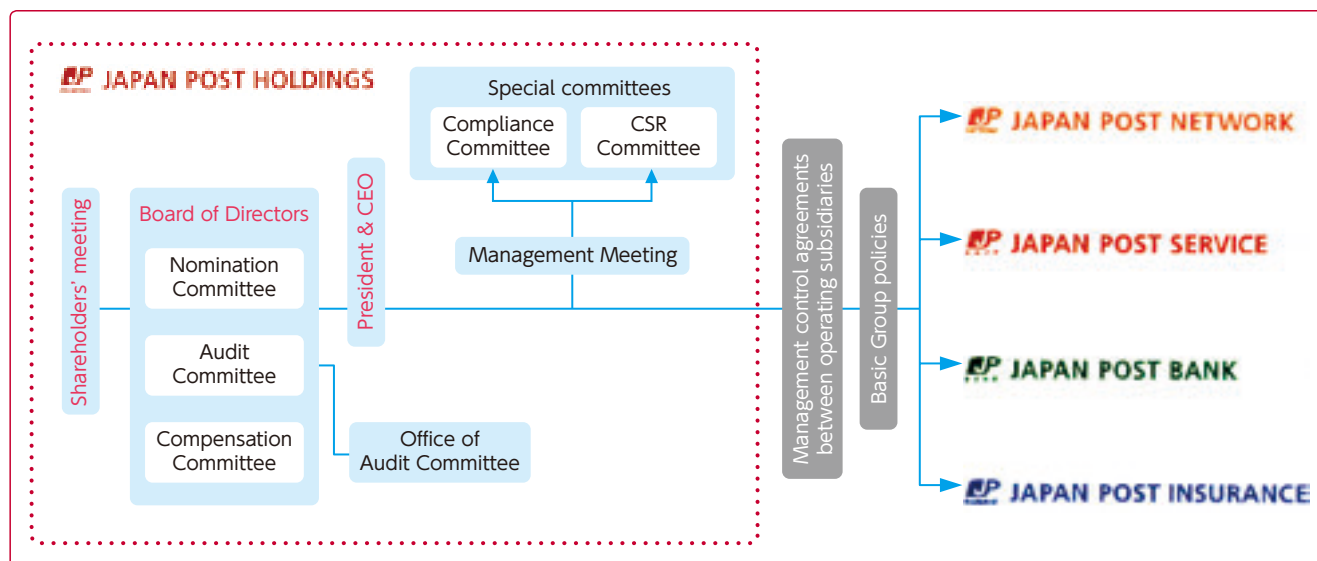
5. Administrative Management

Japan Post Holdings has set forth a basic policy concerning the creation of administrative management systems that requires Group companies in different industries to continually strive to maintain and improve administrative quality by promoting rationalization and streamlining of administrative operations and procedures.

To support the development and improvement of administrative

management systems at each Group company and ensure cooperation between Group companies, Japan Post Holdings requests information necessary to evaluate the administrative management system of each Group company and provides guidance and makes recommendations for improvement as required.

■ Japan Post Group Corporate Governance System



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

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

1. Organizational response

In firm recognition of its social responsibility and to strengthen management based on compliance, the Japan Post Group, as an organization in its entirety, will ensure that any relationships with antisocial forces are eliminated.

2. Complete elimination of relationships, including transactions

The Japan Post Group will have no relationships whatsoever with antisocial forces, including transactions.

3. Legal measures and prohibition of secret negotiations

The Japan Post Group will strongly refuse any unjustified demands by antisocial forces and will take legal measures, either via a civil court or a criminal court, or both. The Japan

Post Group will never negotiate in secrecy with antisocial forces, even if their unjustified demands are to conceal matters related to any misconduct of the Group's own activities or that of its staff.

4. Cooperation with outside experts

The Japan Post Group will establish close relationships with outside experts in preparation for any unjustified demands by antisocial forces in order to ensure the safety of its staff against such demands.

5. Prohibiting financing for antisocial forces

The Japan Post Group will never engage in financing for antisocial forces.

2. Corporate Governance Systems of Group Companies

Japan Post Network and Japan Post Service have a corporate governance system based on a Board of Corporate Auditors. Three of four corporate auditors of Japan Post Network are outside auditors, and all three corporate auditors of Japan Post Service are outside auditors.

Japan Post Bank and Japan Post Insurance have a corporate governance system based on committees comprised of Board of Directors members and have more than half of their directors as outside directors. These companies maintain a Nomination Committee, Audit Committee and Compensation Committee, each with a majority of outside directors.

Japan Post Network, Japan Post Service, Japan Post Bank and Japan Post Insurance have a Management Meeting made up of executive officers that serves as an advisory body to the chairman and president. This meeting discusses important matters involving business activities and submits reports. In addition, there is a Compliance Committee, a Risk Management Committee and other special committees that serve as advisory bodies to the Management Meeting and deliberate on specialized matters.

2. Japan Post Group Compliance Framework

We conduct rigorous compliance activities as one of the highest management priorities of the Japan Post Group. With the guidance and support of Japan Post Holdings, all Group companies build an effective compliance framework giving due consideration to the public characteristics of the business.

1. Japan Post Group Compliance Framework

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

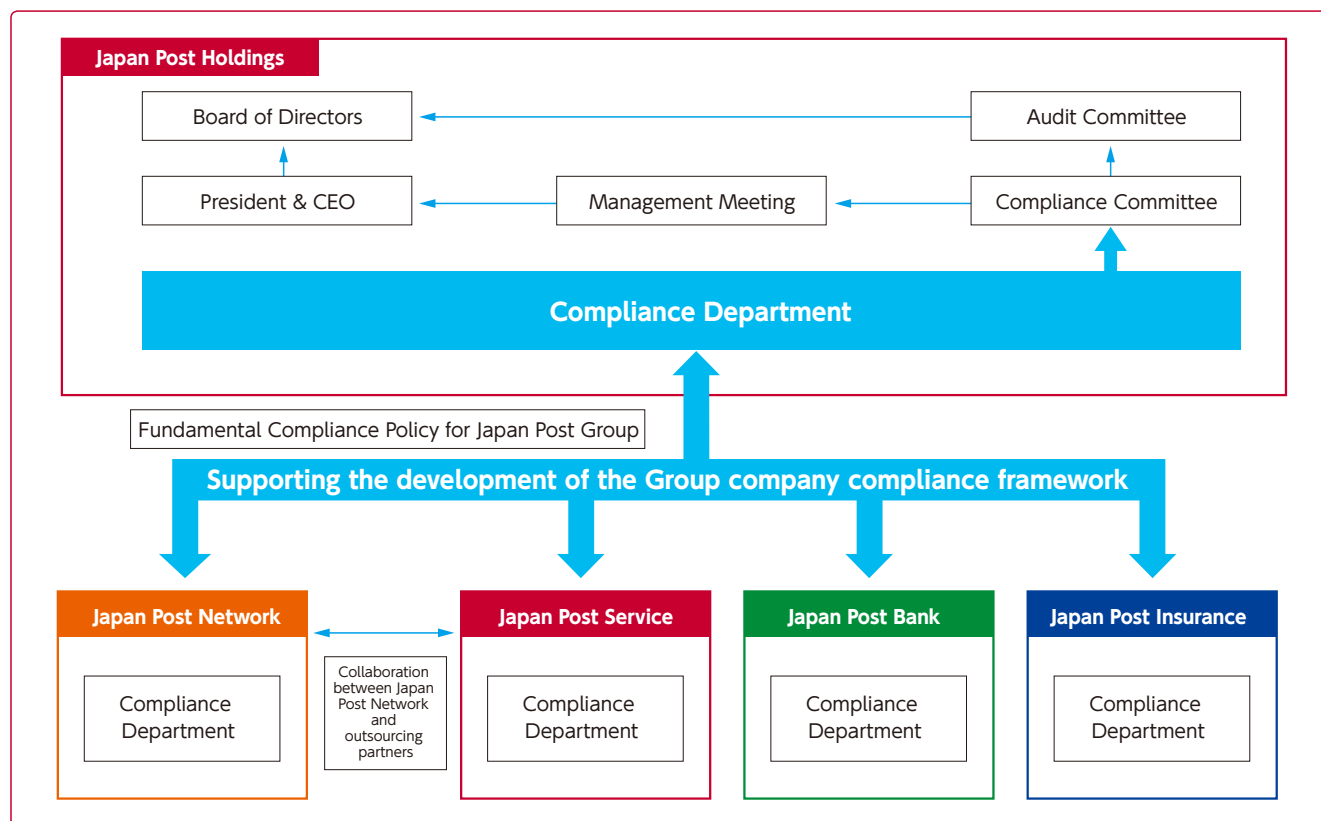
In addition, each Group company has a Compliance Committee that reports to its Management Meeting to review the compliance policy, framework, specific activities and associated issues.

A Compliance Department has been set up to propose and manage measures to promote compliance through a director in

charge of compliance.

The Compliance Department of Japan Post Holdings establishes the Fundamental Compliance Policy for Japan Post Group. This department also provides Group companies with guidance and support to make improvements as required. These activities make it possible to maintain and improve compliance functions for the Group as a whole.

■ Japan Post Group Compliance Framework



2. Group Company Compliance Framework

Japan Post Group companies have built a compliance framework as outlined below and use various measures to promote compliance so that the compliance framework can function effectively.

1. Compliance Framework

(a) Line of responsibility for compliance activities

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

(b) Internal reporting system

In each Group company, the Compliance Department has a compliance hotline that can be used by employees and others. In addition, reports of compliance infringement at any Group company can be submitted at a designated law firm, which provides an external reporting channel. This reporting system makes it possible to quickly deal with compliance violations and prevent such violations from spreading while maintaining a structure to resolve issues at the earliest stage.

2. Promotion of Compliance

(a) Establishment of compliance program

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

(b) Activities related to compliance items

At Group companies, specific compliance items have been selected and departments have been assigned to take responsibility for individual compliance items in order to promote compliance in a focused manner. The Compliance Department oversees the compliance promotion activities undertaken by these units and conducts integrated management of compliance-related issues across the board.

(c) Preparation and distribution of compliance manual

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

(d) Implementation of compliance-related training

Each Group company conducts a variety of training activities to promote a better understanding of legal matters and other areas, and to raise awareness of compliance.

3. Japan Post Group Internal Audit System

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

1. Japan Post Group Internal Audit System Framework

The Japan Post Group has formulated the Basic Policy on Internal Auditing that sets forth the fundamental items necessary to create an internal audit system framework.

Based on this policy, each Group company develops an effective internal audit system framework befitting the nature of the business and the degree of risk.

The Internal Audit Department of Japan Post Holdings monitors the audit regulations, audit plans and progress of audits

of the Internal Audit Departments of Japan Post Network, Japan Post Service, Japan Post Bank and Japan Post Insurance from the perspective of enhancing the internal audit system framework of the entire Group.

This Internal Audit Department also evaluates and examines the internal audit systems of Group companies and provides guidance and advice, as well as makes recommendations for improvements and conducts audits when required.

2. Internal Audit System at Group Companies

1. Overview

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

In addition, the scope of the internal audits extends to all business sites and administrative affairs, so each Group company has set up an Internal Audit Department at its head office. Besides this,

Japan Post Network, which has approximately 24,000 post offices, has established audit offices at 50 locations nationwide, while Japan Post Service, which has around 1,090 branch offices, has established 13 audit offices nationwide. This ensures that internal audits are carried out at a sufficient frequency and in appropriate detail.

2. Implementation of Effective Internal Audits

The Internal Audit Department of each Group company evaluates the branches and departments within the scope of the internal audit, or more precisely, the different types and extent of risks in business operations. Audit frequency and audit items are determined in line with these evaluations, and risk-based internal audits carried out.

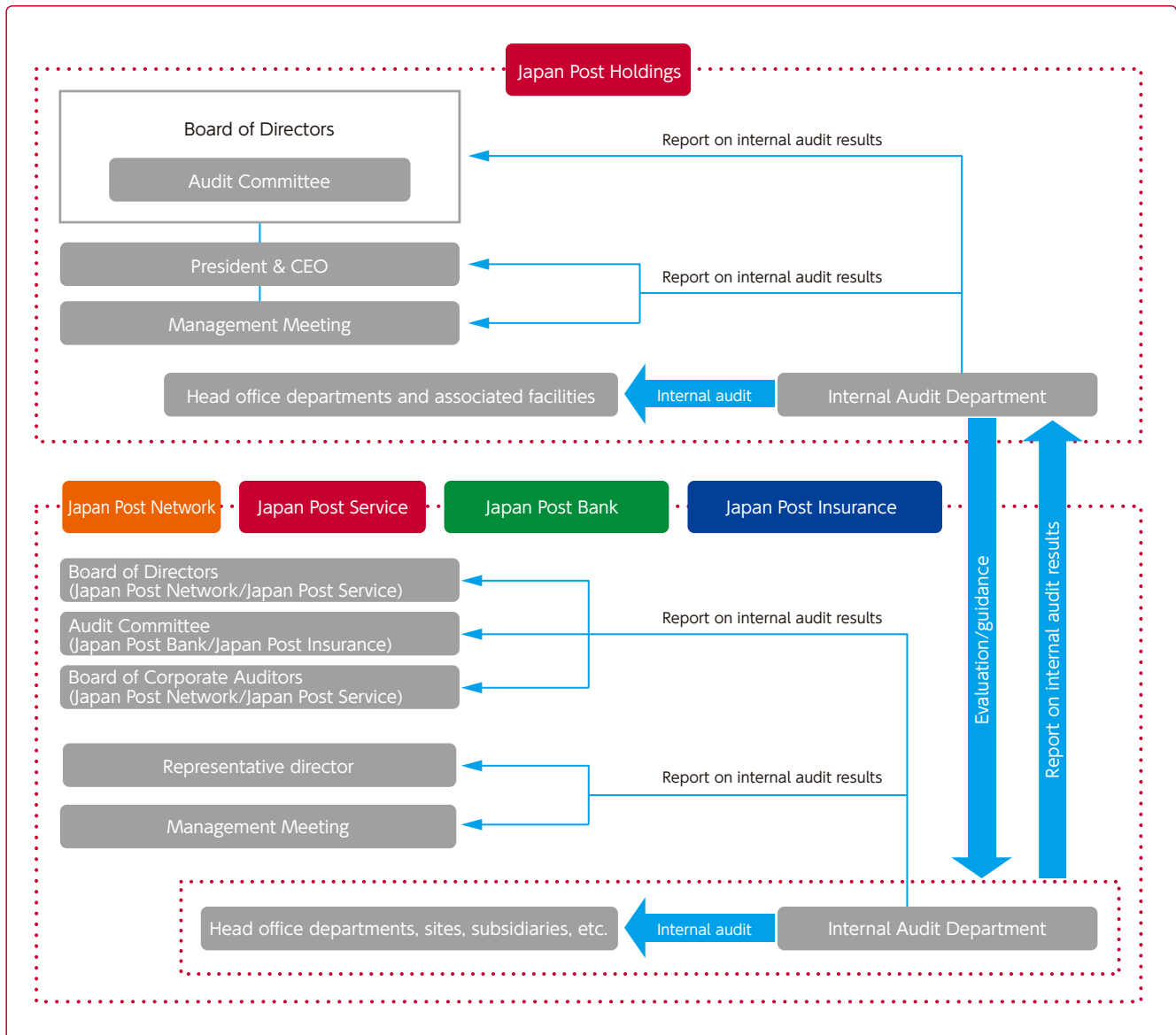
In addition, efforts are made to ensure efficient and effective internal audits through attendance at daily meetings and off-site monitoring that includes gathering materials related to internal management.

3. Reporting on Results of Internal Audits and Making Improvements

The Internal Audit Department of each Group company reports on internal audit results, which includes recommendations for improvement, to the business-executing department followed by the representative director and the Audit Committee or Board of Corporate Auditors.

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

Japan Post Group Internal Audit Framework



4. Japan Post Group Risk and Crisis Management

Japan Post Holdings, as the holding company of the Japan Post Group, recognizes that properly managing risk within the Group is one of management's highest priorities. Basic items concerning Group risk management are set forth in the Basic Policy for Japan Post Group Risk Management. Japan Post Holdings utilizes this policy as the basis for establishing risk management systems for the Group.

Japan Post Holdings is committed to preventing the transfer of risk from one Group company to another. Japan Post Holdings is also committed to assuring that Japan Post Bank and Japan Post Insurance, the Group's financial companies, continue to strengthen their risk management systems as autonomous financial institutions and develop systems that make them self-reliant.

To deal with a crisis to ensure appropriate response to earthquakes and other natural disasters as well as other crises, the Japan Post Group has established the Basic Policy for Japan Post Group Crisis Management and utilizes this policy as the basis for establishing crisis management systems for each Group company.

1. Group Risk Management Framework

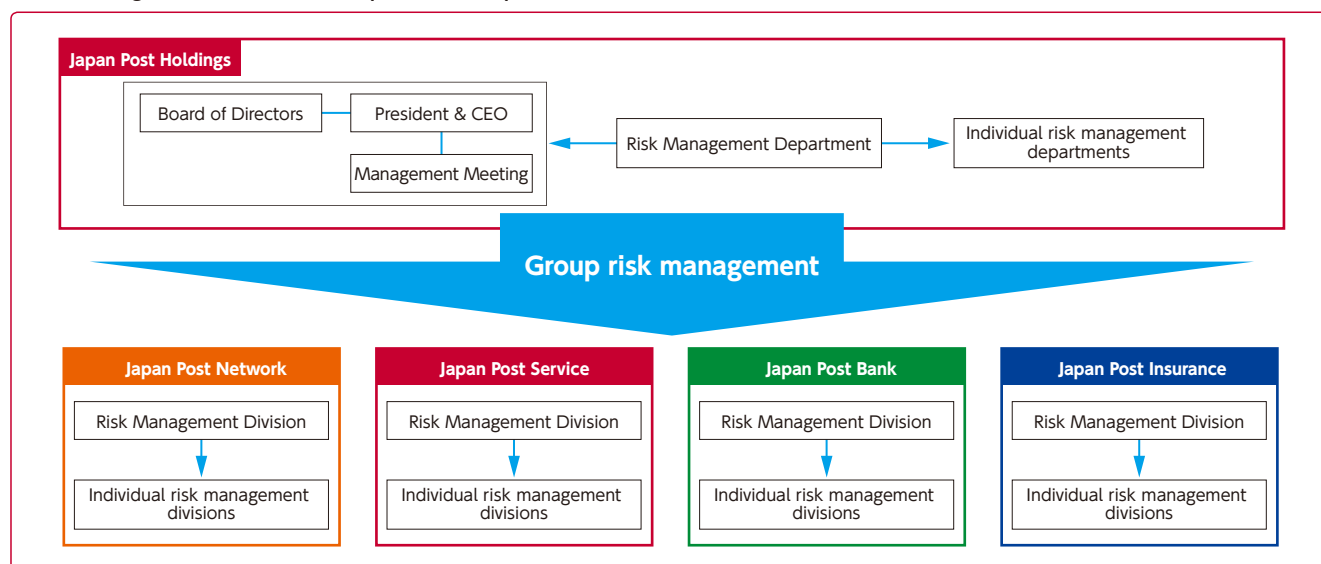
The Basic Policy for Japan Post Group Risk Management classifies and defines risk categories managed by Group companies and prescribes basic policy that must be followed by Group companies.

In addition, Japan Post Holdings has a Risk Management Department, which has authority that is independent of other departments, for the purpose of monitoring risk for the entire Japan Post Group. The Risk Management Department makes use of reports on risk management at Group companies and discussions to establish systems that properly monitor risk for the Group as a whole.

The Risk Management Department periodically submits Group company risk management reports to the Management Meeting in which the Group's risk management policies and risk management systems are discussed.

We take care to prevent any conflicts of interest between the risk management organization and executives or employees concerning their authority and responsibility, and provide a system of checks and balances by maintaining independence from other businesses.

■ Risk Management Framework for Japan Post Group



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

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

Operational risk is managed for the work performed under consignment by Japan Post Network, mainly at post offices, and for the business activities of Japan Post Service, Japan Post Bank and Japan Post Insurance. Operational risk management is monitored on a regular basis to properly supervise this risk. In addition, actions are taken to enable Group companies to work more closely together in order to prevent the recurrence of problems and strengthen risk management.

2. Japan Post Group Risk Management System

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

Management and manages those risks autonomously.

A department responsible for managing risk has been set up at each Group company and a system for checks and warnings has been created together with the individual risk management departments.

■ Risk Categories and Definitions

Risk category	Definition
Insurance underwriting risk	Risk of incurring losses due to the deviation of economic conditions and incident rates of accidents from forecasts established at the time insurance premiums were set
Credit risk	Risk of incurring losses caused when assets (including off-balance-sheet assets) decline in value or become worthless due to deterioration in the financial position of the obligor
Market risk	Risk of incurring losses due to changes in the value of assets (including off-balance-sheet assets) due to changes in risk factors involving interest rates, securities prices and foreign exchange and other markets. Market risk is divided into the following three categories:
1) Interest rate risk	Risk of incurring losses due to fluctuation in interest rates; the risk of a decline in earnings or losses caused by interest rate volatility when there are mismatches of interest rates and interest rate periods between assets and liabilities
2) Price volatility risk	Risk of declines in value of assets due to fluctuation in value of securities and other financial instruments
3) Foreign exchange risk	Risk of incurring losses due to differences in foreign exchange rates from initial assumed rates in cases where there is a net surplus of assets or liabilities for assets or liabilities denominated in foreign currencies
Asset management risk	This risk has the following three components:
1) Credit risk	Same as credit risk above
2) Market risk	Same as market risk above
3) Real estate investment risk	Risk of incurring losses due to a decline in profitability of real estate caused by changes in real estate leases and other items or by declines in the value of real estate itself due to changes in market conditions

Risk category	Definition
Liquidity risk	(1) Cash flow risk: Risk of incurring losses due to cash flow problems caused by the inability to procure sufficient funds, the need to procure funds at an interest rate that is extremely higher than normal because of a worsening financial condition (Japan Post Bank), risk of incurring losses due to a decrease in insurance premiums due to a decrease in new policies, or an increase in payments of termination refund following a large quantity of policy cancellations because of a worsening financial condition, or to the need to sell assets at prices far below normal in order to procure funds in response to deteriorating cash flows caused by cash outflows resulting from a significant natural disaster (Japan Post Insurance) (2) Market liquidity risk: Risk of incurring losses due to the inability to conduct transactions or to the need to conduct transactions at prices that are much less favorable than normal because of market turmoil
Operational risk	Risk of incurring losses due to improper business processing, inappropriate actions by executives and employees, improper computer system operation, or external events There are three categories of operational risk that apply to the entire Group: (1) processing risk, (2) computer system risk and (3) information assets risk. The subsidiaries also define other risk categories of their own that are added to the list of operational risks after consultation with the holding company:
1) Processing risk	Risk of incurring losses due to executives, employees and others neglecting to perform their clerical process properly resulting in errors or other incidents, or engaging in unlawful activities
2) Computer system risk	Risk of incurring losses due to system failures, including disruptions, errors or other problems; risk of incurring losses due to the unlawful use of computers
3) Information assets risk	Risk of incurring losses due to a computer system malfunction, improper clerical processing or another problem that results in a loss, alteration, unlawful use, leak to external parties or other problem associated with information

3. Crisis Management for Disasters

The Japan Post Group has established the Basic Policy for Japan Post Group Crisis Management and each Group company also has its own system for dealing with a crisis. Crisis management is needed to ensure the stability and soundness of the business activities of Group companies. Group companies are prepared to respond appropriately to earthquakes and other natural disasters, suspensions in the operation of data management systems and other crises.

Group companies prepare manuals and establish plans that facilitate the required initial response and rescue measures immediately after a crisis occurs. In the event of a major crisis, we will quickly establish a joint task force on-scene that is made up of representatives of Group companies and other bodies. This unit will be responsible mainly for considering and establishing methods to enhance the smooth provision of services to customers.

5. Japan Post Group Customer Satisfaction

The Japan Post Group duly considers its customers' point of view and provides a selection of products and services that customers truly appreciate. To achieve this, all directors and employees listen closely to customers' opinions as a means to raise customer satisfaction.

1. Listening to Customers

Each Group company's customer satisfaction department* analyzes customer feedback collected from post offices, branches, call centers and its own website with the aim of making required improvements and providing products and services that bring customer satisfaction.

*Group companies' customer satisfaction departments:

- Japan Post Network: CS Promotion Division
- Japan Post Service: Operations Division, Customer Service Promotion Office

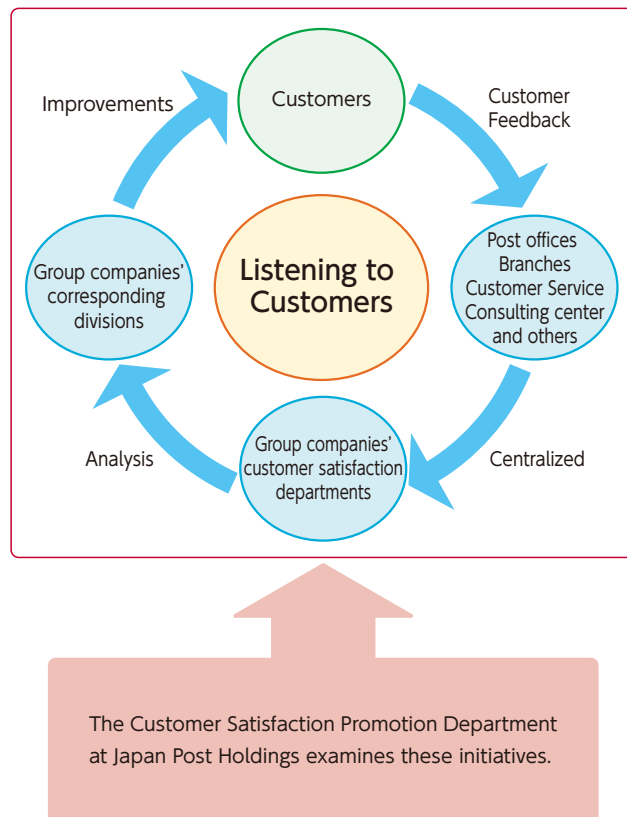
The Customer Satisfaction Promotion Department at Japan Post Holdings devises ways to utilize customer opinions gathered from Group companies in its management operations.

- Japan Post Bank: Compliance Management Department, Customer Service Promotion Office
- Japan Post Insurance: Customer Service Department

2. Customer Service Consulting Center

Customer opinions are gathered at all post offices, branches and call centers nationwide, as well as from respective websites. Please refer to pages 192-195 for business hours at post offices and branches, and for telephone numbers and business hours of Group company call centers.

■ Japan Post Group Customer Satisfaction Flowchart



■ Example of improvements based on customer feedback

	Customer feedback	Improvements
Postal services	The telephone number of the driver on the delivery notice is too small. Also, having instructions on both the front and back of the form makes it difficult to understand.	We made the driver's telephone number bigger on the delivery notice for Yu-Pack. In addition, we put all required information such as contact details and package content on the same side of the form to make it easier to use.
Postal services	Letter Pack (1) It is difficult to understand the difference between the products commonly known as Letter Pack 500 and Letter Pack 350. (2) The colors used for Letter Pack 500 (red base) and Letter Pack 350 (pink base) are too similar, so they are easy to mix up. (3) It is difficult to understand the indication of thickness restrictions on Letter Pack 350.	We made improvements in each of these areas as follows. (1) We changed the product names to Letter Pack Plus and Letter Pack Light. (2) We changed the color of Letter Pack Light (formerly called Letter Pack 350) to a blue base. (3) We indicated thickness restrictions in big text on the outside of Letter Pack Light (formerly called Letter Pack 350).
Banking services	It would be good to be able to use Yucho Direct from a smartphone.	Customers were able to start using some services for Yucho Direct (Internet banking service) in September 2011.
Insurance services	I would like to transfer money for my first insurance premium from Japan Post Bank, so it would be good if you could send a special payment form that I can use.	We now send a special Japan Post Bank payment slip along with funds transfer forms for other banks.

Results of the Fourth Japan Post Group Customer Satisfaction Survey

Japan Post Holdings conducts a survey on customer satisfaction levels and intention of use at post offices (Japan Post Network Co., Ltd., Japan Post Service Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.) and summarizes the results in order to accurately ascertain customer opinions on products and services and respond to new needs.

The Japan Post Group will continue to regularly conduct surveys as a means to further raise customer satisfaction and the results of analysis of issues and other aspects obtained via such research will be actively reflected in management operations.

Outline of survey

■ Respondents

- (1) Individuals who use the post office (including ATMs) more than once a month
 - (2) Individual males or females over 20 years old nationwide
 - (3) Individuals that fit one of the following criteria
 - Used mail such as Yu-Pack or letter in the past year
 - Have an account at Japan Post Bank
 - Family subscribes to Japan Post Insurance
- * Excludes mass media, sector peer companies, those affiliated with the post office, etc.

■ Period: November 25-27, 2011

■ Survey method: Internet

■ Valid responses: 4,744 people (59.3% of 8,000 solicited)

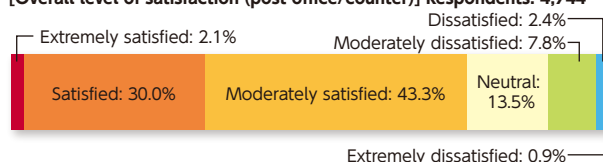
■ Level of satisfaction in the post office exceeded the level of dissatisfaction.

◇ (Satisfied: 75.4%, Dissatisfied: 11.1%)

<Q5>

How satisfied are you overall with the post office network and response at counters?

[Overall level of satisfaction (post office/counter)] Respondents: 4,744



■ Level of dissatisfaction concerning specific areas of the post office and counter service exceeded the level of satisfaction.

Top 3 most satisfied

- Welcome greeting (Satisfied: 78.1%, Dissatisfied: 5.6%)
- No procedural errors (Satisfied: 76.5%, Dissatisfied: 5.9%)
- Courteous and prompt response (Satisfied: 74.7%, Dissatisfied: 7.0%)

Top 3 least satisfied

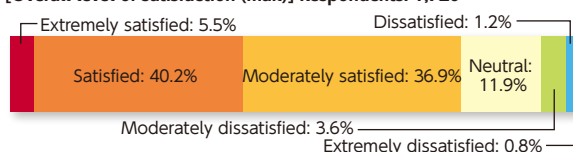
- Number of ATMs (Dissatisfied: 46.3%, Satisfied: 30.1%)
- Size of parking area (Dissatisfied: 42.3%, Satisfied: 21.1%)
- Length of business hours (Dissatisfied: 30.1%, Satisfied: 34.4%)

■ The percentage of satisfied customers exceeds that of dissatisfied customers for services such as postal services, banking services and insurance services.

◇ Mail (Satisfied: 82.6% Dissatisfied: 5.6%)

<Q18> How satisfied are you overall with mail delivery services at post offices for such items as letters, postcards, direct marketing and catalogs?

[Overall level of satisfaction (mail)] Respondents: 1,720

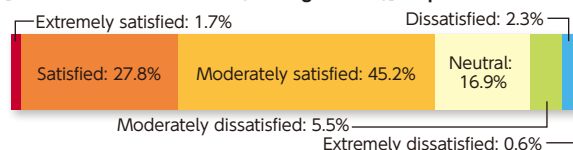


◇ Banking services (Satisfied: 74.7% Dissatisfied: 8.4%)

<Q37>

How satisfied are you overall with banking services at post offices?

[Overall level of satisfaction (banking services)] Respondents: 1,803

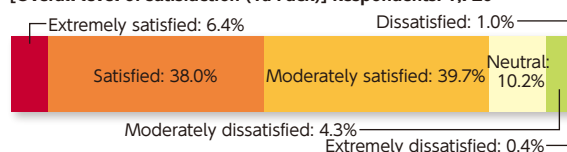


◇ Yu-Pack (Satisfied: 84.1% Dissatisfied: 5.7%)

<Q25>

How satisfied are you overall with Yu-Pack delivery services at post offices?

[Overall level of satisfaction (Yu-Pack)] Respondents: 1,720

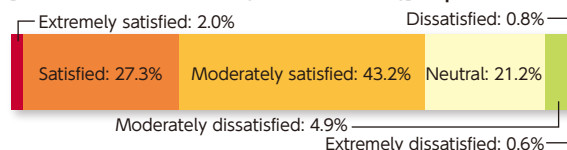


◇ Insurance services (Satisfied: 72.5% Dissatisfied: 6.3%)

<Q49>

How satisfied are you overall with insurance services at post offices?

[Overall level of satisfaction (insurance services)] Respondents: 1,221



*Graph figures have been rounded to one decimal place, so the total response rate may not add to 100.0%.

Survey results were outlined in a press release issued on the Japan Post Holdings Co., Ltd. website (<http://www.japanpost.jp/>) on March 21, 2012.

6. Japan Post Group CSR

1. Japan Post Group CSR Activities

Following privatization, the Japan Post Group clarified its position towards corporate social responsibility (CSR) that it adopted as a public enterprise, which stipulates issues to be systematically addressed in seven fields that include environmental conservation, social contribution, creating a people-friendly business environment, increasing customer satisfaction, compliance, information disclosure and boosting productivity.

At the Japan Post Group, CSR activities serve as a means of achieving the Group's management philosophy and ensuring sustainable growth.

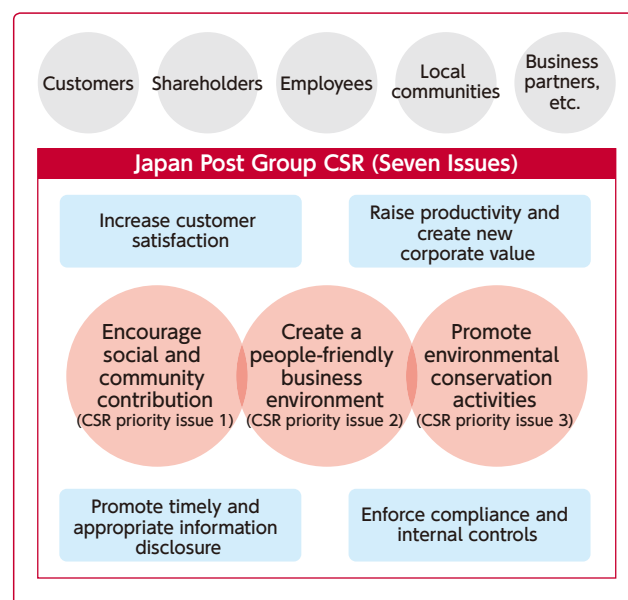
1. Seven CSR Issues Including Three Priority Issues

Of the seven CSR issues, four issues are what is expected of the Japan Post Group by customers and shareholders when the Group conducts business. Specifically, these are to increase customer satisfaction; raise productivity and create new corporate value; promote timely and appropriate information disclosure; and enforce compliance and internal controls. Explicit actions are to be undertaken independently and voluntarily by each Group company with a clear understanding that these are included within the scope of the Japan Post Group's CSR.

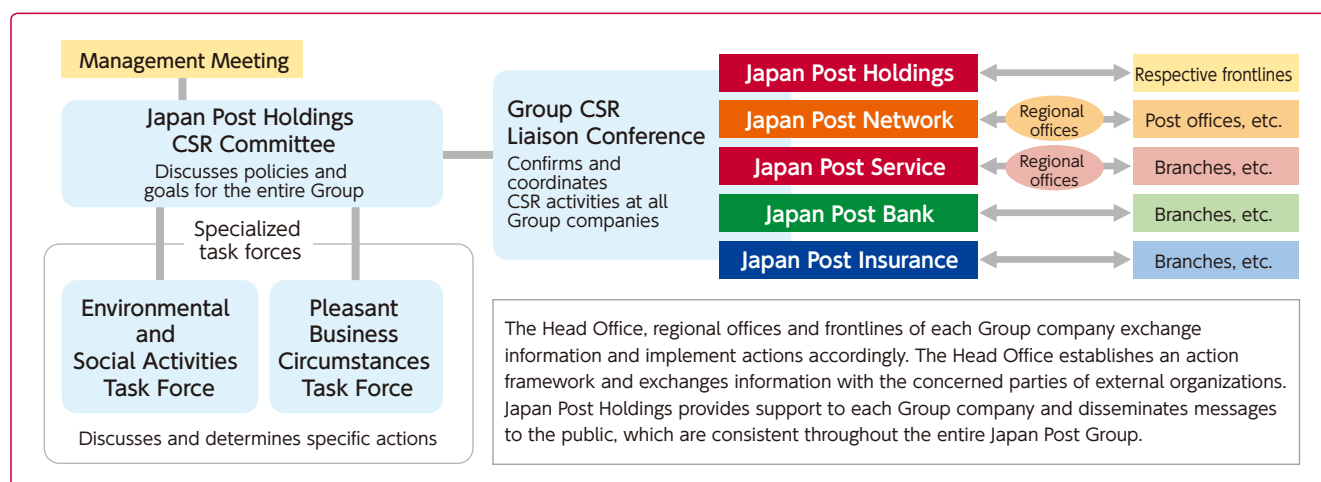
The remaining three, namely, encourage social and community contribution, create a people-friendly business environment and promote environmental conservation activities, are CSR priority issues shared among the Group companies. The Japan Post Group places particular emphasis on these issues, recognizing that these are the responsibility that the Group assumes as a provider of products and services to customers throughout the country and are essential in attaining sustainable growth from a medium- to long-term viewpoint.

Cognizant that these three CSR priority issues are our responsibility and an integral part of our business operations, we will strive to implement activities that have major significance and are recognized by many people over the long term. We will also work

to link these activities to enhancing the Group's brand strengths, turning such efforts into a source of increased competitiveness and the driving force behind sustainable growth.



2. Japan Post Group CSR Organization



2. Emergency Initiatives Undertaken in Fiscal 2012

During fiscal 2012, in addition to the existing three CSR priority issues of 1) encouraging social and community contribution, 2) creating a people-friendly business environment and 3) promoting environmental conservation activities, we adopted two emergency initiatives of providing support for disaster recovery and cooperating in power-saving efforts in response to the Great East Japan Earthquake that occurred on March 11, 2011. We created a Group slogan and channeled Group-wide efforts into these initiatives.

1. Group Slogan

Gambaru! Nippon ("Carry on, Japan!")

— Japan Post Group Network Supports Community Ties —

2. Emergency Initiatives

(1) Providing Support for Disaster Recovery

For details of our activities to support recovery from the disaster, please refer to "Our Response to the Great East Japan Earthquake" on pages 10 and 11.

(2) Cooperating in Power-Saving Efforts

■ Power-Saving Measures in Summertime

Under the guideline, "Electricity Supply-Demand Measures in Summertime," issued on May 13, 2011 by the Electricity Supply-Demand Emergency Response Headquarters, we implemented several power-saving measures to achieve the reduction target defined by the government. Our efforts included setting the temperature of air conditioners at 28°C, partial lighting and partial operation of elevators.

• Period: July 1 - September 30, 2011

• Subject facilities: All facilities of each Group company within the areas covered by Tokyo Electric Power Co., Inc. and Tohoku Electric Power Co., Inc.

• Reduction target (basic): A reduction of 15% or more from the previous year's level

As a result of our Group-wide efforts during the period, we successfully achieved the reduction target.

■ Implementation of "Super Cool Biz" Campaign

As part of efforts to save power during summertime, the Japan Post Group conducted a "Super Cool Biz" campaign, which is a step beyond the conventional "Cool Biz" practice, covering a longer period (from May 13 to October 31, 2011) and encouraging even more casual attire in the workplace. During the said power-saving period, post office and branch personnel were allowed to wear polo shirts at work.

At the same time, employees working at post offices and Japan Post Bank branches in the Tohoku and other regions wore polo shirts with a printed message, "Carry on Tohoku," to



Personnel of a post office in Miyagi Prefecture wearing polo shirts at work

show our support for disaster victims and our wish for the earliest recovery from the disaster.

■ Introduction of LED Lighting

As another measure to save power, we adopted more energy-efficient and longer-life LED lights at Japan Post Bank's ATM corners and common use spaces within *Kanpo no Yado* inns and our Head Office buildings to reduce peak-period power consumption. Each Group company will continue to increase the use of LED lights at their facilities.



Japan Post Bank's ATM section



Rafre Saitama

(3) Japan Post Group Fiscal 2012 CSR Activities Plan

Emergency initiatives in fiscal 2012:

Providing support for disaster recovery and cooperating in power saving efforts

Measures already taken in response to the Great East Japan Earthquake that occurred at the end of the previous fiscal year are also included as achievements.

[Providing support for disaster recovery]

1. Support for disaster victims immediately following the disaster
 - Quickly resuming mail delivery service in disaster-affected areas
 - Delivering mail to evacuation shelters
 - Counter services via dispatch of staff to evacuation shelters
 - Emergency withdrawal of deposits (up to ¥200,000/person)
 - Emergency and immediate insurance payments
 - Extending the grace period for premium payments
 - No commission fees on transfer of relief funds
 - No postal charge on mail sent by disaster victims
2. Providing counter services by mobile post offices
3. Allocation of donations (raised from sales of donation-added postage stamps and postcards)*1
4. Support by *Kanpo no Yado* inns (providing free meal and bath services, etc.)
5. Support by Teishin Hospitals (providing free health consultation services, etc.)
6. Support for fundraising for the Great East Japan Earthquake (by the Japan Post Fundraising Association)

[Cooperating in power saving efforts]

1. Monitoring the progress toward the achievement of the reduction target
2. Introduction of energy-saving equipment
3. Efforts to reduce the use of light, fuel and water
4. Introduction of ESCO businesses*2
5. Introduction of LED lighting
6. Power savings during summertime (e.g., setting the temperature of air conditioners at 28°C, etc.)
7. Allowing even more casual attire at work ("Super Cool Biz")

*1: For 2012 New Year's postcards, we increased the amount of donation per postcard from ¥3 to ¥5 and made a special allocation of funds to projects aimed at providing assistance for disaster victims of the Great East Japan Earthquake and for disaster prevention and recovery.

*2: ESCO businesses refer to projects conducted by Energy Service Companies, which provide comprehensive services, guarantee energy-saving effects and receive fees based on the amount of energy costs reduced through these energy-saving services.

3. Activities Related to CSR Priority Issues

1. Encourage Social and Community Contribution

Utilizing the Japan Post Group's network, we cooperate with local public entities to ensure the well-being of elderly people living in underpopulated areas by checking on them through the exchange of words during mail delivery as well as to protect children in their daily lives. We also provide support for disaster preparedness and assistance for disaster-affected areas, such as no postal charge on mail and money transfers sent for disaster relief purposes, and conduct education and enlightenment activities within local communities based on the line of business undertaken by each Group company.

Specific Activities

1. Promotion of Community Contribution

Network of 24,000 Post Offices

Japan Post Network has approximately 24,000 post offices in all of the 1,742 cities, districts, towns and villages nationwide, including underpopulated areas, encompassing all of Japan. These serve as locations offering one-stop service centers for mail, savings deposits, insurance and other basic everyday services, and are intricately connected with the local community.

We will offer our local customers new, convenient services through our post offices while continuing to use them as locations for these services in the future as well.

Provision of Himawari Service

Mail delivery personnel provides words of encouragement to elderly people living alone (who are 70 years old or older) and elderly couples in underpopulated areas (for 112 local governments as of the end of March 2011).

Promotion of Furusato (Hometown) Parcel

We display catalogs with products for which each locale nationwide is known and circulars with products closely related to the community at approximately 24,000 post office counters nationwide for customers to order from. We then ship these by Yu-Pack directly from the producing regions. Revenues from the sale of goods through catalogs were ¥93.7 billion in fiscal 2012 (up 5.6% year-on-year).

Handling of Work for Local Public Entities

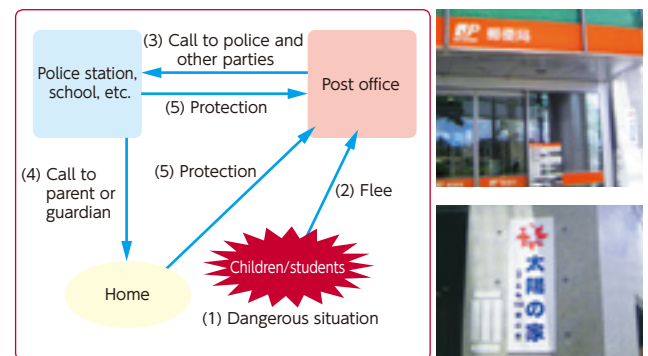
Designated post office counters provide administrative services, such as distribution of official family register transcripts, certificates of residency and other public certificates, and sell public bus tickets on consignment from local public entities.

Issuance of Pension Records on a Trial Basis

Under consignment from Japan Pension Service, we provide a service to issue pension records for customers by using the organization's *Nenkin Net* service at 204 post offices.

Emergency Assistance for Children

In order to prevent incidents and accidents involving children before they happen, post offices serve as a safe refuge for children, providing the first line of protection and making an emergency call to police.



Education and Enlightenment Activities

- Accepting children from local elementary schools for a post office tour
- Offering space within a post office lobby for community use
- Participating in local events, including Radio Exercise and other sports events

Collection of Used Ink Cartridges, etc.

We collect used ink cartridges jointly with six printer manufacturers. As of March 31, 2012, collection boxes have been installed at 3,639 post offices nationwide and certain facilities of local public entities.

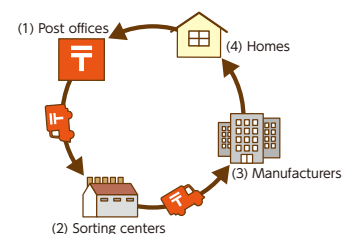
Used cartridges collected at these post offices and facilities are sent to sorting centers using our Yu-Pack service and then returned to the respective companies, which responsibly perform the recycling of these cartridges.

We also collect used or expired fire extinguishers and personal home computers at post offices or through our pickup service.

Special Collection Box



Collection Cycle



Promotion of Social Contribution

New Year's Postcard Donations Aid Program

Our New Year's postcard donations program celebrates its 63rd anniversary in fiscal 2013. A donation of ¥5 is added to each New Year's postcard, and funds raised through sales of these postcards are allocated to organizations engaged in activities in 10 fields, including the promotion of social welfare, healthy youth development, emergency disaster aid and disaster prevention, and global environmental conservation.

Donations of ¥784.67 million raised from sales of 2012 donation-added New Year's postcards and postage stamps (including donation-added carbon offset New Year's postcards) were distributed to 331 organizations.

Reduced Postal Rates or No Charge for Third- and Fourth-Class Mail

We apply reduced rates or no charge for regular periodicals that are published more than four times each year and have been approved by Japan Post Service (third-class mail) and on materials sent for the purpose of promoting public welfare or academic research (fourth-class mail). Examples of such fourth-class mail include correspondence education materials, Braille materials, sound recordings intended solely for the use of the visually impaired, plants and seeds, and academic publications.

Japan Post Bank Deposits for International Aid

Customers donate a total of 20% of the interest received on their savings (after-tax) to Japan Post Bank. The donations are then transferred to the Japan Post Bank/Japan International Cooperation Agency (JICA) International Aid Fund. Subsequently, through the JICA Donation Fund for the People of the World, these resources are used to improve the lives of people in developing countries and regions and in other areas such as environmental preservation via non-governmental organizations (NGOs) and other groups.

As of March 31, 2012, we have received approximately 410,000 applications since we began handling this program on October 1, 2008 and have donated a total of approximately ¥5.25 million to the JICA fund.



Piggy Bank Design Contest for Children

With the objectives of increasing children's interest in saving and fostering their artistic creativity by making piggy banks, we hold an original piggy bank design contest for children, the leaders of tomorrow's society. For the 36th contest held during fiscal 2012, we received about 810,000 entries from 11,719 elementary schools across Japan. Japan Post Bank donated ¥10 for every piggy bank entry received (approximately a total of ¥8.11 million) to the Japan Committee for UNICEF to provide support for children and their families affected by the Great East Japan Earthquake.

Special Support for Junior Go Grand Master Tournament

To foster intergenerational exchange and local revitalization

along with supporting children who will take the lead in the next generation, we provide special support to a *Junior Go Grand Master Tournament* (sponsored by the Mainichi Newspapers, co-sponsored by the National Children's Go Association, supported by the Nihon Ki-in and the Kansai Ki-in and cooperated by Japan Post Network).

In the tournament, which celebrated its 15th anniversary in fiscal 2012, about 3,000 amateur Go players, who are children of junior high school age or younger, competed for the top position in Japan.

A regional competition was held at 14 venues across the country during the period from February to March 2012. A total of 38 players, including 32 winners and six selected among the best players in the regional competition participated in the national tournament held in March 2012 and fully demonstrated their Go skills.

Popularizing and Promoting Radio Exercise

With the objective of proactively contributing to the health of people, we work with NHK (Japan Broadcasting Corporation) and Japan Radio-taiso Federation, a non-profit organization to popularize and promote the Radio Exercise program, by jointly holding the Festival of 10 Million People's Radio Exercise and *Minna no Taiso* ("Exercise for Everyone") and Radio Exercise and *Minna no Taiso* Summer Tour and Special Tour.



Radio Exercise and *Minna no Taiso* Special Tour (Osaki City, Miyagi Prefecture)

Supporting Sports Events

We co-sponsored the interscholastic athletic meet (National High School Athletic Meet) held in northern Tohoku (for 23 cities and towns in the four prefectures of Aomori, Iwate, Akita and Miyagi) from July 28 to August 20, 2011.

Support for the JAPAN U-12 FOOTBALL CHAMPIONSHIP

With the aim of supporting children with great promise, and to foster their sound physical and mental growth and development, we provide support to the annual JAPAN Under-12 FOOTBALL CHAMPIONSHIP.

Supporting Projects for the Promotion of Social Welfare

We do not charge postage (including handling fees) on registered mail used to send donations to corporations or organizations specialized in the promotion of social welfare, such as regional Community Chests, the Central Community Chest of Japan and the Japanese Red Cross Society, or commission fees on donations made to transfer accounts by means of money transfer.

Japan Post Insurance Health Promotion Living Symposium

We sponsor a symposium on promoting a healthy life to convey relevant information to a broad audience in society. In fiscal 2012, the symposium and panel discussions were held in Nakano-ku, Tokyo, and in Sapporo City, Hokkaido, with former speed skater Shimizu Hiroyasu giving the keynote speech.



Japan Post Insurance Health Promotion Living Symposium 2012 (in Tokyo)

“Kanpo Kids Smile World”

We hold childcare support events with the aim of nurturing the sound growth of children. In fiscal 2012, we conducted an event in Bunkyo-ku, Tokyo, and presented information on child-rearing support provided by Bunkyo-ku and neighbor local governments. The event also hosted a talk on stage with the mayor of Bunkyo-ku, who was the first mayor to take childcare leave, and various fun programs enjoyed by both parents and children.



Snapshot of a Kids Smile Stage program

3. Support for Disaster Preparedness and Assistance for Disaster-Affected Areas

Emergency Assistance for Disaster Victims

Upon the occurrence of a natural or other emergency disaster, we provide emergency services for disaster victims, including emergency handling of deposits, at post office counters and other places.

	Major Activities
Postal	<ul style="list-style-type: none">• Offering postcards free of charge to disaster victims• No postal charge on mail sent by disaster victims• No postal charge on registered or other mail used to send relief funds to organizations engaged in disaster relief activities for disaster victims• Providing information concerning damage on roads, etc.
Savings	<ul style="list-style-type: none">• No commission fees on donations made to transfer accounts of the Japanese Red Cross Society, regional Community Chests and local public entities for the purpose of disaster relief• Emergency withdrawal of deposits for disaster victims who have lost their passbooks
Insurance	<ul style="list-style-type: none">• Extending the grace period for premium payments• Emergency and immediate payments of insurance and other benefits
Accommodation	<ul style="list-style-type: none">• Free meal and bathing services by <i>Kanpo no Yado</i> inns

Disaster Prevention Agreements

We continue to conclude disaster prevention agreements at the request of local public entities.

As an effort to cooperate in the prevention of landslides and damage in mountainous areas, we are, putting up posters and handing out leaflets on soil and water conservation, and installing rain gauges and rain gauge displays.

2. Create a People-Friendly Business Environment

As an operator with a nationwide network of business and service bases, the Japan Post Group has been adopting a comprehensive universal design approach to planning and designing its facilities, equipment and services to ensure usability and friendliness for the widest group of customers, including elderly people and persons with disabilities.

We have also been making efforts to create a better working environment for our employees who play a crucial role in supporting our business operations.

Specific Activities

Transitioning to Barrier-free Facilities

We have been promoting the conversion of post offices and branch buildings into barrier-free facilities and have made 8,360 post offices barrier-free as of March 31, 2012. To ensure safe accessibility for every customer, we will continue to encourage renovation based on a view of universal design, for example, by installing ramps and handrails at the entrances of post offices and laying Braille blocks for visually impaired customers.



Braille blocks



Parking for physically challenged customers

Pension Delivery Service

We provide a service to deliver pension and other benefits to advanced-age or physically challenged pensioners who have difficulty in coming to the counter to receive payments. This home delivery service is conducted periodically as the payment of these benefits is made by the government.

Services Available in Braille

We provide a range of services in Braille for visually impaired customers.

	Services
Postal	<ul style="list-style-type: none"> • Displaying mail pickup times in Braille • Delivery notices in Braille to recipients during their absence
Savings	<ul style="list-style-type: none"> • Braille notices of the content of deposits and money transfers, etc. • Equipping ATMs with Braille instructions • Issuing Braille ATM cards • Product and service pamphlets in Braille
Insurance	<ul style="list-style-type: none"> • Braille notices of the content of insurance agreements • Various notices in Braille (e.g., insurance maturity dates, pension payments and loan contents, etc.)

Braille Yu-Pack, Yu-Pack for the Hearing Impaired and Yu-Mail for Persons with Disabilities

Lower shipping fees are applied for Yu-Pack for sending large Braille books and other Braille materials; Yu-Pack used to send videotapes and other recorded materials between hearing-impaired persons and facilities approved by Japan Post Service; and Yu-Mail used to send books between persons with disabilities and libraries registered with Japan Post Service.

Offering Blue Bird Postcards Free of Charge (Conducted Annually Since 1976)

We provide 20 standard postcards (plain, inkjet printing or dimpled postcards) free of charge to severely physically challenged individuals (class 1 or 2) or severely mentally challenged individuals (level 1 or 2, or holding grade A intellectual disability certificates), who have requested this service. These 20 postcards are provided in an originally designed envelope featuring a blue bird illustration.

Postcards with Indentations (Dimpled Postcards) for the Visually Impaired

These are postcards with a semi-circular indentation in the lower left corner on the front side of the postcard, which makes it easy to distinguish the front or back and the top or bottom of the postcard. We sell dimpled postcards at our branches nationwide and deliver them to residences when requested by customers.



New Welfare Time Deposits

This is a one-year fixed time deposit with a preferential interest rate for persons with disabilities or surviving relatives who are receiving a public pension, such as basic disability pension and survivors' basic pension, or child-rearing allowance. Up to ¥3 million can be deposited per person.

3. Promote Environmental Conservation Activities

The Japan Post Group has laid out its Environmental Vision for the period from fiscal 2009 to fiscal 2013 and has been conducting various activities with a strong focus on two areas, namely, implementing measures against global warming and promoting the cultivation of sustainable forests.

■ Japan Post Group Environmental Vision

- The Japan Post Group recognizes its responsibility to pass on to future generations the beautiful and livable Earth and will seek to conserve the global and regional environment as one of the important Group management issues. We will observe laws, regulations and other agreements and endeavor to prevent pollution or other environmental issues that may arise from our execution of business.
- The Japan Post Group will monitor the status of the global and regional environment and the environmental impact of our business operations, define specific targets and constantly refine our activities by reviewing these targets on a regular basis. We will designate the following items as the highest priority among the environmental activities and undertake innovative initiatives in each field.

(1) Implementation of Global Warming Response Measures
We will define total numerical targets for reduction in CO₂ emissions* from our business operations, while building and enforcing a systematic carbon management strategy to appropriately manage direct and indirect CO₂ emissions.

(2) Promoting the Cultivation of Sustainable Forests
We will define total numerical targets for reduction in paper usage and contribute to the cultivation of sustainable forests both through our business activities and social contribution activities.

• In addition to voluntary environmental efforts incorporated into our business activities, we will capitalize on the diverse range of businesses undertaken by the Japan Post Group and our ability to collaborate with customers nationwide to assist in environmental conservation efforts through the provision of products and promotion of social contribution activities.

• Each company in the Japan Post Group will share this Environmental Vision and proactively disclose its contents together with other environment-related information.

* Our Environmental Vision only covers energy-derived CO₂ emissions.

(1) Implementing Global Warming Response Measures

The Japan Post Group aims to reduce CO₂ emissions by 9% (from fiscal 2007 level) over five years from fiscal 2009 to fiscal 2013.

(2) Promoting the Cultivation of Sustainable Forests

Each of the Japan Post Group companies is working to identify operations that use a large quantity of copy paper and implementing a system for reducing paper consumption. Our efforts include promoting double-sided copying, making reduced-size copies, using the backsides of paper and reducing meeting handout materials.

We have also launched a Japan Post Forest program, under which employee volunteers undertake tree planting activities, and have been providing support to a children's tree planting campaign, which is designed to engender sound environmental awareness in children and help them to be strong and bold in their lives by taking part in this comprehensive forest cultivation program.

As shown above, we promote the cultivation of sustainable forests both through our business activities and social contribution activities.



Employee volunteers clearing underbrush



Children and their parents planting oak seedlings

Specific Activities

Reduction of CO₂ Emissions

We strive to reduce CO₂ emissions through a range of initiatives, including promoting energy-saving awareness among employees.

Promotion of Environmentally Friendly Facilities

We introduce environmentally friendly energy-saving measures when constructing new or additional buildings for branches or conducting large-scale renovations.

We have also conducted energy conservation evaluations at facilities with high levels of CO₂ emissions and energy usage and are examining the feasibility of ESCO (Energy Service Companies) businesses as part of our efforts to introduce energy-saving facilities using subsidies.

Acquisition of ISO 14001 Certification

We attained ISO 14001 certification, the international standard for environmental management systems, in March 2007 when we were operating as Japan Post. Since then, 71 post offices, 85 Japan Post Service branches and 27 Japan Post Bank branches have obtained certification renewal and remained ISO 14001 compliant.

Introducing Electric and Other Eco-friendly Vehicles at Post Offices and Branches

We are deploying eco-friendly vehicles, namely, electric vehicles (EVs) and hybrid vehicles (HVs), to achieve a significant reduction in the amount of CO₂ emitted from vehicles.

Japan Post Network began introducing EVs on a trial basis in November 2009 and is using EVs at 17 post offices nationwide (as of March 31, 2012).

At Japan Post Service, we have been introducing charging stations at branches within Kanagawa Prefecture. Consequently, we have deployed 40 EVs and 10 plug-in hybrid vehicles (PHVs) for general or commercial use primarily to these branches (as of March 31, 2012).

Eco-friendly Driving

We encourage well-mannered, eco-friendly driving to reduce the number of traffic accidents and lower CO₂ emissions through lower fuel consumption.

Japan Post Service strives to raise "Safe Eco-Driving" awareness among mail delivery and sales personnel nationwide through various initiatives, such as holding an in-house driving contest.

Carbon Offset Postcard Donations Support Program

We issue donation-added carbon offset New Year's postcards and summer greeting postcards (Kamo-Mail) and maintain a pool of funds raised through sales of these postcards plus a donation made by Japan Post Service, which is equal to one half of the total amount raised. From this pool of funds, we distribute a certain amount to Japanese non-profit organizations (NPOs) specialized in environmental conservation efforts. The remaining amount is used to purchase or retire Certified Emission Reduction (CER) credits earned through the implementation of the UN-certified Clean Development Mechanism (CDM) projects in developing countries, or to purchase or cancel credits earned from projects in Japan designed to reduce or remove greenhouse gases under the J-VER (Verified Emission Reduction) scheme. (In fiscal 2013, we will distribute a total of ¥91.42 million to 17 organizations.)

Separate from the above, we provide aid to forest cultivation projects and other carbon reduction activities and educational programs. In this way, we are contributing to the achievement of a 6% reduction in Japan's greenhouse gas emissions stipulated under the Kyoto Protocol.

We have acquired the Carbon Offset Certification Label under a program established by the Ministry of the Environment, for our carbon offset postcards. In fiscal 2012, our carbon offset postcards were again certified as an offset supporting (donation-type) product in the self-action category.

Participating in the United Nations Global Compact

Representing the Japan Post Group, Japan Post Holdings Co., Ltd. has joined the United Nations Global Compact and declared both internally and externally to take proactive action that embraces the spirit of the Global Compact.

* The United Nations Global Compact

The Global Compact is a voluntary initiative launched by the United Nations, encouraging companies worldwide to observe and enforce the ten principles in the areas of human rights, labor, the environment and anti-corruption within their sphere of influence. Companies signing the Global Compact take part in this initiative based on the commitment of top management.