

Japan Post Group Value Creation Process

Aim to become a Total Lifestyle Support Group as Team JP with ensuring

Business environment surrounding Japan Post Group

Logistics Industry

- Continuation of declining trend in mail
- Continued expansion of the EC market



Financial Industry

- Enduring historically low interest rate environment
- Consideration of strengthening international financial regulations
- Principle of customer-oriented operation of business
- Diversification of settlement methods



Social, Economic, Technology

- Population decline, ultra-low birthrate and aging society (decline in productive age population)
- Increase in personnel expenses and burden of social security expenses
- Emergence of new technologies (AI, RPA*, automated driving, drones, Fintech, etc.)



Japan Post Group Medium-term Management Plan 2020

Strengths of Japan Post Group

Social and Relationship Capital

- A network of over 24,000 post offices throughout Japan
- Strong customer base of Japan Post Bank Co., the leading bank in Japanese (approximately 120 million ordinary deposits customers)
- 27.99 million Japan Post Insurance Co. customers*2

Human and Intellectual Capital

- Over 400,000 employees
- Provide community-based, customer-oriented services

Financial and Manufactured Capital

- Solid equity capital
- Three stable earnings foundations: postal and logistics, banking and insurance
- Group assets including land and buildings across Japan

*1 RPA (Robotic Process Automation) refers to the automation of business processes using robots.

*2 The number of customers is the total number of policyholders and insured persons (including individual life insurance and individual annuity insurance, and postal Life Insurance reinsured by Japan Post Insurance Co. commissioned under the Management Organization for Postal Savings and Postal Life Insurance).

Returning benefits

Aim for securing stable income and a start towards sustainable growth in a difficult environment

Basic Policies for FY2019/3 to FY2021/3

- ❶ Development of business that supports the total lifestyles of customers
- ❷ Securing stable income for the Group
- ❸ Development of environment that enables employees to demonstrate their full capabilities
- ❹ Development of new businesses aimed at future growth

Japan Post Co., Ltd. P.22

- Postal and domestic logistics business
 - ▶ Comprehensive review of product and operations systems and strengthening of service infrastructure to support an expansion in parcel

● Post office business

- ▶ Coexistence with local community by maintaining, strengthening and maximum utilizing the post office network through deployment of unique and diverse post offices in accordance with regional needs, etc.

● International logistics business

- ▶ Improvements in management of Toll and deployment of contract logistics in Japan through strengthening synergy between JP and Toll

Japan Post Bank Co., Ltd. P.28

● Banking business

- ▶ Diversification and sophistication of investment management, expansion of non-interest revenue, and efficient resource allocation

Japan Post Insurance Co., Ltd. P.30

● Life insurance business

- ▶ Reversal/Growth of policies in force through sales activities focusing on protection needs and improvement in solicitation quality

Japan Post Group CSR P.42

Japan Post Group Corporate Governance P.52

Value created by Japan Post Group

Customers

- Provide quality customer-oriented services



Local communities

- Contribute to the development and vitalization of local communities



Shareholders

- Enhance shareholder returns



Employees

- Offer a fulfilling workplace



Environment

- Create a sustainable society



to society