

## Providing Lifelong Support

Japan Post Group supports customers to realize safe, secure, comfortable and affluent lives and lifestyles by providing services needed by all people in all age groups.

Japan Post Group has supported customers' daily lives by providing the essential life infrastructure of postal, banking and insurance services through post offices.

Japan Post Group will continue to provide services needed by all people in all age groups to enable customers to realize safe, secure, comfortable and affluent lives and lifestyles. By providing such lifelong support to each customer in an age of 100-year life, we will endeavor to enhance our corporate value.



Value Created Providing Lifelong Support in an Age of 100-Year Life		
<b>Highly convenient delivery services</b>	<b>Comprehensive financial services</b>	<b>Services that bring security and convenience to daily lives</b>
Provide highly convenient delivery services in a stable manner through further enhancement of the logistics network and sophistication of services.	Provide comprehensive financial services for people of all generations with a focus on life planning, such as savings, asset-building, protection by insurance and inheritance.	Provide new services that bring security and convenience to daily lives.

### Our Current Value Creation Efforts

#### Providing Highly Convenient Delivery Services

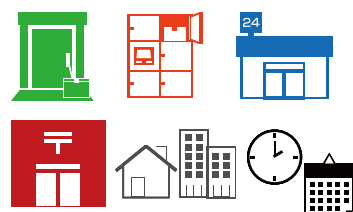
We are working to provide highly convenient delivery services in response to changes in lifestyles and society, including the expansion of the e-commerce market and an increase in double-income and single-person households.

##### Improving Yu-Pack service to increase convenience in sending and receiving parcels

As an effort to offer greater convenience in sending Yu-Pack parcels, we rolled out Yu-Pack Smartphone Discount, a new service using a free dedicated smartphone app, in September 2018. Customers can send Yu-Pack parcels more easily and at a discount rate by downloading the app onto their smartphones and using a credit card to make payment on the app.

To increase convenience on the receiving side, we started e-Receiving Assist in March 2019. This new service notifies the expected delivery date and time of Yu-Pack parcels via e-mail or LINE and allows customers to change the date, time or where to receive the parcel (including convenience stores) or specify a place to leave the parcel around their home.

**ゆうパックスマホ割引アプリ**



## Providing Comprehensive Financial Services

To respond to an aging society, lower birthrate and population decline as well as changes in society toward an age of 100-year life, we are deploying unique and diverse post offices as well as products and services matched to customers' needs.

### Opening and operating unique and diverse post offices

We are promoting the opening of post offices according to the varying lifestyles of customers. Currently, we operate 86 post offices co-located with convenience stores, 33 in shopping malls and 15 in local government

facilities. Some post offices are open on Saturdays and Sundays or have counter business hours matched to their locations. Individual post offices also provide products and services tailored to different local needs.

### Enhancing the lineup of financial products and promoting comprehensive financial services

At the counter of post offices nationwide, "professional" staff members provide comprehensive financial services, including savings, insurance and asset management, to support the needs and life stage of each customer. There are a total of 107,591 members holding Insurance Agent Certification, 100,481 holders of Securities Sales Representative Certification and 60,953 holders of Financial Planner Certification. We have also enhanced our services to help customers build assets for the future by starting to handle installment-type NISAs and launching a face-to-face consultation service for iDeCo (individual-type defined contribution pension plan) at 1,540 post offices handling investment trusts and some 18,000 post offices engaging in asset-building consultation and making investment trust referrals. In the field of insurance, we sell a variety of products under consignment from other life and non-life insurance companies, along with insurance products of Japan Post Insurance Co., to meet the different needs of customers. All post offices handling insurance products (excluding contracted post offices) sell cancer insurance, while some post

offices handle medical insurance with eased underwriting conditions, individual variable annuities, Post Office's Auto Insurance and JP Life Support Insurance.

Based on the Cabinet Ordinance for Partial Revision of the Order for Enforcement of the Postal Service Privatization Act, the following changes were made to deposit limits on April 1, 2019. (No change has been made to the scope of deposit protection provided under the deposit insurance system.)

1. Ordinary deposits: ¥13 million
2. Time deposits (*TEIGAKU* deposits and time deposits) (including postal savings made before privatization and transferred to the Organization for Postal Savings, Postal Life Insurance and Post Office Network, and excluding (3) below): ¥13 million
3. Asset-formation *TEIGAKU* deposits, asset-formation annuity *TEIGAKU* deposits and asset-formation housing *TEIGAKU* deposits: ¥5.5 million in aggregate

## Providing New Services That Bring Security and Convenience to Daily Lives

We are promoting the provision of services that bring security and convenience to the daily life of each customer while responding to more diverse lifestyles and wider use of Internet of Things (IoT) technology.

### Enhancing cashless services

In collaboration with GMO Payment Gateway, Inc., we released Yucho Pay, a new payment settlement service available on smartphones on May 8, 2019. This service aims to support the daily lives of customers and promote the provision of "new convenience" to them by utilizing new technologies.

When a customer having an account with Japan Post Bank Co. makes payment at a partner store of the Bank using Yucho Pay, the dedicated smartphone app instantly transfers the corresponding amount from the pre-registered account.

### Providing the Post Office Watch Over Service

We are providing the Watch Over Service where staff of the neighborhood post office visit and talk with elderly customers who are living separately and report their conditions to family members.

In addition to the Visiting Service, where post office staff directly pay visits, we are also offering the Phone Service and an optional On-call Service in order to provide greater support to families living separately.



## Supporting Local Communities

Japan Post Group seeks coexistence with local communities by providing services that help resolve their issues while leveraging its operational bases nationwide.

Japan Post Group has provided services to support local communities through its nationwide network of post offices.

Japan Post Group will continue to support local communities and provide services to help resolve their issues by leveraging our operational bases nationwide. By doing so, we seek coexistence with local communities while serving as a partner to co-create regional vibrancy and as a source of community security.



### Our Current Value Creation Efforts

#### Providing Services to Support Regional Industries

For the development and growth of regional economies across Japan, we are offering services needed for corporate business activities and undertaking initiatives to vitalize each local community.

##### **Promoting comprehensive logistics business in Japan and overseas**

We undertake the international logistics business through the bases operated by Toll Holdings Limited, an Australian logistics company, in more than 50 countries across the world. In Japan, in order to increase synergy between Toll and Japan Post Co., we

engage in business-to-business (BtoB) transactions, mainly contract logistics, through JP TOLL LOGISTICS Co., a joint venture established by the two companies on October 1, 2018.

##### **Engaging in the real estate business, including leasing of offices, commercial facilities, residences, nursery schools and facilities for the elderly**

In addition to leasing buildings and commercial facilities in central Tokyo and in station-front areas in local cities, we provide the “JP noie” series of rental housing mainly in Tokyo. We have also been promoting the development of nursery schools and facilities for the elderly in

consideration of the recent social background and business feasibility. In February 2019, we constructed a complex combining a nursery school and a facility for the elderly in Toshima-ku, Tokyo, and leased the entire facility to an operator, who opened it in spring 2019.

## Providing Services to Support Local Communities

To maintain local communities not just in large cities but across Japan and help them achieve sustainable growth, we are carrying out initiatives to support people's daily lives in local communities.

### Providing various services through collaboration agreements with local governments

As of March 31, 2019, Japan Post Co. concluded comprehensive collaboration agreements with 28 prefectures for the purpose of contributing to regional revitalization and local communities. We have also concluded agreements with 1,678 municipalities for "community watch activities," "providing information about road damage" and "providing information about illegal dumping," in which employees report anything unusual they notice during the course of their work. Additionally, to help ensure mutual cooperation during disasters, we have concluded disaster prevention agreements with 1,552 municipalities and are building cooperative relationships for times of emergency. Under these agreements, we are engaging in specific initiatives matched to the needs of each local community, including conducting activities to watch

over children and elderly persons to ensure safe and secure lives, holding fairs at post offices, KITTE and other facilities to sell local specialties for the revitalization of regional economies and issuing framed stamps featuring local tourist and landmark spots.

We also installed kiosk terminals (multifunctional copy machines) at 44 post offices throughout Japan and provide services for customers to use their My Number card or basic resident registration card at these terminals to directly acquire various formal documents issued by local governments.



### Expanding our ATM network throughout Japan

We are installing ATMs at and relocating the existing ATMs to highly convenient locations to expand our ATM network and offer greater convenience to customers. Since January 2017, in anticipation of an increase in tourists visiting Japan, we have been introducing compact ATMs with a 16-language compatibility at FamilyMart convenience stores, airports and other locations frequently visited by foreign users.

We have also been proactively forming alliances with regional financial institutions. In August 2018, we started replacing existing ATMs of Aozora Bank with ATMs of Japan Post Bank Co. Aozora Bank was the first regional financial institution to install Japan Post

Bank ATMs in its all branches.

Additionally, in order to increase convenience for local customers, we have been leasing a space within post offices to other financial institutions for installing their ATMs and providing some of their services at post offices. For example, we installed an ATM of Miyazaki Bank in the Kamishiiba Post Office in July 2017 and an ATM of The Bank of Toyama in the Takaoka Post Office in April 2019.

We will continue to collaborate and cooperate with each financial institution as an effort to maintain the financial infrastructure in each community.

## Providing Services to Support Funds Flow

To flow back the important funds of our customers to local communities and contribute to the development and growth of regional economies across Japan, we are promoting collaboration with regional financial institutions and local governments.

### Promoting participating in regional vitalization funds

In line with our efforts to direct the important funds of our customers to local communities, we have been working with local financial institutions to actively promote participation in regional vitalization funds.

We invested in six funds, mainly focused on supporting business succession and entrepreneurship in the fiscal year ended March 31, 2019. We currently participate in 18 such funds.

### Funds flow to local communities

