What are your thoughts on the current state of the Board of Directors?

Japan Post Holdings Co. has adopted a structure of company with nomination committee, etc., under which the majority of directors are independent Outside Directors, and it undertakes management with a clear separation of roles, with execution carried out under the Executive Officer, President & CEO and supervision performed by the Board of Directors.

Therefore, matters brought up to the Board of Directors have basically been given sufficient consideration at executive bodies. Nevertheless, the expected role of Outside Directors is to deliberate on important matters based on their knowledge and experience gained from their respective fields of specialization and to supervise overall business execution from an objective standpoint.

At the Company’s Board of Directors, we maintain an environment in which the Outside Directors can easily voice their opinions to engage in active discussions, and I believe Directors’ roundtable discussions also fulfill a certain function. Additionally, I feel that questions from the Outside Directors as well as opinions derived from the evaluation of the effectiveness of the Board of Directors are being responded to seriously.

In governance, there are no absolute correct answers such as “everything will be okay as long as you do this.” With this in mind, it is crucial to constantly take repeated resourceful approaches to assure effectiveness. In the future as well, I would like to see everyone maintain their tireless efforts in accordance with the business environment and issues surrounding the Company. I, too, will personally strive to continue to contribute to these efforts as an Outside Director.
Could you explain your thoughts on the current state of Japan Post Group, such as its features and strengths?

Looking first of all at circumstances in Japan, thanks to the effectiveness of Abenomics, the Japanese economy continues to normalize after finally emerging from prolonged persistent deflation. Regarding the economy as a whole, however, the labor shortage is the biggest issue amid insufficient supply capabilities. Moreover, I believe the actual management of financial institutions is also becoming increasingly severe due to long-running monetary easing. Over the medium and long terms as well, improving productivity, promoting regional vitalization and assuring the sustainability of social security even with a declining population are absolutely essential. Under these conditions, the role that must be fulfilled by Japan Post Group is extremely large.

Since its very beginning with the start of postal operations in 1871, the postal business has served as one of Japan’s most important infrastructures, and through the provision of enhanced postal, banking and insurance services it has helped enrich the lives of the country’s citizens and local communities.

The network built through the establishment of post offices across Japan during this process and the trust in this network are Japan Post Group’s biggest assets. In the future, I foresee Japan Post Group being put to the test in addressing such issues as utilizing these assets to balance its public nature with profitability, improve productivity within the current labor shortage, engage in value creation in collaboration with other stakeholders and promote regional vitalization.

What do you believe Japan Post Group must do to raise corporate value?

Japan Post Group must fully leverage its strengths and assets that include its nationwide network of post offices, customer base, human resources and land. In each business, Japan Post Group should work to solve issues throughout the world and promote initiatives to build these efforts into an earnings base.

For improving productivity in particular, specific seeds have already begun to sprout in the form of the latest technologies that include such digital technologies as artificial intelligence (AI), information technology (IT) and the Internet of Things (IoT), as well as autonomous driving. There are also rising needs for solving such issues as how can private-sector companies maintain the sustainability of their business amid a labor shortage and how can regional communities maintain essential services despite declining populations. Through considerations at such forums as the Council on Investments for the Future, in which I also participate, the Japanese government will provide a boost to such movements via deregulation and other measures, with the main target year being 2020, when the Tokyo Olympics and Paralympics will be held. Many specific initiatives such as demonstration testing have already gotten underway in various fields.

Japan Post Group has already commenced attempts to use autonomous driving and delivery robots as well, and the Group must make further active efforts toward actual social implementation. Furthermore, it is also important to strengthen collaboration with outside partners so that each business mutually brings its own strengths and deploys mutually complementary roles.

As Chairperson of the Nomination Committee, what are your views about the election of Directors?

The most important matter for any company is to select the most suitable management members giving consideration to such factors as moment-to-moment business characteristics, the management environment and management issues. At Japan Post Holdings Co., upon prescribing Nominating Criteria for Candidates for Directors for ideal human resources for both internal Directors and Outside Directors, the Nomination Committee convenes two to three times per year to discuss and then decide on the specific persons to be selected.

Regarding internal Directors, it is important to systematically nurture people who are suitable to serve as a Director of Japan Post Holdings Co., which is involved in a wide range of business fields. The President & CEO, who is a member of the Nomination Committee, and the Outside Directors engage in sincere exchanges of opinions. I believe we should also nurture and elect Directors from a medium- and long-term perspective.

Regarding Outside Directors as well, to ensure supervision responsibilities are fulfilled through the Board of Directors and other bodies, bringing expertise and outstanding insights from a diversity of fields and engaging in frank and lively exchanges of opinions are important. Because Outside Directors do not have access to the same volume of information as executive bodies, one key role of Outside Directors is to bring crucial matters to the attention of management by raising “good questions” that get directly to the essence of resolutions from perspectives not based on internal conventional thinking and avoid digressionary discussions from start to finish.

In the future, while exchanging opinions with executive bodies and other Outside Directors, I would like to candidly express my opinions regarding optimal Directors for the Company and the state of the Board of Directors.