

# Top Messages from Each Company

## JAPAN POST



**KINUGAWA Kazuhide**

President & CEO  
(Representative Executive Officer)  
Japan Post Co., Ltd.

### Combining the post office network with digital services to achieve a “Co-creation Platform”

I would first of all like to express my appreciation for the tremendous cooperation everyone has shown regarding our measures to ensure the safety of post office customers and employees during this unprecedented time of the COVID-19 pandemic. As part of the social infrastructure supporting the lives of citizens, and to maintain universal service, we will continue to carry out post office operations with awareness of our societal mission.

The business environment for Japan Post has changed considerably, including expansion of the e-commerce market, continued low interest rates, the advance of digitization, and a growing need for remote and contactless services.

At the same time, the continued vitality of local economies has become a more pronounced social issue in the face of Japan's aging population combined with low birthrates and depopulation.

In light of such circumstances, the Japan Post Group has set the goal of realizing a “Co-creation Platform” supporting customers and local communities in its “JP Vision 2025.”

## JAPAN POST BANK



**IKEDA Norito**

Director, President and  
Representative Executive Officer  
Japan Post Bank Co., Ltd.

### Aiming to establish the significance of JAPAN POST BANK's purpose of existence, based on the slogan “Deepening trust, and taking on the challenge for financial innovations”

I would like to express my heartfelt sympathy to all those who were affected by the COVID-19 pandemic.

During the coronavirus crisis, the business environment surrounding domestic manufacturing industry is changing dramatically enough to be described as the Forth Industrial Revolution. To continue to grow, create social value, and enhance corporate value necessitates making full use of the Bank's strengths and management resources.

Under these circumstances, in May 2021, Japan Post Bank reaffirmed our purpose, “We aim for the happiness of customers and employees, and will contribute to the development of society and the region.” Looking ahead to how the operating environment was changing, we held lively internal discussions, and announced a new Medium-Term Management Plan (fiscal year ending March 31, 2022 through fiscal year ending March 31, 2026).

## JAPAN POST INSURANCE



**SENDA Tetsuya**

Director and President, CEO,  
Representative Executive Officer  
Japan Post Insurance Co., Ltd.

### We will devote ourselves to our new Medium-Term Management Plan, endeavoring to achieve the transformation of Japan Post Insurance.

I'd like to begin by expressing my sympathies to everyone affected by the COVID-19 pandemic. The postal life insurance service was established in 1916 with the social mission to “protect the means of fundamental livelihood of the public through simple procedures.” Japan Post Insurance continues that social mission under a management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.” We will continue to focus on customer-oriented operations, and regaining customers' trust.

Considering the sudden shifts in social conditions due to COVID-19, we formulated a new Medium-Term Management Plan (FY2021–FY2025) aimed at fundamentally reforming our business model. This new plan looks back to our original management philosophy, and clarifies our social mission to “protect customers' lives through the power of insurance by being trusted by them and remaining their choice.”

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Through the implementation of this “Co-creation Platform” we aim to maintain and grow our business, but first and foremost, we do our utmost to regain customers’ trust that has been greatly damaged by providing customer-oriented services and pursuing reform of the corporate culture.

In addition, we will create new value by combining our network of physical post offices and digital transformation (DX) technologies and develop real-world services by utilizing the excess resources created by enhanced productivity.

Specifically, in the postal and domestic logistics business, we will work to boost operational efficiency based on digitalized data and promote data-driven business reform such as creation of a system that makes it easier for customers to send and receive packages.

In addition, by implementing digitalization of post office operations, we will boost efficiency and will optimize arrangement of post office locations and make operating hours more flexible based on customers’ convenience. Further, we will

expand the range of services that post offices can provide, including handling administrative work contracts from local governments partnership with regional financial institutions.

Of note, in the international logistics business, we proceeded the sales procedure of the perpetually loss-making global express business operated by Toll Holdings Limited. We will continue to pursue cost reductions, and achieve growth by transitioning to a business model centered on Japan and other areas of Asia.

The postal business marked its 150th anniversary in 2021 since the founding of Japan’s modern postal service. We are looking back to the principles of our founder MAEJIMA Hisoka, who famously said, “Do not hesitate to work behind the scenes. Always aspire yourself to bring others good.” We are making a concerted effort as a company to be the preferred provider for local customers, and a welcome presence in the community.

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This new plan, under the slogan “Deepening trust, and taking on the challenge for financial innovations,” aims to aggressively promote business model reforms and strengthen business sustainability through five key strategies: 1) Innovating retail business into a new form by realizing complementarity between the physical and the digital; 2) Business reforms and productivity improvement through the active utilization of digital technology; 3) Enhancing funds flow to regional communities and the regional relationship functions through various frameworks; 4) Deepening market operations and risk management with an awareness of stress tolerance; and 5) Strengthening the management base to become a more trusted bank.

In this addition, based on the issue of dealing with fraudulent use cases by malicious third parties with regards to cashless payment services last year, all executives and employees will realize customer-oriented business operations. To become a trusted company, we will promote sustainable organizational culture reforms and strengthen internal control systems, all executives and employees will work together to take on the challenge for financial innovations.

Going forward, Japan Post Bank aims to establish the significance of the Bank’s purpose of existence in Japan, by focusing on regional co-creation, management centered on the realization of a regional financial platforms, business that integrates the real and the digital, including the post office and ATM network, and proactive investment in growth fields centered on expansion into more sophisticated fund management sectors.

In 2021, the Japan Post Group is marking 150 years since its founding in the postal business. 146 Years have passed since its establishment when, in line with the times, the postal savings system changed from state to private ownership, but its mission of “creating a form of social infrastructure that everyone can use fairly” has continued to be handed down to this day.

Although the Bank is operating in an adverse environment, if all executive and employees can unite and take on challenges, I believe that we can create new value for all our stakeholders.

In the hope that they are as excited as I am about the Bank’s future prospects, I would like to take this opportunity to thank our shareholders and investors and ask for their continued support and understanding in the coming years.

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As the basic policy of the plan we have set out the following themes: “reconstruction” of Japan Post Insurance to transform us into a company truly trusted by customers through continuous efforts to regain trust and enhancement of the business foundation; “sustainable growth,” which we will pursue by improving customer experience value and promoting ESG (environment, social, and governance) management and, as the foundation for achieving these, corporate culture and workstyle reform as well as enhanced governance and capital policy.

Specifically, to “reconstruct” the Company and carry out sales activities while ensuring quality, the proper condition of a life insurance company, we will drastically change our sales process and ensure that the customers using our products and services are well-informed and satisfied.

To strengthen the business foundation to support our “reconstruction,” Japan Post Insurance is building a new Japan Post Insurance sales system incorporating approximately 13,000 consultants from Japan Post, mainly employees who engaged in visiting customer homes. In addition, as the proportion of voting rights held by Japan Post Holdings was reduced to approximately 49.9%

in June 2021, additional restrictions regarding new business operations were relaxed from a license system to an advance notification system. Accordingly, Japan Post Insurance will develop products that meet customers’ requirements with a sense of speed.

In order to achieve “sustainable growth,” we will expand customer experience that move customers by integrating the “physical” channel of post offices, which are the strength of the Japan Post Group, with the new digital power to improve customer experience value. In addition, to help address the societal issue of sustainability, we are tackling issues related to the declining birthrate and aging population, as well as applying the ESG investment strategy to all assets in our portfolio and carrying out investments that give a sense of “warmth” common to Japan Post Insurance.

We will listen sincerely to the thoughts and opinions of each and every stakeholder, aiming to improve our corporate value in a sustainable way. We ask for your continued support with our program of “reconstruction” and “sustainable growth” for the future of Japan Post Insurance.