

Medium-Term Management Plan "JP Vision 2025"

Challenges we face to realize the "Co-creation Platform" supporting customers and local communities, and our Group's strengths

Changes in social environment surrounding the Group

Identify challenges that we should tackle to grow

Continuing low birthrate and aging population



Increasing need for responding to ultra-aging society



Rising social concerns over the increase in elderly single-person households, etc.



Concerns over the sustainability of social infrastructure

Further digitalization



Increasing use of services that can be fully used via smartphones



Penetration of cashless transactions



Emergence of digital divide issues

JP JAPAN POST

- Utilizing motorcycle mobility for the last one mile of logistics
- Service and operational reforms with maximum use of data we possess

JP JAPAN POST BANK

- Enhancing safe and secure services and business reform through the promotion of DX
- Boosting the flow of funds into local communities; strengthening community relations functions

JP JAPAN POST INSURANCE

- Transitioning to a new sales style
- Providing insurance services satisfying diverse protection needs of customers in all age groups

JP JAPAN POST HOLDINGS

- Strengthening coordination within the Group
- Proactively forming partnership with companies, etc., outside the Group
- Growth strategies to provide new value

Group's Strengths

Strength 1 Nationwide network of post offices

Number of post offices nationwide

24,284

Number of employees in the four Group companies (As of March 31, 2022)

Approx. **389,000**

Regular employees: Approx. **213,000**

Non-regular employees: Approx. **176,000**

Number of employees with Securities Sales Representative Certification

104,355

Insurance Agent Certification

107,444

Financial Planner Certification

69,968

Strength 2 Delivery network and finance network

Number of postboxes nationwide

176,683

Number of countries included in the international logistics network

Approx. **150**

Number of ATMs nationwide

31,774

* The number of customers is the sum of policyholders and insured persons (including individual insurance and individual annuities as well as Postal Life Insurance reinsured by Japan Post Insurance).

JP Vision 2025

Value Creation

Regaining
customers'
trust

Aiming for
new growth

A “Co-creation Platform” supporting customers and local communities

Providing lifelong support in an era of the 100-year lifespan



[Customers]

Providing high-quality customer-oriented services



[Local communities]

Contributing to regional development and revitalization



[Shareholders]

Enhancing shareholder returns



[Employees]

Creating friendly workplaces for employees



[Environment]

Creating a sustainable society



Strength 3 Vast customer base and extensive customer data

Number of ordinary deposit accounts

Approx. **120 million**

Number of Japan Post Insurance customers*

Approx. **21.05 million**

Number of delivery locations served daily

Approx. **31 million**

Strength 4 Trust in post offices and deep understanding of local communities

Top 3 customers' perceived images of post offices

1st

Rooted in local communities

38.3%

2nd

Located everywhere

34.6%

3rd

Being close and familiar

31.2%

(Q: Please mark all images that you have for post offices.)

(Multiple choice survey conducted from November 30 to December 4, 2021)

Initiatives for “JP Vision 2025”

We will aim for sustained growth by realizing a “Co-creation Platform.”

IIZUKA Atsushi

Japan Post Holdings Co., Ltd.
Representative Executive Officer,
Executive Vice President



In order to make our business foundation of the nationwide network of some 24,000 post offices stronger and more valuable, we formulated the Medium-Term Management Plan “JP Vision 2025,” which ends in 2025 with the aim of realizing a “Co-creation Platform,” by which we create new products and services together with our partners as well as support customers and local communities.

Initiatives in the fiscal year ended March 31, 2022

JP Vision 2025 sets the Group’s major financial targets of consolidated net income attributable to Japan Post Holdings and the dividend policy as major targets. In the fiscal year under review, we were able to achieve the initial targets set for both the consolidated net income and the dividend policy. Additionally, the major targets for Japan Post, Japan Post Bank, and Japan Post Insurance have also progressed favorably.

In terms of initiatives to regain customers’ trust, we have devoted ourselves to steadily implementing the business improvement plan to restore the trust severely damaged by the previous scandals. We also made efforts to reform the Group’s corporate culture by adopting the Group CxO system, for example, to strengthen Group governance.

To achieve new growth, we also proactively sought business alliances and collaborations with companies outside of the Group, such as commencing collaborations with the Rakuten Group across a range of fields including logistics, finance, mobile, and digital transformation (DX). We have also placed the ATMs of regional financial institutions in the post offices to strengthen our relationships with local governments and regional financial institutions.

As for capital strategies, the Company, in accordance with the purpose of the Postal Service Privatization Act and from the perspective of enhancing the independence and flexibility of the two financial subsidiaries, namely, Japan Post Bank and Japan Post Insurance, considered the disposal of stock and lowered the Company’s voting right holding ratio in Japan Post Insurance to 49.90%. As a result, in April 2022 Japan Post Insurance commenced the sale of new medical riders, the first product to be launched after the relaxing of the additional

statutory restrictions on new operations and the transition to the advance notification system. Furthermore, in October 2021 the third offering of the Company’s stock was completed, resulting in the government’s holding of the Company shares decreasing to statutory levels, which represents a significant benchmark in postal service privatization. To strengthen our real estate business as a new source of revenue, we commenced efforts to convert our business portfolio by making investments in real estate outside the Group as well as the effective utilization of Group real estate holdings. Additionally, in June 2021 and for the period from November 2021 to April 2022, we made efforts to improve capital efficiency through the acquisition of treasury stock.

JP Vision 2025 also upholds ESG targets as major targets. In the fiscal year under review, we made efforts toward ESG management, by promoting the switch of delivery vehicles to electric vehicles (EVs) ahead of the plan and opening the first environmentally friendly post office (+Eco Post Office), among others.

Future initiatives

Following in the footsteps of Japan Post Insurance, we also hope to reduce our holdings of shares of Japan Post Bank as soon as possible, toward the fiscal year ending March 31, 2026, the final year of JP Vision 2025, to enhance the flexibility of its management.

By further improving and expanding collaborations with companies outside the Group, we will advance the realization of the “Co-creation Platform,” while continuing our efforts to convert our business portfolio, including initiatives toward the development of new businesses and the expansion of revenue opportunities. In addition, we will carry out the stable issue of annual dividends of 50 yen per share, while combining the further acquisition of treasury stock with the use of debt financing to procure the required funds for growth to enhance capital efficiency.

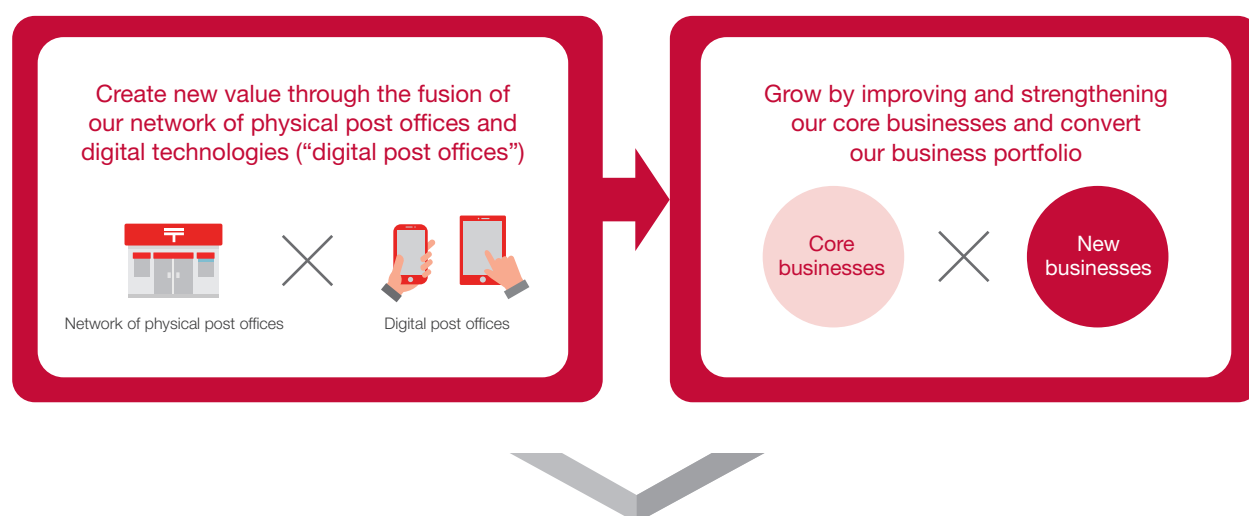
We will also make an effort to promote ESG management by adopting EVs and expanding environmentally friendly post offices and advancing carbon neutrality in regional areas through the utilization of the post office network.

Vision of the Japan Post Group

A “Co-creation Platform” supporting customers and local communities is a concept based on which the Japan Post Group strives to support livelihood and life of customers across Japan by deeming the post office network, the greatest strength of the Group, as a platform; collaborating with various corporations, etc., outside the Group; creating new products and services together with our partners;

and thereby providing heightened convenience, security, comfortability, and prosperity to those customers.

In order to realize the foregoing, the Japan Post Group works to combine both real and digital components through the promotion of DX and to transform our business portfolio.



A “Co-creation Platform” supporting customers and local communities

We will leverage our network of post offices, the Group’s greatest strength, to provide integrated services of the Group while seeking partnership with a diverse range of companies, etc., outside the Group, which we have never had before. Such efforts will help local customers enjoy safe, secure, comfortable, and prosperous lives.



Early disposal of shares in the two financial subsidiaries

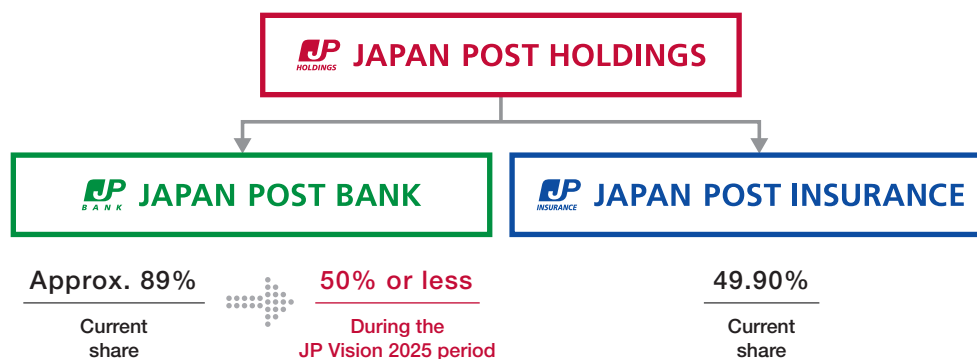
The Postal Service Privatization Act stipulates that all shares in the two financial subsidiaries shall be disposed of as early as possible while taking into consideration the status of management of Japan Post Bank and Japan Post Insurance, an impact on their performance of duties to ensure basic services pertaining to the postal business, etc.

The Company aims under JP Vision 2025 to reduce its stakes in the two financial subsidiaries to 50% or less as early as possible in the JP Vision 2025 period in accordance with the purposes of the Postal Service Privatization Act and from the perspective of enhancing independence and flexibility of management of these companies. This

will relax the additional statutory operational regulations on new operations imposed on these two companies and ensure steady progress in their privatization, including a shift to an advance notification system.

With respect to shares in Japan Post Insurance, as announced in May 2021, through a sale of shares in response to the acquisition of treasury stock by Japan Post Insurance and the Company's establishment of a stock disposal trust, the Company's voting right holding ratio in Japan Post Insurance became 49.90%.

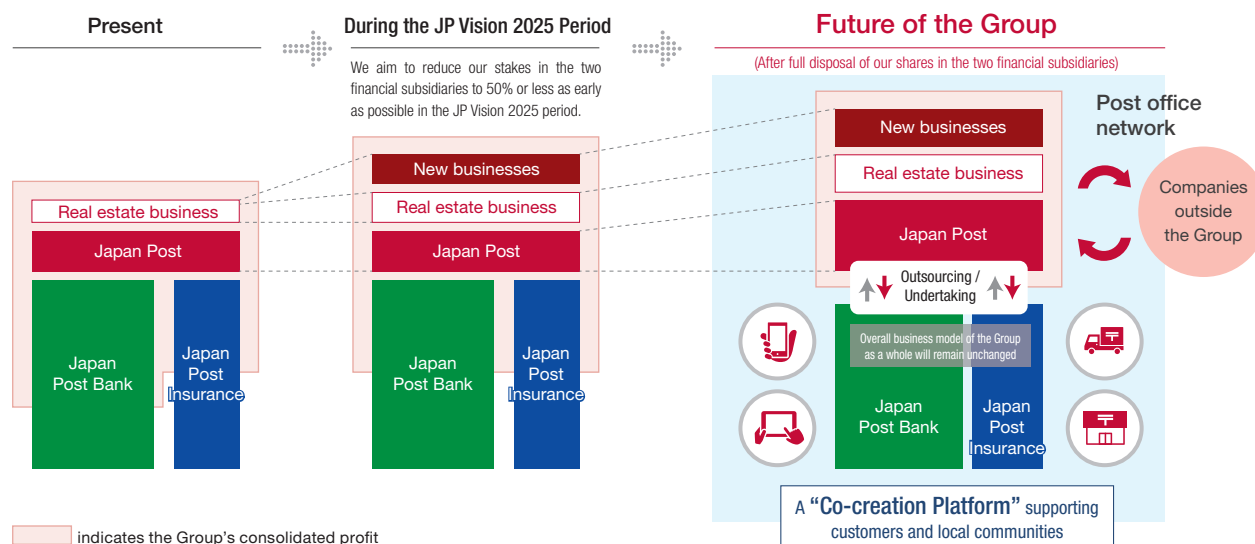
Shareholdings in the two financial subsidiaries



Conversion of business portfolio

As a “Co-creation Platform” supporting customers and local communities, we will convert our business portfolio in such ways as securing earnings opportunities by promoting investment in real estate and new businesses in order to continue contributing to the

solution of the SDGs and other social issues and to the sustainable development of society, while improving and strengthening our core businesses, such as the postal and domestic logistics business, the banking business, and the life insurance business.



Regaining customers' trust and reforming corporate culture

We will faithfully do our utmost to regain customers' trust which has been greatly damaged by the scandals since 2019. An effort to regain customers' trust and a step toward growth strategies are not two separate initiatives but are the ones required to be jointly tackled in order for us to be needed and selected by customers and local communities.

In addition, in order to enable us to provide customer-oriented services, we will boldly reform the Japan Post Group's corporate culture from aspects of both strengthening of governance and HR development and strategy.

With respect to strengthening of governance, we will introduce a system of Group CxOs who implement cross-organizational adjustments and provide advice for the Group's main fields including finance, IT, risk management, human resources, etc. We will build a system that can detect and respond to "conduct risks" promptly and thoroughly manage risks of the Group as a whole. In addition, we will promote integrated management of Japan Post Holdings and Japan

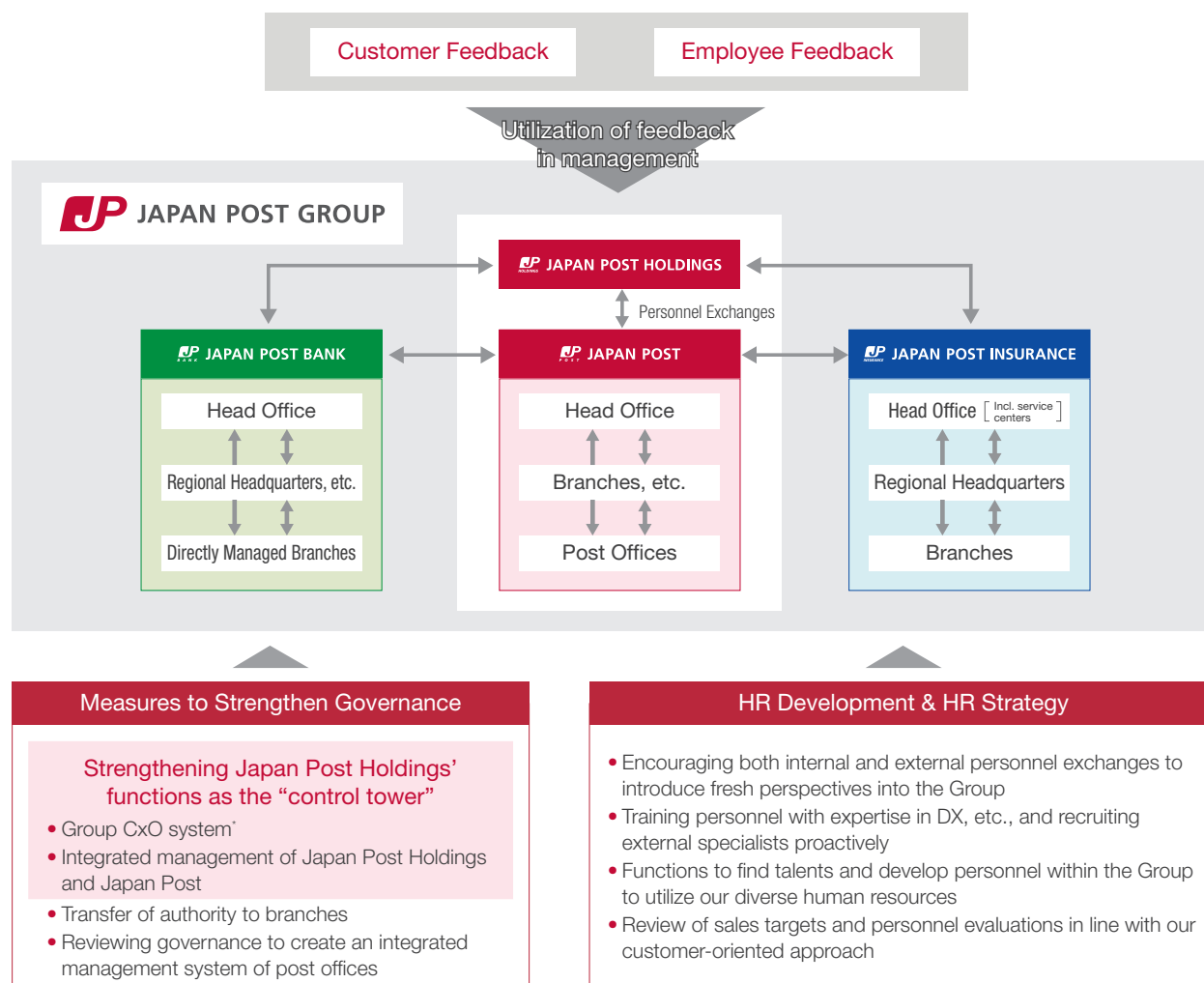
Post. At the same time, Japan Post will transfer part of its authority to branches and review the management structure to operate post offices in an integrated manner. As described above, we will work to strengthen Group governance so that both the speed of management decision-making and the frontline mobility and ability to respond are heightened concurrently.

As for HR development and strategy, we will review sales targets and the personnel evaluation system focused mainly on sales amounts. We will also push forward with creation of a framework in which we promote personnel exchanges within the Group, recruit external specialists, and find and develop diverse Group human resources.

In addition, we will reform ourselves into an organization which is open to feedback from customers and employees and allows for open communication inside and outside the Group.

Through these and other measures, we will faithfully do our utmost to reform our corporate culture.

Group's Corporate Culture Reformation



* Introduction of a system with Group CEO (Chief Executive Officer), Group CFO (Chief Financial Officer), Group CCO (Chief Compliance Officer), etc.

Major targets

Japan Post Group

Financial Targets

Consolidated net income	510 billion yen <small>Note: Includes consolidated net income attributable to non-controlling interests (interests other than the parent company, Japan Post Holdings)</small>
Consolidated net income attributable to Japan Post Holdings	280 billion yen* <small>Note: Assuming an approx. 89% stake in Japan Post Bank, we aim to achieve a net income of 420 billion yen</small>
ROE (based on shareholders' equity)	Approx. 4% <small>(Aiming for further improvement in future)</small>
Dividend policy	Stable issue of annual dividend of 50 yen per share

ESG Targets

To build a sustainable society, the Group will provide lifelong support in an era of the 100-year lifespan, and contribute to the development and revitalization of regional communities all over Japan.

Greenhouse gas emissions	46% reduction by 2031/3 (compared to 2020/3) ^{*1,*2} Aiming to achieve carbon neutral by 2050 ^{*2}
Women in management roles	Ratio of women in management positions at our Head Office 30% by 2031/3 ^{*3,*4}

Financial Targets * Calculated on the assumption of a 50% stake in Japan Post Bank and a 49.9% stake in Japan Post Insurance.

ESG Targets ^{*1} Includes Scope 1 (direct emissions from our companies) and Scope 2 (emissions from the use of electricity, etc., supplied by other companies) emissions. Increases due to new businesses, including real estate business, are not included.
^{*2} The achievement of these targets assumes that Japan will become carbon neutral to a considerable degree through the widespread adoption of renewable energy, etc. The Group will assist the push toward carbon neutral societies in both Japan and the rest of the world.
^{*3} The figure is the percentage of management positions filled by women at the head offices of our four main Group companies. The target is the percentage as of April 1, 2031 as the results of initiatives up to the end of the fiscal year ending March 31, 2031.
^{*4} The Group will also work to improve the work environment and train human resources to boost the number of employees pursuing management and executive positions, thereby increasing the number of women in management positions in locations other than our head offices.

Japan Post	
Consolidated net operating income	49 billion yen
Consolidated net income	22 billion yen
Operating income	
Postal and domestic logistics business	33 billion yen
Post office business	5 billion yen
International logistics business	12 billion yen
Revenue from package delivery, etc.	890 billion yen
Number of Yu-Pack handled	1,360 million

Japan Post Bank	
Consolidated net income	At least 350 billion yen
ROE (based on shareholders' equity)	At least 3.6%
Capital adequacy ratio/CET1 ratio ^{*1} (Level to be secured)	Approx. 10%
OHR ^{*2} (based on inclusion of profit/loss, etc. from money trust management)	66% or less
General and administrative expenses (compared to 2021/3)	Down 55 billion yen
Targeting the level of approximately 50 to 60% payout ratio and aiming to increase DPS from the initial forecast in the fiscal year ending March 31, 2022 (Please refer to Japan Post Bank's Medium-Term Management Plan for details.)	

Japan Post Insurance	
Consolidated net income	91 billion yen
EV growth ratio (RoEV ^{*3})	Aim for 6% to 8% growth
Customer satisfaction ^{*4}	Aim for 90% or more
NPS ^{*5}	Aim for one of the highest in the industry
Number of policies in force	20 million or more policies
Dividends per share (DPS)	In principle, aim not to decrease but to increase DPS for the period of the Medium-Term Management Plan.

^{*1} The capital adequacy ratio based on the domestic standard and the CET1 ratio based on the international standard.
(Basel III totally implemented, ordinary base excluding net unrealized gains on available-for-sale securities)

^{*2} Costs ÷ (net interest income + income from fees and commissions, etc.)
Net interest income refers to the amount of interest income less interest paid (including gain/loss on sale).

^{*3} Calculated by excluding economic variance factors.

^{*4} The total percentage of customers who replied "Satisfied" and "Somewhat satisfied" on a 5-point customer satisfaction scale.

^{*5} NPS[®] is an abbreviation for "Net Promoter Score" and a registered trademark of Bain & Company, Inc., Fred Reichheld, and Satmetrix Systems, Inc.

Investment for growth

We will make investment in three priority areas, namely, strategic IT investment, real estate investment, and investment in new businesses, etc., to realize our growth strategies.

In our strategic IT investment, we will promote DX on a Group-wide basis by combining both real and digital components. In our real estate investment, we will integrate and improve the efficiency of business facilities, which are assets of the Japan Post Group, and promote their use in the real estate business. In our investment in new businesses, etc., we will make investment in collaboration partners

outside the Group for the realization of the “Co-creation Platform” supporting customers and local communities.

In addition, we will make investment in businesses to improve and strengthen our core businesses.

For the aforementioned investment, we will make decisions deliberately yet boldly, taking into account past experience, lessons learned, etc., and utilizing specialized knowledge starting from the investigation stage, while ensuring compliance and risk management.

Amounts of investment in the five years to 2026/3

Strategic IT investment	Real estate investment	Investment in new businesses, etc.
<ul style="list-style-type: none"> ▶ Postal and domestic logistics business (P-DX promotion, etc.) Approx. 180 billion yen ▶ Our two financial subsidiaries (Digital service enhancement, etc.) Approx. 230 billion yen ▶ Digital post offices, etc. (Co-creation Platform, digitalization of post office operations, etc.) Approx. 20 billion yen <p>Approx. 430 billion yen</p>	<ul style="list-style-type: none"> ▶ Group real estate holdings Approx. 300 billion yen ▶ Real estate outside the Group Approx. 200 billion yen <p>Approx. 500 billion yen</p>	<ul style="list-style-type: none"> ▶ New business including M&As, etc. Approx. 500 billion yen–Approx. 1 trillion yen ▶ Investment in venture businesses, etc. Approx. 50 billion yen <p>Approx. 550 billion yen–Approx. 1 trillion yen</p>
<p>* The strategic IT investment includes non-personnel expenses related to strategic IT as well as the investment component of financial accounting.</p>	<p>* The real estate investment is investment by Japan Post Co., Ltd. and Japan Post Real Estate Co., Ltd.</p>	<p>* The investment in venture businesses, etc., is investment by Japan Post Capital Co., Ltd.</p>

Initiatives to improve efficiency and productivity

The entire Group will strive to boost operating efficiency and invest in priority areas to improve productivity. We expect that improved

efficiency will reduce workforce by an amount equivalent to approx. 35,000 employees at our four main Group companies.

	Overview of initiatives to improve efficiency and productivity	Workforce forecasts	Cost reductions
Japan Post	<ul style="list-style-type: none"> ■ Boosting efficiency by fully implementing measures including P-DX promotion, operational reforms, and digitalization of post office operations ■ A 30,000-personnel or 8% decrease in our workforce between April 2020 and April 2025 after reducing workloads through more efficient operations and optimal staff placement while maintaining the current level of network ■ Strengthening investment in priority areas to improve productivity and boost our future profitability 	<p>Decrease by an amount equivalent to 30,000 employees</p> <p>* Excluding the effects of the dispatch of consultants, etc. (approx. 13,000 employees), to Japan Post Insurance for the creation of a new sales system</p>	<p>Decrease by 160 billion yen</p> <p>* Including the effects of the dispatch of consultants, etc. (approx. 13,000 employees), to Japan Post Insurance for the creation of a new sales system</p>
Japan Post Bank	<ul style="list-style-type: none"> ■ In addition to increasing personnel in enhancement areas such as our digitization response, etc., through planned skill increases, we will drastically reduce workloads through work reforms and plan for a reduction in overall personnel of 3,000 individuals. ■ In addition to assertive investments into focal areas such as DX advancement, we will drastically reduce predetermined expenses and drastically reduce expenses overall by 55 billion yen. 	<p>Decrease by 3,000 employees</p>	<p>Decrease by 55 billion yen</p>
Japan Post Insurance	<ul style="list-style-type: none"> ■ Improving productivity of back-office operations, etc., by promoting DX to shift personnel to priority areas, including customer support ■ Ensuring the efficient use of existing costs necessary for operational management and boosting investments in priority areas 	<p>Decrease by 1,500 employees</p>	<p>Decrease by 28 billion yen</p>

(Notes) 1. The workload forecasts are based on the current projected workload. Actual workload may vary due to increases / decreases in workload.
 2. The workload forecasts compare the figures for April 2020 and April 2025 (forecast). The cost reductions compare the figures for the fiscal year ended March 31, 2021 and the fiscal year ending March 31, 2026 (forecast). For Japan Post Insurance, however, the figures compare those for the fiscal year ending March 31, 2022, which is after the transition to the new sales stance, and the fiscal year ending March 31, 2026 (forecast) due to the suspension of operations in the fiscal year ended March 31, 2021.
 3. Data includes that of employees on fixed-term contracts.
 4. The cost reductions at each company are calculated by each company, and adjustments resulting from the Group consolidation have not been taken into account. The figure for Japan Post is for employment costs, while those for Japan Post Bank and Japan Post Insurance are for general and administrative expenses.

Promotion of Group DX

“ Realization of the “post offices of the future” through a fusion of digital technologies and real components ”

IIDA Yasuhisa

Japan Post Holdings Co., Ltd.
Executive Officer

We believe that post offices are capable of providing fresh and even more incredible experiences to customers. Our hope is to greatly expand the possibility through maximum use of the power of digital technologies. We intend to realize this hope under the concept of “digital post offices.” JP DIGITAL Co., Ltd. is a new company established on July 1, 2021, as a team to promote the realization of this concept at an earlier stage.

Functions of digital post offices are not only offering web or app services but also creating a new post office experience through their “integration” with physical post offices.

What are we aspiring for? First, we are aiming to provide smoother, more comfortable customer experiences which can eliminate their inconvenience, dissatisfaction, and discomfort through the use of digital tools, which will make “financing procedures

smoother” and “sending/receiving procedures quicker.” Second, we are intending to create “new expectations” distinctive to post offices through the use of customer data so that customers can get a stronger sense that “‘consultation’ is something within their reach” and “‘shopping for a gift or for themselves’ is fun.”

To this date, post offices have continued creating services which are devised from the point of view of ordinary citizens and are helpful to them. We are familiar with the faces of our customers, the ties between us can be readily activated at any time, and customers feel comfortable coming to us for consultation.

We are committed to creating the “post offices of the future” which are closer to the lives of our customers and are always there to help their lives through the seamless integration of digital technologies and services that allow you to feel the warmth of personalized service.

Value of experience provided by the “post offices of the future”

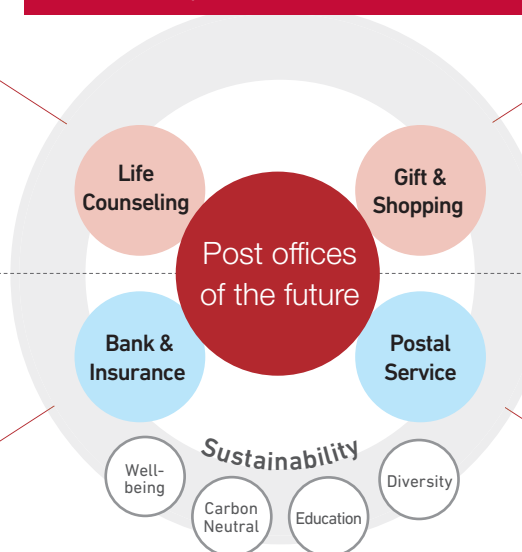
Stronger sense that “consultation” is within customers’ reach

- (1) Financial diagnosis, consultation, and applications are available “within customers’ reach, more quickly”
- (2) Broad, more specialized financial consultation is available “within customers’ reach”
- (3) Experts are available “within customers’ reach” for casual consultation about various non-financial matters related to customers’ lives and daily living (e.g., health, community)

Smoother “financing procedures”

- (1) Financing procedures can be performed “anytime, anywhere” at the customer’s own convenience
- (2) Financing procedures can be performed at post office counters “easily and readily (instantly)”
- (3) Procedures of a wide range of financial institutions, etc., can also be performed by visiting the post office

Create new expectations + Eliminate discomfort



Stronger sense that “shopping for a gift or for yourself” is fun

- (1) Genuinely good items can be purchased from all over Japan thanks to the strength of the nationwide post office network
- (2) Purchases can be made readily and speedily
- (3) Products and services of personal interest can be found by going to the post office or e-commerce site

Quick “sending/receiving procedures”

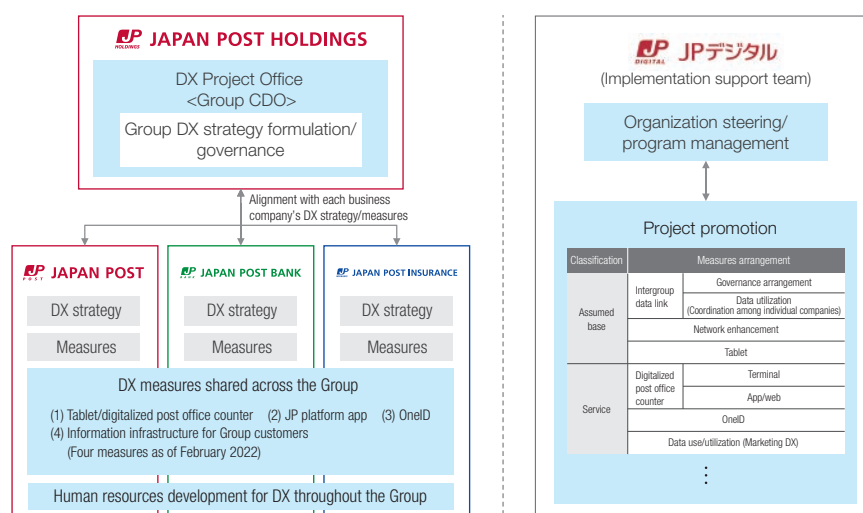
- (1) Postal mail and parcels can be sent “anytime, anywhere” at the customer’s own convenience
- (2) Procedures for sending postal mail and parcels can be performed at post office counters “easily and readily (instantly)”
- (3) Parcels can be received without stress at a time that suits the customer

Initiative to promote DX throughout the Group—For the realization of “digital post offices”

The Japan Post Group will make a Group-wide effort to promote digital transformation (DX) toward the realization of the concept of “digital post offices.”

There will be a system under which DX is promoted integrally throughout the Group, where Japan Post Holdings' DX Project Office formulates DX strategies for the Group and coordinates Group companies and JP DIGITAL, the subsidiary founded in July 2021 that specializes in DX, is in charge of implementation.

The combination of “digital post offices” which make post office services available “anytime, anywhere” and the network of approximately 24,000 reliable and trustworthy physical post offices, together with external partners, gives birth to services truly beneficial for customers and local communities. We aim to realize such a “Co-creation Platform.”



Measures for DX throughout the Group

1 Tablet/digitalized post office counter

We will build “digitalized post office counters” by using digital devices which integrate digital and real components seamlessly, and make the digital and real service seamless, and thereby aim to create “post office counters where customers can take their time for consultation.” In this way, digital devices will contribute to improved experiences for customers and post office staff with “casual” and “worry-free” as the keywords.

Concept	Content
Aim for post office counters where customers can take their time for consultation <ul style="list-style-type: none"> Create time by improving efficiency through digitization Use the created time for customers 	Casual No waiting time, finishes in no time Easy to understand, can visit at any time
	Worry-free Can consult, can be relied upon Can learn, can receive advice

3 OneID

We will work to unify the IDs of each customer used in existing web and smartphone app services from a perspective of data integration in customer experience and the Information infrastructure for Group customers.

Issues	Policies
Multiple IDs give rise to: <ul style="list-style-type: none"> Need for the customer to log in for each service Difficulty in conducting name-based aggregation from Japan Post Group's perspective 	Develop new ID “OneID” <ul style="list-style-type: none"> Start transition of some of the existing IDs to new ID (also plan to look into membership system)

2 JP platform app

The Japan Post Group's official apps will be linked and integrated in a phased manner to create a “platform app” of the Group.

Concept	Policies
Consolidate dispersed information and make necessary information accessible without confusion so that <u>basic “sending” and “receiving” services become extremely easy to use</u>	<ul style="list-style-type: none"> Make the service that the customer needs at the time available within their reach immediately through personalization according to the situation Link with digitalized post office counters and improve customers' service experience during their visits to the post office

4 Information infrastructure for Group customers (Four measures as of February 2022)

We will consider integrating the data of each customer to make use of customer information using OneID as a starting point.

Issues	Policies
<ul style="list-style-type: none"> Customer-linked data is retained on a service-by-service basis, making it impossible to refer to data at the customer level Difficult to consolidate data for which customers' consent has not been obtained 	<ul style="list-style-type: none"> Make OneID the starting point for consolidating data for which customers' consent has been obtained and utilizing such data in marketing, etc. Plan to expand linked services one after the other

DX Initiatives of the Group Companies

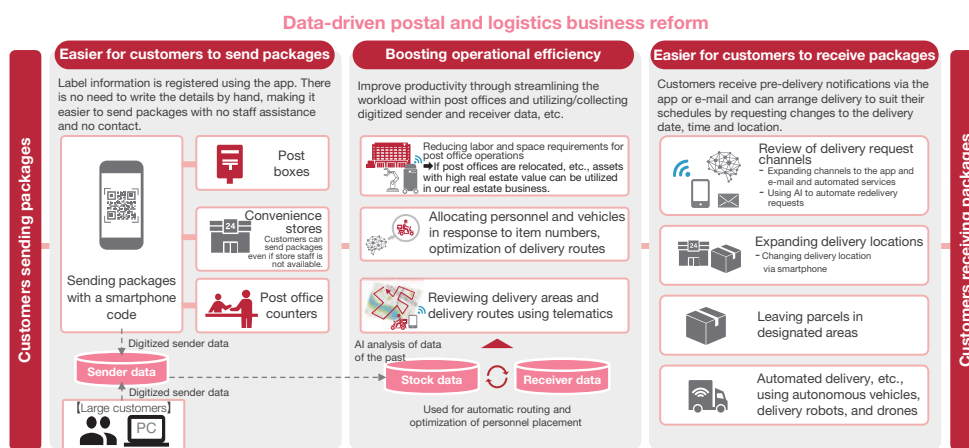
P-DX*, data-driven postal and logistics business reform



We will continue to boost operational efficiency by utilizing digitized sender data and recipient data unique to Japan Post, while pursuing ways to make it easier for customers to send and receive packages.

Specifically, we will work to improve productivity in such ways as automatic routing and optimized personnel allocation by utilizing the digitized data mentioned above. In addition, registering shipping label

information on a smartphone app will enable customers to mail packages without writing labels by hand, thereby meeting the desires of people who want to send items without any staff assistance or contact. Furthermore, customers will be able to receive advance delivery notifications and arrange delivery to suit their schedules by requesting changes to the delivery date, time, and location.



Digitalization of post office counter operations

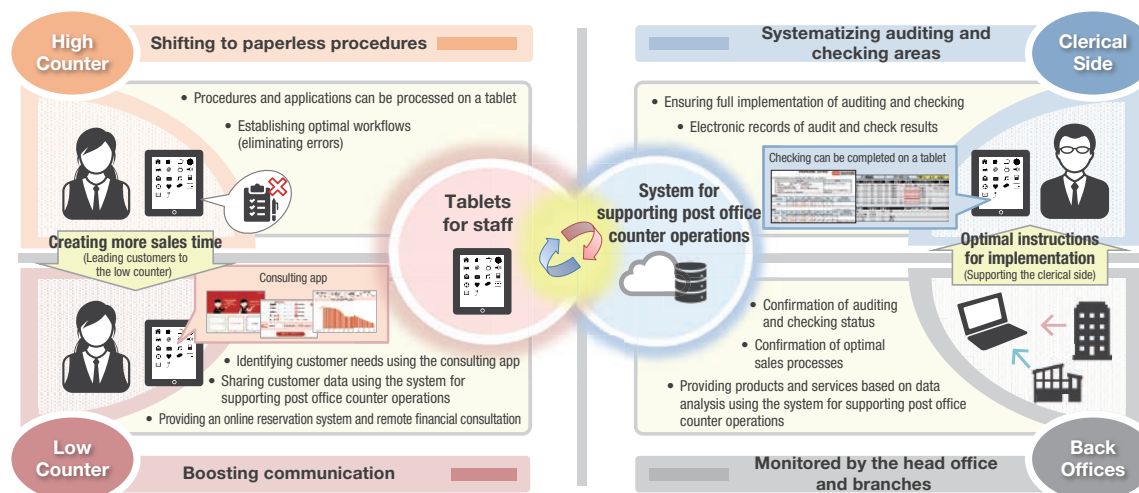


We will digitalize a range of procedures at post office counters by using tablets to ensure more effective operations and, at the same time, utilize the resources generated by efficiency to roll out services that can only be provided through real interaction and further enhance customer experience value (CX).

Specifically, we will create systems for various procedures and applications, as well as auditing and checking, and, at the same time,

utilize consulting apps and digitized customer service records to provide consulting services that suit the needs of each customer.

Additionally, to meet society's growing need for remote and contactless services, we provide an online reservation system for financial consulting at post offices and remote financial consultation using online meeting systems.



Innovating retail business into a new form by realizing complementarity between the physical and the digital



With safety and security as our top priority, we will strive to expand our digital services that are easy for all customers to use while enhancing our digital talents.

We will work to continuously improve the functionality and usability of digital services such as the “Yucho Bankbook App.” We will also create a “PFM (Personal Finance Management) App” that supports household budget management by providing customers with a visual display of their assets, income, and expenses.

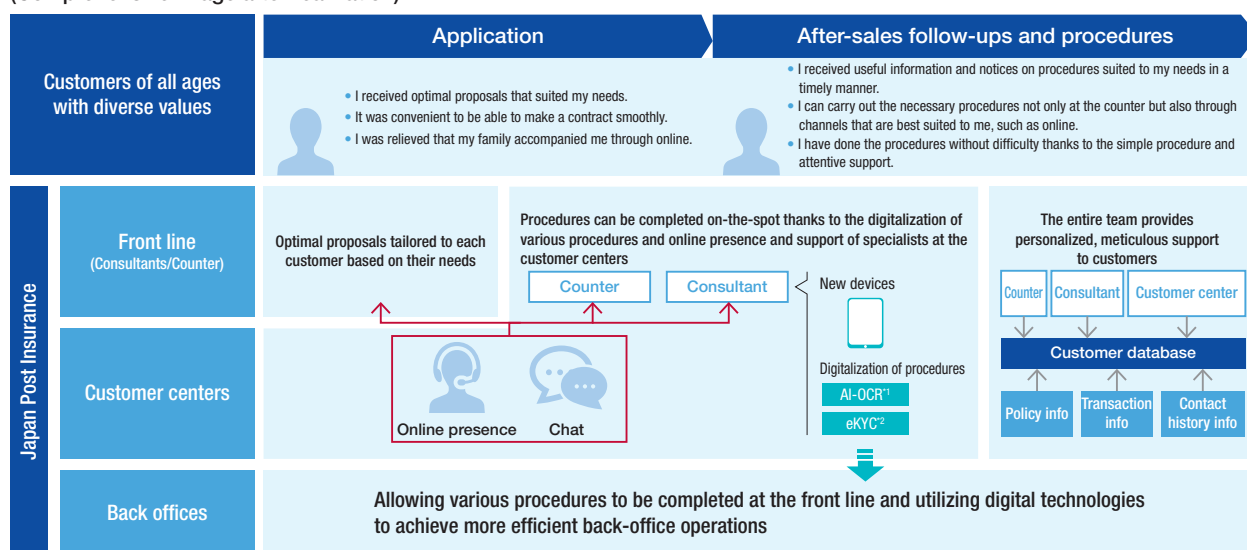
In addition, we will promote active guidance and familiarization support for various digital services such as the “Yucho Bankbook App” by utilizing the nationwide network of post offices.

Furthermore, we will focus on building an open “Co-creation Platform” that provides optimal services through collaboration with various businesses, starting with the “Yucho Bankbook App” and the “PFM (Personal Finance Management) App.”

Improving customer experience value (CX) through DX promotion



(Comprehensive image after realization)



^{*1} OCR (Optical Character Recognition) that uses AI for improved rate of recognition of handwritten text, etc.
^{*2} Identification procedure by electronic means

Japan Post Insurance upholds the basic policy that we transform our business model that gives top priority to the “customer experience value (CX)” with promoting (DX), including expanding its customer base through services that enhance satisfaction of customers. By utilizing its real contact points with customers, such as its post office counters and consultants, and combining real services that are warm and familiar with convenient digital services, Japan Post Insurance will promote efforts to fundamentally reform its range of services such as proposals and procedures for insurance from the standpoint of improving the customer experience value “CX.”

Specifically, we have begun a series of initiatives such as expanding the claims that can be processed through web services (“My Page”) which is exclusively used by policy holders, supported by the specialists at customer centers, and so on. We will continue to offer attentive services tailored to the needs of customers by introducing quick and simple procedures that can be completed on-the-spot, expanding non-face-to-face procedures through online such as “My Page,” and utilizing databases filled with customer information.

Real Estate Business Strategy

“ We will grow our real estate business into one of the earnings pillars of the Japan Post Group. ”

YAMASHIRO Yasuhiko

Senior Managing Executive Officer,
Japan Post Holdings Co., Ltd.
First Executive Officer, Japan Post Co., Ltd.
President & Representative Director,
Japan Post Real Estate Co., Ltd.



In the fiscal year ended March 31, 2022, among properties with development potential listed in JP Vision 2025, a development project for Setagaya Nakamachi company housing in Tokyo was approved, and preparations for development have been commenced for Shirokane company housing in Tokyo and the Kyoto Central Post Office. In addition, Mielparque Tokyo, Kyoto, and Matsuyama, as well as some sites where company housing, etc., was formerly provided, including Shimomeguro 5-chome in Tokyo and Fukuoka Izumi in Fukuoka Prefecture, were newly added as properties with development potential and examination for development of them has begun. In such ways and others, we promoted the development of Group-owned real estate.

Moreover, as part of investment in non-Group real estate, we carried out investment in prime real estate including logistics facilities, facilities for senior citizens, and rental houses. Under the development project for Fukuoka Izumi, formerly a site for company housing, we are working on the plan by acquiring non-Group adjacent land and by

developing them integrally to increase the value of Group-owned real estate.

In the fiscal year ending March 31, 2023, we will continue with efforts to commence the development of properties with development potential and cultivate new projects, while investing in excellent non-Group real estate. In addition, we keep ourselves closely tied to local communities through development of daycare centers and facilities for senior citizens and other means in partnership with local governments and partner with post offices through development of logistics facilities and other means; and in such a way, we conduct development so that synergy with other businesses within the Group will be generated.

We expect some large development projects to be completed in the near future, including the Hiroshima JP Building and the Kuramae Project. We will operate and manage them appropriately and efficiently, make a Group-wide effort across the Japan Post Group to strengthen our real estate business, and thereby aim to increase profits steadily.

1. Properties to be completed in the fiscal year ending March 31, 2023

(1) Hiroshima JP Building

(Completion planned for the end of August 2022)

We will work to build an excellent environment in and create new appeal of the areas surrounding Hiroshima Station, which is a gateway by land to Hiroshima, a city aiming to become an International Peace Culture City. We are committed to offering highly convenient workplaces by using digital technologies for purposes such as environmental controls and by aiming to create cutting-edge office buildings with a lively atmosphere that will stand as a landmark. In addition, we are committed to contributing to community development by creating public open spaces with abundant greenery and spaces for pedestrians in the city.



(2) Kuramae Project

(Completion planned for the end of March 2023)

With the development concept of “Lots of smiles from here to your life. Let’s live with smiles!” a large-scale complex consisting of an office building (business), residence building (life), and logistics facility (logistics base) will contribute to vitalization of the community.

We are planning to obtain “rank S,” the highest rank under the CASBEE Smart Wellness Office certification, jointly with tenant Lion Corporation for the office building, which will offer workspaces that match new, healthy work styles.



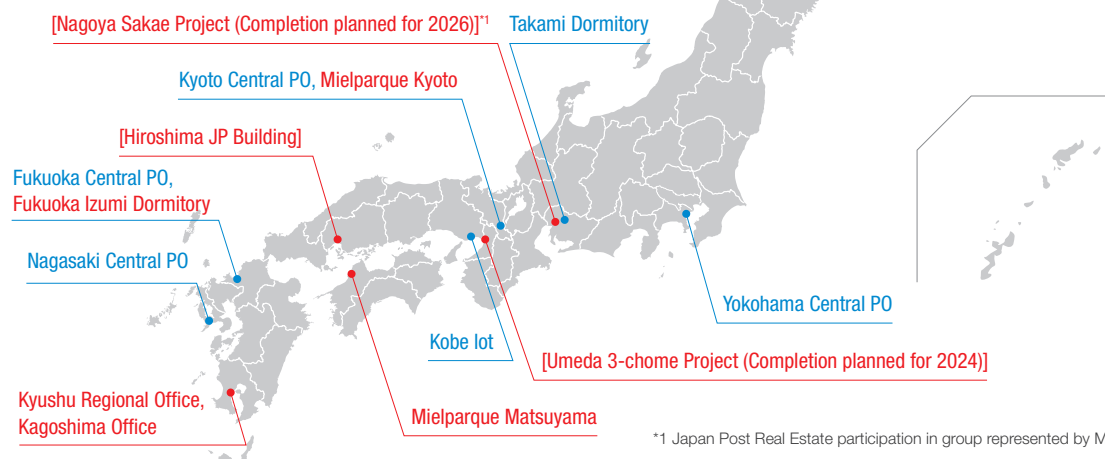
2. Major properties with development potential and those under development

[]: Projects already in progress

Red: Projects expected to start during the JP Vision 2025 period

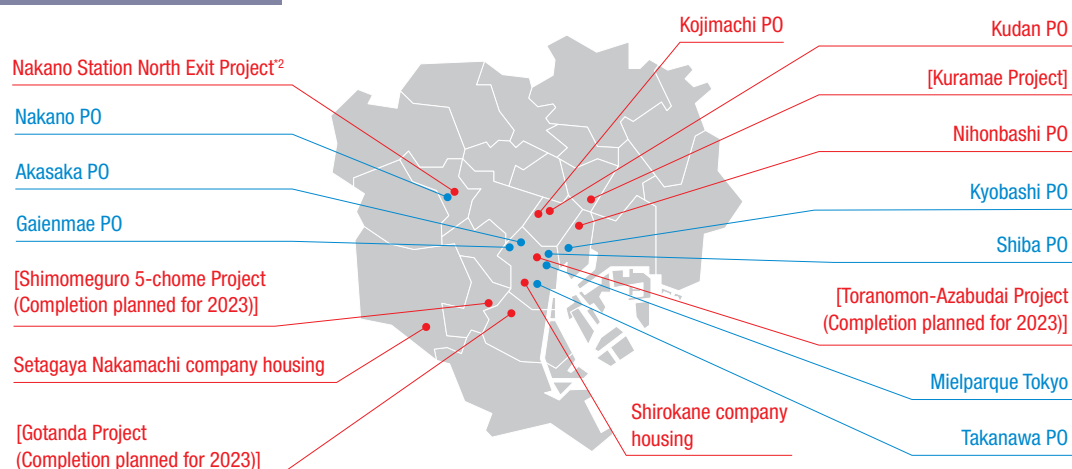
Blue: Other properties with development potential

PO: Post Office



*1 Japan Post Real Estate participation in group represented by Mitsubishi Estate

Tokyo 23 Wards (enlarged view)



*2 Japan Post Real Estate participation in group represented by Nomura Real Estate Development

3. Real estate development that contributes to community development and the global environment

The Japan Post Group will, while appreciating the relationship of trust with local communities which has been built to date, conduct its real estate business in a manner that will contribute to the development of communities, taking into account such factors as the characteristics, social backgrounds, and business potential of the community. Our development projects include construction of daycare centers and facilities for senior citizens in consideration of social issues such as children on daycare waiting lists and an aging society, regional development through large-scale complexes consisting of commercial facilities, office buildings, residences, etc., in urban areas, and development of logistics facilities in collaboration with post offices.

As part of our ESG management efforts, we will strive to reduce environmental loads by promoting the introduction of renewable energy and environmentally friendly technologies. We will examine and implement concrete measures for reducing greenhouse gas emissions from the Group's real estate business in particular, and thereby work to achieve sustainable growth of the Group and create corporate value over the medium to long term.

In addition, the Japan Post Group's real estate business aims to provide not only spaces but also experiences to customers through DX. We are planning to start introducing DX in the Hiroshima JP Building and the Kuramae Project, and will create new real estate value.

Collaboration with Companies Outside the Group

Capital and business alliance with Rakuten Group



In March 2021, Japan Post Holdings entered a capital and business alliance with Rakuten Group and invested approximately 150 billion yen in the group. Through this alliance, we will maximize the synergistic benefits of the partnership by skillfully combining the unique and complementary aspects and strengths of both companies, namely the innovative digital technology and abundant expertise of Rakuten Group with the physical post office locations and solid logistics networks of Japan Post Holdings and collaborate in a wide range of business domains to create new value that will delight our customers.

In the logistics domain, we established JP Rakuten Logistics, Inc. on July 1, 2021 to create shared logistics centers, delivery systems, and pick-up services. Additionally, we have been engaged in various initiatives that will contribute to greater convenience and efficiency in the delivery of “Rakuten Ichiba” products, which, in turn, will contribute to the expanded use of Yu-Pack parcels, including the commencement of Japan Post’s “Designated Location Direct” services and “Package Drop Insurance” of “Rakuten Books” (November 1, 2021), the commencement of operations by JP Rakuten Logistics at the logistics

center of Rakuten Super Logistics in Yamato City, Kanagawa (November 10, 2021), and the launch of the “Omatome” app that allows users to specify consolidated delivery of products from multiple stores on “Rakuten Ichiba” by Japan Post and Rakuten Group (November 30, 2021).

In the mobile domain, the event spaces in the post offices were utilized to install customer counters to accept new signup applications for Rakuten Mobile from June 2021, and in the DX domain, with the cooperation of Rakuten Group, JP DIGITAL Co., Ltd. was established in July 2021. In the financial services (credit card) domain, the new Rakuten Card with the Japan Post Bank design was launched on December 1, 2021, and also in the financial services (insurance) domain, consultations and discussions regarding collaboration have commenced. In the e-commerce domain, sales of products offered by Japan Post on “Rakuten Ichiba” and sales of Rakuten products at post offices have commenced.

Going forward, we will continue to engage in various collaborations to maximize the results of our business alliance.

Further development of a “Strategic Alliance Based on a Capital Relationship” to realize a “Co-creation Platform” supporting customers and local communities”



In June 2021, Japan Post Holdings, Japan Post, and Japan Post Insurance concluded an agreement with Aflac Incorporated and Aflac Life Insurance Japan Ltd. regarding further development of a “Strategic Alliance Based on a Capital Relationship” to realize a “Co-creation Platform” supporting customers and local communities” through the following initiatives.

In the fiscal year ending March 31, 2023, Japan Post Insurance and Aflac Life Insurance Japan will co-sponsor the Japan Post Insurance–Aflac Life Insurance Acceleration Program to widely solicit business ideas that will lead to collaboration and work toward the development of new services for the two companies.

We will continue to position Aflac’s cancer insurance as a pivotal product of our sales strategy and promote the sales of cancer insurance, and at the same time cooperate with the thorough implementation of customer-first business operations to further develop the strategic alliance as follows:

- 1 Engage in new collaborations that have been considered as part of the strategic alliance
- 2 Establish and reinforce the system for promoting insurance sales to individuals
- 3 Reinforce the system for promoting cancer insurance as part of the establishment and reinforcement of the system for promoting insurance sales to individuals
- 4 Promote digital transformation in the financial and insurance business of the three Japan Post Group companies
- 5 Engage in initiatives to create shared value through the resolution of regional and social issues
- 6 Engage in initiatives to promote diversity and to create innovation through the utilization of agile methods

Alliances to enhance the logistics business

Alliance with Rakuten Group: Initiatives of JP Rakuten Logistics



Japan Post Co., Ltd. and Rakuten Group, Inc. in July 2021, newly established JP Rakuten Logistics, Inc. to advance “Business alliance initiatives in the field of logistics and joint commercialization of a digital transformation platform for logistics,” which was announced in April 2021.

By utilizing the existing assets and expertise of Japan Post and Rakuten Group, we will create a new digital transformation platform for logistics, and at the same time contribute to the improvement of Japan's domestic logistics industry and the realization of a sustainable society by encouraging other e-commerce and logistics businesses to participate in this platform.

JP 楽天ロジスティクス

Company name	JP Rakuten Logistics, Inc.
Establishment date	July 1, 2021
Location	3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-0004, Japan
Capital (Investment ratio)	Japan Post Co., Ltd. (50.1%) Rakuten Group, Inc. (49.9%)

Collaboration with Sagawa Express



Based on the basic agreement concluded on September 10, 2021, Japan Post Co., Ltd. and Sagawa Express Co., Ltd. have commenced (1) transportation of small express delivery packages, (2) transportation of international packages, (3) refrigerated express package delivery services, (4) joint long-haul transportation, and (5) shared business locations for package pickup.

Both companies will actively engage in the development of new solutions with an eye toward collaboration with a wide range of companies in an open environment aiming to realize a sustainable society.



Capital alliance with ACSL



By combining the overwhelming technology and operational expertise of Autonomous Control Systems Laboratory (ACSL), a domestic manufacturer of industrial drones, and the post offices and logistics networks of Japan Post Co., Ltd., we will pursue the ease of mailing and receiving delivery items.

For Japan Post, this represents strategic digital transformation to realize a “Co-creation Platform” as well as an investment for operational reforms (IT and facilities/equipment).

Both companies will continue to deliberate and promote initiatives to enhance the sophistication of delivery networks through state-of-the-art technology including “enhanced deliveries” using automated delivery such as drones.

Through this alliance, we will pursue synergies that leverage the management resources and the strengths of both companies and take on the challenge of Japan's logistics innovation to offer a greater usefulness, peace of mind, expediency, and abundance to our customers throughout Japan.

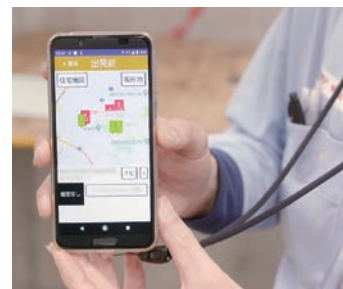
Initiatives toward the Creation of Value by Group Companies

Review of postal service levels and enhancement of the delivery network by utilizing cutting-edge technologies



Along with decreasing use of postal services every year due to more diverse means of communication, including the spread of the internet, changes in the social environment and in the requirements for postal services mean that delivery speed is no longer necessarily a prerequisite in some cases. Accordingly, resources generated as a result of discontinuing regular mail and Yu-Mail deliveries on Saturdays and taking more time for mail delivery will be appropriately utilized to meet increasing demands for home delivery of parcels in conjunction with advances in e-commerce as well as to ensure stable provision of postal services in the future.

Additionally, we are promoting operations that are fully digitalized and utilize cutting-edge technologies. For example, we are currently working on implementing a system to improve the efficiency of delivery operations, such as for Yu-Pack parcels, by applying routing and navigation technologies. In the near future, this system will enable even employees with little delivery experience to undertake delivery work immediately with high efficiency.



Consulting services at post office counters (Adoption of apps)



As a tool to support consulting services that suit customers' needs, a consulting app on tablets used at the post office counters has been adopted at nearly 4,000 post offices nationwide, mainly at locations with a large volume of financial consultation needs.

By using the consulting app, we will understand the needs of customers in the era of the 100-year lifespan, provide financial information that interests the customers at various milestones in their lives, offer smooth proposals using various simulations and cash flows, and provide customer-oriented consulting services.



Growth strategies of Toll Holdings Limited after the sale of the global express business



The sale of the global express business, one of the main factors for the stagnant business performance of Toll Holdings as a whole, was completed in August 2021. Going forward, we will work to improve the profitability of the remaining logistics and forwarding businesses through streamlining of personnel placement and other means. At the same time, we will expand business by focusing on a small number of countries with high growth potential in the Asian region, such as Singapore and Vietnam, and on industries where Toll Holdings has an edge, such as retail and industrials. We will take other measures as well to move away from a business structure dependent on Australia and accelerate initiatives to grow by shifting to a business model focused on Asia including Japan.

Strategic investments



Amid a challenging investment environment, including the continuing low interest rate environment in Japan, we expanded our balance of risk assets, mainly in the investment grade area, to 94.9 trillion yen as of March 31, 2022. In doing so, we recognize the need to enhance risk-adjusted return, while also strengthening stress tolerance. Among our risk assets, we have built up the balance to 6.4 trillion yen in the area of strategic investments* through selective investment in quality deals.

* Strategic investment areas include private equity funds (funds that invest in unlisted companies with growth potential) and real estate funds.

As for risk assets, we will continue to accumulate balance mainly in credit assets (domestic and foreign corporate bonds, etc.) in the investment grade area. In addition, we will promote initiatives to enhance risk management, including sophisticating our stress testing, enhancing our monitoring, and reducing foreign currency liquidity risk.

New sales system at Japan Post Insurance / A new medical rider, “Motto sono hi kara Plus”



To provide insurance services that meet the various protection needs of customers, from April 1, 2022, we built a new sales system at Japan Post Insurance that combines expertise and breadth to realize comprehensive consulting services provided by the Japan Post Group as a whole.

Specifically, by visiting customers' homes, consultants who provide meticulous follow-ups and proposals of insurance products will concentrate on proposals and follow-ups of life insurance and Japan Post Insurance will be directly responsible for managing these consultants. At the same time, by introducing an account manager system, meticulous and high-quality follow-ups will be given to the customers. Throughout our nationwide network of post offices, post office counter employees will continue to offer a wide range of products and services including insurance products.

In accordance with the policy of “Providing insurance services satisfying diverse protection needs of customers in all age groups in the era of the 100-year lifespan,” from April 1, 2022, we started offering the new medical rider, “Motto sono hi kara Plus.” In recent years, hospital stays have become shorter due to advances in medical care, while some illnesses require long-term hospitalization for several months. Additionally, outpatient surgeries have also become common, accounting for about half of all surgeries. In such a medical climate, we developed the new medical rider, “Motto sono hi kara Plus,” to provide generous coverage for both short- and long-term hospital stays and outpatient surgeries.

Going forward, Japan Post Insurance will continue to develop insurance services satisfying diverse protection needs under various scenarios and provide products and services that support the lives of customers in all age groups.

• You will receive a generous lump-sum hospitalization benefit even for a one-day hospital stay!

Even for a one-day hospital stay, in addition to the regular hospitalization benefit, you will receive a lump-sum hospitalization benefit, which is 20 days' worth of the daily hospitalization benefit. We provide full coverage even for short-term hospitalizations.

• We provide generous coverage also for long-term hospitalization, which can be extremely worrying.

You will receive a lump-sum hospitalization benefit, not only on the first day of hospitalization but also on the 30th day, 60th day, 90th day, and 120th day, in addition to the regular hospitalization benefit. We provide generous coverage even if your hospitalization turns out to be long term.

• Safe coverage for both outpatient surgeries and surgeries during hospitalization!

Similar to surgeries during hospitalization, for outpatient surgeries, also, we provide generous coverage with a surgery benefit, where you will receive 10 times the amount of the daily hospitalization benefit.



Initiatives for Regional Revitalization

Initiatives for local co-creation

JP JAPAN POST HOLDINGS

Japan Post Group employee dispatching areas and collaborative partners

Unnan City, Shimane Prefecture

- Population: 37,000
- Collaborative partners: Community Nurse Company Co., Ltd.
NPO Occhi Labo
- Social issues: Senior services, transfer of assets before death
- Hypothetical business themes: Post office health stations,
End-of-life Planning Services and
Mimamori (Watch Over) Service updates

Nara City, Nara Prefecture

- Population: 354,000
- Collaborative partner: General Incorporated Association Next Commons Lab
- Social issue: Sustaining municipal services
- Hypothetical business theme: Composition and operation of local co-op
(resident-funded mutual aid corporation)

Ishinomaki City, Miyagi Prefecture

- Population: 139,000
- Collaborative partners: makigumi, Inc.
General Incorporated Association Ishinomaki Farm
General Incorporated Association Replus
- Social issues: Vacant households, employment of people with disabilities
- Hypothetical business themes: Investment in the utilization of vacant houses,
participation in social firms

Noto Peninsula, Ishikawa Prefecture

- Collaborative partner: Noto Tsugu Co., Ltd.
- Social issues: Businesses closing down, business succession
- Hypothetical business theme: Composition and operation of the
business succession fund

Owase City, Mie Prefecture

- Population: 16,000
- Collaborative partner: General Incorporated Association Next Commons Lab
- Social issue: Sustaining municipal services
- Hypothetical business theme: Composition and operation of local co-op
(resident-funded mutual aid corporation)

Note: In addition, staff will be dispatched to the General Incorporated Association Next Commons Lab (Headquarters, Tokyo).

Eight headquarters' employees selected by open competition from Group companies (Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance) were dispatched to local start-ups and local governments active in rural parts of Japan for two years from April 2022, and have started efforts aimed at creating new local businesses.

The employees will work in the field on behalf of the Japan Post Group in regions that are taking the initiative to help resolve social issues, together with start-ups and local governments that are working hard to develop services that contribute to revitalizing the economy,

involving more people, and maintaining and improving self-governance functions. These valuable experiences will help Japan Post to develop human resources with an entrepreneurial mindset. We also aim to create new businesses that can help resolve social challenges by partnering with start-ups and local governments. In this era of intense change, we will explore new roles so that the Japan Post Group can contribute to the creation of sustainable local communities and the improvement of local people's lives by taking the initiative to develop such new efforts proactively.

Post office Mimamori (Watch Over) Service and End-of-life Planning Services **JP JAPAN POST**

In order to contribute to developing communities where elderly people can live with peace of mind, Japan Post offers the Post Office Mimamori (Watch Over) Service at 20,000 post offices across Japan.

In addition, we have developed "Mimamori (Watch Over) Service at Post Offices Using Smart Speakers" through a demonstration project by the Ministry of Internal Affairs and Communications' Post Office Revitalization Promotion Project. We started providing the service for local governments in January 2022.

At the same time, we have been providing End-of-life Planning Services, which introduces relevant operators to help relieve customers' anxiety about end-of-life affairs, in Tokyo since February 2019 and Hokkaido since November 2020.

As the aging society progresses, we will continue to work to make our customers' lives more convenient.



Enhancing collaboration with local governments



Japan Post is actively engaged in efforts to provide administrative services to local residents through its post office counters by subcontracting various local government affairs such as issuing public certificates, accepting applications related to national pensions, and selling premium vouchers (as of the end of March 2022, 4,497 post offices handled subcontracted services for 305 organizations).

In addition to these affairs, the scope of subcontracting has been expanded due to recent legislative amendments, and there are now more opportunities for post offices to improve the convenience of local residents, such as being able to subcontract affairs related to My Number Card electronic certificates.

As well, in terms of new initiatives, in some regions we are contributing to making life more convenient for local residents by combining digital technologies with local post offices through services such as making COVID-19 vaccination appointments at post offices, installing local government tablets at post offices, connecting local government employees and residents via videophone, and providing online government consultations.

In order to carry out these initiatives, Japan Post has collaborated with local governments across Japan to conclude various agreements, including comprehensive partnership agreements, with the aim of continuously carrying out activities aimed at helping resolve regional challenges.

We have also signed disaster prevention agreements with local governments, under which we will receive information on the status of the establishment of evacuation shelters and make efforts to deliver mail to victims and install temporary mailboxes at the evacuation shelters.



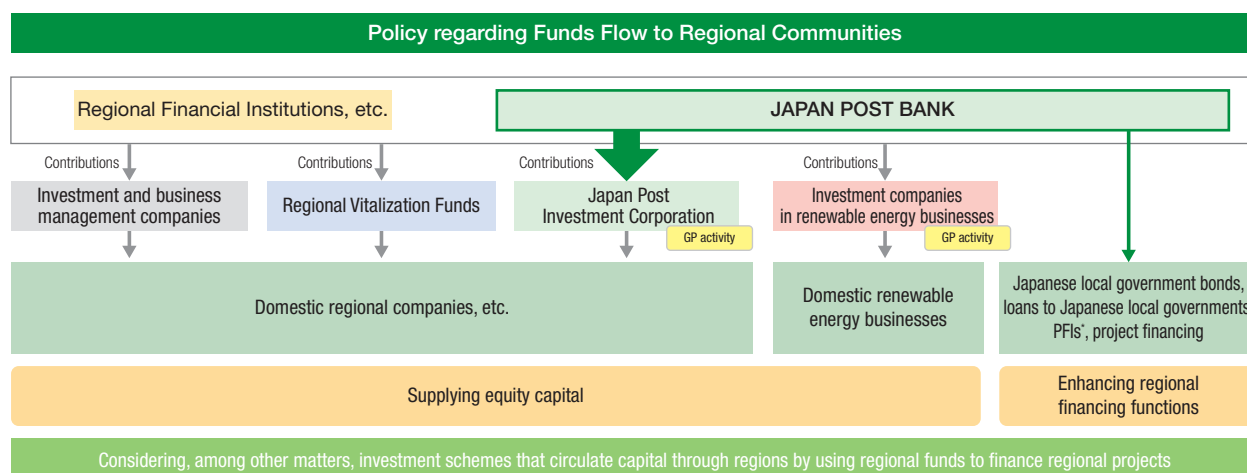
Enhancing funds flow to regional communities and the regional relationship functions through various frameworks



To flow precious funds entrusted by our customers to regional communities, we will strive to contribute to the vitalization of regional communities, with particular emphasis on expanding the supply of equity funds.

We will continue to promote investments in regional vitalization funds and investment and business management companies. We will also invest in “Japan Post Investment Regional Development and Impact Fund I, ILP” established in April 2022 by our consolidated subsidiary Japan Post Investment Corporation.

In addition, we will continue to serve as a regional financial platform. We will also continue to partner with regional financial institutions in areas such as ATM collaboration and the aggregation of operational processes encompassing tax and public money collection. Through these and a range of other measures, we will provide multifaceted support for regional development across Japan.



* Abbreviation for Private Finance Initiative. A method that conducts construction of public facilities, and other similar efforts, utilizing the funding and capabilities of the private sector.

Capital Strategy

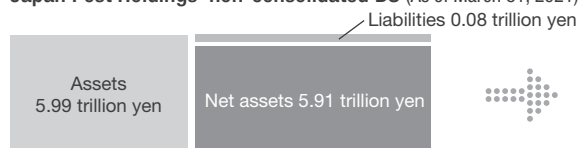
Improvement of capital efficiency

Japan Post Holdings' Efforts to Improve Capital Efficiency

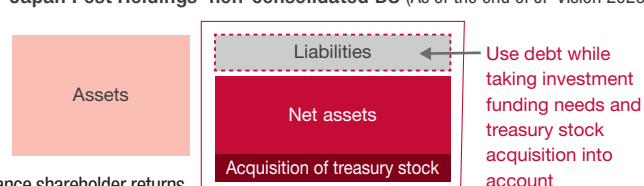
In addition to flexible acquisition of treasury stock, we will use debt financing to increase the financial leverage of Japan Post Holdings (non-consolidated) with the aim of reducing capital costs. We will

improve capital efficiency (ROE) by reducing capital costs as well as improving profits.

Japan Post Holdings' non-consolidated BS (As of March 31, 2021)



Japan Post Holdings' non-consolidated BS (As of the end of JP Vision 2025)



Aiming to improve capital efficiency and enhance shareholder returns

	2021/3	2022/3
ROE (based on net assets)*1	3.4%	3.8%
ROE (based on shareholders' equity)*2	3.8%	4.6%

*1 Calculated based on equity capital in which non-controlling interests are deducted from net assets

*2 Calculated based on shareholders' equity in which non-controlling interests and net unrealized gain on available-for-sale securities are deducted from net assets

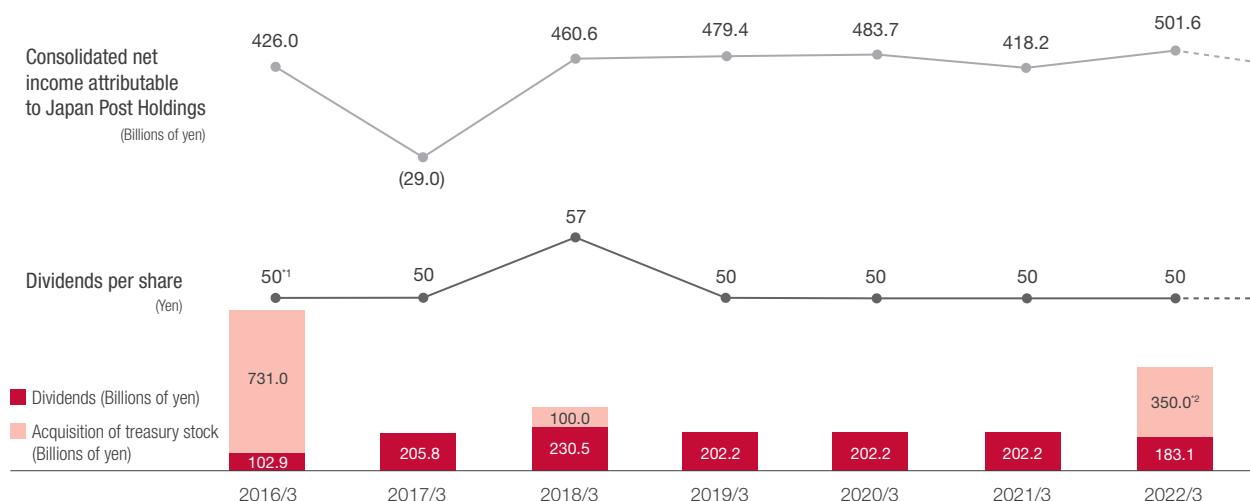
Shareholder returns

Japan Post Holdings considers returning profits to shareholders to be an important management measure and sets out its basic policy to continuously provide stable return to shareholders in accordance with the results of operations.

With regard to dividends from retained earnings, the Company aims to provide stable returns to shareholders while maintaining required internal reserves and paying attention to capital efficiency. Accordingly, the Company intends to sustain stable dividends per

share with a targeted annual dividend of 50 yen per share until the end of the fiscal year ending March 31, 2026, which is covered by the JP Vision 2025 period.

Additionally, the Company has decided to improve capital efficiency through the flexible acquisition of treasury stock during the JP Vision 2025 period and has acquired approximately 350 billion yen in treasury stock by April 2022. Furthermore, it will acquire a maximum of 200 billion yen in treasury stock from May 2022.



*1 Calculated at 50 yen, twice the amount, in light of the period from the listing of shares to the record date of the current fiscal year-end

*2 Includes the approximately 4.5 billion yen acquired in April 2022

Developing Communications with Customers to Further Enhance the Japan Post Group's Brand Image

進化するぬくもり。



New slogan: “Evolving warmth”

Developing unified Group communication centered around post offices

The slogan expresses the Group's fundamental desire to be the “warmth” for all of Japan's communities.

This desire is an essential value of the post office, which we have continued to protect through the generations.

And as society changes, so too are we required to evolve, providing services and taking on new challenges that align with the times.

The Japan Post Group, propelled by this fundamental desire, will continue to evolve with renewed commitment, and raise the warmth of our hospitality throughout Japan to greater heights.



<https://www.jpcast.japanpost.jp/nukumori.html>

“JP CAST,” a new web media platform communicating a diverse array of information from the Japan Post Group

郵便局の魅力を発信するメディア



The name embodies our desire to communicate our real selves through our own words. “JP” represents the Japan Post Group, and “CAST” represents the idea that everyone—be they employee or customer—is a cast member of our broadcast station.

Since its launch in January 2022, over one million customers and counting have visited the website.

Going forward, we will offer information through JP CAST portraying the real picture of post offices and how they have continued to closely support the community. Through our initiative, our customers will see with their own eyes what the current Japan Post Group is all about.

With some 24,000 post offices and 400,000 employees nationwide to call upon, our diverse array of information contains everything from the diligent efforts of our employees to their heartwarming anecdotes, inspiring tales, and unexpected efforts, as well as some content that will make you smile. In other words, the breadth of our content is infinite.

Please experience the evolution and the warmth of the Japan Post Group for yourself through JP CAST.



<https://www.jpcast.japanpost.jp/>

JP CAST Search

Structure of the Japan Post Group

The Japan Post Group aims to realize a “Co-creation Platform” which is engaged in all aspects / an integral part of customers’ lives and supports customers and local communities by providing a variety of products and services mainly in its three core businesses of postal services, banking, and life insurance through its nationwide post office network.

JAPAN POST

P.97 For more information, please refer to Data Compilation.



Postal and Domestic Logistics Business P.40

Post Office Business P.41

International Logistics Business P.41

JAPAN POST BANK

P.100 For more information, please refer to Data Compilation.



Banking Business P.42

Putting our post office network to maximum use to support our community customers

In addition to fairly providing postal services at the lowest possible rates across Japan, Japan Post Co., Ltd. uses its post offices to provide customers nationwide with banking counter operations commissioned from Japan Post Bank Co., Ltd. and insurance counter operations commissioned from Japan Post Insurance Co., Ltd.

Our network of post offices is an asset shared by the people. We will maintain that asset and leverage it to benefit the public and contribute to local communities. We will also make our post office services more convenient, and work to provide comprehensive support for the lives of customers in our communities.

Supporting our customers' daily lives through our banking services

Using Japan Post's nationwide post office network, Japan Post Bank provides comprehensive financial services to a wide range of individual customers.

Our management philosophy is to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers.



*1 Shareholding ratio to the voting shares except for treasury shares (as of March 31, 2022)

*2 Due to the acquisition of treasury stock and the cancellation of treasury stock announced in May 2022, the shareholding ratio was approximately 34.5% (the shareholding ratio to the total number of issued shares was approximately 34.3%) as of May 31, 2022.

JP JAPAN POST INSURANCE

P.103

For more information, please refer to Data Compilation.



Life Insurance Business

P.42

Supporting our customers' lives with peace of mind in our life insurance services

Through our post offices and directly managed Japan Post Insurance offices, we deliver the peace of mind that comes with insurance to our customers nationwide.

With “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being” as its management philosophy, Japan Post Insurance will support and continue to protect the well-being of each and every customer with the power of insurance.

Toward realizing a
“Co-creation Platform”
 supporting customers and
 local communities

in Japan Post Bank and Japan Post Insurance as soon as possible Bank and Japan Post Insurance and the effects, etc., on performance public. (The Postal Service Privatization Act)

Shareholding ratio: Approx. 49.9%¹

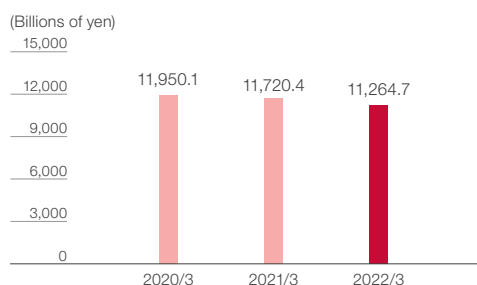
Financial and Non-Financial Highlights

Financial Information

Ordinary Income

¥11,264.7 billion

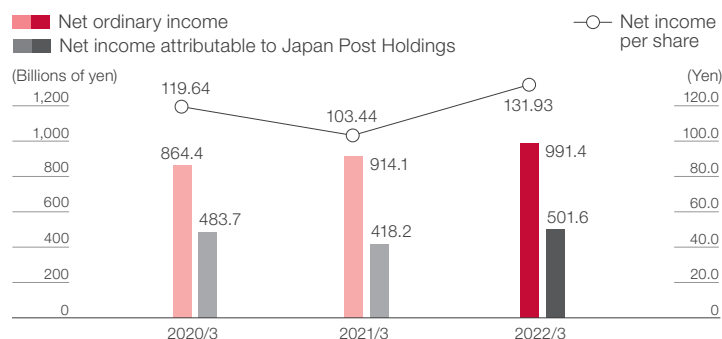
Ordinary income



Ordinary income in the fiscal year ended March 31, 2022, declined 3.9% from the previous fiscal year, to ¥11,264.7 billion.

Net Ordinary Income / Net Income Attributable to Japan Post Holdings / Net Income per Share

Net ordinary income **¥991.4** billion
Net income attributable to Japan Post Holdings **¥501.6** billion
Net income per share **¥131.93**

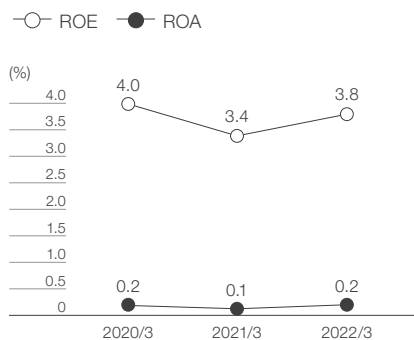


Net ordinary income in the fiscal year ended March 31, 2022, increased 8.5% from the previous fiscal year, to ¥991.4 billion, net income attributable to Japan Post Holdings increased 20.0% from the previous fiscal year, to ¥501.6 billion, and net income per share amounted to ¥131.93.

Return on Equity (ROE) Return on Assets (ROA)

Return on equity (ROE) **3.8%**

Return on assets (ROA) **0.2%**



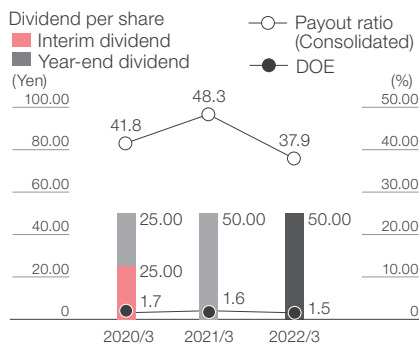
ROE in the fiscal year ended March 31, 2022, increased 0.4 percentage points from the previous fiscal year, to 3.8%. ROA came to 0.2%.

Dividend per Share / Payout Ratio (Consolidated) / Dividend on Equity (DOE)

Dividend per share **¥50**

Payout ratio (Consolidated) **37.9%**

Dividend on equity (DOE) **1.5%**



Annual dividend per share in the fiscal year ended March 31, 2022, amounted to ¥50. The payout ratio (consolidated) came to 37.9%. DOE came to 1.5%.

Stock Chart



Overview of Stocks of Japan Post Holdings (As of March 31, 2022)
Securities code: 6178
Business year: April 1 to March 31
Stock exchange listing: Tokyo Stock Exchange
Settlement date: March 31
Annual General Meeting of Shareholders: June (voting rights record date: March 31)
Dividend record date: March 31 for year-end dividends, September 30 for interim dividends (when interim dividends are paid out)
Unit number of shares: 100 shares
Total number of issued shares: 3,767,870,229
Class of shares: Common stock
Total number of shareholders: 797,689

Non-Financial Information

Greenhouse Gas (GHG) Emissions



Total CO₂ emissions

2,677 kt-CO₂

Basic unit (Facility)

0.053 t-CO₂/m²

Basic unit (Vehicle)

0.000161 t-CO₂/km

Note: Total CO₂ emissions: Scope 1, 2, and 3 emissions of Japan Post Holdings, Japan Post, Japan Post Bank, Japan Post Insurance, Japan Post Transport, and Toll Holdings in the fiscal year ended March 31, 2021

Note: Basic unit (Facility) and Basic unit (Vehicle): Results of Japan Post Holdings, Japan Post, Japan Post Bank, Japan Post Insurance, and Japan Post Transport in the fiscal year ended March 31, 2021



Number of Agreements Regarding Cooperation with Local Communities / Agreement Conclusion Rate



Number of comprehensive partnership agreements (Prefectures) (Agreements)

42

Number of agreements regarding cooperation with local communities (Municipalities) (Agreements) / Agreement conclusion rate (%)

1,732 / 99.5%

Disaster prevention agreements (Municipalities) (Agreements) / Agreement conclusion rate (%)

1,610 / 92.5%



Letter-Writing Workshop Programs / Financial Education Classes



Number of schools holding letter-writing workshop programs (Schools)

21,411



Number of elementary and junior high schools visited for financial education classes (Cumulative) (Schools)

327

Note: Cumulative number of schools visited during the period from the fiscal year ended March 31, 2015, to the fiscal year ended March 31, 2022



Number of Women in Management Positions / Female Executive Officers



Number of women in management positions (Persons)* / Rate of women in management positions (%)

3,133

9.2%

* As of April 1, 2022

Number of female executive officers (Persons)*

21

* As of July 1, 2022



Average Number of Paid Holidays Taken / Number of Persons Taking Childcare Leave



Number of persons taking childcare leave (Persons)

4,141

Note: Number of persons taking childcare leave in the fiscal year ended March 31, 2022



Average number of paid holidays taken (Days)

18.8

Note: Number of paid holidays taken in the fiscal year ended March 31, 2022



Rating



Japan Credit Rating Agency, Ltd. (JCR) (Long-Term Issuer Rating)*

AA+

(Stable)

* As of December 16, 2021

Financial Results, Strengths, and Challenges of Each Group Company



JAPAN POST

Postal and Domestic Logistics Business Segment

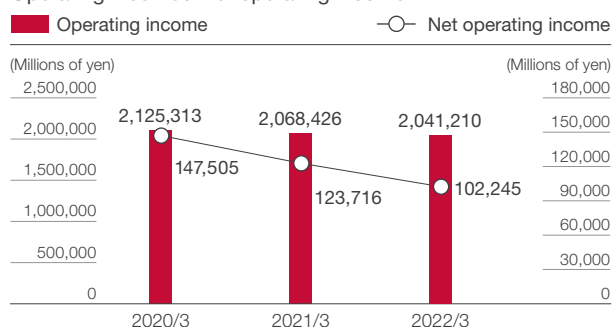
Business Overview

In addition to providing postal services at the fairest possible rates across Japan, Japan Post Co., Ltd. is commissioned by the Japanese government to sell documentary stamps and issues donation-added New Year's postcards. Japan Post provides Yu-Pack, Yu-Mail, and other parcel delivery services as well as logistics services from the design, proposal, and formation to operation of an optimal logistics strategy for customers in order to meet diverse customer needs in line with growth in the e-commerce market.

Financial Results for the Fiscal Year Ended March 31, 2022

In the postal and domestic logistics business, Yu-Pack (including Yu-Packet) volumes declined, as a reaction to the increase in stay-at-home consumption in the previous fiscal year and also due to the severe competition environment, among others. Income from international mails increased due to the resumption of services, but income from parcels fell due to a decline in Yu-Pack volumes, and income from New Year's postcards also declined. Accordingly, ordinary income amounted to ¥2,043,624 million (down ¥28,252 million year-on-year) and net ordinary income amounted to ¥103,898 million (down ¥22,689 million year-on-year). Due to the application of the Accounting Standard for Revenue Recognition, etc., ordinary income was ¥2,689 million lower than under the previous method, while segment profit was ¥1,980 million lower. In addition, operating income amounted to ¥2,041,210 million (down ¥27,215 million year-on-year) and net operating income amounted to ¥102,245 million (down ¥21,471 million year-on-year) in the postal and domestic logistics business of Japan Post (on a consolidated basis) for the fiscal year ended March 31, 2022.

Operating income / Net operating income



Strengths, challenges, and future policy in the postal and domestic logistics business

Strengths	<ul style="list-style-type: none"> Nationwide transport network capable to deliver to 31 million locations daily Efficient delivery of small parcels utilizing motorcycle mobility for the last one mile of logistics Consistently providing high-quality delivery service to our customers
Challenges	<ul style="list-style-type: none"> A continued decline in the volume of mail and escalating competition in the parcel delivery sector due to further digitalization, etc. Response to rising labor unit costs Realization of DX through utilization of data we possess
Future policy	<ul style="list-style-type: none"> Data-driven reform of the postal and domestic logistics business Boosting competitiveness through a strategic review of products, services, and operations Providing convenient services by collaborating with other companies

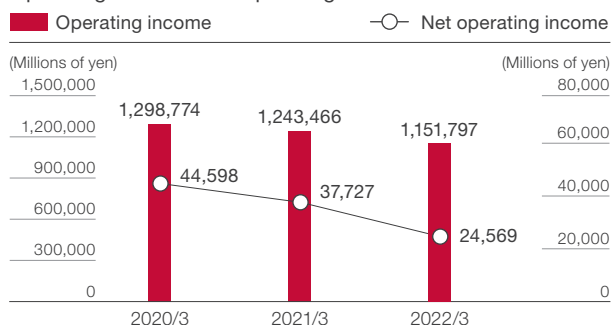
Business Overview

In the post office business, in addition to counter operations related to the postal and logistics business, we provide banking counter operations commissioned from Japan Post Bank Co., Ltd. and insurance counter operations commissioned from Japan Post Insurance Co., Ltd. as well as merchandise business, real estate business, affiliated financial services, and administrative work commissioned from local governments at post offices nationwide, which serve as sales hubs for providing services to customers.

Financial Results for the Fiscal Year Ended March 31, 2022

In the post office business, although we have shifted to a new sales stance from April 2021 onwards, due to factors including refraining from proactive sales activities involving Japan Post Insurance from July 2019, insurance commissions decreased and banking commissions also decreased reflecting the decline in the number of remittances and settlements. In addition, as a result of a decline in income from the merchandising business due to the impact of the application of the Accounting Standard for Revenue Recognition and the absence of the income from real estate sales recorded in the previous fiscal year, ordinary income amounted to ¥1,158,552 million (down ¥126,913 million year-on-year) and net ordinary income amounted to ¥24,742 million (down ¥15,103 million year-on-year), despite a decrease in ordinary expenses due mainly to a decrease in expenses associated with the similar decline in income from the merchandising business. Due to the application of the Accounting Standard for Revenue Recognition, etc., ordinary income decreased ¥59,679 million. In addition, operating income amounted to ¥1,151,797 million (down ¥91,669 million year-on-year) and net operating income amounted to ¥24,569 million (down ¥13,157 million year-on-year) in the post office business of Japan Post (on a consolidated basis) for the fiscal year ended March 31, 2022.

Operating income / Net operating income



Strengths, challenges, and future policy in the post office business

Strengths	<ul style="list-style-type: none"> A post office network of over 24,000 locations throughout Japan Provision of diverse products and services inside and outside the Group Customer base based on which our services are used by many customers in their daily lives
Challenges	<ul style="list-style-type: none"> Regaining customers' trust Response to a decrease in handling volume due to population decline and the switch to digital channels Enhance the value of our post office network
Future policy	<ul style="list-style-type: none"> Initiatives for customer-first business operations Promoting digitalization of post office operations Development of a diverse range of products and services satisfying regional needs

Business Overview

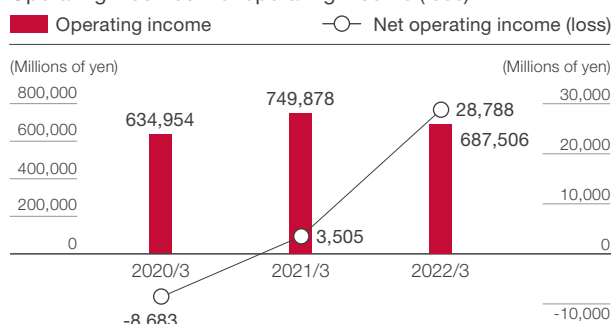
Toll Holdings Limited and the companies under its umbrella provide a full line of international freight forwarding services, chiefly import and export related to the Asia Pacific region, and other logistics services to sectors of natural resources and governmental operations as a 3PL provider in the Asia Pacific region including transport and warehousing services.

Financial Results for the Fiscal Year Ended March 31, 2022

In the international logistics business, income in the Global Forwarding business was boosted by rising cargo demand, but the segment suffered the impact of a decline in large-scale handling associated with the COVID-19 response in the Global Logistics business and a fall in income due to the sale of the Global Express business. Accordingly, ordinary income amounted to ¥687,817 million (down ¥62,251 million year-on-year). Ordinary expenses fell significantly, with a decrease in expenses corresponding to lower income from the Global Logistics business and the absence of expenses from the Global Express business, despite an increase in expenses corresponding to higher income from the Global Forwarding business, and net ordinary income amounted to ¥21,226 million (net ordinary loss of ¥7,003 million in the previous fiscal year). In addition, operating income in the international logistics business of Japan Post (on a consolidated basis) amounted to ¥687,506 million (down ¥62,372 million year-on-year) and net operating income in the international logistics business of Japan Post amounted to ¥28,788 million (up ¥25,282 million year-on-year) for the fiscal year ended March 31, 2022.

Note: Regarding Toll Holdings' global express business, a business transfer agreement was concluded with the affiliates of Allegro Funds Pty Ltd. on April 21, 2021, and the business transfer procedures were completed on August 31, 2021.

Operating income / Net operating income (loss)



Strengths, challenges, and future policy in the international logistics business

Strengths	<ul style="list-style-type: none"> Number of countries included in the international logistics network Approx. 150 countries "Toll City" that features cutting-edge logistics technologies, such as precision temperature control and smart logistics control systems, and other equipment
Challenges	<ul style="list-style-type: none"> Overcoming Australia-dependent management structure Toll Holdings' business performance improvement Exercise of the synergy between Japan Post and Toll Holdings
Future policy	<ul style="list-style-type: none"> Transition to an Asia-focused business model Thoroughly implement efforts to improve the business performance of Toll Holdings Advancement of the synergy between Japan Post and Toll Holdings, and expansion of revenue



JAPAN POST BANK

Banking Business Segment

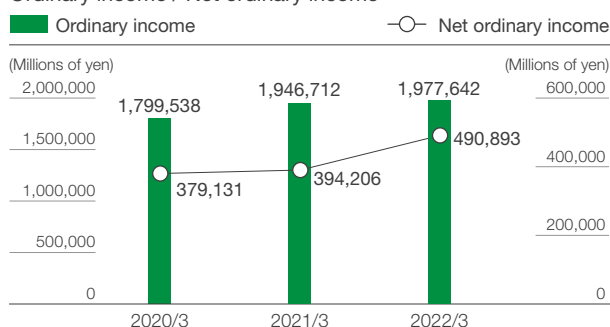
Business Overview

Under the Banking Act, Japan Post Bank and its subsidiaries engage in the deposits, lending, securities investment, remittances, intermediary services including mortgages, and credit card businesses, as well as sales of Japanese Government Bonds (JGBs), investment trusts, and insurance products.

Financial Results for the Fiscal Year Ended March 31, 2022

In the banking business, net other operating income declined due mainly to a decrease in gains on redemption of foreign bonds, but net interest income increased, primarily as a result of an increase in income from foreign bond investment trusts and private equity funds, and non-recurring gains increased due mainly to an expansion in private equity funds and real estate funds. As a result, ordinary income amounted to ¥1,977,642 million (up ¥30,929 million year-on-year), while net ordinary income amounted to ¥490,893 million (up ¥96,686 million year-on-year). Due to the application of the Accounting Standard for Revenue Recognition, etc., ordinary income decreased ¥779 million, while segment profit increased ¥51 million.

Ordinary income / Net ordinary income



Note: The graphs show ordinary income and net ordinary income of the banking business segment of the Japan Post Group.

Strengths, challenges, and future policy in the banking business

Strengths	<ul style="list-style-type: none"> Japan's largest customer base Post offices and ATM networks encompassing all of Japan Japan's largest deposit base Diverse and expert human resources
	<ul style="list-style-type: none"> Providing customer-oriented services Contributions to vitalization of communities Creating new value Addressing no-contact and non face-to-face needs Security enhancements Deepening market operations and risk management Enhancing the capital base
	<ul style="list-style-type: none"> Expanding products and services Addressing the digital divide problem ESG management
Challenges	<ul style="list-style-type: none"> Innovating retail business into a new form by realizing complementarity between the physical and the digital Business reforms and productivity improvement through the active utilization of digital technology Enhancing funds flow to regional communities and the regional relationship functions through various frameworks Deepening market operations and risk management with an awareness of stress tolerance Strengthening the management base to become a more trusted bank
Future policy	



JAPAN POST INSURANCE

Life Insurance Business Segment

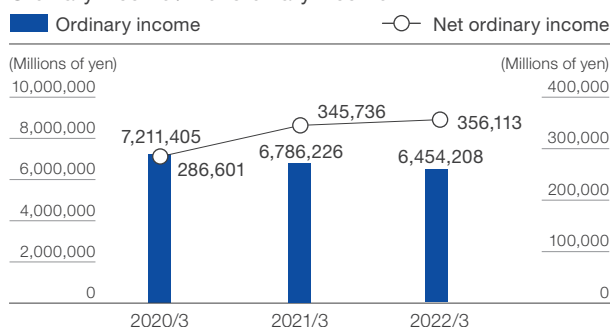
Business Overview

Licensed and approved under the Insurance Business Act, Japan Post Insurance engages in the underwriting of life insurance and asset management business, including securities investment and loans. In addition to our own products, directly managed Japan Post Insurance offices also handle other life insurance companies' products on commission, largely to corporate customers. We have also entered into an operations consignment agreement with Japan Post Co., Ltd. to solicit our insurance products through its post offices.

Financial Results for the Fiscal Year Ended March 31, 2022

In the life insurance business, while investment income increased due primarily to increases in gains on money held in trust, insurance premiums and others decreased due to a decrease in policies in force. Accordingly, ordinary income amounted to ¥6,454,208 million (down ¥332,018 million year-on-year), while net ordinary income amounted to ¥356,113 million (up ¥10,377 million year-on-year), due mainly to a decrease in operating expenses and an increase in positive spread, despite the significant decrease in policies in force.

Ordinary income / Net ordinary income



Note: The graphs show ordinary income and net ordinary income of the life insurance business segment of the Japan Post Group.

Strengths, challenges, and future policy in the life insurance business

Strengths	<ul style="list-style-type: none"> Extremely large customer base Procedures available at post offices nationwide Products with easy procedures and smaller coverage amounts
	<ul style="list-style-type: none"> Reconstruction into a company that is truly trusted by its customers Shift to a business model that positions customer experience value as its top priority
	<ul style="list-style-type: none"> Strengthening contact points with customers based on new Japan Post Insurance sales system Continue efforts to regain trust Reinforcement of the business foundations Improvement of customer experience value Promotion of ESG management Corporate culture and work-style reform Reinforcement of governance, capital policy
Challenges	
Future policy	

Social Contributions through Sports

As part of its activities to support people throughout their lives in the era of the 100-year lifespan, the Japan Post Group has been sponsoring and supporting sports and para-sports, including the operation of a women's athletics team and the support of OHTANI Momoko, a wheelchair tennis player who is an employee of Japan Post Insurance. In particular, Japan Post played an important role in the success of the Tokyo 2020 in 2021 as an official partner (postal services) of the Olympic and Paralympic Games Tokyo2020 and as a supporting partner of the Tokyo 2020 Olympic Torch Relay. We contributed to the excitement of the Tokyo 2020 Games through our postal business, utilizing our nationwide network of post offices. Going forward, the Japan Post Group will continue to contribute to the revitalization of local communities and the realization of a diverse society by utilizing its network of 24,000 post offices and 400,000 Group employees nationwide to promote athletic competitions and community-based teams and athletes.

Major sponsorship activities for sports

Contracting entity	Entities to be sponsored (Outline)
Japan Post Holdings Co., Ltd.	Japan Goalball Association (Official partner)
	Tohoku Rakuten Golden Eagles (Official platinum sponsor)
Japan Post Co., Ltd.	JAPAN PROFESSIONAL BASKETBALL LEAGUE (B.LEAGUE-partner)
	JAPAN POST Honda Dream
Japan Post Insurance Co., Ltd.	Japan Wheelchair Tennis Association (Top partner)
	Japan Boccia Association (Gold top partner)

Support for Goalball

Japan Post Holdings and Japan Post support the Japan Goalball Association from March 2019. We are contributing to the popularization of goalball by providing people with opportunities to experience this paralympic sport. We also promote the traits of this sport through holding events throughout Japan, making videos about goalball, and so on.



Activities of JAPAN POST Honda Dream

Japan Post has been hosting an event named "Posukuma Parent-Child Motorbike Class" at four to six locations every year since 2018. In this event, children can take a short pocket bike riding lesson on pocket bikes specially decorated with Posukuma paintings, as well as they can write letters using an original postcard printed with commemorative photos of their rides. The event is run by "JAPAN POST Honda Dream," a professional motorbike racing team.



Boccia Sponsorship Activities

Japan Post Insurance sponsors Boccia competitions such as the "2022 Boccia Tokyo Cup Supported by Japan Post Insurance" (April 2022), in which the Japanese national team also took part.



Stellar Performance in Wheelchair Tennis

OHTANI Momoko, an employee of Japan Post Insurance, made a remarkable accomplishment in her debut at the 2020 French Open, becoming runner-up in the wheelchair women's singles. At the 2020 Paralympics in Tokyo, she won a bronze medal in the wheelchair women's doubles.



Activities of the Women's Athletics Team

The Japan Post Group Women's Athletics Team was founded in April 2014 because the road relay races (ekiden), in which runners are connected by a sash, are very much like how our postal services connect people by mail, and employees feel a sense of unity when supporting the athletes.

The athletes belong to Japan Post Group companies. The Japan Post Group Women's Athletics Team has competed in the All Japan Industrial Teams Women's Ekiden (nicknamed "Queens' Ekiden" in Miyagi) for seven years straight since 2015. The team's performance has been outstanding, having taken first place for the first time in 2016 (the 36th annual championship) and won first place for two consecutive years in 2019 and 2020 (the 39th and 40th annual championships, respectively).

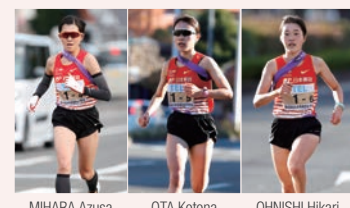
Team members produced excellent results also at the individual level in the Tokyo 2020 Olympic Games.

Major results in fiscal year ended March 31, 2022

Activity/Competition	Result	Athlete	Record
41st All Japan Industrial Teams Women's Ekiden (Queens' Ekiden in Miyagi)	4th	Leg 1: SUZUKI Ayuko Leg 2: KOSAKAI Chika Leg 3: HIRONAKA Ririka ^{*1,2} Leg 4: MIHARA Azusa Leg 5: OTA Kotona Leg 6: OHNISHI Hikari ^{*1}	2:15:35
32nd Olympic Games (2020/Tokyo) Women's 5000m finals	9th	HIRONAKA Ririka ^{*3}	14:52.84
32nd Olympic Games (2020/Tokyo) Women's 10000m final	7th prize	HIRONAKA Ririka ^{*4}	31:00.71
32nd Olympic Games (2020/Tokyo) Women's marathon	19th	SUZUKI Ayuko	2:33:14



SUZUKI Ayuko KOSAKAI Chika HIRONAKA Ririka



MIHARA Azusa OTA Kotona OHNISHI Hikari

^{*1} Stage prize ^{*2} Most Valuable Runner award ^{*3} New Japanese record ^{*4} The all-time fourth best time in Japan

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