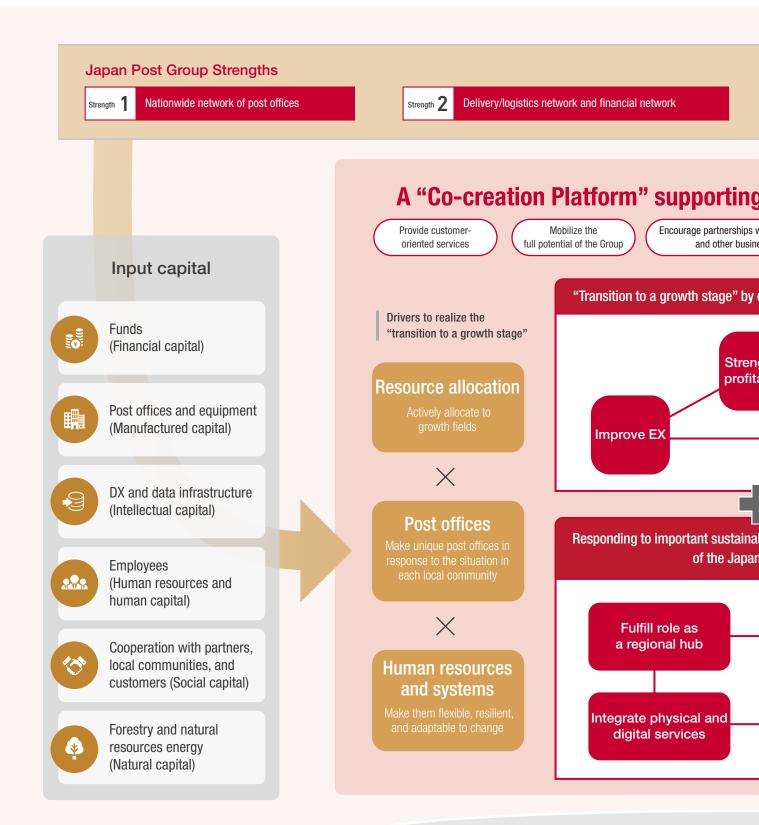
Value Creation Process



Management

Establishment of a management foundation contributions to helping



Vast customer base and extensive customer data



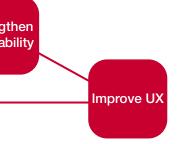
Trust in post offices and deep understanding of local communities

customers and local communities

vith local communities ess operators Offer platforms for life and business

Sustainably create value





bility issues utilizing the strengths

Implement efforts across the entire supply chain

Further social implementation of innovations

Financial Targets

ROE (based on shareholders' equity)

Consolidated net income

At least 4%

570 billion yen

Consolidated net income attributable to Japan Post Holdings

360 billion yen

Shareholder return policy

Provide stable dividend of 50 yen per share annually (interim and fiscal year-end)

Improve capital efficiency through flexible acquisition of treasury stock

Non-Financial Targets

Employee engagement score

At least the score in the previous fiscal year

Support childcare for a balance with work

Childcare leave acquisition rate for both men and women:

Average days of childcare leave acquired by men:

100%

1 month or more

Women in management roles

Ratio of women in management positions at our head office:

30% by the fiscal year ending March 31, 2031

Greenhouse gas emissions

Reduce by 46% in the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020)

Become carbon neutral in 2050

Value creation

Group growth and improved social and Group sustainability

Improved well-being of local and diverse people

Realization of a low-environmental load society

Material Issues Relating to Sustainability



Local communities and economies



Responding to the aging society



Access to services



Environment

Other issues include human resources, human capital, and management fundamentals.

Foundation

that is trusted by customers and supports g resolve social issues

Japan Post Group Strengths

The Japan Post Group will continue to work closely with customers and local communities as part of daily life, focusing on its network of post offices throughout the country.



Nationwide network of post offices



► Number of employees in the four main Group companies (As of March 31, 2024)

Approx. 366,000

Regular employees: Approx. 203,000 Non-regular employees: Approx. 163,000

Number of employees with Securities Sales Representative Certification

87,349

▶ Insurance Agent Certification

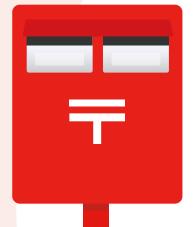
87,711

▶ Financial Planner Certification

86,607

Number of postboxes nationwide

173,935



Strength

Delivery/logistics network and financial network



Number of ATMs nationwide

Approx. **31,200**



Number of countries included in the international logistics network

Approx. **150**

Strength

Vast customer base and extensive customer data



Number of ordinary deposit accounts

Approx. 120 million



Number of Japan Post Insurance customers*

Approx.

and insured persons (including individual insurance and individual annuities as well as Postal Life Insurance reinsured by Japan Post Insurance).



Number of delivery locations served daily

Approx. 31 million

Strength

Trust in post offices and deep understanding of local communities

Top 3 customers' perceived images of post offices

(Q: Please mark all images that you have for post offices.) (Multiple choice survey conducted from September 21 to September 25, 2023) (Survey subjects: Men and women in their 10s to 60s living in Japan; number of respondents: 3,181)



Located everywhere 1st 25.0%



Rooted in local communities

24.0%



Being close and familiar

21.3%

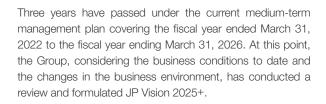


Medium-Term Management Plan "JP Vision 2025+ (Plus)"

Taking into account the changes in the business environment, we will overcome the issues facing the Group and "transition to a growth stage."



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



Major measures to date

During those three years from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2024, we promoted growth strategies including the enhancement of governance and collaboration with other companies. In addition to initiatives in each business segment, we bolstered Group governance by adopting a Group CxO system (June 2021) and advanced initiatives to achieve a "Co-creation Platform" to support customers and local communities through various Group digital transformation (DX) initiatives, such as the release of the Group platform app, the Post Office App (October 2023).

Moreover, in terms of postal service privatization, based on the policy to lower our stake in the two financial companies to 50% or less by the fiscal year ending March 31, 2026, we have been making steady progress by selling our stake in Japan Post Insurance Co., Ltd. in the fiscal year ended March 31, 2022, and in Japan Post Bank Co., Ltd. in the fiscal year ended March 31, 2023, bringing down our holding ratios to 49.8% and 61.5%, respectively.

As for the operating results of the fiscal year ended March 31, 2024, due to such factors as the decrease in the volume of mail and parcels handled including New Year's postcards at Japan Post Co., Ltd., in addition to the decline in the holding ratio of equity interests in Japan Post Bank due to the disposal, on a consolidated basis, net income attributable to Japan Post Holdings fell by approximately 40% year-on-year to 268.6 billion yen and we recorded an ROE (based on shareholders' equity) of 3.0%. Furthermore, in line with our policy to reinforce shareholder returns and enhance capital efficiency, we acquired a total of 850 billion yen of treasury stock in the three years from the fiscal year ended March 31, 2022.

Initiatives under JP Vision 2025+

As indicated in the Medium-Term Management Plan JP Vision 2025+, announced in May 2024 after the review, we have designated three pillars in our initiatives to achieve the targets set out in the course of the review—(1) Strengthen profitability, (2) Improve EX (employee experience) by investing in human resources, and (3) Improve UX (user experience) by promoting DX, etc.—and we will focus our efforts on achieving them. We also revised our investment targets so that the investments for growth correspond to the three pillars of our initiatives, and we will proactively invest in the areas perceived to be growth areas, namely the postal and domestic logistics business and the real estate business, while also investing in human resources to promote human capital-oriented management and making DX investments. Under JP Vision 2025+, we plan to invest 40 billion yen for "increased capacity in the logistics business," 110 billion yen as "real estate investment," 35 billion yen in "human resources," and 215 billion yen as "strategic IT investment" for a grand total of 400 billion in two years.

Additionally, in line with our shareholder return policy, we will continue to conduct substantial share repurchases and expand debt financing to enhance shareholder returns and improve capital efficiency.

Based on this policy, in the fiscal year ending March 31, 2025, we plan to acquire 350.0 billion yen in treasury stock.

In terms of dividends, under JP Vision 2025+, we plan to continue paying stable annual dividends of 50 yen per share, and based on this policy, we will continue to strive to realize the annual dividend of 50 yen per share in the fiscal year ending March 31, 2025.

Furthermore, together with the flexible acquisition of treasury stock, we will use debt financing, such as the environmental, social, and governance (ESG) bonds for real estate investments issued in the fiscal year ended March 31, 2023, to increase the financial leverage of the Company (nonconsolidated) with the aim of reducing capital costs and improving capital efficiency.

By engaging in these initiatives to improve capital efficiency in addition to improving profitability, we hope that our ROE, which had declined as a result of our reduced stake in Japan Post Bank, will bounce back and achieve levels that exceed the cost of equity to further improve over the medium to long term.

Outlook for the fiscal year ending March 31, 2025

By engaging in these initiatives in line with the above policy, in the fiscal year ending March 31, 2025, the Group on a consolidated basis expects to report 280.0 billion yen in net income attributable to Japan Post Holdings, representing an increase of 11.3 billion yen year-on-year, mainly due to reporting equity in earnings of affiliates from Aflac Incorporated and the increase in net income of Japan Post Bank.

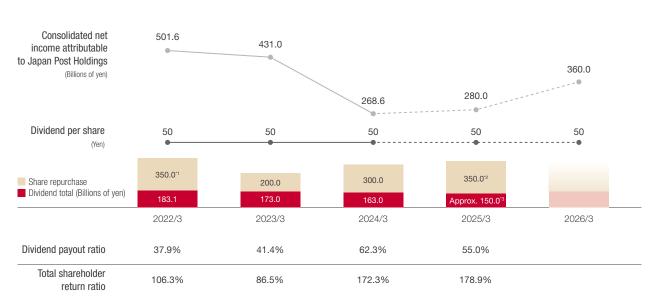
We will leverage our network of post offices, the Group's greatest strength, to provide integrated services of the Group while seeking partnerships with a diverse range of companies and organizations outside the Group, which we have never had before. Such efforts will help customers realize safe, secure,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

Outlook for ROE (based on shareholders' equity)* and consolidated net income of Japan Post Holdings



^{*} ROE (based on shareholders' equity) is not affected by net unrealized gains (losses) on available-for-sale securities, considering the characteristics of the banking business. This is calculated by dividing net income attributable to Japan Post Holdings by the average shareholders' equity during the period (excluding non-controlling interests and net unrealized gains (losses) on available-for-sale securities from net assets) and rounding to the first decimal place.

Shareholder return



^{*1} Including 4.5 billion yen acquired in April 2022

^{*2} Please refer to "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" released on May 15, 2024 for details.

^{*3} Dividend total, dividend payout ratio, and total shareholder return ratio in the fiscal year ending March 31, 2025 take into account a decrease of dividend payment when performing share repurchase of 350 billion yen.

(1) The Medium-Term Management Plan and the results of initiatives under "JP Vision 2025" (Fiscal year ended March 31, 2022 to fiscal year ended March 31, 2024)

Results of initiatives

Under JP Vision 2025, we set out to improve our corporate structure for the sole purpose of regaining customers' trust by reinforcing customer-oriented business operations and governance, while advancing various measures such as enhancing and strengthening the Group's core businesses, collaborating with companies outside of the Group, and promoting Groupwide DX, in an effort to realize a "Co-creation Platform" supporting customers and local communities as part of the vision of the Japan Post Group.

We have achieved a certain degree of progress in the initiatives under JP Vision 2025. In the postal and domestic logistics business, we promoted alliances with Rakuten Group, Inc. and the Yamato Group to increase parcel income; in the real estate business, we promoted real estate development of the assets held by the Group including the completion of the Azabudai Hills Mori JP Tower; and in the post office business, we increased efficiency by promoting digitalization through the adoption of self-checkout machines and digital ticket issuing systems.

However, due to such factors as the decrease in the volume of mail and parcels handled including New Year's postcards at Japan Post, the Group's net income for the fiscal year ended March 31, 2024 fell by approximately 40% year-on-year to 447.4 billion yen. Furthermore, as a result of the disposal of the shares of Japan Post Bank in March 2023, ROE (based on shareholders' equity) declined from 3.9% in the fiscal year ended March 31, 2021 to 3.0% in the fiscal year ended March 31, 2024.

In terms of non-financial initiatives, we have made steady progress by reducing greenhouse gas emissions by 12.7% (compared to the fiscal year ended March 31, 2020, results for the fiscal year ended March 31, 2023) and the ratio of women in management positions has risen to 16.2% as of April 1, 2024.

Postal and domestic logistics business	 Promoted business alliances with the Yamato Group and Rakuten Group to increase parcel income Tried to streamline operations by digitalization and mechanization 	
Post office business	 Won administrative work contracts from local governments and expanded other products and services satisfying local needs Promoted digitalization through the adoption of self-checkout machines and digital ticket issuing systems 	
International logistics business	Sold the global express business of Toll Holdings Pty Limited	
Banking business	 Expanded functions and usage of the Bankbook App (Number of accounts registered exceeded 10 million accounts (February 2024)) Expanded risk asset balance and strategic investment areas 	
Life insurance business	 Enhanced structures for insurance solicitation and established a new Japan Post Insurance sales system Introduced new medical care riders and lump-sum payment whole life insurance 	
Real estate business	 Promoted real estate development of the assets held by the Group (Construction completion of the Azabuc Mori JP Tower (June 2023), etc.) 	
Group governance	 Formulated the JP Code of Conduct to improve Group conduct (July 2022) Introduced the Group CxO* system (June 2021) 	
Group DX	Released the Post Office App, the new Group platform app (October 2023)	
Initiatives to improve efficiency and productivity	 Reduction of workforce by an amount equivalent to approx. 35,000 employees is progressing as initially planned (our four main Group companies). 	

 $^{^{\}star}$ Group CEO (Chief Executive Officer), Group CFO (Chief Financial Officer), etc.

Business results	2022/3	2023/3	2024/3
ROE	4.7%	4.4%	3.0%
Consolidated net income (Billions of yen)	618.5	520.6	447.4

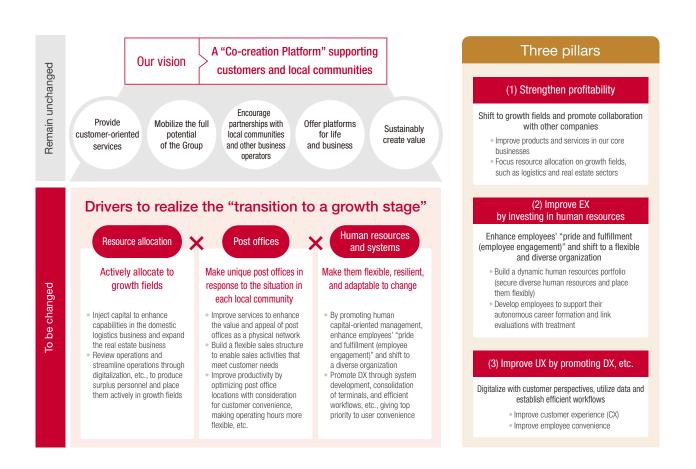
(2) Review of the Medium-Term Management Plan and formulation of JP Vision 2025+

Major review points

Since the formulation of JP Vision 2025, the external environment surrounding the Japan Post Group has been changing drastically, rapidly, and complexly beyond our initial expectations, as evidenced by the increase in costs and interest rates due to rising prices and the progress in the declining population and depopulation. To enable the Group to continue sound business operations, we must take into account the changes in the business environment and address the issues faced by the Group, including improving profitability to achieve sustainable growth, shifting to a diverse and flexible organization, and improving human resources capabilities to adapt to changes in the business environment and customer needs. Accordingly, we decided to take JP Vision 2025, which had originally been intended to be reviewed after three years, conduct a review to overcome the issues facing the Group based on the changes in the external environment and to attempt a "transition to a growth stage," and formulated the new "JP Vision 2025+."

JP Vision 2025+ clarifies the elements that are "to be changed" and those that will "remain unchanged" in the management of the Group. Our vision, the "Co-creation Platform" supporting customers and local communities, will remain unchanged in JP Vision 2025+. Meanwhile, we have changed the drivers, namely "resource allocation," "post offices," and "human resources and systems," to propel our "transition to a growth stage." In terms of "resource allocation," we will change its mechanism so that capital and human resources can be proactively injected into the Group's growth businesses of logistics and real estate. As for "post offices," we are aiming to make unique post offices that match the situation of each local community and to this end, we are improving services to enhance the value and appeal of the post office network, building a flexible sales structure, and improving productivity by optimizing post office locations with consideration for customer convenience and making operating hours more flexible, among other measures. As for "human resources and systems," positioning investments into human capital, which is integral to the Group's continuing business activities, as an investment for growth, we are improving EX while at the same time, through the promotion of DX, becoming a flexible and resilient organization adaptable to changes in the environment such as the declining population, diversification of lifestyles and work styles, and accelerated digitalization.

Based on these elements that are to be changed and those that will remain unchanged, we established the three pillars of our initiatives.



1 Three pillars of our initiatives (1) Strengthen profitability

As the first pillar, we will take into account the issues and growth opportunities of each segment, and "strengthen profitability" by fundamentally reviewing the details of the initiatives.

■ 1 Businesses in which resources will be actively injected to accelerate further growth

The domestic logistics and real estate businesses will be understood as growth areas and management resources will be actively injected to accelerate growth.

Postal and domestic logistics business

In the domestic logistics field, we will increase NPS® by improving products and services and also strengthen sales structures. We will increase parcel volume with a focus on small parcels, in which Japan Post excels, by collaborating with other companies. We will also expand parcel income by making efficient and resilient operations a reality and building a resilient transport/delivery network.

* NPS® is an abbreviation for Net Promoter Score and a registered trademark or service mark of Bain & Company, Inc., Fred Reichheld, and NICE Systems.

Overall picture of the growth strategies of the postal and domestic logistics business



Real estate business

Taking into account the major changes in the business environment, we will continue to promote initiatives to develop Group-owned real estate such as real estate development linked to the reorganization of former postal and logistics sites, as well as the acquisition of non-Group-owned real estate to secure stable earnings, so as to develop the business into one of the earning pillars of the Group.

With the establishment of the real estate business segment, we will promote and manage the real estate business of the Group in an integrated and efficient manner.

Overall picture of the growth strategies of the real estate business



■ 2 Businesses that strengthen profitability and improve efficiency

We will also strengthen profitability and improve efficiency in other businesses.

Post office business

We will enhance profitability, as well as the value, appeal, and service quality of post offices, and build a system that allows the post office business to grow into a business of choice for customers.

To this end, we will promote the following five initiatives.

- (1) Implement flexible staff placement at post office counters
- (2) Strengthen the knowledge and skills of all employees
- (3) Foster sales specialists
- (4) Consider and implement measures for enhancing value and appeal
- (5) Conduct operation reforms of post office counters

International logistics business

Through the growth of the Global Logistics business focused on Asia and improvement in profitability of the Global Forwarding business, we aim to sustainably expand the scale of earnings and increase profitability.

Banking business

Based on appropriate allocation of management resources, we promote growth strategies differentiated from those of other banks, leveraging the unique strengths of Japan Post Bank.

To this end, we will promote the following three initiatives.

- (1) Enhance strategy for complementarity between the physical and digital channels to transform into a new form of retail business that goes beyond traditional banking
- (2) Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets, while strengthening risk management
- (3) Revitalization of regional economies and creation of new corporate value through Japan Post Bank's unique general partner (GP) business

Life insurance business

We will aim to retain and expand the customer base based on connections across life stages/generations by expanding the product lineup to meet a diverse range of customer needs and enhancing after-sales follow-ups in terms of both quality and quantity, and also to grow into a sustainable and strong company that can secure stable income by achieving greater depth and evolution of asset management, diversifying sources of revenue, and improving the efficiency of business operations,

Overall picture of the growth strategies of the post office business



2 Three pillars of our initiatives (2) Improve EX by investing in human resources

The Japan Post Group employs a large number of employees to operate its businesses. In May 2023, the Group formulated the Group Human Resources Policy, and based on the concepts of this policy it will promote human capital-oriented management, thereby aiming to shift to a flexible and diverse organization and enhance employees' "pride and fulfillment (employee engagement)." We will set and implement key initiatives in the four areas of "human resources portfolio," "development," "evaluation and treatment," and "diversity."

Among the key initiatives, we intend to focus particularly on "implementing flexible staff placement," "securing diverse human resources," "organizational personnel development and appropriate evaluation," and "strengthening managerial staff's function to develop human resources" in the next two years, until the fiscal year ending March 31, 2026.

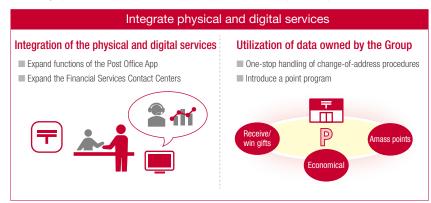
Promote human capital- oriented management	Enhance employees' "pride and fulfillment (employee engagement)" (Realize employees' happiness)		
Human resources portfolio	Diversify recruitment methods and eligibility for employment (including the introduction of Specified Skilled Workers) through such means as realizing flexible staff placement linked to business strategies and expanding the hiring of foreign workers		
Development	Support autonomous career formation by rebuilding career paths and development systems		
Evaluation and treatment	Rebuild systems that recognize employees who take on challenges by reviewing the evaluation items		
Diversity (realize DE&I and true diversity, etc.)	Utilize the diverse viewpoints and values of approximately 400,000 employees by supporting childcare to balance with work and through other measures		

Area	Target	2025/3	2026/3	Major KPIs
nan resource portfolio	Company- wide	Launch a personnel exchange system among the Group through internal open recruitment ¹ (Invite employees to submit their preferences and make selections) ²		Number of personnel exchanged in and out of the Group Maintain the fiscal year ended March 31, 2022 level ²¹ (Fiscal year ending March 31, 2026) Number of personnel applied for open recruitment within the Group At least the figure in the previous fiscal year (Fiscal year ending March 31, 2026)
Human	Front	Fully start recruitment of experienced workers and gig workers, etc.	Right person to the right job score At least the score in the previous fiscal year (Fiscal year ending March 31, 2026) (Reference: Fiscal year ended March 31, 2024: 2.70 pt)	
ment/ atment	Company- wide	Aim to introduce measures to develop personnel organizationally (evaluation methods		
Diversity/Development/ Evaluation and treatment	agers	Review the labor environment of managerial staff (working hours, treatment, etc.) Shift personnel evaluation items of managerial staff to those relating to human resources development		Ratio of women in management positions at head offices of the four main Group companies Fiscal year ending March 31, 2031: 30%
Diver	Mana			
	Im	nprove employees' "pride and fulfillment (employee engagement)" (Pagliza amplayage' happingga)	Pride and fulfillment score At least the score in the previous fiscal year (Fiscal year ending March 31, 2026) (Reference: Fiscal year ended March 31, 2024: 3.31 pt)

- *1 Implemented among organizations of the head offices from the fiscal year ended March 31, 2023. We plan to spread the scheme Company-wide, including frontline organizations.
- *2 Necessary discussions will be held among companies concerned upon selection.
- *3 Number of personnel exchanged among the four main Group companies was approximately 1,500.

Three pillars of our initiatives (3) Improve UX by promoting DX, etc.

Based on improvement in customer experience (CX) and employee convenience, we will promote integrated, cross-sectional DX for the Group and make post offices that are accessible to customers and comfortable to work for employees a reality. Improving customer experience (CX) includes expanding the functions of the Post Office App and utilizing data owned by the Group for handling change of address and other procedures ensuring one-stop handling and introducing a point program to enhance the convenience of post office services. Improving employee convenience includes promoting open in-house networks, and the consolidation and improved sophistication of business devices to improve employees' job comfort.





4 Disposal of our equity interests 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.

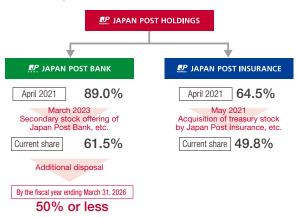
The Company aims under JP Vision 2025+ to reduce its stakes in the two financial subsidiaries to 50% or less in the JP Vision 2025+ period in accordance with the purposes of the Postal Service Privatization Act and from the perspective of enhancing independence and flexibility of management of these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

With respect to shares in Japan Post Insurance, through disposals of shares including, as announced in May 2021, 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 49.8%.

A secondary stock offering of the Japan Post Bank was carried out in March 2023, and as a result the Company's stake in Japan Post Bank was reduced to approximately 61.5%. We continue to make steady progress in the privatization of postal services, aiming to dispose of the shares of Japan Post Bank by the fiscal year ending March 31, 2026.

After that, we will proceed with deliberations based on the purpose of the Postal Service Privatization Act and from Group management perspectives. We will also deliberate on measures to strengthen the alliance between the two financial subsidiaries and Japan Post Holdings to support the relationship of business entrustment. Toward embodying the measures, Group-wide efforts will be made.

Shareholdings in the two financial subsidiaries



5 Investment for growth

To ensure that the three pillars of our initiatives correspond to the investments for growth under JP Vision 2025+, in addition to the areas of "strategic IT" and "real estate" set forth in JP Vision 2025, we have added two new areas—"investment for increased capacity in our logistics business" and "investment in human resources"—and to ensure that the initiatives to achieve the targets of JP Vision 2025+ are implemented, a total of roughly 400 billion yen in investments will be made in the next two years.

As for investments into "new businesses, etc.," we will conduct disciplined investments based on the consideration of risk and factors.

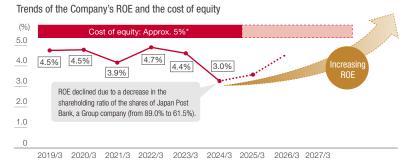
Amounts of investment in the two years to the fiscal year ending March 31, 2026			Amounts of investment (approx.)			
Investment for increased capacity in our logistics business*2	Prepare foundations for logistics bases		Operation reforms, etc. (introduce sorting machine, etc.)		Total	40 billion yen
Real estate investment	Rental business re	eal estate	Built-for-s	sale business real estate	Total	110 billion yen
Investment In human resources*3	Strengthen human resource development seminars (including re-skilling)	Initiatives to diver		Initiatives to secure human resources, etc.	Total	35 billion yen
Strategic IT investment ⁴	Postal and domestic logistics business (P-DX promotion, etc.)	Banking business and Life insurance business (Digital service enhancement, etc.)		Improve UX by promoting DX, etc. (Introduce business-use tablet PCs, etc.)	Total	215 billion yen
1 Of the emounts of investm				Grand total		400 billion yen [™]

- *1 Of the amounts of investment by the entire Group, we extracted those related to principal measures particularly conducive to growth for the Group and streamlining of operations, excluding investments required for maintenance/replacement.
- *2 The amounts of investment for increased capacity in our logistics business exclude the amount of strategic IT investment.
 *3 The amounts of investment in human resources recorded consist of expenses related to various human resources initiatives.
- *4 The amounts of strategic IT investment include related expenses in addition to the investment component of financial accounting

6 ROE target to improve price-to-book ratio

Due to the secondary stock offering of the Japan Post Bank, a Group company, conducted in March 2023, the Company's stake decreased and consolidated net income declined, which, in turn, resulted in ROE for the fiscal year ended March 31, 2024 to fall year-on-year

ROE for the fiscal year ended March 31, 2024 fell below the Company's cost of equity, which is approximately 5%, calculated based on the Capital Asset Pricing Model (CAPM). By generating profit in each business as well as implementing flexible capital policies such as the acquisition of treasury stock, we will aim for the early achievement of ROE exceeding the cost of equity and further increases in the medium to long term.



* Calculation method of the cost of equity using CAPM is as follows, and the numbers indicated for risk-free rate, 6, and risk premium are as of each quarter-end of the fiscal year ended March 31, 2024.

Cost of equity=Risk-free rate+B \times Risk premiumApprox. 5%0.4%-0.8%0.6-0.76.0%-6.4%

Shareholder return policy

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 consisting of an interim and year-end dividend 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 embarked on the acquisition of treasury stock of a maximum of 350 billion yen starting in May 2024. In the past, it has also acquired approximately 350 billion yen in treasury stock in the fiscal year ended March 31, 2022, approximately 200 billion yen in the fiscal year ended March 31, 2023, and approximately 300 billion yen in the fiscal year ended March 31, 2024. Going forward, it will continue to conduct substantial share repurchases and expand debt financing to improve capital efficiency.

Dividends

Fiscal year 50 yen per share

(including interim dividend of 25 yen)

Fiscal year ending March 31, 2025 dividend forecast: 50 yen per share (including interim dividend of 25 yen)

Acquisition of treasury stock

Fiscal year ended March 31, 2024:

Approx. 300 billion yen

Fiscal year ending March 31, 2025:

350 billion yen (maximum) (Announced on May 15, 2024)

JP Vision 2025+ Major targets

Financial targets ROE (based on shareholders' equity) Fiscal year ending March 31, 2026: Fiscal year ending March 31, 2026: Approx. 4% At least 4% Consolidated net income 570 billion yen*1 Consolidated net income attributable to Japan Post Holdings 360 billion yen*2

Shareholder Return Policy

- Provide stable dividend of 50 yen per share annually (interim and fiscal year-end)
- Improve capital efficiency through flexible acquisition of treasury stock

Non-financial targets

Employee engagement score*

At least the score in the previous fiscal year (Fiscal year ended March 31, 2024: 3.31 pt)

Score of employees' "pride and fulfillment (employee engagement)" using the result of the Group ES survey)

Support childcare for a balance with work

Childcare leave acquisition rate for both men and women:

Average days of childcare leave acquired by men

100%

month or more

Women in management roles*1

Ratio of women in management positions at our head office: 30% ending March 31, 2031

Greenhouse gas emissions*2 *3

in the fiscal year ending March 31, 2031 Reduce by 46% (compared to the fiscal year ended March 31, 2020)

Become carbon neutral in 2050

Financial targets

*1 Includes consolidated net income attributable to non-controlling interests (interests other than the parent company, Japan Post Holdings), As Aflac Incorporated became an affiliate accounted for by the equity method, equity in earnings or losses of affiliates is recorded from the fiscal year ending March 31, 2025 *2 Calculated on the assumption of a 61.5% stake in Japan Post Bank and a 49.8% stake in Japan Post Insurance,

- Non-financial targets *1 The figure is the percentage of all 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. 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 in order to increase the number of women in management positions in locations other than our head offices.

 - *2 Targets are for Scope 1 (Direct emissions by the Company) and Scope 2 (Emissions from use of electricity, etc., supplied by other enterprises).
 *3 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.



In recent years, companies have been shifting their mission from merely "selling things" to "helping resolve social issues." In other words, we have entered an era in which pursuing "the public good" can be truly compatible with "profitability."

The Japan Post Group intends to consider new businesses that leverage its unique position of having close ties with local communities, as well as new businesses that will help resolve regional and lifestyle issues in addition to greater concerns such as environmental problems. To carry out these measures across the Group, the Business Co-creation Division has been established at both Japan Post Holdings Co., Ltd. and Japan Post Co., Ltd.

Business co-creation involves bringing together Group and non-Group talent with differing know-how. ideas, and passions and putting what they have created on the enormous platform of the Japan Post Group to generate revenue. By organically integrating the Group's resources, namely the post office network that has been established over the years, and taking advantage of collaborations with alliance partners and M&As when necessary, we will aim to generate revenue while finding solutions to social problems. For example, in February 2024 the Company concluded an agreement with East Japan Railway Company ("JR East") to "strengthen collaborations to resolve social issues" and through the collaboration of both groups, the Company will accelerate its Medium-Term Management Plan, "JP Vision 2025+ (Plus)" and JR East will speed up the promotion of the JR East Group Management Vision "Move UP" 2027, thereby expanding both groups and taking on the challenge of resolving the social issues plaguing Japan including "the weakening of local communities" and "labor shortages."

The post offices that can be found throughout Japan function as a network of "stores" for sales and consultation but also as a network of "locations" that serve as local hubs and logistics facilities. In terms of the "store" aspect, we will strive to bring greater convenience and a sense of security to customers through the provision of products and services, while as a "location," we hope to drum up

vitality and bring comfort to local residents by having the post offices become a focal point for mutual interactions and providing services that eliminate inconvenience.

As a way of further utilizing the post office network as "stores," for example, we have collaborated with FamilyMart Co., Ltd., by installing display shelves and refrigerated cases for FamilyMart merchandise in the lobbies of post offices in areas where convenience stores and food stores are sparse to make it easier for customers to purchase FamilyMart merchandise.

Additionally, given the need for a fulfilling and secure life in old age frequently voiced by our customers at the post offices, we have commenced the nationwide rollout of the Post Office End-of-life Planning Service, a phone consultation service offered together with the related departments of Japan Post, such as the Regional Revitalization Promotion Division.

Moreover, the "Local Co-creation Initiative (LCI)" is the major initiative illustrating the further utilization of the "location" network. The LCI selects Group employees through an open call and dispatches them to local startups and local governments active in rural parts of Japan to create new businesses.

We also focused on post offices as the "owners of real estate" and as a measure to enable "the monetization of locations and the maximization of their significance," we are participating in a forest fund and hoping that our efforts will contribute to achieving carbon neutrality in 2050, one of the ESG goals of the Japan Post Group.

Since the Japan Post Group was established in 2007, it has been striving to launch new businesses and new services such as the merchandise business and the real estate business. Following in these footsteps, we continue to take on the challenge of bringing to life new businesses that are capable of generating revenue while helping resolve social issues, creating new products and services, and providing value encapsulating heightened convenience, security, comfort, and prosperity, to support the lives and lifestyles of customers across Japan.

Strengthening collaborations with the JR East Group to help resolve social issues

In February 2024, Japan Post Holdings and Japan Post concluded an agreement with JR East to strengthen collaborations with the goal of helping resolve social issues.

The agreement aspires to contribute toward resolving social issues that plague Japan, such as "the weakening of local communities" and "labor shortages," by focusing on the five pillars of "making post offices and stations the hub of local communities," "ensuring sustainable logistics," "co-creation-oriented urban development through the utilization of assets," "development of local industries and the creation of new local businesses," and "supporting local lifestyles through digitalization."

As a specific initiative in "making post offices and stations the hub of local communities," we integrated the operations of post offices and stations, and from August 2020, at the EMIEKI Post Office which opened in Emi Station on the Uchibo Line (Kamogawa City, Chiba Prefecture), we handle station ticket office services. From January 2024 at the Sakunami Contracted Post Office in Sakunami Station on the Senzan Line (Sendai City, Miyagi Prefecture) and from July 2024 at Awa-Katsuyama Station on the Uchibo Line (Kyonan Town, Chiba Prefecture), we have commenced station ticket office services. Going forward, we plan to offer integrated post office and station services at Kamasusaka Station on the Utsunomiya Line (Sakura City, Tochigi Prefecture) starting around spring 2025 and at Ubara Station on the Sotobo Line (Katsuura City, Chiba Prefecture) starting around summer 2025.





Handling FamilyMart merchandise at post offices





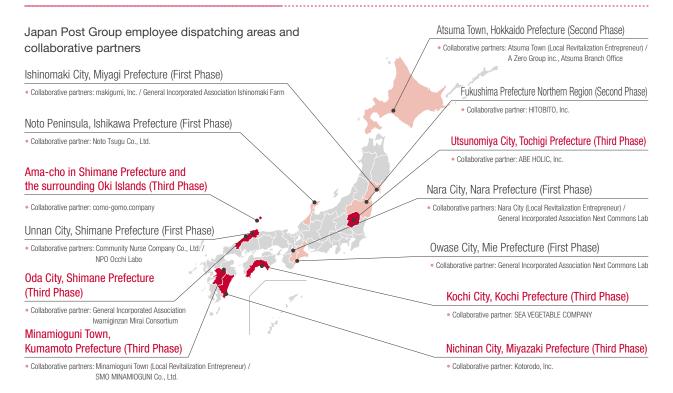
In April 2016, Japan Post Holdings and FamilyMart concluded a basic agreement and since then the two companies have been discussing, examining, and successively bringing to life new initiatives that leverage the infrastructures and know-how of both companies and responding to the changes in social structures and diversifying lifestyles.

As part of initiatives to enhance the convenience of customers and support the local community, we have been utilizing the post office network as "stores," installing display shelves and refrigerated cases for FamilyMart merchandise in the lobbies of post offices in areas where convenience stores and food stores are sparse and selling FamilyMart merchandise.

These initiatives, which began at the Shibasaki Post Office (Inashiki City, Ibaraki Prefecture) in October 2021 and at the Amatsu Post Office (Kamogawa City, Chiba Prefecture) and the Hanno Shimohata Post Office (Hanno City, Saitama Prefecture) in September 2023, have proven to be extremely popular with local residents.

We are considering expanding the number of post offices that handle FamilyMart merchandise.

■ Local Co-creation Initiative (LCI)



The LCI, which began in April 2022, is an initiative where head office employees selected by open competition from Group companies (Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance) are dispatched for two years, in principle, to local start-ups and local governments active in rural parts of Japan, aimed at creating new local businesses. At the same time, by having them gain valuable experience in various regions, it also aims to develop human resources with an entrepreneurial mindset.

In the First and Second Phases, a total of 10 employees were dispatched to seven regions and nine organizations. In April 2024, another six employees were dispatched to six regions and six organizations for the Third Phase, and we have been steadily expanding the network of collaborative partners in each area. Our track record so far includes Otagai Market, a new shopping service that utilizes the post offices of Japan Post and delivery networks to boost local communities. Furthermore, as an example of joint projects between post offices and local communities including self-governing organizations of residents, post offices have commenced demonstration experiments where the post office is commissioned with secretariat support services by the self-governing organizations of the region.

By taking the initiative to develop such new efforts proactively, the Japan Post Group will advance activities aimed at achieving "universal basic services" that fill in the gaps of society by deepening its collaboration with local start-ups and local governments even further, to contribute to the creation of sustainable local communities and the improvement of local people's lives.

Convening the Social Co-Creation Summit Liquid

In May 2024, Social Co-Creation Summit Liquid 2024, a conference event, was held to seek out the possibilities of universal services by learning from the case studies of actual practitioners resolving social and regional issues.

At the conference, in addition to the keynote session in which the theme of "Regional businesses born of relationships" was discussed by the regional post office heads and the actual practitioners resolving regional issues, individual sessions were also held to discuss the themes of "location," "food," "vacant houses," and "cooperation." Many people including those from companies tackling



such issues as business development, building systems for cross-border circulation of human resources, the Sustainable Development Goals (SDGs)/ESG and management/Creating Shared Value (CSV), and collaboration with local governments and start-ups participated.

Commencement of Otagai Market services

In March 2024, as a new business of the LCI, we began providing Otagai Market, a sustainable shopping service to strengthen the local community in Nara City, Nara Prefecture. This service aims to offer shopping services in areas that have been depopulated and that are facing advanced aging by utilizing the existing networks of Japan Post, to keep costs low, and to increase mutual interaction within the region through the utilization of this service.

This service accepts orders exclusively from online supermarkets; the ordered items are delivered using "Posuchoko-bin" (transport utilizing the available space on postal vehicles); and the items are left at the designated hubs within the region. While this service requires certain actions from

residents, namely ordering online and going from their homes to the pickup place to retrieve their orders, such actions inevitably keep costs down, which will enable residents to do their shopping, an integral part of their lives, within the area into the future. Furthermore, as the customers gather at the pickup hubs, we expect the hubs to become places of daily communication for the users.

The name of the service, Otagai Market, which means mutual market, embodies the hope that this service will enhance the convenience of the area while providing more opportunities for cooperation and communication within the region.

In this region of Nara City, we are seeing actual instances of lively talk at the pickup hubs between elderly customers who have long lived in the area and customers who have relocated here from other areas.

We are preparing to roll out this service to other regions so that more customers can enjoy this service in the future.





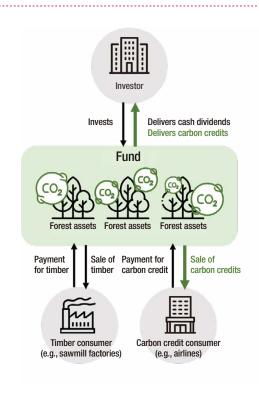
Investment in an overseas forestry fund

In July 2023, Japan Post Holdings participated in Eastwood Climate Smart Forestry Fund I, a forestry fund established by Eastwood Forests, LLC (CEO: Alex Finkral), a forest asset management company of Sumitomo Forestry Co., Ltd. in the United States.

The Fund engages in sustainable forest management that will contribute to climate change measures, in addition to traditional forestry for the production of timber, in the United States, where the carbon credit market and systems have already taken root. Additionally, through appropriate forest management in compliance with the standards of the Forest Stewardship Council (FSC), a forestry certification scheme, it will provide a habitat for diverse organisms and enhance biodiversity.

Furthermore, while Japan is one of the world's leading forested countries, with two-thirds of its land covered by forests, it faces a multitude of challenges, including the decline in the forestry industry due to changes in the industrial structure and market needs and the shortage of successors as forestry workers.

Therefore, by concluding a basic agreement with Sumitomo Forestry for a business alliance to develop the forestry industry in both Japan and overseas and to promote initiatives to achieve carbon neutrality, the two companies hope to mutually offer their management resources and strengths, including their knowledge, technology, experience, and network infrastructure, and play key roles in helping resolve the various issues surrounding forestry.



Promotion of Group DX

Generating new customer value and creating more convenient and happier experiences



Managing Executive Officer, Japan Post Holdings Co., Ltd.
Senior Executive Officer, Japan Post Co., Ltd.
CEO & Representative Executive Officer, JP DIGITAL Co., Ltd.



The post office, with its history spanning over 150 years, serves as a social infrastructure providing universal services at 24,000 locations nationwide. For those of us living in Japan, it remains a familiar and indispensable institution as it was in the past and will be in the future. Therefore, we aim to preserve the valuable, time-honored elements while updating them to meet contemporary needs. To highlight this stance, we renamed the "digital post office," introduced in "JP Vision 2025," to the "post office of the future."

The "post office of the future" is an initiative that combines the strengths of our physical post office network, i.e., our "people," with digital technologies. Through this fusion, we hope to resolve the negative aspects, i.e., the inconveniences perceived by customers, and improve the customer experience (CX) value; in other words, to achieve customer-driven digital transformation (DX).

Beginning this fiscal year, we will roll out "post office of the future" Phase 2.0 to accelerate reforms and provide our customers and employees with the opportunity to experience the concepts we have developed so far. As shown in the figure below, we will leverage our three digital assets—"Yu ID," a single, Group-wide common ID, as the base; "Yu-Yu Point," the Group's unique points program; and the Post Office App, the Group's platform app—to generate new customer value and create a more convenient and happier experience for our customers.

Furthermore, as one of Japan's largest organizations with over 400,000 employees, it is imperative for the Japan Post Group to make significant changes to the work styles of our employees. "Workstyle reform of employees" and "Customer-driven DX" are essentially two sides of the same coin. As shown in the figure below, based on counter-operation support systems, terminals for each employee and digitalization infrastructure, and the utilization of AI, we will proactively adopt DX in in-house operations and make major changes to employee work styles.

In "post office of the future" Phase 2.0, we will take it a step further to ensure that everyone intuitively feels that "the post office has improved" and "the employees' work styles have enhanced."

■ Major initiatives of "post office of the future" Phase 2.0

Improving CX value Workstyle reform of employees Employees can perform procedures ID to know and connect with Counter-operation Yu ID and provide service support systems the customer better by viewing customer information Terminals for Happy points earned for Paperless completion of customer each employee Yu-Yu Point and digitalization procedures and in-house operations every link infrastructure App to connect convenience More time to spare through more Post Office App **}**}} **Utilization of Al** efficient operations and happiness

Major initiatives to date

The Japan Post Group has been promoting various initiatives since 2021 to improve CX and EX at post offices.

Specific initiatives include the adoption of digital ticket issuing systems at selected post office counters, allowing customers to check post office congestion, obtain reception numbers, and receive an estimated waiting time on their smartphones. We also introduced selfcheckout machines, enabling customers to complete simple transactions such as sending mail and parcels and purchasing Letter Pack envelopes and other products on their own. These initiatives shortened the customers' waiting time at post office counters and alleviated stress. We also connected the post offices around the nation with the Financial Services Contact Centers online, providing an environment where customers can consult with professional personnel with highly advanced financial knowledge from the post office counters.

In addition, in October 2023 we released the Group platform app, the Post Office App, featuring the three basic functions of Japan Post: send, receive, and search.







Digital ticket issuing system \cdot Self-checkout machine

Post Office App

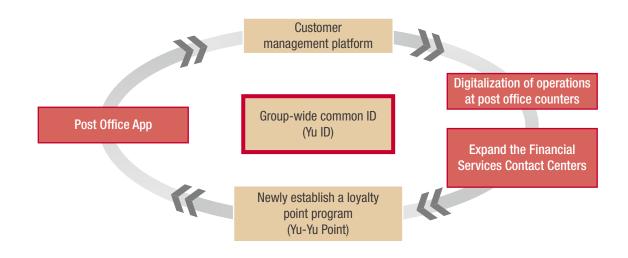
Future initiatives

We will work to further improve CX and Employee Experience (EX) related to post office services.

Specifically, we will increase digital ticket issuing systems and self-checkout machines and provide a less stressful post office experience for our customers, while linking more services of our Group companies and expanding the functions of the Post Office App so that it will be used as a true Group platform app by our customers.

Moreover, the former "Yubin ID" will be rebranded as the Group-wide common ID "Yu ID," providing customers with greater convenience by enabling them to access various post office services with a single "Yu ID." We will also centrally manage data on the customer's usage of post office services and develop an environment where we can make timely and appropriate proposals suited to each customer.

Furthermore, we will launch the "Yu-Yu Point" program, where customers will be awarded points according to the usage of post office services and provide a new post office experience that is more convenient and offers more value for money.



Improvement of Group CX

Thoroughly enforcing customer-oriented business operations and achieving value beyond the customers' expectations



ICHIKI Miho

Managing Executive Officer, Japan Post Holdings Co., Ltd. Senior Executive Officer, Japan Post Co., Ltd.

"Improving CX," or raising the total value of experiences of the customer at various contact points, is a concept that is highly compatible with post offices, as post offices have been offering a wide range of integrated services including postal services, banking, and life insurance, and as such CX has been their forte.

In the fiscal year ended March 31, 2024, the Japan Post Group once again received nearly five million comments from its customers, ranging from commendations to complaints. We have regarded the vast array of customer feedback as a treasure trove, utilizing AI to analyze it while continuously surveying customer satisfaction ratings for each product and service. This ongoing assessment has been instrumental in driving improvements.

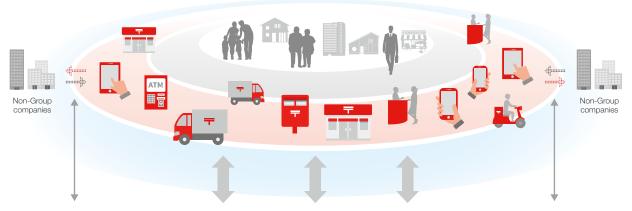
However, amid the recent accelerated speed of digitalization, the progress in the declining population and depopulation, and the diversification of customer values and lifestyles, the role expected of the post office has become fluid, and it has become once again essential that we identify the "post office market" that can heighten CX by leveraging the unique attributes of the post office and determine where exactly this post office market is at right now.

On the other hand, the value that can be achieved by post offices through DX is seemingly endless. The challenge facing the Japan Post Group is to seek new possibilities in the post office network by fusing the physical and the digital and providing the value demanded by the customer to the maximum extent.

Under these circumstances, I believe that if we can understand CX not as a series of disconnected points consisting of each business or each product or service but as a linear customer journey across businesses, and if we can decipher the true value sought by customers from the customer feedback and data gleaned from the various contact points, then we will realize that the Japan Post Group has untapped potential and room for growth in areas that have not been sufficiently addressed thus far. By bringing to life such potential, we will create new and inspiring CX.

We felt that the function of matching such customer needs with the potential of the Japan Post Group was tantamount to "designing" CX and, accordingly, to demonstrate this function, in April 2024 a new CX Design Department was established at Japan Post Holdings. Through CX design, we will thoroughly enforce customeroriented business operations and provide value beyond the customers' expectations and aspire to the sustainable growth of the Japan Post Group.

A "Co-creation Platform" supporting customers and local communities



Approach various contact points as a linear customer journey and aim to improve CX value



■ Initiatives in CX design

Initiatives	Details
Understanding and analysis of the market	Understanding the value demanded by customers across businesses and conducting an integrated analysis of its structures and trends Matching the above value with the potential that the Japan Post Group is capable of offering
CX-driven product and service development and improvement	Qualitative and quantitative surveys, understanding customer feedback, and CX analysis Liaise with each department on developing and improving products and services using the above as the starting point
Promotion of customer-oriented business operations • Take customer feedback seriously in line with "the Basic Policy on Fiduciary D promote the improvement of CX, and thoroughly enforce customer-oriented business operations	
Raising awareness to improve CX	Train Japan Post Group officers and employees to improve CX Create a working environment where employees deliver customer service with confidence for customer's satisfaction

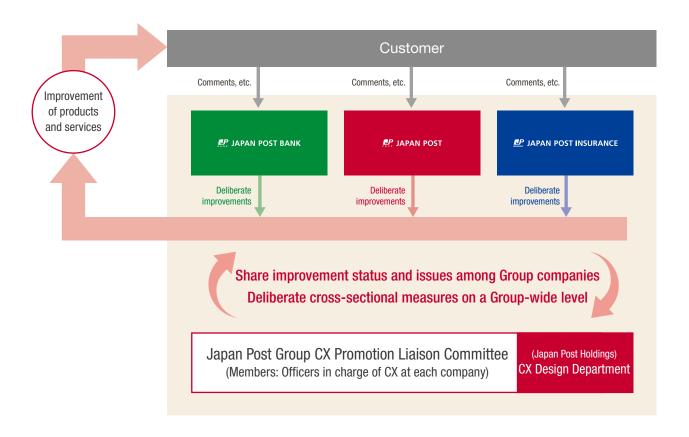
The direction of the approaches

Items	Approaches to date	Future approaches (CX design)
Unit of analysis	Business unit from the company perspective	Market unit from the customer perspective
Subjects of the qualitative and quantitative surveys	Mainly current customers	Current customers Disengaged customers (e.g., users of other companies and lapsed customers)
Starting point for service improvements	Individual products and services (by business, disconnected points)	CX (across businesses, linear)

Initiatives to utilize customer feedback in management

The Japan Post Group utilizes customer feedback (e.g., complaints, opinions, and requests), various questionnaire surveys, employee feedback, etc., to make improvements in the products and services of each Group company.

Additionally, in the organizational restructuring of April 2024, we established the Japan Post Group CX Promotion Liaison Committee in the Group and the CX Design Department at Japan Post Holdings, to deliberate cross-sectional improvement measures on a Group-wide level.



Utilizing customer feedback in management

The following are examples of how employees used their creativity to improve products and services based on valuable feedback and requests from customers.

Customer feedback	Details of improvements
[Japan Post] It is inconvenient because certain post office counters do not accept cashless payments.	We adopted cashless payments for postal services at approximately 20,000 directly managed post offices countrywide.
[Japan Post Bank] I want to be able to withdraw money from the ATM without my cash card.	We added a function to the Yucho Bankbook App and by reading the 2-D code on the ATM screen, cash can be deposited or withdrawn without a cash card.
[Japan Post Insurance] Filling out the forms when conducting procedures is a hassle. I wish it was simpler.	Starting from October 10, 2023, certain procedures can be done paperless. Furthermore, from March 18, 2024, the scope of paperless procedures has expanded. As a result, the hassle of filling out customer forms, including paper claims, has been reduced significantly and procedures have been simplified. Applicable procedures Designation and change to the insurance beneficiary Claims for hospitalization and surgical insurance benefits, etc. (from March 18, 2024)

Initiatives of the companies of the Japan Post Group

JAPAN POST

Japan Post has aggregated and analyzed customer feedback received at post office counters and call centers and has been engaged in initiatives to utilize them in the improvement of products and services. We take the customer feedback that we have received seriously, and have been striving to improve products and services to the satisfaction of the customers and to bolster the capabilities of the employees to respond to such feedback.

Note: With regard to matters involving deposits and insurance, we are working with Japan Post Bank and Japan Post Insurance to promote initiatives for improvement.

Customer Post offices Call centers Website Questionnaire Aggregation of customer feedback **Customer Service Division** Head Office Cooperate Conduct trials Deliberate improvements Report/consult Each division Verify effects Report/consult **Management Committee Customer Satisfaction Promotion Committee** Improvement of products and services

P JAPAN POST BANK

At Japan Post Bank, the Customer Satisfaction Department centrally manages the customer feedback received at the stores, such as the post offices and the call centers, and utilizes such feedback in the improvement of products and services.

The results of the improvements are reported to the Service Improvement Committee, which is headed by the President and Representative Executive Officer, the Executive Committee, and other committees.

Going forward, we will continue to provide safe, secure, and convenient services to our customers by mutually complementing the physical and digital channels across the country.

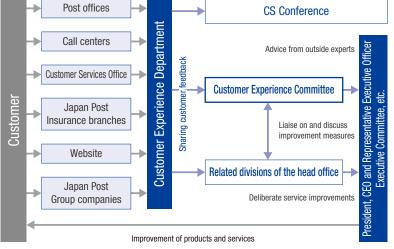
Customer Various Post offices of Stores Call centers questionnaires Japan Post Database **Head Office** executive Committee ervice Improvemen Committee Assess customer Deliberate Verify **Improve** feedback mprovements effects

JAPAN POST INSURANCE

Japan Post Insurance strives to provide better CX value by improving the convenience and the quality of services through the discussions held by the Customer Experience Committee and other committees based on the customer feedback received at the post offices of Japan Post and other various contact points.

We take advantage of the "warmth" of our physical contact points and the convenience of the digital and lean into our customers to improve CX value. We will expand our customer base by increasing the number of post office fans and Japan Post Insurance fans through customers who appreciate our services and recommend Japan Post Insurance to others.

Receiving and aggregating customer feedback offices CS Col



Improvement of EX through the Promotion of Human Capital-oriented Management (Investing in Human Resources)

Achieving a workplace where employees can feel "pride and fulfillment (employee engagement)" that improves the EX of all employees

HAYASHI Toshiyuki

Senior Managing Executive Officer, Japan Post Holdings Co., Ltd.
First Executive Officer, Japan Post Co., Ltd.



We have once again been made aware that for the postal business, which is highly dependent on the workforce, to "transition to a growth stage," investing in human resources, i.e., employees who support business operations, is essential. The Group Human Resources Policy has been formulated to provide the basic direction for bringing to life human resources strategies that are linked to management strategies and the vision that this policy aspires to is the improvement of "pride and fulfillment." We hope that all Group employees feel "pride and fulfillment" in their work and that their activities will lead to contributing to customers, local communities, and society, which ultimately will develop into the enhancement of corporate value.

Furthermore, we will shift to a flexible and diverse organization capable of keeping up with the changes in the external environment, including the labor shortage reflecting the decline in the labor population and the diversification of values and lifestyles, and put in place an environment where employees with "pride and fulfillment" can play important roles.

Based on these beliefs, we will advance initiatives to "improve EX" by investing in human resources. To make the "improvement of EX" a reality, we will set and implement key initiatives in the four areas of "human resources portfolio," "development," "evaluation and treatment," and "diversity." We are assuming investments of approximately 35 billion yen into these human resources measures over the next two years and are ready to steadily implement them.

Under "human resources portfolio," we will build a dynamic human resources portfolio, aiming to achieve fluidity of human resources within the Group and secure human resources, in an effort to realize optimal employee placement linked to business strategies. In the fiscal year ending March 31, 2025, we will conduct internal open recruitment among the Group for all organizations including the frontline offices, and by the fiscal year ending March 31, 2026, we will expand the recruitment of experienced workers and gig workers while considering the employment of Specified Skilled Workers.

In terms of "development" and "evaluation and treatment," we will aim to enhance human resources capabilities (abilities

multiplied by motivation) by linking "development" based on autonomous career formation with "evaluation and treatment," thereby rebuilding a fair personnel evaluation system in which those who work hard are truly rewarded and provided with appropriate treatment. By the fiscal year ending March 31, 2026, we will introduce measures for the systematic development of personnel (evaluation/training meetings, etc.) and review the personnel evaluation system to raise awareness and shift from a demerit system to a merit system. Furthermore, in dealing with the trend of employees avoiding promotion to management positions, we are also in the midst of reviewing the work styles of managers.

As for "diversity," we will aim to achieve a workplace where employees "mutually accept each other's differences" as the basis for striving to improve employee "pride and fulfillment." We will provide an environment where employees can continue working in good health with peace of mind. Also, to utilize the diverse viewpoints and values of the employees, we will accelerate women's advancement (including the elimination of the gender gap), while promoting the employment of senior citizens, people with disabilities, and foreign nationals and responding to gender diversity.

Furthermore, when investing in human resources and promoting human capital-oriented management, we must also fulfill our social responsibility regarding respect for human rights. Based on the human rights due diligence framework, the Group will strive to ensure that the human rights of all persons involved in the Group's business operations are respected and that they are capable of fully demonstrating their capabilities and personalities to live secure and rewarding lives.

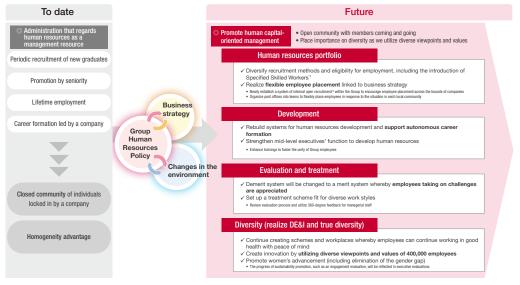
Employees comprise the greatest capital in ensuring business operations. We believe that the employees on the front lines, who face customers on a daily basis, are especially crucial for the Group's business operations. We will improve the EX of all employees, especially the employees on the front lines, and provide a workplace where they can feel "pride and fulfillment" and strongly encourage the Group to "transition to a growth stage."

Initiatives to improve EX

Improvement of EX to "transition to a growth stage"

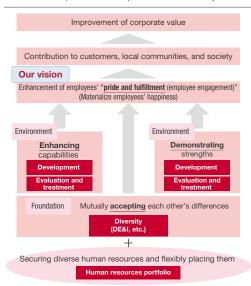
In May 2023, we formulated the Group Human Resources Policy to provide the basic direction for bringing to life human resources strategies that are linked to management strategies, and based on the concepts of this policy, we are promoting human capital-oriented management. We believe that employees who feel "pride and fulfillment" by working for the Group will inspire contributions to customers, local communities, and society, and ultimately develop into the enhancement of corporate value. Based on this concept, we will set and implement key initiatives in the four areas of "human resources portfolio," "development," "evaluation and treatment," and "diversity," and are striving to improve EX' by investing in human resources.

* EX refers to an experience that employees can gain through working at the Company



^{*1} A plan to secure a workforce who supports our business over a long period through securing and developing foreign human resources and converting them into Specified Skilled Workers (i) through the Development and Employment System, a national program scheduled to be established.

Overall picture of the Group Human Resources Policy



Major KPIs for the key initiatives

Pride and fulfillment score At least the score in the previous fiscal year (Fiscal year ending March 31, 2026) (Reference: Fiscal year ended March 31, 2024: 3.31 pt) Number of personnel exchanged in and out of the Group Maintain the fiscal year ended March 31, 2022 level (Fiscal year ending March 31, 2026) Number of personnel applied for open recruitment within the Group At least the figure in the previous fiscal year (Fiscal year ending March 31, 2026) Right person to the right job score At least the score in the previous fiscal year (Fiscal year ending March 31, 2026) (Reference: Fiscal year ended March 31, 2024: 2.70 pt) Ratio of women in management positions at head offices of the four main Group companies Fiscal year ending March 31, 2031: 30% Childcare leave acquisition rate for both men and women: 100% Average days of childcare leave acquired by men: 1 month or more

Investing in human resources (Amounts of investment in the two years to fiscal year ending March 31, 2026)

Investment in human resources

Strengthen human resources development seminars (including re-skilling)

Initiative to promote diversity

Initiative to secure human resources, etc.

Total 35 billion yen

Note: The various expenses associated with the key initiatives for personnel matters are defined as the investment in human resources.

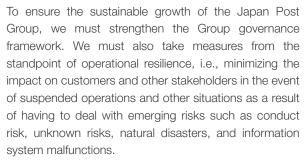
^{*2} Internal open recruitment refers to inviting employees to submit their preferences and make selections.

Initiatives to Further Enhance the Sophistication of the Group Crisis Management Framework

Further enhancing the sophistication of the Group crisis management framework

HAYAKAWA Masataka

Senior Managing Executive Officer, Japan Post Holdings Co., Ltd.
First Executive Officer, Japan Post Co., Ltd.



Accordingly, starting from the fiscal year ended March 31, 2024, we have been engaged in initiatives to enhance the sophistication of our crisis management by holding regular meetings of the Group Crisis Management Committee to discuss the development and improvement of the sophistication of the Group crisis management framework, conducting drills to respond to major natural disasters, and developing business continuity plan (BCP) in response to crisis events, among others.

Furthermore, in the fiscal year ending March 31, 2025, we are aiming for further enhancement of our crisis management by integrating the risk management functions with the crisis management functions as part of efforts to strengthen the organizational framework, taking a three-pronged approach of "minimizing impact," "grasping the signs of a crisis and nipping it in the bud," and "early detection of the risk when it materializes," and letting the functions' mutual synergy feed off of each other.

At the top of our specific measures is the development of a response framework in the event that a major natural disaster occurs. To minimize the impact, we will develop infrastructures utilizing information systems to grasp and assess weather risks including typhoons and heavy rains and the extent of damages at the time of disaster. We will also conduct drills in anticipation of major natural disasters (e.g., Tokyo Inland Earthquake, Nankai Trough Earthquake, volcanic eruption of Mr. Fuji) and make efforts

to enhance our preparedness from initial responses to emergency responses.

Second, we are developing the framework to grasp and report crisis events. We will strengthen our responses to crisis events by conducting drills corresponding to the BCP, which we formulated in the fiscal year ended March 31, 2024 in response to crisis events, and verifying and improving the BCP.

Our third measure is to strengthen coordination with the Chief Information Officer (CIO) and the Chief Information Security Officer (CISO). To respond swiftly to malfunctions of information systems, we make efforts to further strengthen the coordination framework with the CIO and the CISO and minimize the impact of malfunctions of the information systems.

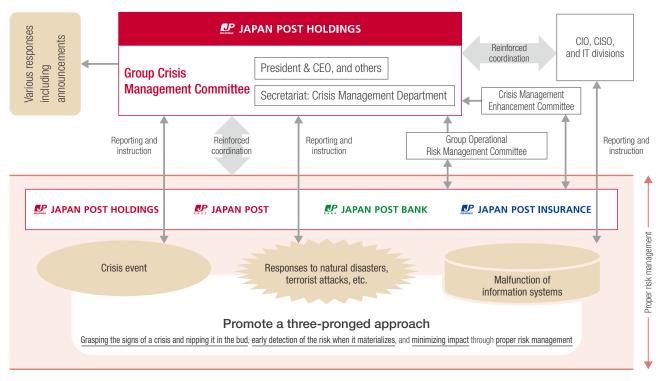
Our fourth measure is to enhance the sophistication of risk management. We are making efforts to develop a system where risks can be prevented before they materialize by practicing controls over risks, including emerging risks and unknown risks, that have the potential to materially impact the businesses of the Japan Post Group.

Last, we will continue to enhance the sophistication of crisis management primarily through the Group Crisis Management Committee. Through the ongoing regular meetings of this committee, we will reinforce intergroup coordination. Furthermore, based on the results of the various drills, we will review the Group crisis management framework and continue the Plan–Do–Check–Act (PDCA) cycle to ensure its effectiveness, thereby improving the steering of the Group Crisis Management Committee.

By primarily promoting these five measures, we will strive to strengthen Group governance so that our stakeholders including our customers will continue to use the Group's services at any time with peace of mind, thereby striving to improve corporate value.

Crisis management framework

Enhance the sophistication of crisis management centering on the Group Crisis Management Committee



Utilization of AI

We aim to independently detect cases where misconduct events have materialized and potential risk events as well as to promote compliance, complement operations such as risk management, and improve CS and ES, through Al-driven analysis of customer and employee feedback gathered by the Japan Post Group. Moreover, by reporting regularly to management and to the various liaison committees, the analysis results will be utilized to improve operations, etc., at the operating subsidiaries.

Going forward, we will analyze the positive feedback from our customers and share them as examples of good practices within the Group, and utilize them to improve the conduct of our employees. We will also expand the scope of analysis subjects by analyzing customer inquiries and utilizing them to enhance customer-oriented services. Moreover, we hope to expand our analysis field beyond customer and employee feedback to assist us in improving management.

Visualization in real time by utilizing Al

