

JAPAN POST GROUP  
**Annual Report**  
Year ended March 31, 2024

**2024**

Japan Post Group Management Philosophy

Stressing the security and confidence of the Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.

Group Management Policy

1. We will duly consider our customers’ lives, exercise our creativity and provide through our nationwide network a selection of products and services needed by customers in every stage of their lives.
2. We will establish effective corporate governance and compliance programs, including internal audits and internal controls.
3. We will maintain the transparency of the Group’s operations through the timely and proper disclosure of information, the appropriate use of intra-group transactions and other activities.
4. We aim for the Group’s sustainable growth and a mid-to-long term improvement in our corporate value.
5. We will create opportunities for all employees, business partners and the community to mutually cooperate and for each and every employee to grow.

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Company Outline

Company name: JAPAN POST HOLDINGS Co., Ltd.  
Head office: 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8791, Japan  
Date of establishment: January 23, 2006

Paid-in capital: ¥3,500 billion  
Securities code: 6178  
Total number of shareholders: 697,571 (As of March 31, 2024)

Date of Publication: September 2024

Japan Post Group Charter of Corporate Conduct

1. Earn the trust of customers

- We earn the trust of customers by adopting their perspective and meeting their expectations.
  - We protect and manage information strictly so that customers can use our services with peace of mind.
  - We fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner.
2. Observe ethical standards

- We continue to conduct business activities with sincerity by complying with laws, regulations, social standards and internal rules.
  - We stand firmly against antisocial forces and organizations that threaten the order and safety of civil society.
  - We maintain workplace discipline by clearly defining responsibilities and authority and fairly evaluating performance and results.
3. Place priority on coexistence

- We actively promote environmental conservation and make a significant contribution to society through business activities.
  - We aim for sustainable coexistence by placing importance on maintaining dialogues with diverse stakeholders.
  - We respect human rights and provide safe and pleasant workplaces.
4. Create value

- We will create new convenience for customers and provide them with high-quality services.
  - We will create stable value by providing universal services in our three core businesses through the Japan Post Group network.
  - We will utilize teamwork and create corporate value for the Japan Post Group by promoting mutual understanding and cooperation among employees and encouraging each and every employee to fulfill their roles and responsibilities.
5. Be a source of change

- We will apply technological innovation and continually make innovative changes internally to provide stable services to our customers.
  - We exercise our creativity from a broad viewpoint and lofty perspective to promote the Group's development.
  - We aggressively take on the challenge of conducting global business activities.

JP Code of Conduct

For our customers, for society, for our employees

We will act for smiles.

We will act with pride.

We will act on a new stage.

Editorial Policy

This Annual Report (hereinafter, “this Report”) is created from the dual perspectives of providing financial and non-financial information pertaining to an overview of the Japan Post Group as well as its business strategies and management issues for the purpose of promoting an understanding among stakeholders of the Group's initiatives toward sustainable value creation.

- This Report has been combined with the Disclosure Report.
- Reference guideline: International Integrated Reporting Framework, International Integrated Reporting Council (IIRC)

Disclaimer with Respect to Forward-Looking Statements

This Report is a translation of the Disclosure Document (the written explanation in Japanese of the business and financial conditions of Japan Post Holdings Co., Ltd. and the Japan Post Group) that was prepared pursuant to Article 52-29 of the Banking Act. This Report is not prepared for the purpose of soliciting any shares or other securities of Japan Post Holdings and its subsidiaries. This Report contains forward-looking statements regarding future performance and other matters of the Japan Post Group and each company of the Japan Post Group.

These forward-looking statements do not constitute guarantees of future performance and are subject to risks and uncertainties. Therefore, these statements are subject to the impact of a wide range of future risk factors that include changes in preconditions concerning the business environment, economic circumstances and economic trends, changes in laws and regulations, the occurrence of large-scale disasters, changes in the value of assets held, reputation and rumor risk, and other risks. Accordingly, it should be noted that actual business results and other matters could differ from the details contained in this Report.

Figures and percentages shown in this Report have been rounded off, except for financial numbers in the accounting statements, etc., that have been truncated without rounding. As a consequence, sums of figures may not match the totals presented. Figures and percentages, with exceptions as specifically indicated, are as of March 31, 2024.

Subject of Reporting

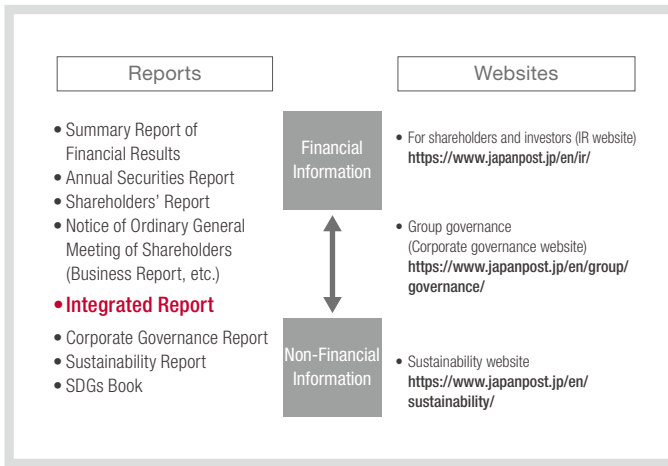
Reporting period: April 2023–March 2024 (Part of this Report includes information after this period.)

Scope of report: Japan Post Holdings Co., Ltd. and its subsidiaries and affiliated companies

Others: In addition to this Report, please refer to the Integrated Reports of Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.

Please also refer to the most recent materials disclosed by Japan Post Holdings Co., Ltd., including the Notice of Ordinary General Meeting of Shareholders (Business Report, etc.), Annual Securities Report, and Summary Report of Financial Results, for detailed information on the state of business, financial conditions, and business results of Japan Post Holdings Co., Ltd. and each company of the Japan Post Group.

Publications and Their Positioning



# The History of the Japan Post Group

Since the modern postal service was established in 1871 by MAEJIMA Hisoka, centered around its post office network, the Japan Post Group has offered a variety of products and services through its three core businesses (postal services, banking, and life insurance), always staying close to its customers.

Moreover, since the establishment of the Japan Post Group in 2007, it has expanded our services to support the lives of our customers and local communities.

1871–2006

2007

## Japan Post Group

1885

The Ministry of Communications was established.

1949

The Ministry of Posts and Telecommunications was established.

2001

The Postal Services Agency was established.

2003

Japan Post was established.

2007

The Japan Post Group was established.

Following the privatization of the postal service, Japan Post was dissolved, and the Japan Post Group was established with Japan Post Holdings Co., Ltd. as the holding company, centered on Japan Post Service Co., Ltd., Japan Post Network Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd.



2012

The Japan Post Group was reorganized into a four-company structure.

By merging Japan Post Service Co., Ltd. and Japan Post Network Co., Ltd. with Japan Post Holdings Co., Ltd. as the surviving company and changing the company name to Japan Post Co., Ltd., the Japan Post Group was reorganized from five companies to the current four companies.



2015

Listed on the First Section of the Tokyo Stock Exchange

On November 4, 2015, Japan Post Holdings Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. were simultaneously listed on the First Section of the Tokyo Stock Exchange. In the future, proceeds to Japan Post Holdings Co., Ltd. from the sale of the shares of the two financial companies will be used to maintain and improve the corporate value and stock value of the Japan Post Group.



2018

Companies were established to generate new revenue.

Following the establishment of Japan Post Capital Co., Ltd. in November 2017, Japan Post Investment Corporation and Japan Post Real Estate Co., Ltd. were established. By expanding our business, we will continue to acquire new revenue.



2023

Promotion of sustainable logistics services with the Yamato Group

The Japan Post Group and the Yamato Group have reached a basic agreement on cooperation to promote sustainable logistics services. We will build transportation services that improve customer convenience and contribute to resolving social problems such as the shortage of truck drivers and carbon neutrality in the logistics industry.



2018

Investment in Aflac Incorporated

Japan Post Holdings Co., Ltd., Aflac Incorporated, and Aflac Life Insurance Japan, Ltd. entered into a "Strategic Alliance Based on a Capital Relationship."

## Postal Business

1871

Postal service was established.

2010

Sales of Letter Pack began.

2013

Grand opening of the JP Tower (KITTE)



2015

Australian logistics company Toll Holdings Pty Limited was made a subsidiary.



2017

Post Office Mimamori (Watch Over) Service began.



2019

Japan's first comprehensive contract of local government affairs (Yasuoka Village)

2021

JP Rakuten Logistics, Inc. was established in partnership with Rakuten Group, Inc.

2021

Basic agreement on cooperation with Sagawa Express Co., Ltd.



## Banking Business

1875

Postal savings service was established.

2008

"JP BANK CARD" was launched.

2009

Online connection to the Zengin Data Communication System (Zengin System) was established.

2015

Invested in JP Asset Management Co., Ltd.

2016

Invested in the first fund of the regional revitalization fund

2018

Japan Post Investment Corporation was established.

2019

- Handling of the smartphone payment service "Yucho Pay" began.
- Brokerage business for mortgage loans of Sony Bank, Inc. began.

2020

- Brokerage business for mortgage loans of Shinsei Bank, Limited began.
- Yucho Bankbook App was launched.

2022

- Installation of Madotab self-service terminals at branches began.
- Handling of discretionary investment services ("Yucho Fund Wrap") began.

2023

Yucho Reco Personal Financial Management (PFM) App was launched.

2024

Japan Post Bank Capital Partners Co., Ltd. was established.

## Life Insurance Business

1916

Postal life insurance service was established.

2008

- Commenced commissioned sales of life insurance products for corporate clients
- Launched *Sono hi kara*, a new hospitalization rider

2014

Launched *Hajime no Kampo*, an educational endowment insurance

2015

- Launched *Shin Free Plan* (short-term premium payment), an endowment insurance
- Commenced commissioned sales of life insurance products for corporate clients (general welfare group term insurance, etc.)

2017

Launched *Sono hi kara Plus*, a new medical care rider; *Shin Nagaiki Kun Low Cash Value Plan*, a new whole life insurance; and *Chouju no Shiawase*, a longevity support insurance

2019

Launched *Kampo ni Omakase*, products with relaxed underwriting criteria; and an advanced medical care rider



先進医療特約

2022

Launched *Motto sono hi kara Plus*, a new medical care rider



2023

Revised *Hajime no Kampo*, an educational endowment insurance





## Message from the President

We aim to be a corporate group that remains a familiar presence for our customers and local communities.

### MASUDA Hiroya

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



I would like to first express my deepest condolences to those who lost loved ones in the Noto Peninsula earthquake in January 2024. I would also like to extend my heartfelt sympathy to all those affected by this tragic disaster.

The Japan Post Group will continue to support victims and actively engage in reconstruction efforts in the affected areas by utilizing its network.

#### From Restoring Confidence to Growth

When I assumed the role of President & CEO of Japan Post Holdings Co., Ltd. in January 2020, customer trust had been compromised due to issues related to the solicitation quality of Japan Post Insurance products. We sincerely apologized for the inconvenience caused to our policyholders and dedicated all our efforts to resolving these issues as quickly as possible, starting with regaining trust, step by step.

In this regard, we announced the Medium-Term Management Plan “JP Vision 2025” in May 2021. Over the past three years, we have been working on various initiatives to prevent recurrence, thoroughly implement customer-oriented business operations, strengthen Group governance, and rebuild our business.

However, given the Group’s current business environment and management conditions, it is imperative that we shift the focus to enhancing our growth potential as a company and making it sustainable, with the establishment of initiatives to restore trust being a major prerequisite. We must fundamentally strengthen our growth efforts to date and ensure new growth for the future.

#### Revision of the Medium-Term Management Plan Based on the Business Environment

The environment surrounding the Japan Post Group is changing rapidly and in complex ways. In addition to rising prices, labor costs, and interest rates following the lifting of negative interest rates, changes in society as a whole—such as population decline, widening regional disparities, labor shortages, the pace of digitalization, and global environmental issues—are accelerating and having a significant impact on our business.

Since the announcement of JP Vision 2025, we have been promoting collaborations with other companies such as Aflac Corporation, Rakuten Group, Inc., and the Yamato Group. While these have progressed to some extent, we continue to see a downward trend in profits due to factors such as the decline in mail volumes and the impact of the sale of Japan Post Bank shares. We recognize that if this situation persists, we will face severe circumstances that may hinder stable management.

Based on this recognition, we have revised our Medium-Term Management Plan and formulated “JP Vision 2025+ (Plus),” which sets out three drivers and three pillars to realize the “transition to a growth stage.”

The Japan Post Group’s strengths include its post office network, delivery network, and financial network, as well as its overwhelming customer base, extensive customer data, and the trust and community-rooted



image that post offices have cultivated over time. Building on these strengths, we have identified three new drivers to realize the transition to a growth stage: “Resource allocation,” “Post offices,” and “Human resources and systems.”

With regard to “Resource allocation,” we will change our approach and mechanisms to more actively allocate capital and human resources to areas we consider to be growth areas, such as domestic logistics and real estate.

For “Post office,” we aim to evolve our post offices to be uniquely tailored to local circumstances, enhancing services to increase the value and appeal of our post offices network, and building a flexible sales structure. We will also improve productivity through optimal branch placement based on customer convenience.

As for “Human resources and systems,” we will transform our management foundation into a flexible and robust one that can adapt to changes in the internal and external environment by promoting human capital-variant management and advancing digital transformation (DX) that considers the convenience of both our customers and our employees.

With these drivers, we will focus on three pillars to realize the transition to a growth stage.

The first pillar is “Strengthen profitability.” In addition to strengthening profitability and promoting efficiency in each segment based on the challenges and growth opportunities they face, we will accelerate further growth by promoting a shift of resources to growth areas such as domestic logistics and real estate.

The second pillar is “Improve EX (employee experience) by investing in human resources.” To increase corporate value while responding to labor shortages caused by a shrinking workforce and the diversification of values and lifestyles, we will work to improve pride and fulfillment (employee engagement) and shift to a flexible and diverse organization.

The third pillar is “Improve UX (user experience) by promoting DX, etc.” By promoting Group DX initiatives, we will work to improve the value of the UX from the perspective of both customers and employees.

Through these initiatives, we aim to increase our consolidated net income target for the fiscal year

ending March 31, 2026 by 60 billion yen, from the 510 billion yen set in JP Vision 2025 to 570 billion yen. We also set a target of at least 4% for return on equity (ROE) in the fiscal year ending March 31, 2026.

We recognize that our cost of equity is approximately 5%; therefore, we aim to achieve an ROE exceeding 5% as soon as possible and improve our price-to-book ratio, which is expected by the market, by enhancing capital efficiency.

### A “Co-creation Platform” Supporting Customers and Local Communities

Japan has already entered a phase of population decline. While labor shortages are becoming apparent in various fields, from a broader perspective, it is becoming increasingly important for society as a whole to move away from self-reliance and focus on how to collaborate with other companies.

We have decided to build services that contribute to improving customer convenience and achieving business growth by teaming up with companies that have long been our competitors and maximizing the use of management resources. By expanding our partnerships, we will create value not just through simple addition, but through multiplication.

The concept of a “Co-creation Platform,” which we have been promoting since the formulation of JP Vision 2025, views our nationwide network—our greatest strength—as a platform essential to the lives and businesses of local communities and customers. We aim to deepen this network to make it stronger and more valuable, continuing to support the lives and lifestyles of the people we serve. This concept remains unchanged in our revised Medium-Term Management Plan and represents the vision that the Japan Post Group aims to achieve.

We intend to expand the scope of this “Co-creation Platform” beyond collaboration with other companies to include public services and areas of interest in local communities.

For example, it is convenient for customers, especially those living in rural areas, to complete various administrative procedures at their local post office. As one such initiative, we have actively promoted efforts to serve local communities, such as handling administrative work for local governments, including the issuance of public certificates. While these may not immediately generate significant revenue, we believe they will demonstrate the importance of post offices and lead to increased customer trust and brand value.

We receive many requests for other uses of our network. However, the Japan Post Group alone cannot respond to all of these requests. Therefore, by collaborating with a variety of companies and community groups we are striving to create new experiences and value for customers living in local communities.

The Japan Post Group will continue to support the lives and lifestyles of customers across Japan and strive to be an indispensable presence in their communities into the future.



### DX Promotion and the Role of the Post Office

To realize the “Co-creation Platform” and support customers and local communities, we must advance the digitalization of our business and operational foundations.

As part of the Japan Post Group’s efforts to promote DX, we first built a system infrastructure that allows various postal services to be used with a single, Group-wide common ID, called “Yu ID.”

In addition, as a digital customer touch point, we launched the Post Office App in October 2023 as a new Group platform app to enable customers to use post office services anytime and anywhere. In May 2024, we expanded financial functions, including linking with Japan Post Insurance’s “Kampo My Page” and enabling the booking of financial consultations at post office counters. Going forward, we will continue to gradually add functions and expand services to “Yu ID” and the Post Office App, improving the user interface (UI)/UX from a customer perspective to seamlessly integrate physical and digital services.

Furthermore, we have expanded cashless payments for postal and merchandising services at post office counters at roughly all 20,000 post offices, excluding contracted post offices, and are increasing the deployment of business-use tablet PCs to post offices. Through these efforts, we will realize service level improvements and work reforms, such as improving job satisfaction and workplace conditions for employees and enhancing operational efficiency, by digitizing customer touch points.

What is important in promoting these DX initiatives is not only advancing digitalization but also maximizing the “warmth” of physical post offices and providing services with a strong focus on individual customers. At a time when online services are becoming the norm, it is both appealing and reassuring for customers to be able to receive smooth, expert advice at post offices, even if they are not familiar with IT. We are committed to combining these physical strengths with digital technology to create innovative customer experiences that embody both the “warmth” of personal interaction and the efficiency of modern technology.

Promoting DX requires not only a shift from paper to data as a means of work but also a fundamental change in the way we think about work and business. In this sense, the essence of DX is to fundamentally change the way we work and conduct business, which requires strong will on the part of management. We will continue to promote DX with a sense of urgency.

### Improve Customer Experience Value

Improving the customer experience (CX) value is critical to developing products and services that deliver the value post office customers seek. While each company providing post office products and services has been developing and improving them based on customer needs, we lacked a design function that could capture the value customers seek across all businesses and match it with the potential of post offices.

As a result, we decided to set target markets for post offices from a customer perspective, strengthen our ability to predict and track needs, and establish a mechanism to evaluate the CX of post offices across the Group. To this end, we have newly appointed a Group Chief Customer Experience Design Officer (CCDO) and established a CX design department within Japan Post Holdings. Going forward, we will work to improve CX by developing and providing products and services that truly meet customer needs, with the CCDO at the center.

### Enhancement of Regional/Individual Well-Being and Contribution to a Low-Environmental-Load Society

Social and environmental issues, such as population decline and global environmental problems, are not just changes in the external environment; they also impact the sustainability of the Group itself, and we must address them as our own challenges.

The Japan Post Group will address material issues relating to sustainability, such as local communities and economies, and respond to the aging society through the implementation of each business strategy. We will realize the Group's growth and improve the sustainability of both society and the Group by creating value that enhances well-being and contributes to a low-environmental-load society.

As an initiative to address material issues relating to sustainability that leverage the Group's strengths, we will use post offices, which are the most familiar and physical touch points in local communities, as regional hubs to connect various local activities.

Furthermore, by collaborating with stakeholders throughout the supply chain, from production to delivery and recycling, we will address environmental and social issues across the entire supply chain. By providing and disseminating information about these efforts through post offices, we will encourage consumers to change their behavior.

To drive these initiatives more effectively, we will promote the fusion of digital technologies and physical post offices, and work with start-ups and others developing new technologies and business models to advance the social implementation of innovations.

### Investment in Human Resources Supporting Our Business

In an era where the business environment is changing at an unprecedented pace, we believe that "human capital" will be the key source of competitiveness.



Moving away from the traditional view of efficiently allocating human resources as "resources," we regard the securing of excellent talent, enhancing employee capabilities, and providing appropriate treatment as "capital" that enhances corporate value, and we are committed to actively investing in our human resources.

In order to become a company of choice for employees in response to external environmental changes such as labor shortages due to a declining working population and the diversification of values and lifestyles, we will promote the mobilization of human resources through appropriate employee placement and flexible work styles, improvement of employee capabilities through human resources development based on autonomous career formation and linking evaluation and treatment, and diversity, equity, and inclusion (DE&I). Based on the belief that employees working with pride and fulfillment leads to contributions to customers, local communities, and society, and develops into increased corporate value, we will work to promote human capital-oriented management and shift to a flexible and diverse organization.

### Bringing Vitality to Communities and Happiness to People

I believe there is still significant potential in our network of 24,000 post offices across the country. By creating a platform that integrates digital capabilities with the physical post office network, and by promoting the

enhancement of our core businesses and the development of new businesses based on this platform, we can unlock even greater possibilities.

To continue being chosen by customers amid rapid changes in the society, such as further digitalization and population decline, we must explore new and diverse services to the fullest extent and enhance our relevance in local communities. In addition to promoting the provision of public and quasi-public services, such as local government administrative work and Individual Number Card-related services, which we are already implementing, we need to address regional issues sustainably. We aim to achieve this by turning social issues into business opportunities—using post offices as hubs to help resolve regional challenges while connecting these solutions to revenue. I believe such initiatives are possible only with our nationwide network of post offices.

When I was the governor of Iwate Prefecture, I saw the number of young people attending coming-of-age ceremonies dwindle each year. I also witnessed the closing of elementary schools and the departure of local industries. As local economies shrink due to population decline and other factors, supporting the life of the local community is something that only the Japan Post Group can do. Although my position has changed and I am now the President of Japan Post Holdings, my desire to bring vitality to communities and happiness to the people who live in them remains unchanged. By aiming to be a "Co-creation Platform" that supports customers and local communities, I believe our daily efforts to play a useful role in everyday life and support local communities will surely resonate with our customers. To remain a familiar presence for our customers and local communities, I believe that our honest efforts for "changing to remain unchanged" will not only lead to the Group's sustainable growth but also contribute to the realization of a sustainable society and support Japan's future.

With pride in the Japan Post Group and belief in its potential, I will work together with our employees to further enhance the appeal of our products and services as we continue to shape our future.

# 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.



P.117 For more information, please refer to Data Compilation.

Postal and Domestic Logistics Business P.41

Post Office Business P.43

International Logistics Business P.45



## 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.

Japan Post's management philosophy is “Present at every stage of life. Touching the hearts of all.”



P.120 For more information, please refer to Data Compilation.

Banking Business P.47



## 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.



P.123 For more information, please refer to Data Compilation.

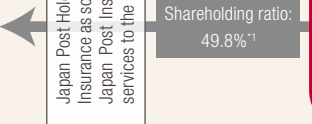
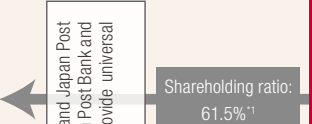
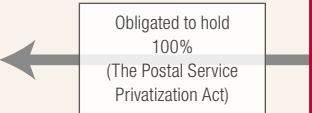
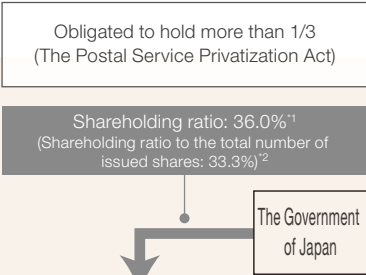
Life Insurance Business P.50



## 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.

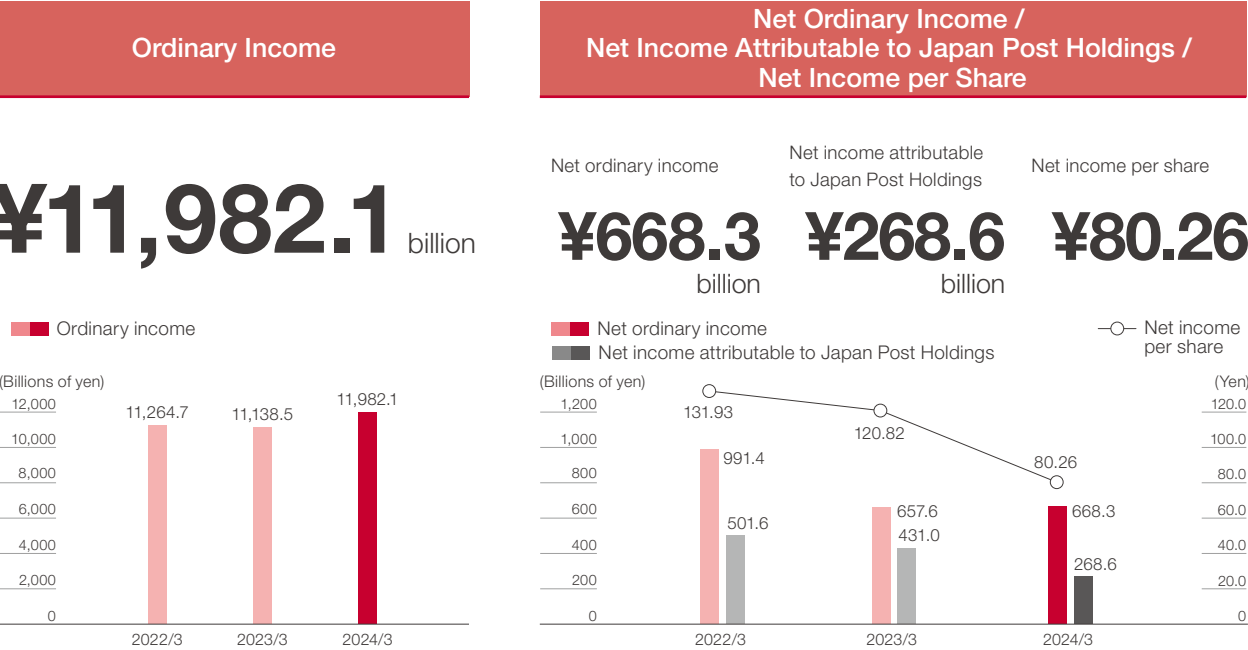


\*1 Shareholding ratio to the voting shares except for treasury shares (as of March 31, 2024)  
\*2 Due to the cancellation of treasury stock implemented in April 2024, the shareholding ratio to the total number of issued shares was 36.0% as of April 30, 2024.



# Financial and Non-Financial Highlights

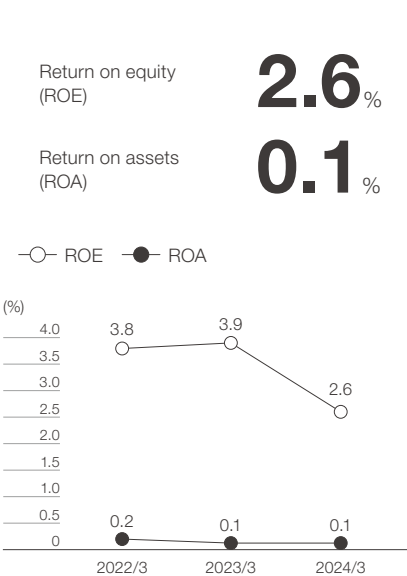
## Financial Information



Ordinary income in the fiscal year ended March 31, 2024, increased 7.6% from the previous fiscal year, to ¥11,982.1 billion.

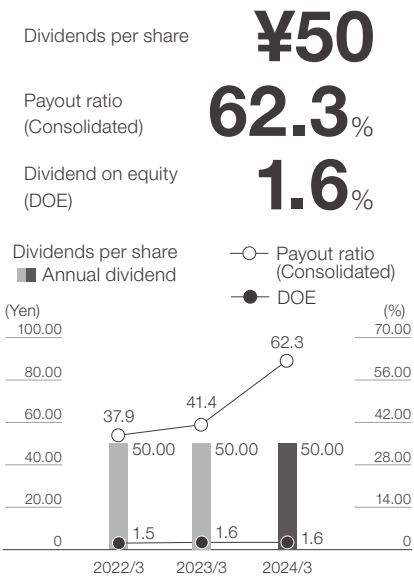
Net ordinary income in the fiscal year ended March 31, 2024, increased 1.6% from the previous fiscal year, to ¥668.3 billion, net income attributable to Japan Post Holdings decreased 37.7% from the previous fiscal year, to ¥268.6 billion, and net income per share amounted to ¥80.26.

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



ROE in the fiscal year ended March 31, 2024, decreased 1.3 percentage points from the previous fiscal year, to 2.6%. ROA came to 0.1%.

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

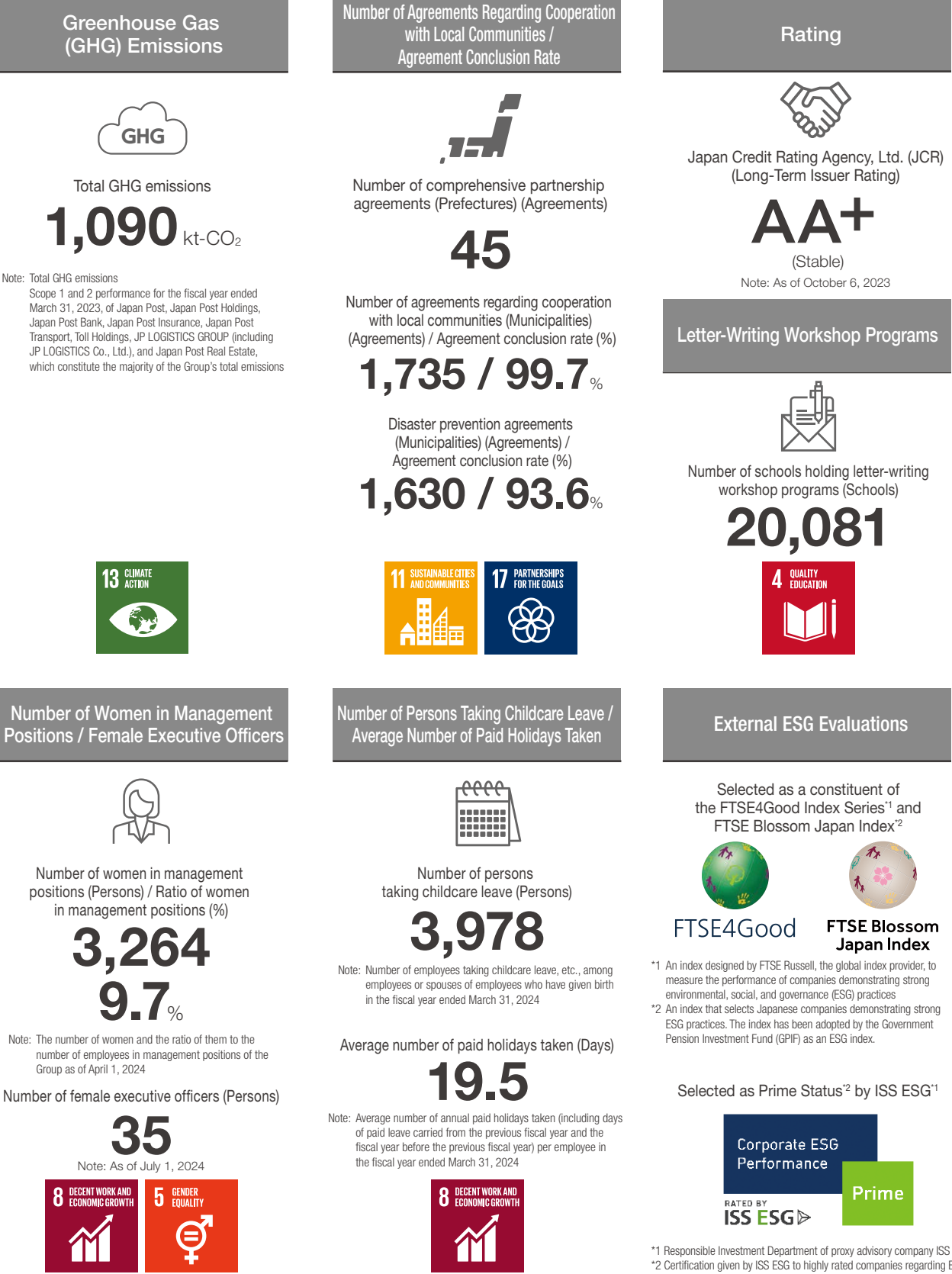


Annual dividends per share in the fiscal year ended March 31, 2024, amounted to ¥50. The payout ratio (consolidated) came to 62.3%. DOE came to 1.6%.

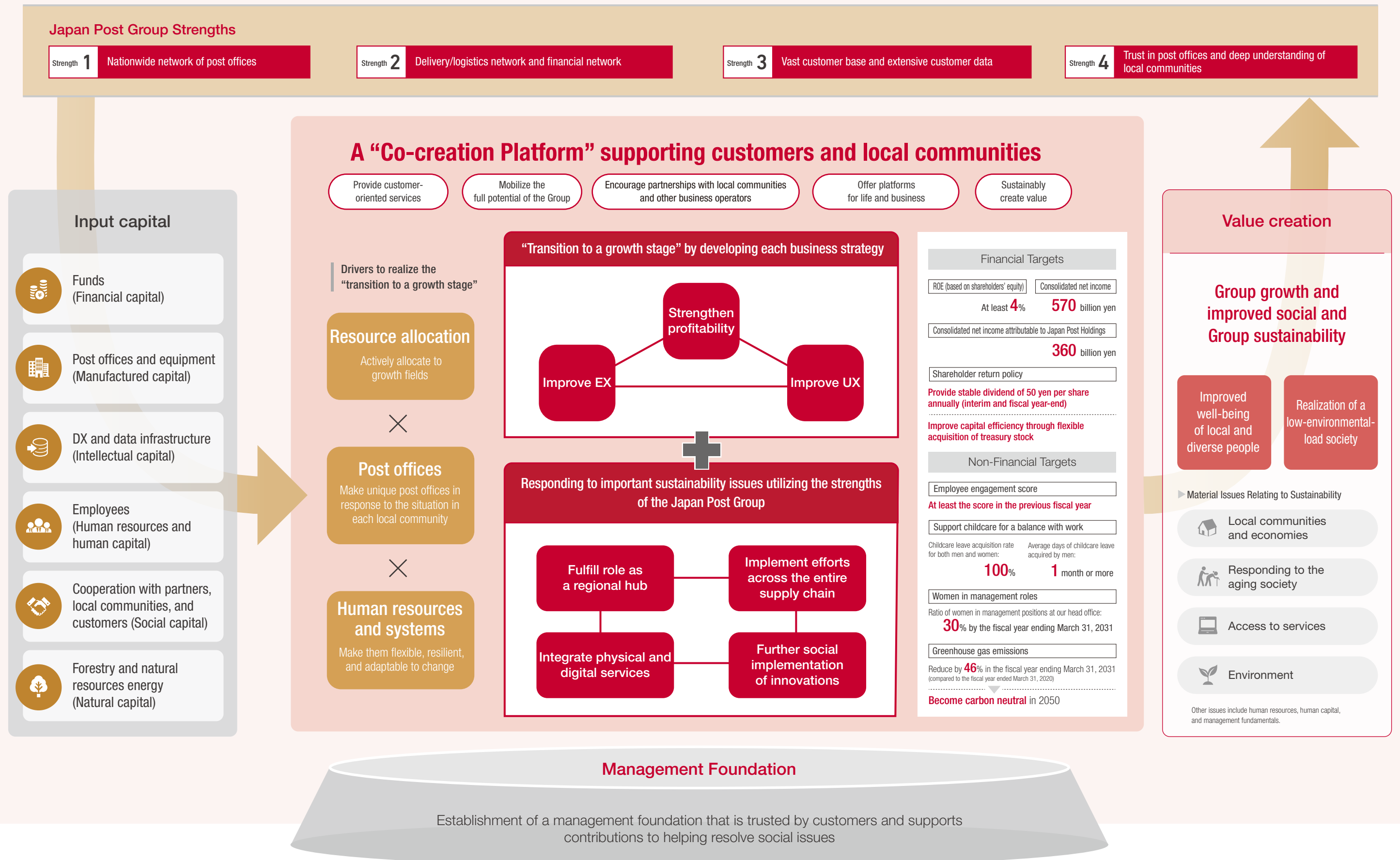
## Stock Chart



## Non-Financial Information



# Value Creation Process



# 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.

## Strength 1

### 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 post offices nationwide

**24,223**

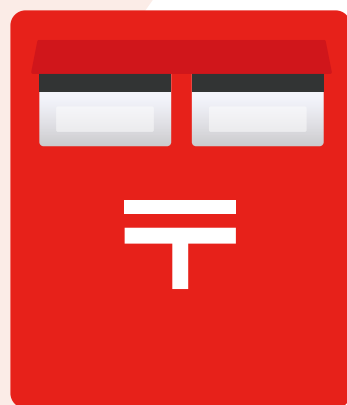


## Strength 2

### Delivery/logistics network and financial network

▶ Number of postboxes nationwide

**173,935**



▶ Number of ATMs nationwide

Approx. **31,200**



▶ Number of countries included in the international logistics network

Approx. **150**

## Strength 3

### Vast customer base and extensive customer data



▶ Number of ordinary deposit accounts

Approx. **120** million



▶ Number of Japan Post Insurance customers\*

Approx. **18.07** million

\* 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).



▶ 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

(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)





# 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.”

IIZUKA Atsushi

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



Three years have passed under the current medium-term management plan covering the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2026. At this point, the Group, considering the business conditions to date and the changes in the business environment, has conducted a review and formulated JP Vision 2025+.

### 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 (non-consolidated) with the aim of reducing capital costs and improving capital efficiency.

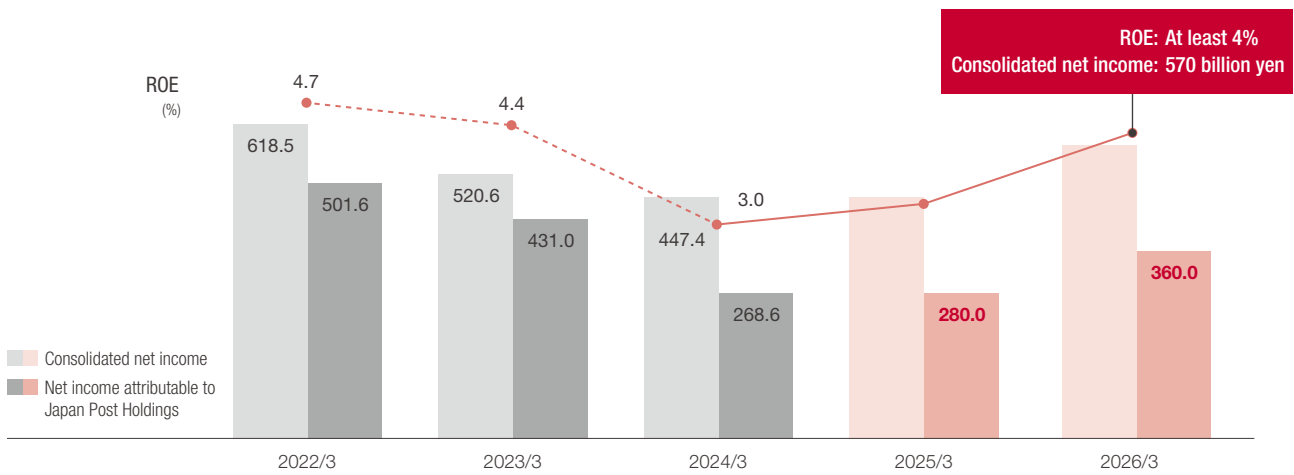
By engaging in these initiatives to improve capital efficiency in addition to improving profitability, we hope that our ROE, which had declined as a result of our reduced stake in Japan Post Bank, will bounce back and achieve levels that exceed the cost of equity to further improve over the medium to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

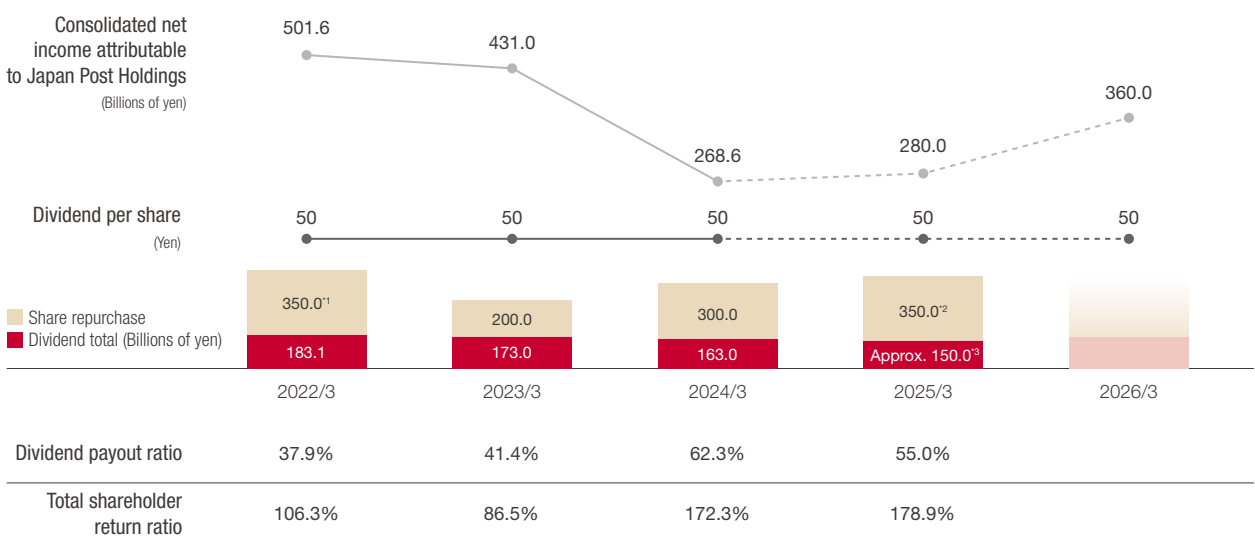
We will leverage our network of post offices, the Group’s greatest strength, to provide integrated services of the Group while seeking partnerships with a diverse range of companies and organizations outside the Group, which we have never had before. Such efforts will help customers realize safe, secure,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



<sup>1</sup> Including 4.5 billion yen acquired in April 2022

<sup>2</sup> Please refer to “Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock” released on May 15, 2024 for details.

<sup>3</sup> 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	<ul style="list-style-type: none"><li>Promoted business alliances with the Yamato Group and Rakuten Group to increase parcel income</li><li>Tried to streamline operations by digitalization and mechanization</li></ul>
Post office business	<ul style="list-style-type: none"><li>Won administrative work contracts from local governments and expanded other products and services satisfying local needs</li><li>Promoted digitalization through the adoption of self-checkout machines and digital ticket issuing systems</li></ul>
International logistics business	<ul style="list-style-type: none"><li>Sold the global express business of Toll Holdings Pty Limited</li></ul>
Banking business	<ul style="list-style-type: none"><li>Expanded functions and usage of the Bankbook App (Number of accounts registered exceeded 10 million accounts (February 2024))</li><li>Expanded risk asset balance and strategic investment areas</li></ul>
Life insurance business	<ul style="list-style-type: none"><li>Enhanced structures for insurance solicitation and established a new Japan Post Insurance sales system</li><li>Introduced new medical care riders and lump-sum payment whole life insurance</li></ul>
Real estate business	<ul style="list-style-type: none"><li>Promoted real estate development of the assets held by the Group (Construction completion of the Azabudai Hills Mori JP Tower (June 2023), etc.)</li></ul>
Group governance	<ul style="list-style-type: none"><li>Formulated the JP Code of Conduct to improve Group conduct (July 2022)</li><li>Introduced the Group CxO* system (June 2021)</li></ul>
Group DX	<ul style="list-style-type: none"><li>Released the Post Office App, the new Group platform app (October 2023)</li></ul>
Initiatives to improve efficiency and productivity	<ul style="list-style-type: none"><li>Reduction of workforce by an amount equivalent to approx. 35,000 employees is progressing as initially planned (our four main Group companies).</li></ul>

\* 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

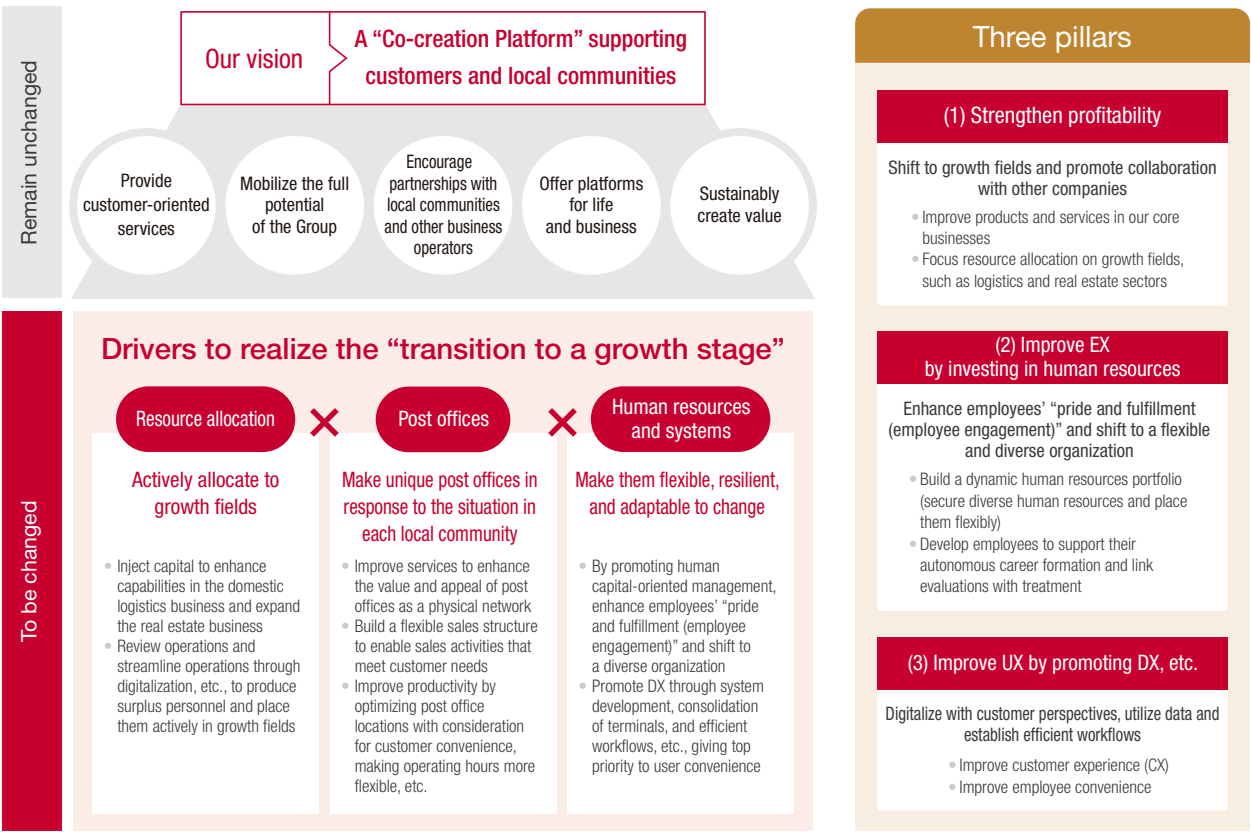
■ (2) Review of the Medium-Term Management Plan and formulation of JP Vision 2025+

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

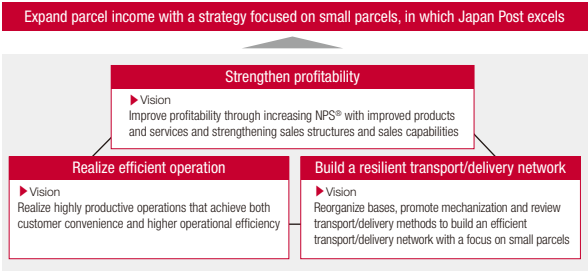
The domestic logistics and real estate businesses will be understood as growth areas and management resources will be actively injected to accelerate growth.

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



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.

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 DEI 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

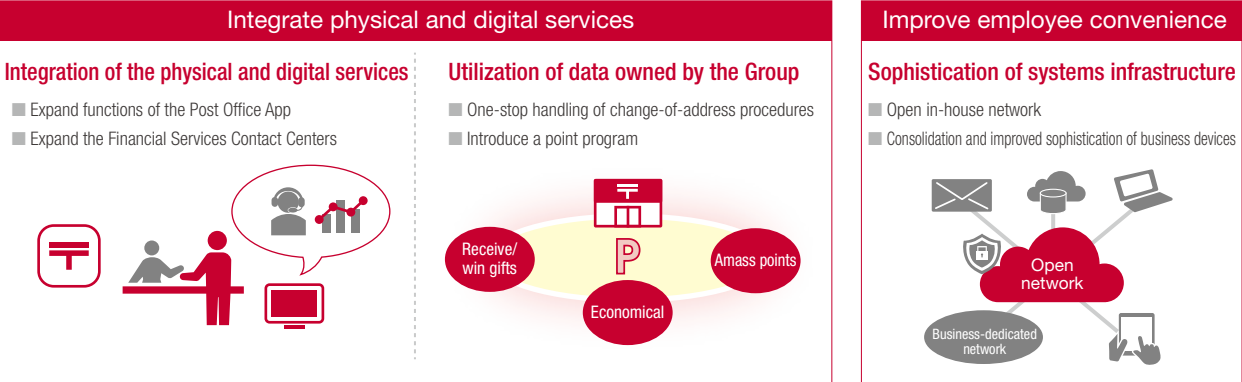
Area	Target	2025/3	2026/3	Major KPIs
Human resource portfolio	Company-wide	Launch a personnel exchange system among the Group through internal open recruitment <sup>*1</sup> (Invite employees to submit their preferences and make selections) <sup>*2</sup>		Number of personnel exchanged in and out of the Group Maintain the fiscal year ended March 31, 2022 level <sup>*3</sup> (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 resource portfolio	Front line	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)
Diversity/Development/Evaluation and treatment	Company-wide	Aim to introduce measures to develop personnel organizationally (evaluation/training meetings, etc.) and new evaluation methods		Ratio of women in management positions at head offices of the four main Group companies Fiscal year ending March 31, 2031: 30%
Diversity/Development/Evaluation and treatment	Managers	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		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)

Improve employees’ “pride and fulfillment (employee engagement)” (Realize employees’ happiness)

<sup>\*1</sup> 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.  
<sup>\*2</sup> Necessary discussions will be held among companies concerned upon selection.  
<sup>\*3</sup> Number of personnel exchanged among the four main Group companies was approximately 1,500.

3 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.

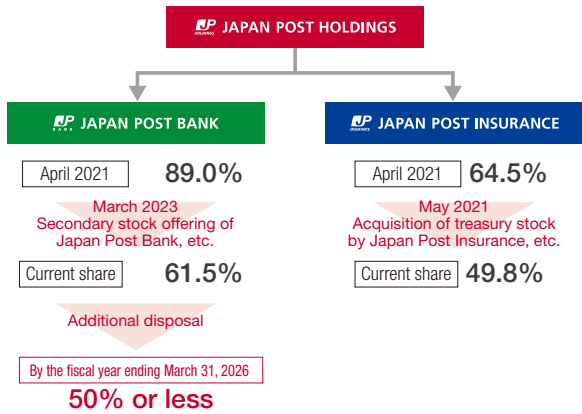
The Company aims under JP Vision 2025+ to reduce its stakes in the two financial subsidiaries to 50% or less in the JP Vision 2025+ period in accordance with the purposes of the Postal Service Privatization Act and from the perspective of enhancing independence and flexibility of management of these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

Investment for increased capacity in our logistics business <sup>2</sup>	Prepare foundations for logistics bases		Operation reforms, etc. (introduce sorting machine, etc.)	Total	40 billion yen
Real estate investment	Rental business real estate		Built-for-sale business real estate	Total	110 billion yen
Investment in human resources <sup>3</sup>	Strengthen human resource development seminars (including re-skilling)	Initiatives to promote diversity	Initiatives to secure human resources, etc.	Total	35 billion yen
Strategic IT investment <sup>4</sup>	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
Grand total					400 billion yen <sup>1</sup>

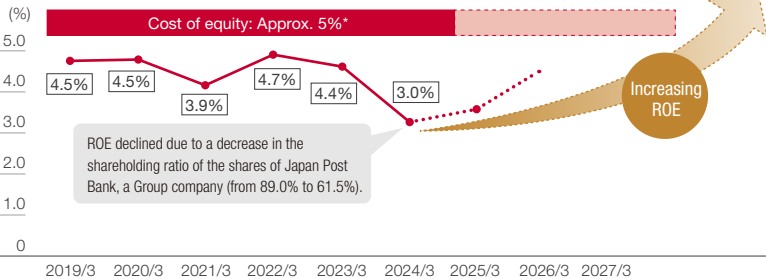
<sup>1</sup> Of the amounts of investment by the entire Group, we extracted those related to principal measures particularly conducive to growth for the Group and streamlining of operations, excluding investments required for maintenance/replacement.  
<sup>2</sup> The amounts of investment for increased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

Trends of the Company's ROE and the cost of equity



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

Cost of equity = Risk-free rate +  $\beta$  × Risk premium

Approx. 5% = 0.4%–0.8% + 0.6–0.7 × 6.0%–6.4%

7 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 ended March 31, 2024: **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: Approx. 4% **Review** Fiscal year ending March 31, 2026: At least **4%**

Consolidated net income **570 billion yen**<sup>1</sup>

Consolidated net income attributable to Japan Post Holdings **360 billion yen**<sup>2</sup>

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)

Support childcare for a balance with work

Childcare leave acquisition rate for both men and women: **100%**

Average days of childcare leave acquired by men: **1 month or more**

Women in management roles<sup>1</sup>

Ratio of women in management positions at our head office: **30%** by the fiscal year ending March 31, 2031

Greenhouse gas emissions<sup>2,3</sup>

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

Financial targets <sup>1</sup> 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.  
<sup>2</sup> 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 <sup>1</sup> 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.  
<sup>2</sup> Targets are for Scope 1 (Direct emissions by the Company) and Scope 2 (Emissions from use of electricity, etc., supplied by other enterprises).  
<sup>3</sup> 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.

## Achieve Both Social and Economic Value

### To help resolve social issues while generating revenue

#### SUNAYAMA Naoki

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

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 start-ups 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.

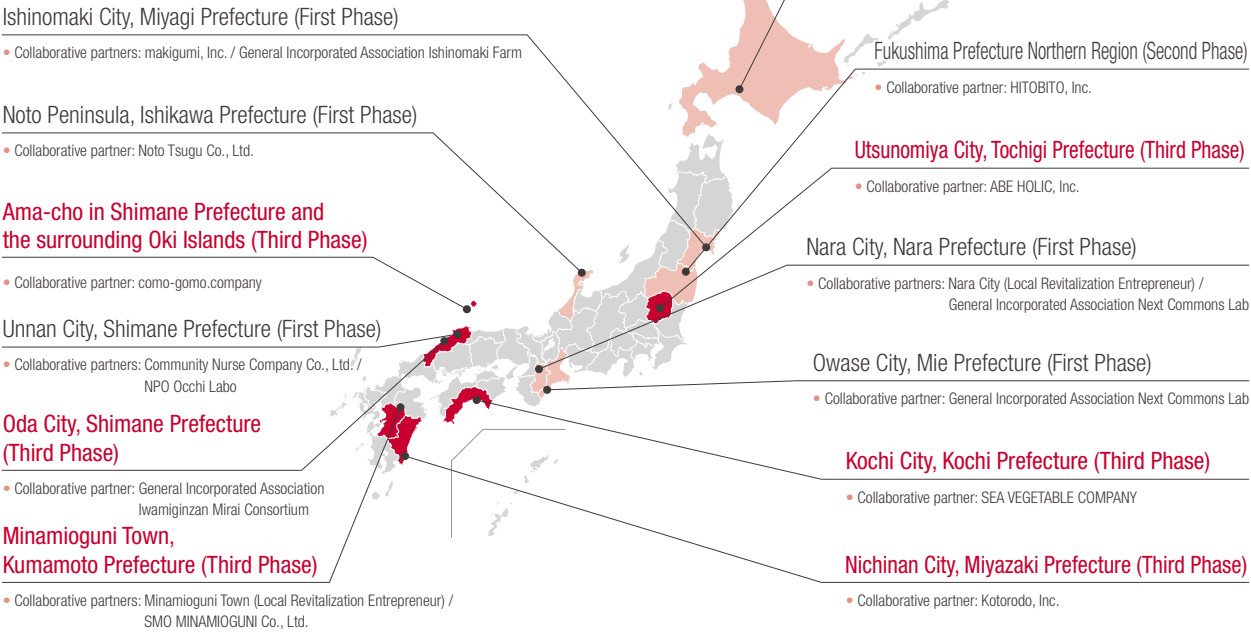
These initiatives, which began at the Shibasaki Post Office (Inashiki City, Ibaraki Prefecture) in October 2021 and at the Amatsu Post Office (Kamogawa City, Chiba Prefecture) and the Hanno Shimohata Post Office (Hanno City, Saitama Prefecture) in September 2023, have proven to be extremely popular with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

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



Local Co-creation Initiative (LCI)

Japan Post Group employee dispatching areas and collaborative partners



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.



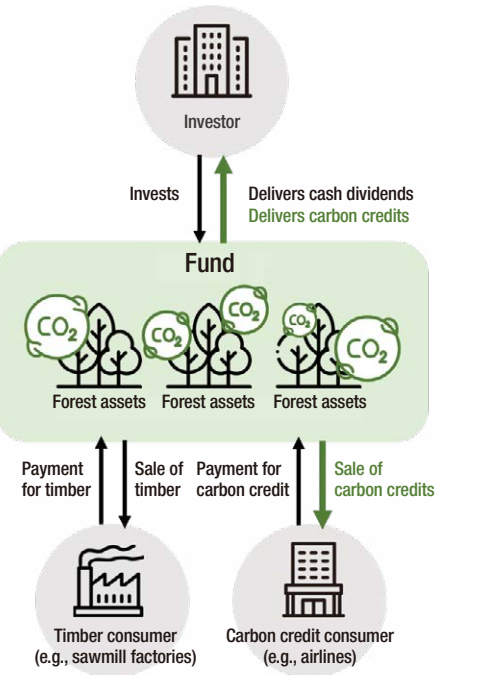
Investment in an overseas forestry fund

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

### IIDA Yasuhisa

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.

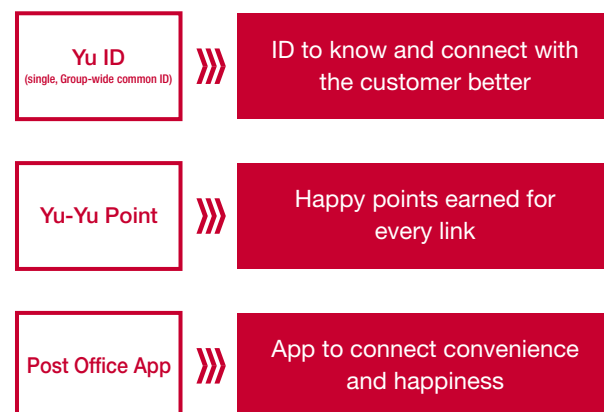
As shown in the figure below, we will leverage our three digital assets—“Yu ID,” a single, Group-wide common ID, as the base; “Yu-Yu Point,” the Group’s unique points program; and the Post Office App, the Group’s platform app—to generate new customer value and create a more convenient and happier experience 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.

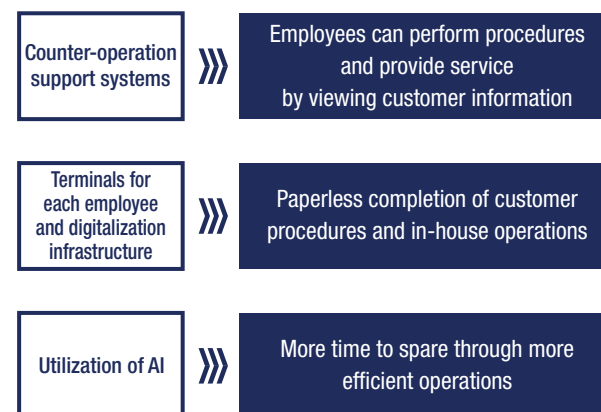
In “post office of the future” Phase 2.0, we will take it a step further to ensure that everyone intuitively feels that “the post office has improved” and “the employees’ work styles have enhanced.”

## Major initiatives of “post office of the future” Phase 2.0

### Improving CX value



### Workstyle reform of employees



## 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 · Self-checkout machine



Post Office App

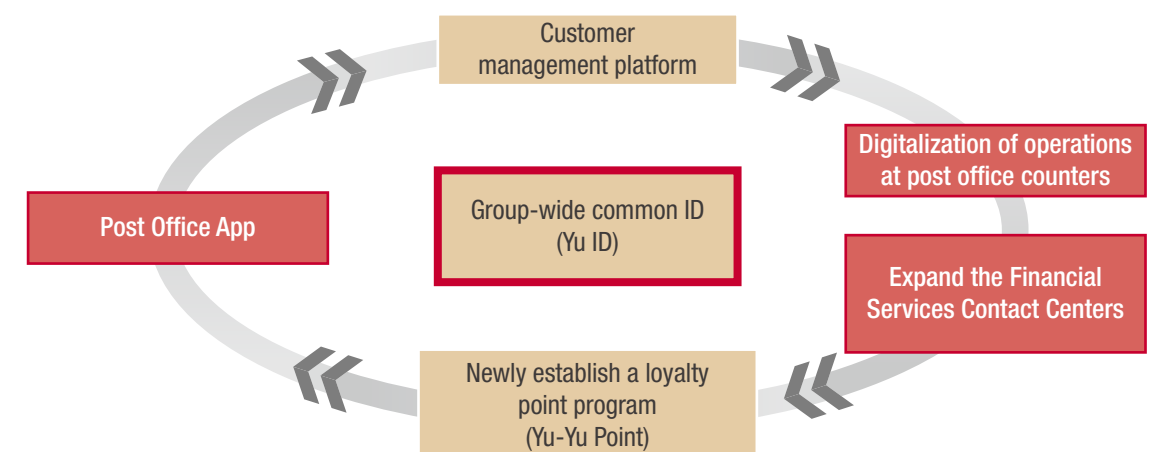
## Future initiatives

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.

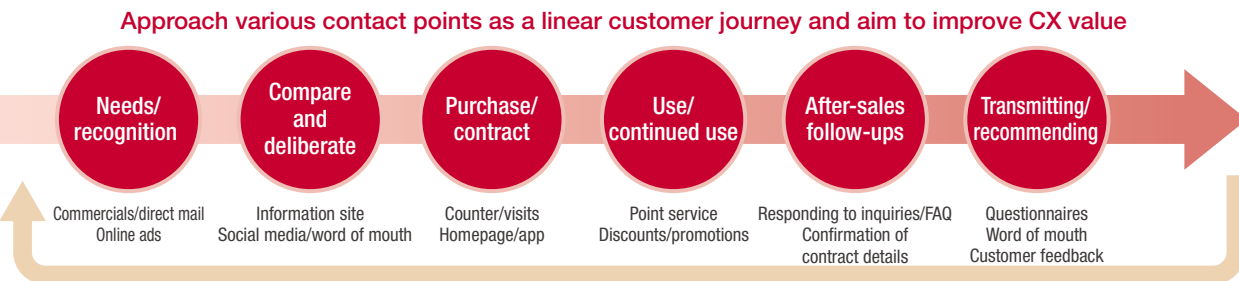
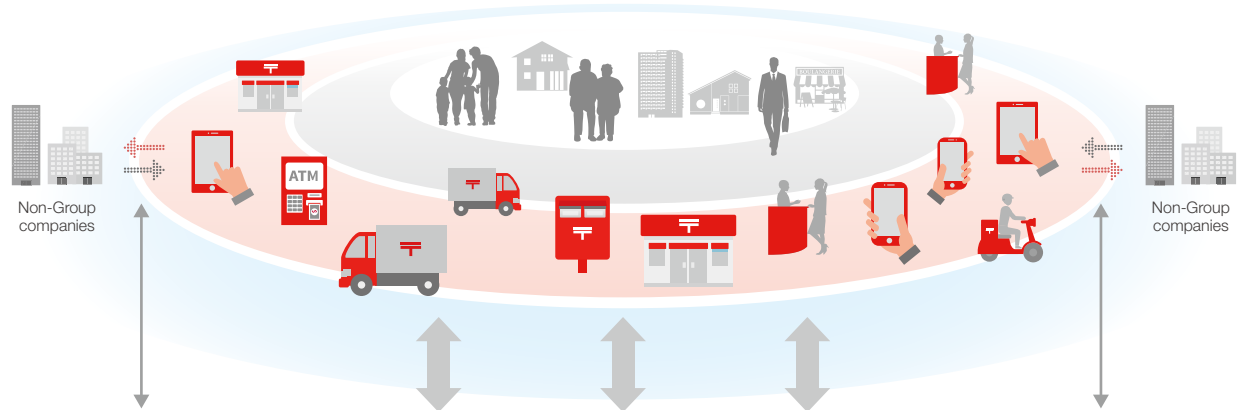
However, amid the recent accelerated speed of digitalization, the progress in the declining population and depopulation, and the diversification of customer values and lifestyles, the role expected of the post office has become fluid, and it has become once again essential that we identify the “post 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 customer-oriented 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



### Initiatives in CX design

Initiatives	Details
Understanding and analysis of the market	<ul style="list-style-type: none"><li>Understanding the value demanded by customers across businesses and conducting an integrated analysis of its structures and trends</li><li>Matching the above value with the potential that the Japan Post Group is capable of offering</li></ul>
CX-driven product and service development and improvement	<ul style="list-style-type: none"><li>Qualitative and quantitative surveys, understanding customer feedback, and CX analysis</li><li>Liaise with each department on developing and improving products and services using the above as the starting point</li></ul>
Promotion of customer-oriented business operations	<ul style="list-style-type: none"><li>Take customer feedback seriously in line with “the Basic Policy on Fiduciary Duties,” promote the improvement of CX, and thoroughly enforce customer-oriented business operations</li></ul>
Raising awareness to improve CX	<ul style="list-style-type: none"><li>Train Japan Post Group officers and employees to improve CX</li><li>Create a working environment where employees deliver customer service with confidence for customer’s satisfaction</li></ul>

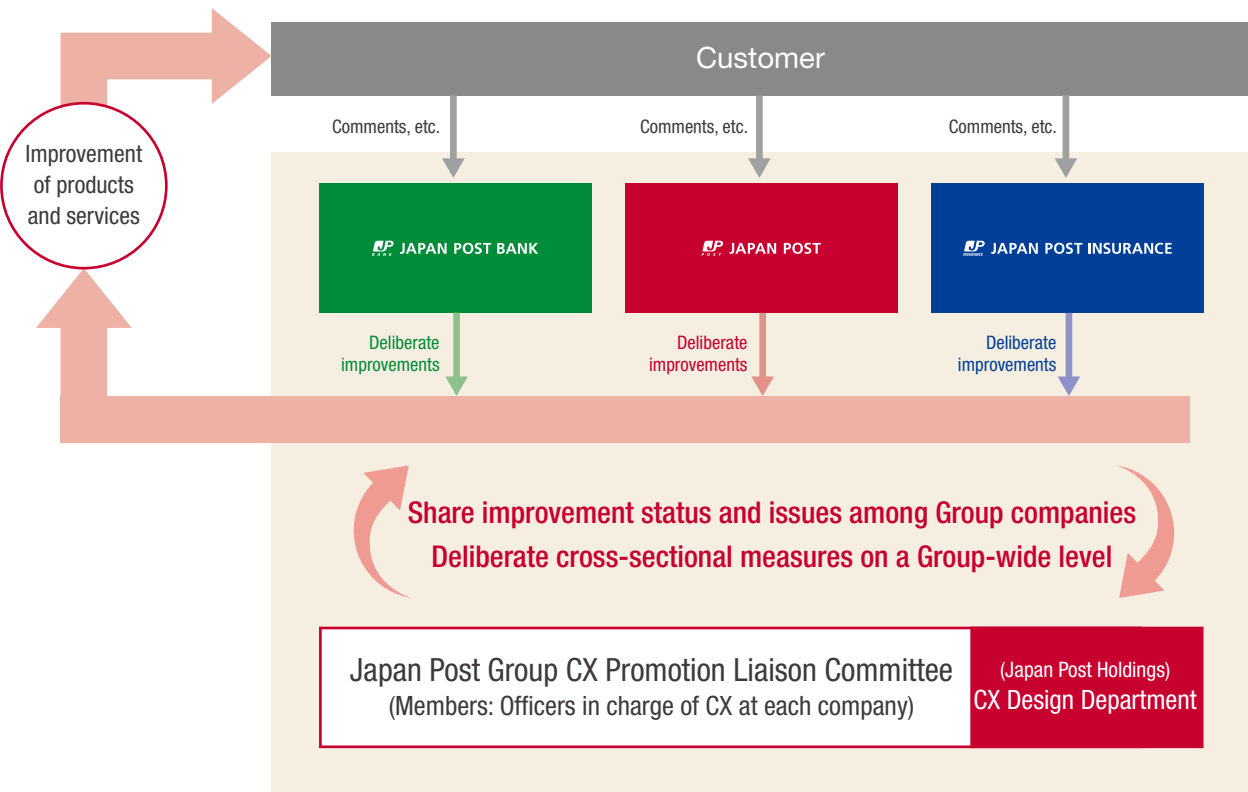
### The direction of the approaches

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 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.

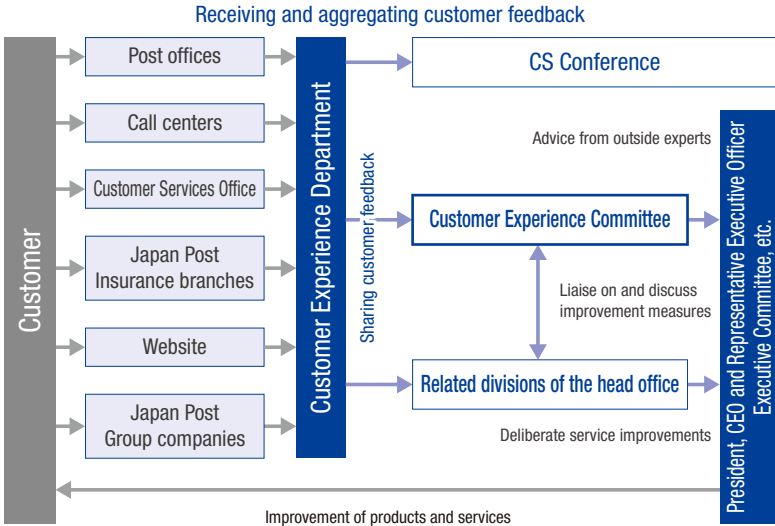
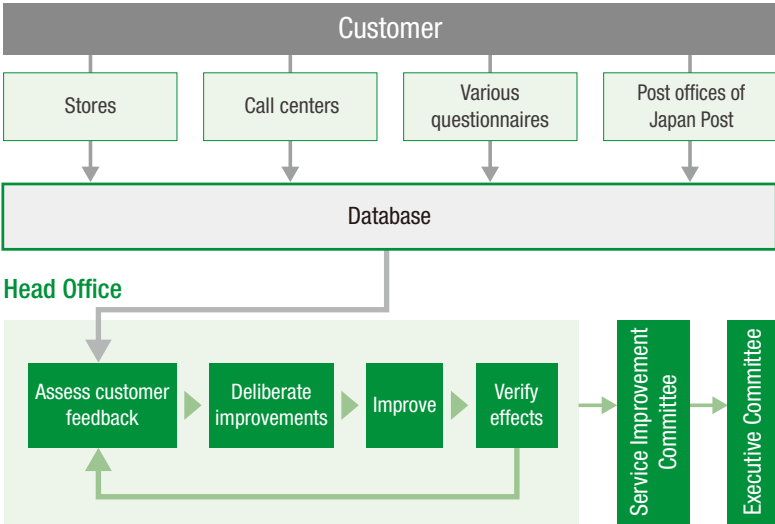
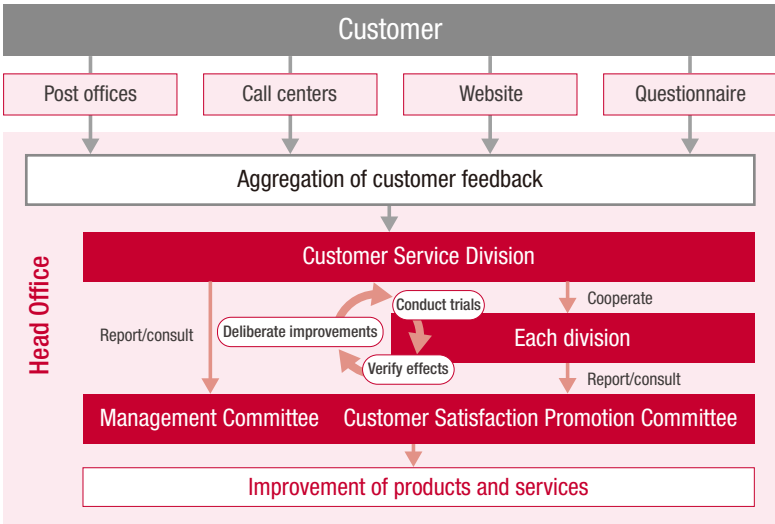
At Japan Post Bank, the Customer Satisfaction Department centrally manages the customer feedback received at the stores, such as the post offices and the call centers, and utilizes such feedback in the improvement of products and services.

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.

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.





# 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.

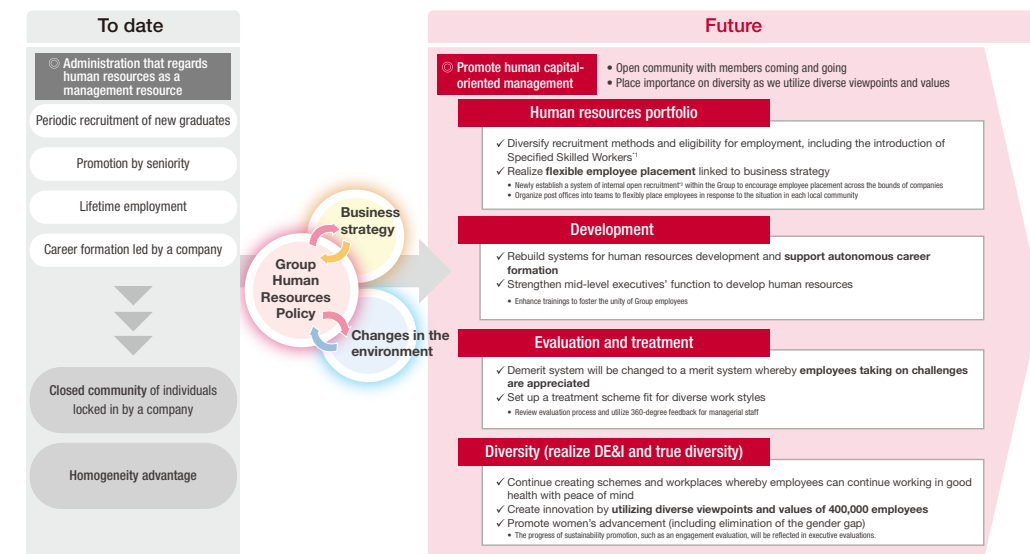
Employees comprise the greatest capital in ensuring business operations. We believe that the employees on the front lines, who face customers on a daily basis, are especially crucial for the Group’s business operations. We will improve the EX of all employees, especially the employees on the front lines, 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”

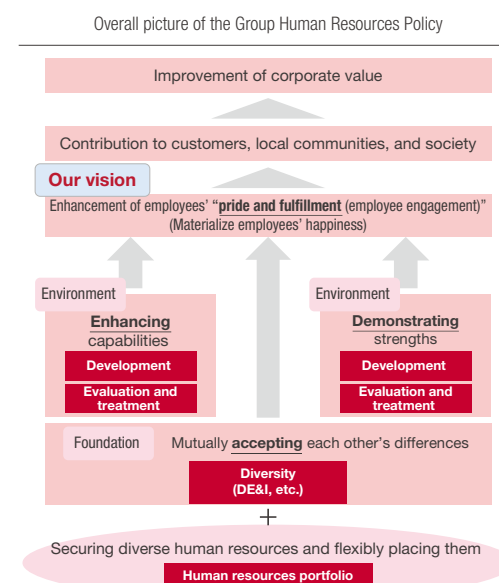
In May 2023, we formulated the Group Human Resources Policy to provide the basic direction for bringing to life human resources strategies that are linked to management strategies, and based on the concepts of this policy, we are promoting human capital-oriented management. We believe that employees 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



<sup>1</sup> 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.

<sup>2</sup> Internal open recruitment refers to inviting employees to submit their preferences and make selections.



### Major KPIs for the key initiatives

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

## 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 <b>35</b> billion yen
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Note: The various expenses associated with the key initiatives for personnel matters are defined as the investment in human resources.

## 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.



To ensure the sustainable growth of the Japan Post Group, we must strengthen the Group governance framework. We must also take measures from the standpoint of operational resilience, i.e., minimizing the impact on customers and other stakeholders in the event of suspended operations and other situations as a result of having to deal with emerging risks such as conduct risk, unknown risks, natural disasters, and information system malfunctions.

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 Mt. 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.

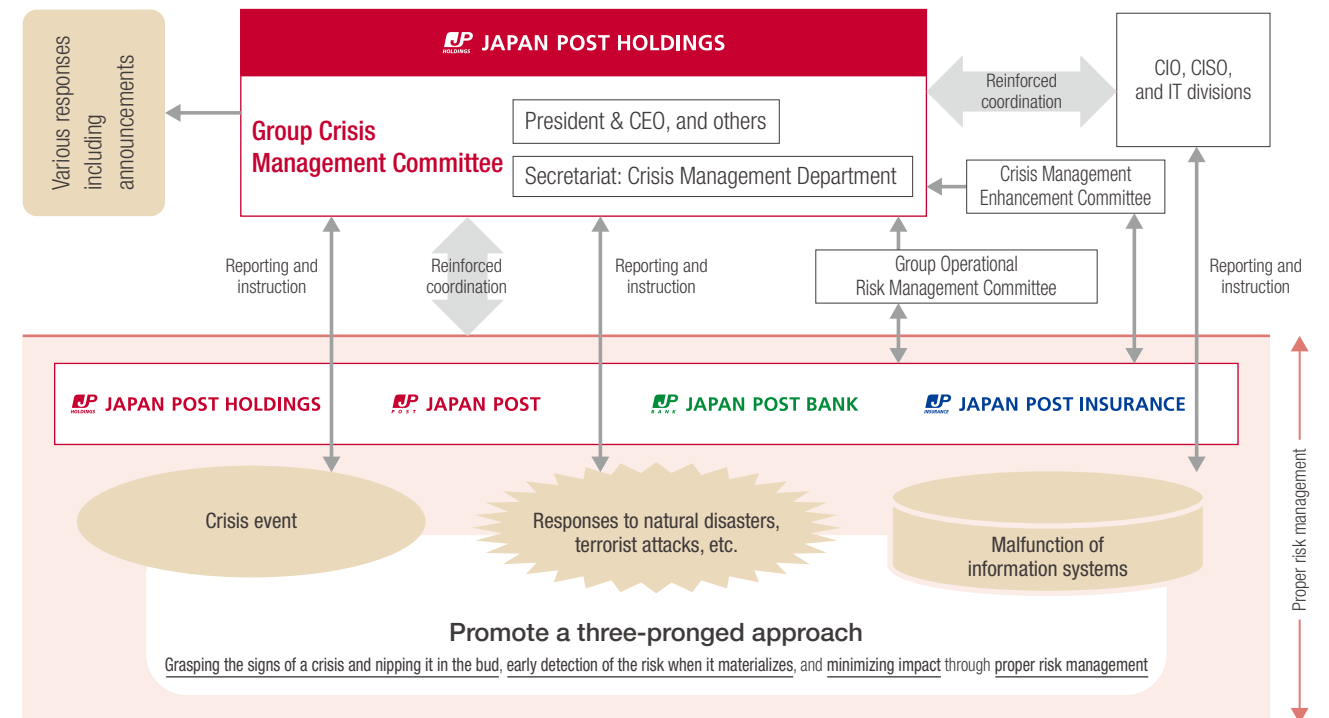
Our fourth measure is to enhance the sophistication of risk management. We are making efforts to develop a system where risks can be prevented before they materialize by practicing controls over risks, including emerging risks and unknown risks, that have the potential to materially impact the businesses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

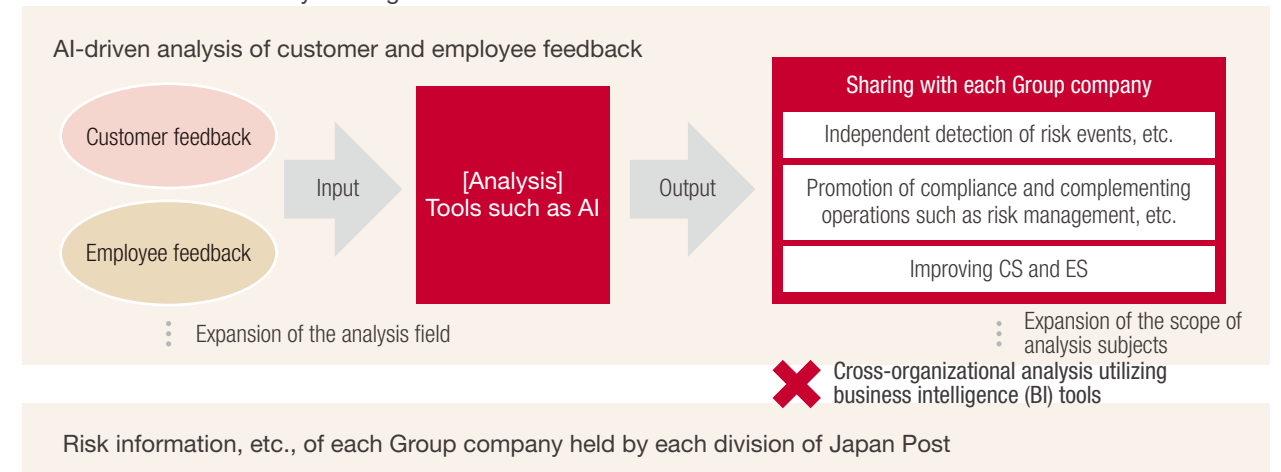


### Utilization of AI

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 AI-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 AI





# Top Message from Japan Post



We aim to become the company of choice for our customers by providing diverse services unique to the post office.

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

Since assuming the position of President & CEO, Representative Executive Officer of Japan Post Co., Ltd. in June 2023, I have commenced, and been emersed in, various reforms to realize sustainable growth, with the fiscal year ended March 31, 2024 marking the “initial year of Japan Post reforms.” As part of these reforms, in May 2024 we formulated our new Management Philosophy, “Present at every stage of life. Touching the hearts of all.” In revising the philosophy, the Company took a holistic approach in re-examining its vision, the values that it cherished, and its reason for existing by calling on all employees to openly share their opinions, in addition to having repeated discussions among members of management. Going forward, under our new Management Philosophy, our employees, who are crucial to the Company’s growth and the source of our competitive edge, will not hesitate to fully demonstrate their capabilities and come together as a team behind these initiatives to enhance the value and the appeal of post offices.

Although “JP Vision 2025+ (Plus),” the revised Group Medium-Term Management Plan that was announced in May 2024, covers the period until the fiscal year ending March 31, 2026, we have been keeping an eye on the future (i.e., the fiscal year ending March 31, 2027 and beyond) and studying how we can present to our customers a concrete growth narrative on when and in what way the Company intends to change.

I also believe that it is only when each employee can energetically and positively approach their work that we can provide services that are satisfying to our customers. To this end, we will raise the motivation of our employees, maximize their diverse values, and provide products and services that are competitive and pleasing to our customers, which will inevitably improve the Company’s business performance, and thereby bring to life the growth narrative that we indicated in JP Vision 2025+.

As for the specific initiatives of each business, in the postal and domestic logistics business, we will expand parcel income by increasing parcel volume focused on small parcels, in which Japan Post excels. In concrete terms, we will increase NPS® and strengthen our sales structure and sales capabilities, while also shoring up our collaborations with other companies including Rakuten Group, Inc. and the Yamato Group to improve profitability.

Moreover, in April 2024, overtime hours for truck drivers were capped and a nationwide shortage of transport capacity became a very real possibility, giving rise to the “2024 issue,” an issue for Japanese society as a whole. To resolve this issue, we will collaborate with other companies such as the Seino Group and Sagawa Express Co., Ltd. to jointly operate long-haul transportation. In addition, we will also reorganize bases and promote mechanization to build a resilient transport/delivery network, and by utilizing DX, we will realize highly productive operations that achieve both customer convenience and higher operational efficiency.

In terms of our post office business, we are engaged in the “improvement of profitability,” “enhancement of the value and appeal of post offices,” and the “enhancement of service quality” to grow into a business of choice for customers. Specifically, we are placing staff flexibly in keeping with local circumstances to develop a system that enables sales activities in line with customer needs and high-quality services. We are also improving services that support the daily lives of customers. Additionally, we are streamlining operations to enhance the convenience of customers while providing an environment where we can offer “warmhearted services unique to post offices.”

In the real estate business, we are working to expand revenue, including the completion of the new JP Tower Osaka and the Azabudai Hills Mori JP Tower in the fiscal year ended March 31, 2024. We are building the real estate business into a revenue pillar by appropriately timing the formulation and execution of development plans amid soaring construction costs.

In the international logistics business, to sustainably expand the scale of earnings and increase profitability, we are working on the growth of the Global Logistics business focused on Asia and improving the profitability of the Global Forwarding business.

Furthermore, by contributing to the resolution of social problems surrounding sustainability through Company-wide activities, Japan Post hopes to grow sustainably while bolstering corporate value over the medium to long term.

Going forward, by providing diverse services unique to post offices, we hope to grow into a company of choice for customers and raise the value of the post office network. We ask for your continuing patronage and support of Japan Post more than ever.



## Postal and Domestic Logistics Business Segment

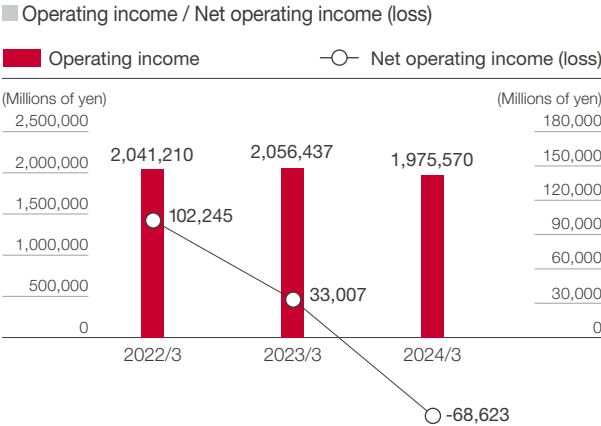
### Business overview

In addition to providing postal services at the fairest possible rates across Japan, Japan Post is commissioned by the Japanese government to sell documentary stamps and issue donation-type illustrated 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, 2024

In the postal and domestic logistics business, despite an increase in the volume of Yu-Packet handled, due to the decrease in Yu-Mail and New Year’s postcards, ordinary income amounted to ¥1,980,509 million (down ¥79,889 million year-on-year). Although we continued to implement our cost control initiatives, ordinary expenses rose due to an increase in personnel expenses and collection, transport and delivery outsourcing expenses and net ordinary loss amounted to ¥64,969 million (net ordinary income of ¥35,454 million was recorded in the previous fiscal year). In addition, operating income amounted to ¥1,975,570 million (down ¥80,866 million year-on-year) and net operating loss amounted to ¥68,623 million (net operating income of ¥33,007 million was recorded in the previous fiscal year) in the postal and domestic logistics business of Japan Post for the fiscal year ended March 31, 2024.

Note: From the beginning of the fiscal year ended March 31, 2024, certain subsidiaries that were included in the international logistics business have been reclassified as part of the postal and domestic logistics business. Accordingly, these subsidiaries, which had previously been accounted for under International Financial Reporting Standards (“IFRS”), have adopted Japan Accounting Standards (“Japanese GAAP”). Figures for the previous fiscal year in the year-on-year comparisons are those after the application of this change.



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

- |  |  |  |
|--|--|--|
| <b>Strengths</b> <ul style="list-style-type: none"><li>• Nationwide transport network capable of delivering to 31 million locations daily</li><li>• Efficient delivery of small parcels utilizing motorcycle mobility for the last one mile of logistics</li><li>• Consistently providing high-quality delivery service to our customers</li></ul> | <b>Challenges</b> <ul style="list-style-type: none"><li>• Resource shifting from the postal business to the growing package delivery market</li><li>• Be chosen by customers in the package delivery market, where competition is intensifying</li><li>• Response to rising labor unit costs and escalating prices</li></ul> | <b>Future policy</b> <ul style="list-style-type: none"><li>• Expanding parcel income with a focus on small parcels, in which Japan Post excels</li><li>• Strengthening profitability by improving products and services and collaborations with other companies</li><li>• Building efficient and resilient operations through DX and mechanization</li></ul> |
|--|--|--|

### Collaboration with the Yamato Group

On June 19, 2023, the Japan Post Group and the Yamato Group concluded a basic agreement to cooperate in contributing to the resolution of various social issues surrounding logistics and promoting sustainable logistics services. The current collaboration aims to utilize the management resources of the two companies to build transport/delivery services that will contribute to the greater convenience of customers while resolving the “2024 issue” and environmental problems (carbon neutrality) that plague the logistics industry.

As a specific initiative, we have begun accepting “Kuroneko Yu-Packet,” small, lightweight parcels, in certain regions from October 2023, and in February 2024, we began accepting “Kuroneko Yu-Mail,” booklet parcels (mail-bin), in all regions. Both services involve Yamato Transport Co., Ltd. collecting parcels from customers and delivering them through Japan Post’s delivery network. These products are delivered to the mailboxes of the customers and make efficient use of the strengths of Japan Post’s delivery system, which is basically dependent on motorcycles.

Going forward, we plan to expand the handling areas of “Kuroneko Yu-Packet” and build a system that can reliably deliver the increasing number of packages.





The promotion of P-DX

We will utilize digitized sender information and receiver information unique to Japan Post to streamline operations while pursuing ways of conveniently sending and receiving parcels for our customers.

In the fiscal year ended March 31, 2024, all portable terminals for employees working outside of the offices to collect and deliver parcels were switched to smartphones (postal mobile terminals). Through these terminals, we will work to reinforce management by visualizing the delivery status of parcels, make novices immediately work-ready through automated routing and navigation functions, and raise productivity by streamlining operations.

As part of initiatives to enhance sending and receiving convenience, we plan to release an app for navigating the methods of sending parcels. We will also expand locations with access to “Yu-pri Touch,” a device for printing shipping labels at post offices using the 2-D code obtained from each app to enhance sending convenience, while also making improvements at the receiving end through the “e-receiving assistance service,” which sends parcel delivery notices and accepts changes to the customer’s desired receiving times and locations online.

Additionally, in February 2023 the Ichikawa Minami Post Office (Ichikawa City, Chiba Prefecture) opened as a next-generation post office compatible with full-scale DX, where transport telematics and automated guided vehicles (AGVs) and other devices have been adopted to streamline operations within the post office.



Measures to combat the “2024 issue”

Starting from April 2024, overtime work of truck drivers, which had previously been exempt, was capped at 960 hours per year while standards for improving the working hours of truck drivers (Notice of Improvement Standards) were amended. If no measures were taken, it is estimated that transport capacity utilizing trucks would be short by approximately 14%. We recognize that the “2024 issue” impacts the whole of society.

At Japan Post, to appropriately respond to these law revisions, we are working to improve the long labor hours of long-distance (truck) transport, which had previously assumed a single driver making the long haul, by switching to relay transportation and other means. As a result, we have had to revise the delivery dates of Yu-Pack and express mail services.

Furthermore, as measures in response to the “2024 issue,” the government has released the Policy Package toward Japan’s Distribution Network Reform and also Guidelines on the Initiatives of Shippers and Logistics Providers to Optimize Logistics and Enhance Productivity, which point out the problem of the long hours experienced by truck drivers waiting for their load and truck drivers being forced to engage in loading and unloading work not stipulated in their contracts. At Japan Post, we are also drafting voluntary action plans based on the guidelines to resolve these issues.



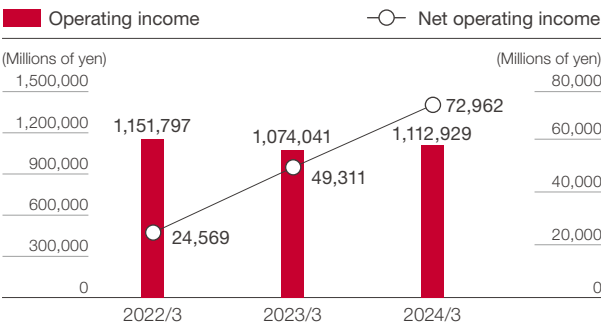
Business overview

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, 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, 2024

In the post office business, due to the increase in real estate business revenue as a result of posting revenue from real estate sales, ordinary income amounted to ¥1,113,912 million (up ¥38,149 million year-on-year), while ordinary expenses increased due to the reporting cost of sales on real estate and other factors, resulting in net ordinary income of ¥73,490 million (up ¥23,023 million year-on-year). In addition, operating income amounted to ¥1,112,929 million (up ¥38,888 million year-on-year) and net operating income amounted to ¥72,962 million (up ¥23,650 million year-on-year) in the post office business of Japan Post for the fiscal year ended March 31, 2024.

Operating income / Net operating income



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

- |                  |   |                   |   |                      |  |
|------------------|---|-------------------|---|----------------------|--|
| <b>Strengths</b> | <ul style="list-style-type: none"><li>A post office network of over 24,000 locations throughout Japan</li><li>Provision of diverse products and services inside and outside the Group</li><li>Customer base based on which our services are used by many customers in their daily lives</li></ul> | <b>Challenges</b> | <ul style="list-style-type: none"><li>Growing into a business of choice for customers</li><li>Response to a decrease in handling volume due to population decline and the switch to digital channels</li><li>Enhance the value of our post office network</li></ul> | <b>Future policy</b> | <ul style="list-style-type: none"><li>Enhancing customer experience (CX) value by raising the skills of employees and utilizing Yu ID</li><li>Offering high-quality services by integrating face-to-face services with digital technology</li><li>Expanding products and services that match customer and regional needs</li></ul> |
|------------------|---|-------------------|---|----------------------|--|

Enhancing collaborations with local governments

To promote various cooperative relationships with local governments and continuously work together to resolve regional issues, Japan Post has concluded comprehensive partnership agreements with 45 prefectures and 1,478 municipalities (as of March 2024).

Based on these agreements, we are reinforcing our relationships with local governments by subcontracting various administrative services of the local governments that match regional needs, such as the issue of public certificates. By offering administrative services through post office counters, we are proactively enhancing the convenience of local residents.

We have also been commissioned with the installation and operation of kiosk terminals where residents can obtain copies of certificates of residence at the post office using their Individual Number Card and administrative work related to the electronic certification of Individual Number Card including the issue and renewal of electronic certificates of the bearer’s signature and electronic certificates of user proof. In June 2023, the Act on Handling of Certain Services of Local Governments at Postal Offices was amended and it became possible for post offices to handle administrative work such as accepting applications for Individual Number Card, thereby expanding the scope of administrative services that post offices can offer. In February 2024, Miyakonojo City, Miyazaki Prefecture was the first municipality in the nation to commission a post office with administrative services to accept Individual Number Card applications.

Going forward, we will maximize the management resources of Japan Post and offer a wide variety of services that match regional needs to further enhance the convenience of local residents.





## Rolling out services to support the daily lives of customers

We provide a multitude of services that support the daily lives of customers in an effort to enhance the value and appeal of post offices.

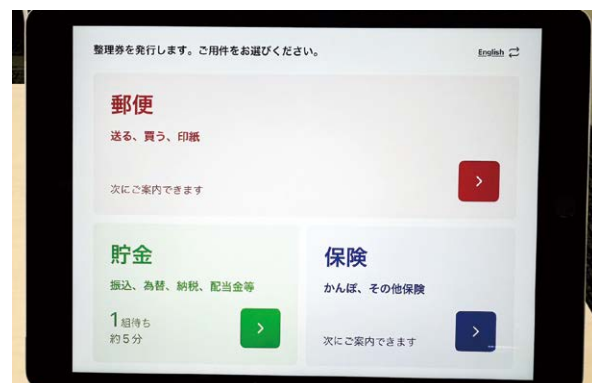
To contribute to achieving local communities where the elderly in single-person households can live a long life with peace of mind, we provide the Post Office Mimamori (Watch Over) Service, where a post office employee visits the user once a month, as well as the Post Office Mimamori Service Using Smart Speakers for companies and local governments. In March 2024, Mimamori and Online Medical Treatment of the Elderly Using Smart Speakers, and our initiative in Uwajima City, Ehime Prefecture using these services, was awarded the Prime Minister's Prize at Digi Den Koshien 2023 (a national contest for local governments, the private sector, and organizations to resolve regional issues using digital technology).

Additionally, in response to the recent increase in demand for end-of-life planning, our end-of-life referral services, which had trial runs in Hokkaido and the Tokyo metropolitan area, proved to be extremely popular. In February 2024, these were rebranded as End-of-life Planning Service and rolled out at post offices nationwide. Under this service, we accept consultations from customers free of charge on the Daily Life Consultation Hotline, our dedicated call centers, and refer them to partnering end-of-life planning service providers according to the wishes of the customer.

Furthermore, we have started trials on our Vacant House Mimamori (Watch Over) Service, where employees of post offices in neighboring areas regularly visit and observe the status of the vacant homes on behalf of owners for whom constant and regular maintenance is difficult due to living far away.

We will continue to stand by our customers and upgrade services that only post offices can offer.

## Operation reforms of post office counters



In the business operations of post office counters, we will provide an environment conducive to increasing customer convenience and efficient and effective sales activities by promoting the digitalization of post office operations through the utilization of tablets, the establishment of online support systems, and the expansion of self-service operations.

From the fiscal year ended March 31, 2024, cashless payments are accepted at all directly managed post office counters, while we also increased the number of post offices equipped with digital ticket issuing systems that allow customers to check how many people are waiting and the waiting times on their smartphones and that also make it possible for employees to visually grasp what services the customers require, which in turn, can be utilized to facilitate business operations. We also increased access to self-checkout machines, where customers can weigh mail, calculate postage, and purchase merchandise without having to line up at the counters.

Furthermore, we are promoting initiatives that connect post offices with functional centers (Financial Services Contact Centers) and specialized operators provide product explanations and conduct application services for investment trusts and insurance products. In the fiscal year ended March 31, 2024, we shored up the center framework and expanded the number of connected post offices.

We will continue with the operation reforms of post office counters so that we can provide the best services that match customers' needs.



## International Logistics Business Segment

### Business overview

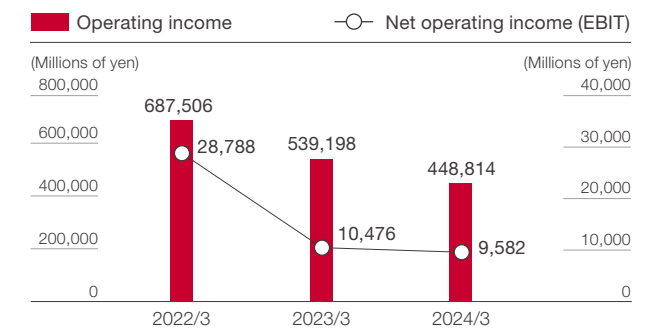
The Toll Group, which operates mainly in Australia and Singapore, provides a full line of international freight forwarding services, chiefly import and export related to the Asia Pacific region, and other logistics services to sectors of natural resources and governmental operations as a 3PL provider in the Asia Pacific region including transport and warehousing services.

### Financial results for the fiscal year ended March 31, 2024

In the international logistics business, ordinary income amounted to ¥450,023 million (down ¥89,892 million year-on-year) due to a fall in cargo rates in the Global Forwarding business. Meanwhile, ordinary expenses decreased in line with the decrease in revenue of the Global Forwarding business and also due to efforts to reduce costs in the Global Logistics business, resulting in net ordinary income of ¥1,713 million (net ordinary loss of ¥797 million was recorded in the previous fiscal year). In addition, operating income amounted to ¥448,814 million (down ¥90,383 million year-on-year) and net operating income (EBIT) amounted to ¥9,582 million (down ¥894 million year-on-year) in the international logistics business of Japan Post for the fiscal year ended March 31, 2024.

Note: From the beginning of the fiscal year ended March 31, 2024, certain subsidiaries that were included in the international logistics business have been reclassified as part of the postal and domestic logistics business. Figures for the previous fiscal year in the year-on-year comparisons are those after the application of this change.

### Operating income / Net operating income (EBIT)



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

<b>Strengths</b> <ul style="list-style-type: none"> <li>With its international logistics network spanning around 150 countries worldwide, it is unique among Japanese logistics companies</li> <li>"Toll City" is a logistics facility with state-of-the-art technology including precision temperature control and smart logistics control systems</li> </ul>	<b>Challenges</b> <ul style="list-style-type: none"> <li>Overcoming Australia-dependent management structure</li> <li>Further improvement of profitability</li> <li>Exercise of the synergy between Japan Post and Toll Holdings</li> </ul>	<b>Future policy</b> <ul style="list-style-type: none"> <li>Transition to an Asia-focused business model</li> <li>Ongoing initiatives to improve the gross profit margin and cut costs</li> <li>Sales strategy of capturing Japanese-affiliated multinational companies by collaborating with Japan Post</li> </ul>
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## The growth strategy of Toll Holdings

We are promoting initiatives for the growth of the Global Logistics business and the improvement of the Global Forwarding business as part of efforts to sustainably increase the scale of profits and improve the profitability of Toll Holdings.

In Australia, we are pushing forward with measures to bolster profitability while in the fiscal year ended March 31, 2024, construction began on a large automated warehouse, aiming for new sources of income. We are also shifting to a business model centered on Asia. In Singapore and other Asian countries, we are expanding business scale, through such means as investing in logistics facilities.

Toll Holdings is also focused on building a well-balanced customer portfolio, and is working to maintain its presence in the retail and consumer goods domains, its traditional strengths, as well as expanding its capabilities in the healthcare field.

In addition, the company is also re-examining its organizational structure, human resources allocation, and operations and promoting company-wide cost reductions.

Going forward, Toll Holdings will continue to support the lives and businesses of its customers through its worldwide logistics network, and by implementing initiatives geared toward business growth, contribute to the enhancement of corporate value of the Japan Post Group.





# Top Message from Japan Post Bank



**Japan Post Bank will pursue a growth strategy that is distinct from that of other banks by leveraging the Bank's unique strengths.**

**KASAMA Takayuki**

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

In April 2024, I was appointed Director, President and Representative Executive Officer of Japan Post Bank.

In addition to setting a new net income record since our public listing and achieving our target for the year, the Bank's earnings results for FY2023 have allowed us to achieve our FY2025 target ahead of schedule. In addition, the number of account holders of the Yucho Bankbook App service has exceeded the 10-million mark, another target set for FY2025. In addition to these milestones, we are making consistent progress on the KPIs of our strategies.

In light of the notable shifts in the business landscape surrounding the banking sector, including the impact of rising interest rates in Japan and abroad, the unprecedented advancement of digitalization, and the growing emphasis on the cost of capital and share price in managing business, we announced a revision of our Medium-Term Management Plan in May 2024, which will conclude in FY2025.

The key revisions are as follows: firstly, the net income target for the final year of the Medium-Term Management Plan has been revised upwards by 50 billion yen to "400 billion yen or more." Following FY2023, our objective is to achieve the highest net income since our listing for three consecutive years in FY2024 and FY2025. While maintaining the fundamental direction of our business strategy, we have revised the framework to focus on three business strategies (Retail Business, Market Business, and Σ (Sigma) Business) that leverage Japan Post Bank's distinctive strengths, and by bolstering the management framework that underpins these strategies, we will develop a sustainable business model.

In our Retail Business, I would like to accelerate our strategy of creating complementarity between physical and digital access and to take on the challenge of building a new retail business.

In particular, we will pursue an ambitious strategy to expand the user base of Yucho Bankbook App services through a combination of digital and traditional channels. Additionally, the application will be leveraged as a platform for generating new revenue streams through the utilization of data to direct customers toward suitable services, including encouraging them to visit our physical branches. Moreover, in the asset building support business, the Bank will transition to digital and remote channels in response to the growing demand for digital transactions. Japan Post Bank intends to reinforce its guidance

on convenient digital and remote channels while promoting the appeal of NISA and savings and investment products by leveraging its approximately 20,000 teller locations nationwide which is a key competitive advantage.

In the Market Business, we had been expanding our portfolio of risk assets, mainly foreign securities. However, in light of the recent upward trend in domestic interest rates, we intend to proactively shift investments from Bank of Japan deposits to Japanese Government Bonds (JGBs). Our goal is to construct an optimal portfolio that consists of yen interest rate assets, such as Japanese Government Bonds (JGB), along with risk assets. This will allow us to improve return relative to its risk and enhance stress tolerance.

In regards to the Σ Business, our objective is to position it as "a corporate business that creates the future of society and the community through investment." We will commence this venture in earnest during this fiscal year. In collaboration with regional financial institutions, we will establish a "Co-creation Platform" to drive societal and regional development, and promote "GP business that is unique to Japan Post Bank." This will be spearheaded by JAPAN POST BANK CAPITAL PARTNERS Co., Ltd., a wholly owned subsidiary established in May 2024. In collaboration with select companies, we will invest in business succession and revitalization companies, venture investments, and ESG investments. Additionally, the company will provide sourcing and marketing support services.

To promote these three businesses, we consider "human assets" to be one of our most valuable resources and will implement human resource strategies aligned with our overall business strategy. Furthermore, we will invest in IT to drive growth and enhance our business operations, while also strengthening our system infrastructure. Furthermore, we will enhance our management framework by leveraging AI and other technologies to improve the sophistication and efficiency of our operations.

While engaging with all our stakeholders, Japan Post Bank will steadily put into effect its revised Medium-Term Management Plan guided by its unchanging purpose (raison d'être) and management philosophy to increase corporate value and enhance shareholder returns. I would like to ask for your continued kind support and cooperation in these efforts over the coming years.



## Business overview



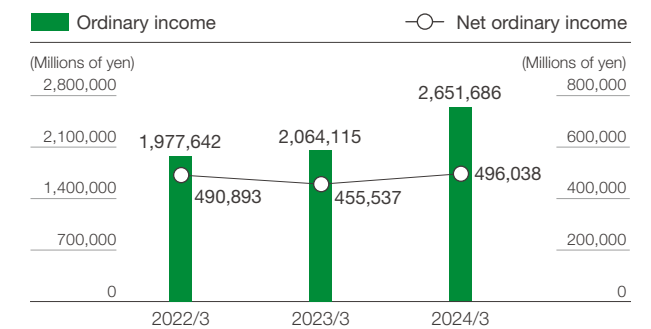
## Banking Business Segment

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 JGBs, investment trusts, and insurance products.

## Financial results for the fiscal year ended March 31, 2024

In the banking business, other operating income declined due to a decrease in gains on foreign exchange transactions, while other ordinary income increased due primarily to a rise in gains from the sale of stocks and other securities for risk controls. Accordingly, ordinary income amounted to ¥2,651,686 million (up ¥587,571 million year-on-year), and although ordinary expenses increased due to rising foreign currency funding costs, net ordinary income amounted to ¥496,038 million (up ¥40,501 million year-on-year).

## Ordinary income / Net ordinary income



Note: The graph shows 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	Challenges	Future initiatives
<ul style="list-style-type: none"> <li>Japan's largest customer base (120 million ordinary deposit accounts)</li> <li>Most extensive and stable deposit base in Japan (¥192 trillion in deposits centered on retail banking customers)</li> <li>Nationwide network (Network of approximately 24,000 post offices)</li> <li>Diverse specialized human resources</li> </ul>	<ul style="list-style-type: none"> <li>Addressing the progressive digitalization of society</li> <li>Addressing "Policy Plan for Promoting Japan as a Leading Asset Management Center" and the new NISA system</li> <li>Addressing management that is conscious of the cost of capital and stock price</li> <li>Addressing sustainability management and human capital management</li> <li>Building an optimal portfolio in response to the trends of domestic and foreign interest rates</li> <li>Building an earnings pillar in addition to the retail markets</li> <li>Addressing regional revitalization</li> </ul>	<ul style="list-style-type: none"> <li>Transition to a new retail business by enhancing strategy for complementarity between the physical and digital channels</li> <li>Pursue an optimal investment portfolio that combines yen interest rate assets with risk assets</li> <li>Rejuvenate local economies and create new corporate value through Japan Post Bank's unique GP business</li> <li>Strengthen the human capital, systems infrastructure, and internal management system that support the three businesses</li> </ul>

## Retail Business Innovations

### ① Digital services strategy

Japan Post Bank has been enhancing strategy for complementarity between the physical and digital channels and further expanding offerings of safe, secure, and easy-to-use digital services for all customers.

We will further expand the number of users of the Yucho Bankbook App through a proactive approach that also utilizes physical transaction channels, while developing new revenue opportunities by utilizing app-driven data and guiding customers toward appropriate services (including attracting them to visit a bank's branch or a post office).

### Customers can now use "COTRA remittance" on their Yucho Bankbook App!

Offered by Cotra Ltd., "COTRA remittance" is a service in which person-to-person remittance of up to ¥100,000 per transaction can be made free of charge. This service is now available on the Yucho Bankbook App.

By enhancing the convenience of small remittances for our customers and further promoting cashless payments, the Yucho Bankbook App will continue to raise customer satisfaction.





## ② Asset building support business strategies

As part of our Retail Business innovations, we will shift from sales centered on face-to-face interactions to sales via digital and remote transaction channels in response to changes in the business environment, including the progress of digitalization of society and the launch of the new NISA system. Furthermore, we will improve the sales structure that leverages the strengths of the Japan Post Group by integrating physical and digital technologies, enabling the handling of investment trusts (NISA) at approximately 20,000 locations by remotely connecting post offices nationwide with Financial Services Contact Centers and other facilities.

### Expanding the lineup of investment trust products

In January 2024, in response to the revision of the NISA system which greatly expanded the annual investment limits and tax-exemption periods, Japan Post Bank expanded its lineup of investment trust products so that it could offer even greater assistance in the long-term asset building of its customers using the NISA system.

### Launch of commission-free service for first-time purchases of mutual funds through tellers

In May 2024, we launched a service in which first-time purchasers of investment trusts at Japan Post Bank and post offices who will conduct subsequent transactions online using their cell phones or PCs are exempted from commission fees for their first purchase from the tellers.

## Market Business Enhancement

The market business secures stable income through sophisticated and diverse investments that leverage the most extensive and stable deposit base in Japan and specialist human resources. Its basic policy is to pursue an optimal investment portfolio that combines yen interest assets and risk assets while strengthening risk management. We will seize the reversal of the trend in yen interest rates, and promote a shift in investments from due from banks, etc., to JGBs (zero risk weighting). At the same time, we will also expand the balance of risk assets while remaining conscious of risk-adjusted returns, and continue selective investment in strategic investment areas. Furthermore, we will ensure sufficient financial soundness (maintain a capital adequacy ratio and CET1 ratio of approximately 10% in normal times).

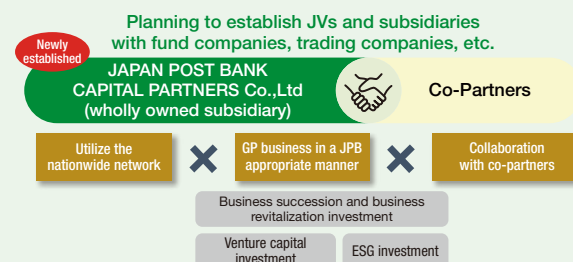
## Full-scale Launch of the $\Sigma$ Business

We will push forward with the full-scale launch of the  $\Sigma$  business as new corporate business for creating futures for societies and local communities through investment. We will realize a “Co-creation Platform” by collaborating and coordinating in partnerships with regional financial institutions and other diverse businesses and promote Japan Post Bank’s unique GP\* business with a subsidiary as the core. The four most salient attributes of this business are “it co-creates with regional financial institutions and others,” “it utilizes the Bank’s nationwide network to carefully identify local funding needs,” “it provides capital funds from a medium- to long-term perspective,” and “it accompanies and supports the investee companies to help them achieve growth and resolve issues.” Through these initiatives, we hope to build the  $\Sigma$  business into a sustainable revenue base going forward as the “third engine” following the retail business and the market business.

\* GP (General Partner): Fund management entity responsible for selecting projects, making investment decisions, etc.

### Establishment of JAPAN POST BANK CAPITAL PARTNERS Co., Ltd.

In May 2024, JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. was established as a wholly owned subsidiary of Japan Post Bank, to serve as the main driver of Japan Post Bank’s unique GP business. Through the company, we will collaborate with the regional financial institutions and other entities as a “Co-creation Platform” and support the growth of customers throughout Japan from a medium- to long-term perspective, and contributing to social and regional development as a community-based bank.



## Top Message from Japan Post Insurance



**Trust from our customers is the source of corporate value.**  
**We aim to build the “Japan Post Insurance brand,” the first and foremost in reliability and familiarity in Japan.**

### TANIGAKI Kunio

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

A year has passed since I was appointed President in June 2023. Looking back on the fiscal year ended March 31, 2024, the third year of the Medium-Term Management Plan announced in the fiscal year ended March 31, 2022, we made efforts to launch new products that aligned with customer needs and adopted a new human resources development system, and pushed forward with initiatives to strengthen sales capabilities in the medium to long term. Thanks to these efforts, we managed to acquire a significant number of new policies as well as achieve higher scores in employee engagement surveys (engagement score surveys). Thus, the past year has been marked by signs of even greater growth.

In such a business environment, in May 2024 we revised our Medium-Term Management Plan, which covered the period until the fiscal year ending March 31, 2026. The revision came about as a re-evaluation of our initiatives at the midway point of the five-year plan and as a recalibration of our management strategies in light of changes in the external environment, such as rising interest rates, as well as changes in the internal environment, including as the resumption of solicitation to elderly customers. The previous Medium-Term Management Plan upheld the two pillars of “Rebirth into a company that is truly trusted by its customers” and “Sustainable growth.” In the revised plan, we have positioned “Retain and expand our customer base” and “A strong company capable of sustainable growth” as the two drivers of our strategy.

First of all, to “Retain and expand our customer base” we will expand the lineup of products that meet the diverse needs of customers and enhance after-sales follow-up services with quality and quantity going forward, based on customer-oriented business operations.

In terms of expanding our product lineup, in January 2024 we launched a lump-sum payment whole life insurance and are also considering new products based on the needs of the “100-year life era,” such as insurance to prepare for when we need nursing care and when we can no longer work. As for after-sales follow-up services, by using both physical and digital channels, we will focus on providing useful information based on the timely grasp of the situation of the customer and their family and resolving worries and difficulties, thereby improving CX.

Through such initiatives as “expanding our product lineup” and “enhancing after-sales follow-up services,” we will provide assurance across life stages/generations. We will retain and expand the customer base by maintaining connections with customers as “a trusted partner who is easy to consult with.”

The other pillar of our growth strategy, “a strong company capable of sustainable growth,” denotes the strengthening of our management base required to fulfill our responsibility to our customers.

To this end, in addition to initiatives under the new human resources development system, the “Kampo GD System,” which was adopted in July 2023, we are strengthening our structure through proactive hiring. By maximizing the strengths of the human resources that support the face-to-face channels of the post office network, we are enhancing our sales capabilities.

Furthermore, in terms of asset management, we are spreading the wings of our business through various partners both in Japan and overseas, such as the capital and business alliance with the Daiwa Securities Group announced in May 2024, in an effort to improve our earnings by capturing the changes in the market environment and to diversify our sources of income as well as generate new growth opportunities. Moreover, we aspire to resolve social issues and fulfill our responsibility as an institutional investor through sustainable investments.

Additionally, through the promotion of DX, we will improve CX and enhance the efficiency of business operations. Improved efficiency will allow us to reskill human resources within the company and assign them to different areas which need reinforcements and have them play meaningful roles. I believe that these are crucial initiatives from the standpoint of utilizing human capital.

The source of our corporate value is “the trust of our customers.” We are making a concerted effort to establish the “Japan Post Insurance brand” as the insurance of the post office that is first and foremost in reliability and familiarity in Japan.

We will continue to steadily fulfill the social mission of Japan Post Insurance of “We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance products,” as we embark on a new stage. We, therefore, ask for your continued support.

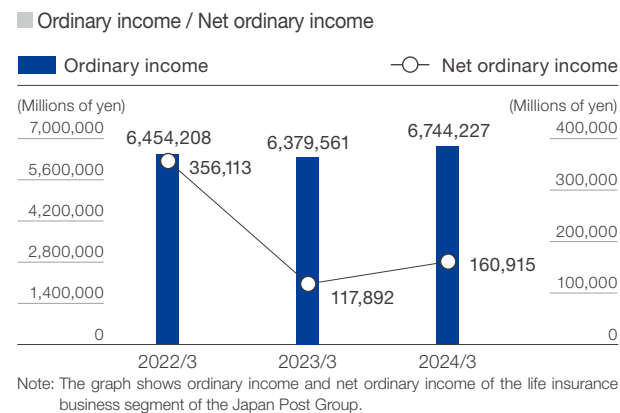
## Business overview

Life Insurance  
Business Segment

Licensed and approved under the Insurance Business Act, Japan Post Insurance Co., Ltd. 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. We have also entered into an operations consignment agreement with Japan Post to solicit our insurance products through its post offices.

## Financial results for the fiscal year ended March 31, 2024

In the life insurance business, while the number of policies in force decreased, thanks to the launch of the lump-sum payment whole life insurance in January 2024, insurance premiums increased and ordinary income amounted to ¥6,744,227 million (up ¥364,665 million year-on-year). In addition to the increase in core profit due to the decline in insurance claims payments for COVID-19, owing to a substantial improvement of capital gains, despite the increase in provisions for contingency reserves due to the aforementioned decline in insurance claims payments, etc., net ordinary income was ¥160,915 million (up ¥43,022 million year-on-year).



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

Strengths	<ul style="list-style-type: none"> <li>Extremely large customer base</li> <li>Procedures available at post offices nationwide</li> <li>Products with easy procedures and smaller coverage amounts</li> </ul>	Challenges	<ul style="list-style-type: none"> <li>Retain and expand customer base based on connections across life stages/generations</li> <li>Grow into a sustainable and strong company that can secure stable income</li> </ul>	Future policy	<ul style="list-style-type: none"> <li>Strengthening the quality and quantity of sales employees through a multi-layered training system and a fundamental review of the recruitment system</li> <li>Continue efforts to regain trust</li> <li>Reinforcement of the business foundations</li> <li>Improvement of customer experience value</li> <li>Promotion of ESG management</li> <li>Corporate culture and work-style reform</li> <li>Reinforcement of governance, capital policy</li> </ul>

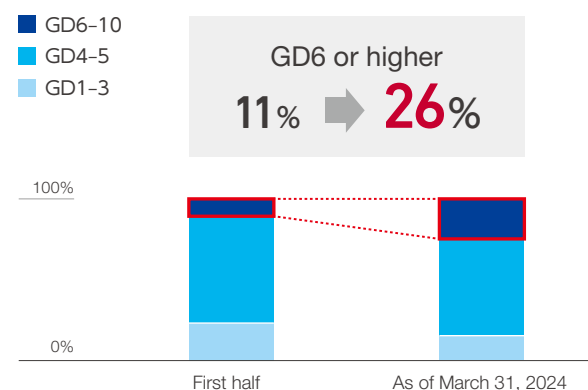
## Strengthening the sales system

In order to provide insurance services that meet the diverse coverage needs of our customers, we accepted more than 10,000 consultants and other employees seconded from Japan Post Co., Ltd. in April 2022 to be managed directly and responsibly by Japan Post Insurance. Through this, we have been building a new sales system at Japan Post Insurance that combines our expertise and the breadth of post office counters to realize comprehensive consulting services provided by the Japan Post Group as a whole.

## “Kampo GD System,” the new human resources development system

In July 2023, to develop the abilities of each consultant from a medium-to long-term perspective, we introduced the Kampo GD System as a new system to comprehensively and quantitatively evaluate not only sales performance but also the ability to build a relationship of trust with customers through the solicitation process and after-sales follow-up services and the degree of their growth. The assessments in the Kampo GD System show that the percentage of employees in the mid-to-high assessment range is steadily increasing, and it is an indication that under the system being evaluated for high levels of customer service is raising the motivation of employees and encouraging the continuous growth of sales capabilities.

## &lt;Changes in the percentage of employees by GD in FY2024/3&gt;

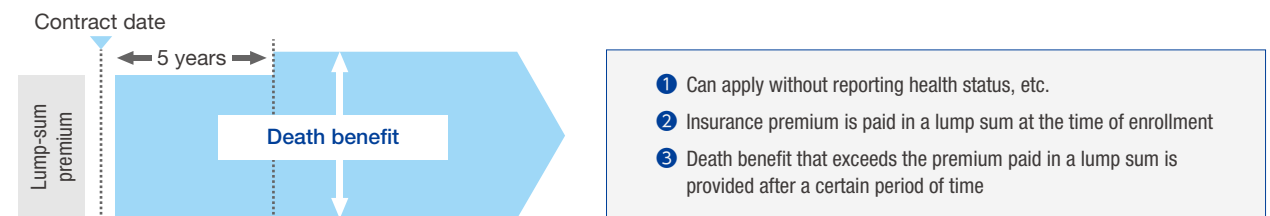
Launch of *Tsunagu Shiawase* (Lump-Sum Payment Whole Life Insurance)

In January 2024, we launched lump-sum payment whole life insurance to meet the needs of middle-aged and elderly customers for lifetime death benefits and to promptly secure funeral expenses and living funds for surviving family members in the event of their own death. Customers can apply for this policy without reporting their health status, and it provides death benefits that exceed the lump-sum premium after a certain period of time.

This product was eagerly awaited, with consultants who work with customers on a daily basis reporting high customer demand for it. In the three months since its launch in January 2024, approximately 160,000 policies have been sold, and the product has been well received by many customers.



## &lt;Lump-Sum Payment Whole Life Insurance Product Image&gt;



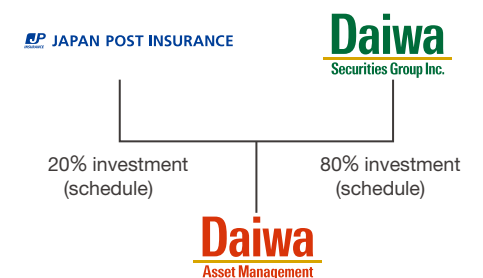
## Diversifying sources of revenue/creating new opportunities for growth

In the Medium-Term Management Plan, Japan Post Insurance promotes the diversification of sources of revenue and the creation of new opportunities for growth and will work toward expanding collaborations aimed at further growth based on various alliances in both Japan and overseas and achieving greater depth and evolution of asset management that will contribute to promoting Japan as a Leading Asset Management Center.

## Capital and business alliance with Daiwa Securities Group in the asset management field

In May 2024, we entered into a capital and business alliance with Daiwa Securities Group. Through the acquisition of 20% of Daiwa Asset Management Co., Ltd.'s shares, we aim to acquire a new revenue source by entering the investment trust business, with strengthening investment management capabilities and heightening the abilities of dedicated professionals.

## &lt;Capital and business alliance with Daiwa Securities Group&gt;



## Strategic partnership with KKR and GA

In June 2023, as the first international partnership for Japan Post Insurance, we entered into a strategic partnership with KKR & Co. ("KKR"), one of the world's leading asset management companies, and its subsidiary, Global Atlantic Financial Group ("GA"), which conducts large-scale reinsurance operations of life insurance and annuities. In addition to this partnership, we will make commensurate investments in the reinsurance co-investment vehicle managed by GA.

By utilizing the business infrastructures of KKR and GA, we hope to capture overseas revenue, bolster growth, and diversify our business portfolio.

## Business and capital alliance with MITSUI &amp; CO.

In August 2022, MKAM Co., Ltd. was established as an intermediary holding company of Mitsui & Co., Realty Management Ltd. ("MBRM") for the purpose of collaboration between MITSUI & CO., LTD. and Japan Post Insurance. MBRM launched a flagship fund in which Japan Post Insurance is investing as a limited partner. We are striving to expand the scope of our investees and the breadth of our investment strategies and to create new investment opportunities. Currently, the balance of assets under management is steadily increasing and we are aiming for assets in the hundreds of billions of yen.



# Real Estate Business



## To become a new earnings pillar 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, 2024, we continued from the previous fiscal year to promote the development of properties earmarked for development in “JP Vision 2025.”

As for the development of Group-owned real estate in prime locations with exceptional real estate value, we completed the Azabudai Hills Mori JP Tower in June 2023, the Gotanda JP Building in December 2023, and the JP Tower Osaka in March 2024. In addition, we engaged in the development of rental units and condominiums on former company housing sites.

We also invested in non-Group-owned real estate, including the acquisition of profit-making properties, upon examining their use of buildings and markets by area.

In “JP Vision 2025+ (Plus),” announced after the revision to JP Vision 2025, we decided to re-examine the timelines for future development projects and make the methods for carrying

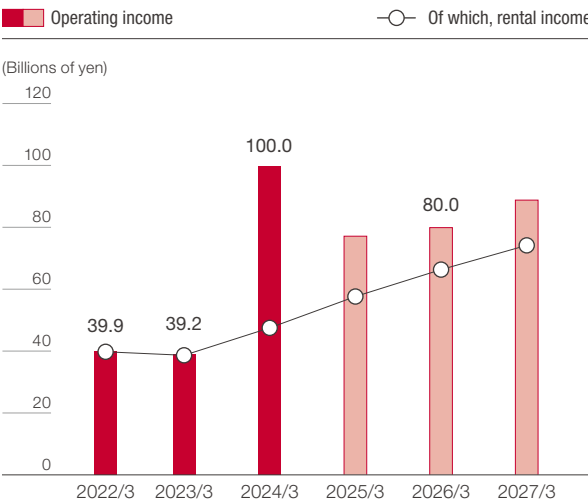
them out more efficient in light of the massive changes to the business environment, including soaring construction costs.

In the fiscal year ending March 31, 2025, in promoting the development of real estate earmarked for development across the country, we will continue to focus on expanding the stable rental business, while diversifying sources of revenue including efforts in condominiums for sale. In terms of the acquisition of non-Group-owned, profit-making properties, we will also keep a close eye on market trends and carefully select properties for our real estate investments to achieve the initiatives of JP Vision 2025+.

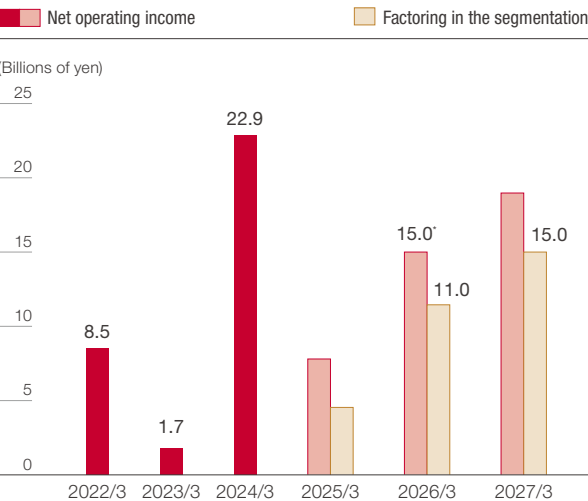
Furthermore, to ensure efficient performance management and appropriate disclosures, the Real Estate business segment was established and its business performance will be disclosed from the fiscal year ending March 31, 2025.

## Numerical targets of the Real Estate Business

### Operating income



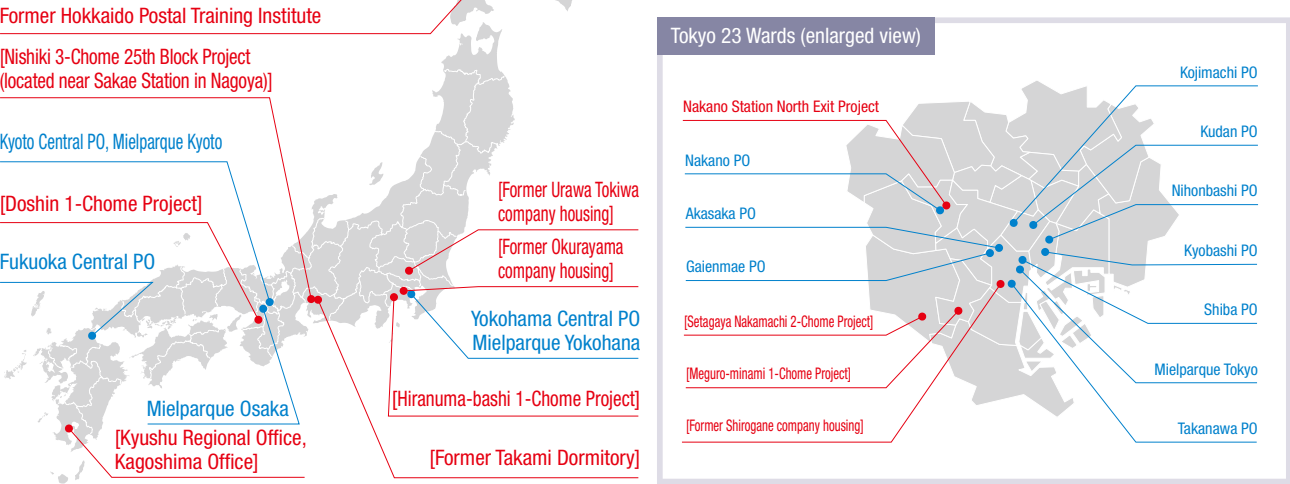
### Net operating income



\* Excluding the impact of segmentation (the burden of operating expenses in the common divisions), we project net operating income of ¥15.0 billion, which remains unchanged from the initial target.

## Major properties with development potential

[ ]: Projects already in progress and scheduled to progress  
Red: Projects expected to start during the JP Vision 2025 period  
Blue: Projects other than the above  
(Others: Kobe lot, Nagasaki Central Post Office)  
PO: Post Office



## Properties completed in the fiscal year ended March 31, 2024

### (1) JP Tower Osaka (completed in March 2024)

This project comprises a complex facility with various functions including offices, the retail facility KITTE OSAKA, a theater, and a hotel. Additionally, a portion of the former Osaka Central Post Office Building, a familiar landmark of the local community, will be handed to posterity as a legacy upon being preserved, relocated, and integrated by being used as an entrance and part of the retail facility.

KITTE OSAKA gathers attractive people, things, and events from all over Japan and aspires to become a place to discover and recognize in a new light the best of Japan. Therefore, its overarching concept is “the UNKNOWN,” and it offers various restaurants and stores selling goods and services on each floor. Going forward, it will collaborate with the surrounding facilities to create a bustling area around JR Osaka Station and enhance the value of the area.



### (2) Gotanda JP Building (completed in December 2023)

This project, based on the concept of “TOKYO, NEXT CREATION,” comprises a complex facility offering offices, shared offices, a hotel, and a food hall as the hub of the next-generation city.

On a typical floor, offices occupy approximately 3,300 m<sup>2</sup>, making it one of the largest open spaces in the Gotanda area. This will stimulate communications and expand the business' potential.

“Gotanda Shokudo,” the food hall on the first floor, encapsulates the concept of “a cafeteria in Gotanda,” where people from all walks of life including neighborhood residents, office workers, and families can come and spend some time without a care in the world, and offers a wide variety of shops offering “tastes unique to Gotanda.”

The building represents a complex of uses enabling diverse encounters and interactions and contributes to the lively hustle and bustle as a hub of the next-generation city encouraging the creation of new value.





# Sustainability Management

Achieving sustainable growth of the Group and society through “improving the well-being of communities and individuals” and “contributing to a low-environmental-load society”



ASAI Tomonori

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

## Toward sustainable growth of the Group and society

The expectations and demands from stakeholders for sustainability initiatives have been increasing more than ever in recent years, including enhancement for disclosure of sustainability information, the promotion of human capital-oriented management, addressing biodiversity, and the transition to a green transformation (GX) economy.

The Japan Post Group, mainly through its postal and domestic logistics business, banking business, and insurance business, has been providing services that are indispensable to the lives of people of local communities. I believe that sustainability management not only meets these expectations and demands but also serves as a crucial pillar for Group management from the standpoint of the Group's growth and the sustainability of the Group and society.

In the current Medium-Term Management Plan “JP Vision 2025+ (Plus),” we have also clearly articulated the role of sustainability management. Moreover, in order to further elevate sustainability management, we have added “Employee engagement score” and “Support childcare for a balance with work” as new targets, in addition to our non-financial targets of “Greenhouse gas (GHG) emissions” and “Ratio of women in management roles.”

## Creating value that leverages the Group's strengths

To promote sustainability management, we have identified six themes as material issues relating to sustainability, including (1) Local communities and economies, (2) Responding to the aging society, (3) Access to services, and (4) Environment. These issues were selected from among the various environmental and social issues surrounding the Group that impact corporate value and that are relevant in terms of materiality vis-à-vis stakeholders and their expectations.

In addressing the initiatives for these material issues in each business, we leveraged the strengths of the Japan Post Group and worked cross-sectionally to ensure collaborative efforts in implementing these initiatives through the familiar post offices and throughout the supply chain.

These strengths assume “fulfilling the role of post offices as regional hubs,” “the fusion of digital and physical services,” “efforts across the entire supply chain,” and “accelerating the social implementation of innovations.”

Through these initiatives, we aim to achieve value creation that will “improve the well-being of communities and individuals” and “contribute to a low-environmental-load society.”

## Toward “ambidextrous management” and “emergent strategies”

Meanwhile, when addressing environmental and social issues, society as a whole faces a succession of new and emerging issues and the approach of planning beforehand may not necessarily be conducive to such problem-solving.

To deal with such issues, it is imperative that we carry out “exploration” activities in our ambidextrous management, where we clarify the approaches and goals that leverage the Japan Post Group's strength, consider a broad range of feasible measures, and implement improvements according to the progress of the initiatives.

For example, in the reduction of GHG emissions, we are engaging in various collaborations with other companies and working to accumulate expertise and knowledge. We are also aggressively cooperating with start-ups pushing forward with new technologies and business models.

Additionally, we are revising the organizational operations, personal evaluation systems, and human resource development that support these initiatives.

These collaborations that leverage the unique features of the Group, namely the broad range of business areas and extensive contact points with consumers, are not only effective in promoting the sustainability management of the Group but also contribute to resolving environmental and social issues through the social implementation of innovations.

## Toward “taking ownership” of sustainability

To promote sustainability management on a Group-wide level, it is important that everyone including officers and employees, and even persons within and outside the Group, take ownership.

To this end, we are coordinating with various existing measures including those to instill “pride and fulfillment” in employees, as well as proactively communicating with Group and non-Group stakeholders through Japan Post's owned media “JP CAST” and other outlets.

Through these initiatives, we hope to ultimately put in place a virtuous cycle in which the interactions between post office employees around the nation and various local entities are energized, as this raises expectations toward post offices and improves employees' pride and fulfillment. This, in turn, leads to greater support of the Group's services by customers.

## Concept of sustainability management

The Japan Post Group articulates in the Japan Post Group Basic Sustainability Policy that it will endeavor to achieve sustainable growth for the Group and increase corporate value over the medium to long term, by resolving social issues relating to sustainability through the Group's business activities.

Additionally, in the Medium-Term Management Plan “JP Vision 2025+,” announced in May 2024, we set the goal of sustainability management as “Leveraging the Japan Post Group's strengths, we aim for growth as the Group based on each business strategy. We also seek greater sustainability of society and the Group through improving well-being and contributing to a low-environmental-load society, such as GX,” and commit ourselves to promoting sustainability management. JP Vision 2025+ has been approved by the Management Meeting and the Board of Directors.

Japan Post Group  
Basic Sustainability Policy

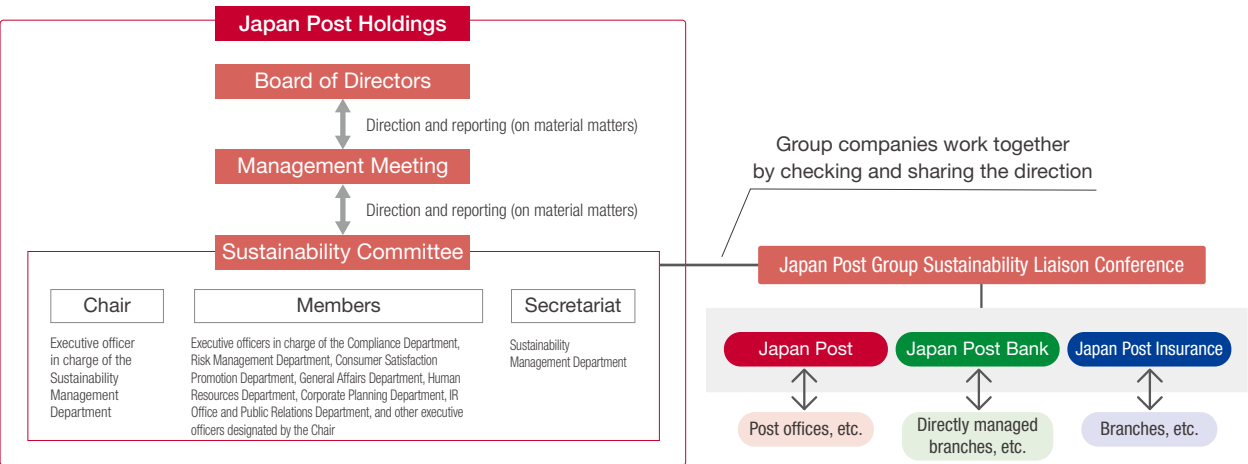


## Sustainability promotion system

The Sustainability Committee (chaired by the executive officer in charge of the Sustainability Management Department, and meets approximately four times a year, with the attendance of the President and Representative Executive Officer and other officers as special committee members, as necessary), which was established as an advisory body to the Management Meeting, deliberates the risks and opportunities relating to sustainability, policies for addressing sustainability, metrics and targets, and progress on the initiatives, and reports the results of the deliberations to the Management Meeting and the Board of Directors.

In addition, the Japan Post Group Sustainability Liaison Conference, whose members include executive officers in charge of sustainability at each Group company, is also held along with the Sustainability Committee to promote sustainability management as a unified Group.

The deliberation status of the Sustainability Committee is reported to the Management Meeting and the Board of Directors.



## Convening of the Sustainability Committee in the fiscal year ended March 31, 2024

Date	Major deliberation and reporting matters, etc.
1st Meeting July 4, 2023	The sustainability promotion system, matters related to human capital-oriented management, matters related to climate change measures, matters related to ESG evaluation agencies and institutional investors, matters related to the revision of the Japan Post Group Medium-Term Management Plan (e.g., how to bring the process for value creation to life), matters related to risk management, etc.
2nd Meeting October 4, 2023	Matters related to the revision of the Japan Post Group Medium-Term Management Plan (e.g., responses to material issues and revision of the targets for reduction of GHG emissions), matters related to human capital-oriented management, matters related to ESG evaluation agencies, matters related to the GX League, etc.
3rd Meeting December 7, 2023	Matters related to the revision of the Japan Post Group Medium-Term Management Plan (e.g., the positioning of sustainability management, how to bring the responses to material issues to life, revision of the targets for reduction of GHG emissions, addition of quantitative targets, ESG investments), matters related to promotion of sustainability management, risk awareness related to material issues on sustainability and response status, etc.
4th Meeting March 4, 2024	Matters related to achieving targets in the Japan Post Group Medium-Term Management Plan (e.g., revision of the targets for the reduction of GHG emissions and human capital-oriented management), matters related to sustainability initiatives for the fiscal year ending March 31, 2025 (e.g., policies for the initiatives and deliberation of ICP), matters related to the policy for the preparation of the Annual Securities Report and the Annual Report, etc.

Note: The 4th meeting of the Sustainability Committee was attended by MASUDA Hiroya, Director and Representative Executive Officer, President & CEO.

Identify material sustainability issues and organize the direction of initiatives

In order to clarify the material issues to be addressed regarding sustainability, the Japan Post Group has identified issues based on the Sustainable Development Goals (SDGs), ISO 26000, Global Reporting Initiative (GRI) Standards, etc., and has created the “Sustainability Topic List.” Based on this list, we conducted a questionnaire to stakeholders of the Group, and evaluated the two axes of “impact on corporate value” and “importance and expectations for stakeholders” with reference to the opinions of institutional investors, etc., and the opinions of experts in municipalities and regions across the country, and identified particularly important issues. After further grouping these issues and confirming their consistency with the Management Philosophy and the Medium-Term Management Plan, we organized them into six areas and clarified the direction of each initiative.

Step 1  
Extracting the topics

Topics were identified by referring to the SDGs, ISO 26000, GRI Standards, etc., grouped, and extracted as the “Sustainability Topic List.”

The issues extracted in Step 1 were evaluated on two axes: “impact on corporate value” and “importance and expectations for stakeholders” with reference to the following, and particularly important issues were identified.

Japan Post stakeholders

Questionnaire to our executives, employees, customers, and business partners

Investors, etc.

Opinions of institutional investors

Relationship with matters regarded as important topics by industry in the Sustainability Accounting Standards Board (SASB) Standards

Regions

Matters expected from post offices by municipalities across Japan

The “Survey Results on Regional Contributions Required of Post Offices (Flash Report) (November 21, 2022),” conducted by the Postal Administration Department under the Ministry of Internal Affairs and Communications, reflects the responses from municipalities across Japan regarding “areas that we would like to work on in cooperation with post offices.”

Experts

Opinions of local experts

Reflects opinions and requests to the Group at group meetings for regional opinion leaders conducted by Japan Post Co., Ltd. branch offices

Results of dialogue with experts on sustainability, etc.

Please refer to “Findings on sustainability issues based on the Materiality Matrix.” P.57

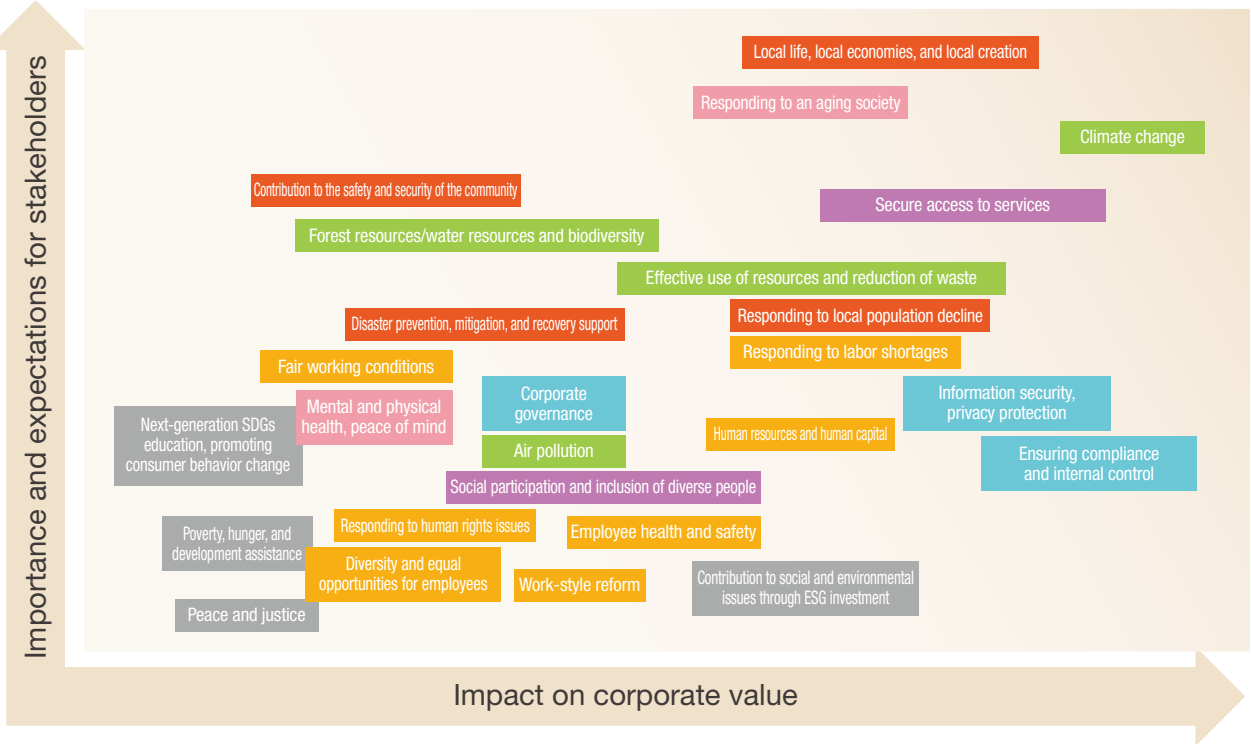
Step 2  
Assessment from internal/external perspectives

After grouping the particularly important topics and their closely related topics, their consistency with the Management Philosophy and the Medium-Term Management Plan was verified and sorted into six areas, and the direction to be taken by each initiative was clarified.

Please refer to “Six areas for key sustainability issues” and “Direction of the initiatives.” P.57

Step 3  
Verification of appropriateness and integrated management

Findings on sustainability issues based on the Materiality Matrix



Material issues relating to sustainability of the Japan Post Group (Six areas and Direction of the initiatives)

Material issues	Six areas	Direction of the initiatives
Local communities and economies	Local life, local economies, and local creation	Provide solutions corresponding to regional issues through utilization of the Japan Post Holdings network
	Responding to local population decline	
	Contribution to the safety and security of the community	
	Disaster prevention, mitigation, and recovery support	
Responding to the aging society	Responding to an aging society	Give lifelong support in an era of the 100-year lifespan by providing services that support the aging society
	Mental and physical health, peace of mind	
Access to services	Secure access to services	Contribute to an enriched life by providing user-friendly services that align with the various needs of the people
	Social participation and inclusion of diverse people	
Environment	Climate change	Lessen the environmental load of business operations and contribute to a low-environmental-load society
	Effective use of resources and reduction of waste	
	Forest resources/water resources and biodiversity	
	Air pollution	
Human resources and human capital	Responding to labor shortages	A workplace where employees can work with “pride and fulfillment”
	Human resources and human capital	
	Fair working conditions	
	Employee health and safety	
	Responding to human rights issues	
	Work-style reform	
Management foundation	Diversity and equal opportunities for employees	Establish a management foundation that is trusted by our customers and contributes to resolving social issues
	Ensuring compliance and internal control	
	Information security, privacy protection	
	Corporate governance	



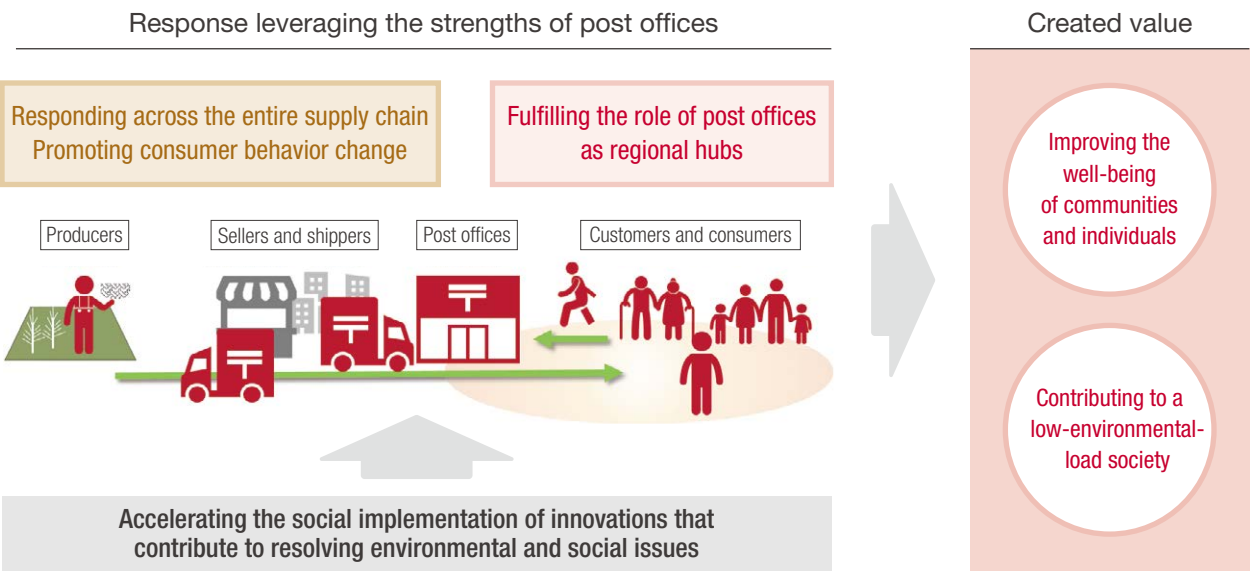
■ Responding to important sustainability issues leveraging the strengths of the Japan Post Group

The Japan Post Group is deeply connected to local community members through its network of approximately 24,000 post offices nationwide. As regional hubs, these post offices have become familiar contact points that connect diverse people and local activities.

In addition, it plays a role in connecting producers and consumers in the supply chain not only through delivery by the postal and logistics networks but also through information dissemination using its post offices, which are familiar contact points.

The Group aims to improve the well-being of communities and individuals and contribute to a low-environmental-load society by responding to important sustainability issues throughout its business, while utilizing these characteristics as strengths by “fulfilling the role of post offices as regional hubs,” “responding across the entire supply chain,” and “promoting consumer behavior change.”

In addition, we are accelerating the social implementation of innovations such as new technologies and business models that contribute to resolving environmental and social issues by taking advantage of the diverse locations of our post offices, our wide range of business areas, and the fact that we are a familiar contact point with consumers.



The Japan Post Group's concept of "Well-being"

"Well-being" is defined as "a state of complete physical, mental, and social health" (Preamble to the WHO Constitution).

The Japan Post Group believes that "individual well-being" and "community well-being" are closely related, and that "community well-being" will be improved when individuals with complete well-being actively participate in the community and society, and when various activities in the region and various communities resonate at multiple levels.

Based on this approach, we will support diverse individuals in their lives according to their life stage, and will also support the creation of vibrant regions and communities where individuals can recognize and support each other.

The diagram shows a central circle labeled "Community well-being". Surrounding this central circle are six smaller circles, each labeled "Individual well-being". These individual well-being circles are arranged in a ring around the community well-being circle, with lines connecting them to form a continuous loop. Each individual well-being circle contains an icon representing a different life stage or group: a family, an elderly person, a person with a cane, a person with a backpack, a family, and a person with a cane.

■ Aiming to improve the well-being of communities and individuals and contribute to a low-environmental-load society

Improving the well-being of communities and individuals

The Japan Post Group views "individual well-being" from four perspectives: health and safety, economic foundation, career and motivation in life, and social participation. In addition, we believe that the approach to well-being varies depending on each life stage, from young to old.

In order for the diverse residents of a community to live in their own way without health or economic concerns, and to actively participate in the community and society, the Japan Post Group aims to improve the well-being of community residents by promoting initiatives from each perspective and each life stage in addition to the services and initiatives it has provided up to now.

At the same time, post offices, which are familiar contact points in communities, serve as regional hubs, and we aim to improve "community well-being" through various social, economic, cultural, and other activities in the community that have a positive impact on each other and that are linked to each other.

		Life stage (example)			
		Young people	Adults	Families	Elderly people
Communities	<b>Community well-being (Communities)</b> Resonance of multilayered activities, coexistence of diverse values	Sense of belonging in the community	Participate in various local activities and coexist		Utilize wisdom as an experienced person for sustainable community development
	<b>Social well-being (Social participation)</b> Individuals become involved in various social activities	Nurtured Watched over	Active in the community Independent		Give back Supported
	<b>Career well-being (Career and motivation in life)</b> Motivation in life, job satisfaction, and career development and self-realization	Before Career Study	1st Career Career formation	2nd Career Skill demonstration/ reskilling	3rd Career Giving back knowledge
	<b>Financial well-being (Economic foundation)</b> Asset creation for a prosperous retirement and financial independence	Acquire financial literacy	Asset formation (offensive)	Asset formation (defensive)	Asset succession Asset reversal
Individuals	<b>Physical well-being (Health and safety)</b> Prerequisites for a long life and active participation in both physical and mental health	Grow up healthy	Prevent lifestyle-related diseases		Increase healthy life expectancy
			Live in the community (clothing, food, shelter) without problems		

Contributing to a low-environmental-load society

The Japan Post Group will promote efforts throughout the supply chain to address issues such as climate change, resource recycling, and biodiversity, and aim to contribute to a low-environmental-load society.

For example, we are promoting the development and provision of environmentally friendly products and services by utilizing functions that connect producers and consumers in the supply chain through postal and logistics networks so that consumers can easily participate in consumption activities that lead to the reduction of GHG emissions and resource recycling.

In addition to reducing the GHG emissions of our Group, such as by promoting EVs for delivery vehicles and solar power generation, we are also contributing to reducing the environmental impact of communities and society by optimizing renewable energy using batteries and making rapid charging facilities for EVs available to communities.





Aiming for a virtuous cycle of cooperation in the supply chain and consumer behavior change

Environmental and social issues need to be addressed collaboratively by companies in the supply chain, rather than by companies alone.

On the other hand, in order for more consumers to use products and services that address environmental and social issues, it is necessary for consumers to understand their significance and change their behavior by choosing these products and services.

The Japan Post Group aims to create a virtuous cycle of cooperation in the supply chain and consumer behavior change by utilizing its postal and logistics network that connects producers and consumers, and its post offices, which are familiar contact points for consumers.

Promoting “ethical” choices that are kind to the environment, people, and society

Contributing to CO<sub>2</sub> reduction and work-style reform among producers through “Ethical Furusato Kozutsumi” (Hometown Parcels)

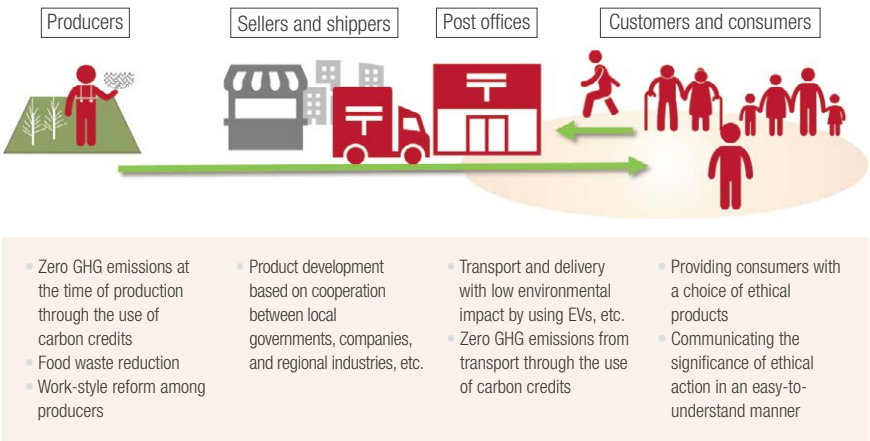
Japan Post is making efforts to promote ethical consumer choices through product development and sales of “Ethical Furusato Kozutsumi” parcels that contribute to (1) carbon offsetting (CO<sub>2</sub> reduction), (2) food waste reduction, and (3) work-style reform among producers.

In 2022, through an exchange of opinions with the Regional Mirai Project (Hiroyuki Kishi Laboratory, Graduate School of Media Design, Keio University), we cooperated with Okts inc., a start-up engaged in regional revitalization, and piloted “Ethical Furusato Kozutsumi” parcels of mango and pineapple from Okinawa Prefecture at post offices in Tokyo.

In this initiative, in order to convey the significance of ethical action that has not yet fully penetrated the general public to customers in an easy-to-understand manner, students at Tokyo Metropolitan Chihaya High School undertook an initiative to convey the concept through a handmade POP display, and roughly 80% of customers chose products with carbon offsets.

Furthermore, in 2023 we participated in the Saga Prefecture Ethical Advanced Community Demonstration Project. With the theme of creating new industries in Saga Prefecture, this project aims to contribute to resolving problems such as reducing CO<sub>2</sub>, improving delivery efficiency, and countering food waste. Under this project, we piloted sales of dried products from Yobuko, Saga Prefecture, and Saga beef retort curry as “Ethical Furusato Kozutsumi” parcels.

In addition, 51 post offices in Saga City and Tosu City participated in an “Ethical Action” campaign as part of the project. This campaign raised awareness of ethical action by having participants record ethical behaviors. Participating employees engaged in ethical behaviors in their daily work and private lives.



For the “Ethical Furusato Kozutsumi” parcels of mango and pineapple from Okinawa, students at Tokyo Metropolitan Chihaya High School communicated the significance of ethical action to customers who came to the post office.

“Ethical Furusato Kozutsumi” parcels that connect producers and consumers

Consumption behavior that considers the environment, people, society, and the community is called “ethical consumption.” “Ethical Furusato Kozutsumi” parcels sold by post offices promote ethical consumer behavior through (1) carbon offsetting (CO<sub>2</sub> reduction), (2) food waste reduction, and (3) work-style reform among producers, contributing to the realization of a low-environmental-load society.

Promoting the participation of diverse people in society

Communicating the significance of agricultural cooperation and product sales through familiar post offices

Agriculture-Welfare Cooperation is an initiative to realize social participation with confidence and a sense of purpose through the active participation of people with disabilities in the agricultural field. In recent years, it has spread to the elderly and people living in poverty, and is expected to improve the quality of life of diverse people.

In March 2023, Japan Post Holdings and Japan Post entered into a comprehensive cooperation agreement with the Agriculture-Welfare Cooperation Association to promote the cooperation between agriculture and welfare. Based on this agreement, agricultural products and processed products produced by people with disabilities in the community were sold unattended in some areas, and they were also sold in post office online shops and via flyers.

In addition, together with the sales, we also worked to communicate the significance of Agriculture-Welfare Cooperation. Customers who visit post offices will deepen their understanding of the activities and support economic independence through the act of purchasing Agriculture-Welfare Cooperation products.

Such Agriculture-Welfare Cooperation efforts at post offices play a role in increasing opportunities for people with disabilities to play an active role in society and deepening local understanding and cooperation with people with disabilities.



Ishinomaki Tachimachi Post Office members who communicate the attraction of the community through Ishinomaki Farm products (dried sweet potatoes)

Promoting consumer reuse and recycling to realize a recycling-oriented society

Utilizing post offices as familiar collection bases for unnecessary items

Japan Post has set up “PASSTO” collection boxes at post offices for reuse and recycling, and collects unwanted clothing, hats, bags, and belts.

Local residents can use unnecessary clothing as a resource rather than disposing of unnecessary items as garbage by posting it to “PASSTO,” which are located in familiar post offices, just as one would post a parcel.

This initiative, which began with the Shibuya Post Office (Tokyo) and Nagareyama Post Office (Chiba Prefecture), is now expanding to more post offices. Our aim is that local post offices become contact points for consumers’ eco-action and contribute to the realization of a recycling-oriented society.



“PASSTO” was co-created with the environmental start-up company ECOMMIT Co., Ltd., and aims to form a circular model with post offices as the hub by combining “PASSTO” with the post offices and delivery network owned by Japan Post.

Aiming to reduce our own and community GHG emissions

In the Medium-Term Management Plan “JP Vision 2025+ (Plus),” the Japan Post Group aims to achieve carbon neutrality by 2050 and to reduce GHG emissions by 46% in the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020).

Since Japan Post and its postal and logistics subsidiaries account for more than 90% of the Group’s GHG emissions, we are focusing on reducing emissions from post and parcel transportation and delivery vehicles and from electricity used in buildings such as post offices.

On the other hand, in order to achieve the goals, it is necessary for Japan as a whole to make considerable progress in the spread of renewable energy and carbon neutrality.

For this reason, the Japan Post Group is working to enable post offices to play a role as community hubs even in reducing emissions in communities and society as a whole, and to promote reductions across the entire supply chain.

Specifically, Japan Post, which accounts for most of the Group’s emissions, is working to reduce GHG emissions from the viewpoints of “electrification and elimination of fossil fuels,” “energy efficiency,” “novel energy,” and “development and renewal of products and services” as shown in the table below.

Efforts to reduce GHG emissions at Japan Post

Reduction measures	Matters to be addressed	Specific initiatives	
1. Electrification and elimination of fossil fuels	• Introduction of EVs / hydrogen fuel cell trucks (FCVs) / renewable diesel (RD) fuel vehicles	• EV small vehicles • EV motorcycles • RD fuel vehicles • Hydrogen fuel cell trucks (FCVs)	Approx. 5,000 total Approx. 16,300 total 1 total 5 total  • + Opening of 14 “+Eco Post Offices” • Use of renewable energy (Air conditioning using woody biomass fuel and underground heat)
2. Energy efficiency	• Energy management, net zero energy buildings (ZEBs)	• Post office LED lighting • ZEB post office Naha Higashi Post Office (scheduled to open in October 2024)	16,452 total  • Utilization of cross-laminated timber (CLT)
3. Novel energy	• Introduction of power purchase agreement (PPA), photovoltaic (PV), and batteries	• Strategic cooperation with electric power companies, etc. • Solar power generation facilities • Introduce at 50 post offices nationwide • Introduction of power storage equipment	Tempaku Post Office, Okayama Post Office (scheduled for the fiscal year ending March 31, 2025)
4. Development and renewal of products and services	• Visualization of GHG emissions • Optimizing delivery time slot designations	• Start developing a tool to visualize GHG emissions • Reduce re-deliveries through package drop-off • Optimize re-delivery times to 6 slots (from October 2024)	



- Delivery by EV motorcycles and EVs
  - Essential transport by hydrogen fuel cell trucks (FCVs) and practical demonstration experiments
  - Essential transport by RD fuel vehicles and practical demonstration experiments
- Demonstration experiments that contribute to technological innovation of EVs
  - Reducing GHG emissions through the use of renewable energy such as solar power
  - Contributing to the use of novel energy and dissemination of renewable energy in communities
  - Community access to EV chargers
  - Optimization of the power supply and demand balance using battery sites, use by the community in the event of a disaster, etc.
  - Environmentally friendly post offices that take advantage of regional characteristics and ZEB-certified post offices

Promotion of carbon neutrality in communities using post offices

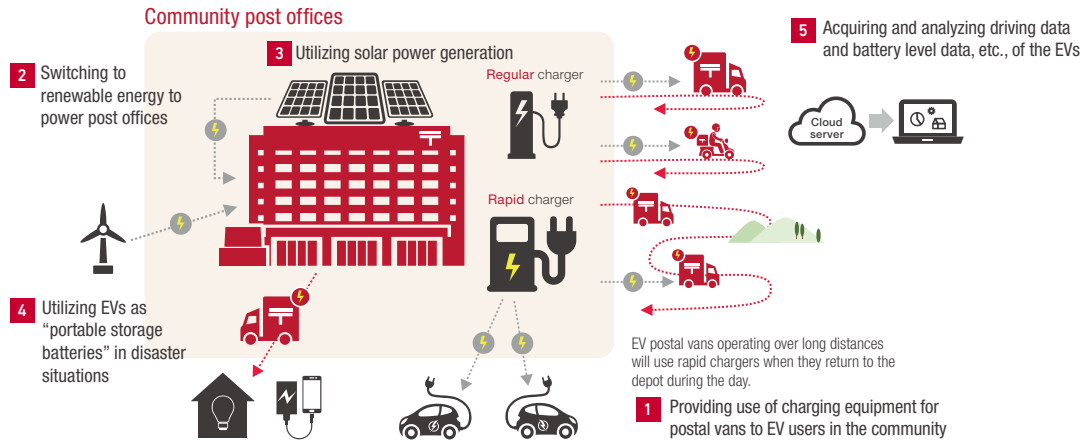
Demonstration experiments to improve the performance of EVs and the use of renewable energy in communities

Based on a strategic alliance with Tokyo Electric Power Company Holdings, Inc., Japan Post has been conducting demonstration experiments to extend the range of EVs at Oyama Post Office (Tochigi Prefecture) and Numazu Post Office (Shizuoka Prefecture) since 2021.

MITSUBISHI MOTORS CORPORATION also participated in these demonstration experiments, and we are working to improve the driving performance of not only EVs for deliveries but also commercial EVs as a whole, contributing to the spread of EVs across Japanese society.

In addition, we are making rapid chargers available to customers and local community members, contributing to the spread of renewable energy and the promotion of EVs in communities.

We will continue to contribute to the promotion of carbon neutrality in communities through such efforts.



Making essential transportation carbon neutral

As motorcycles and small cars shift to EVs, technological innovations to decarbonize medium- and large-sized vehicles, which are responsible for long-haul transportation, are expected. Japan Post and its subsidiary, Japan Post Transport, are working to decarbonize medium- and large-sized vehicles responsible for essential transportation through demonstration experiments such as the Green Innovation Fund Project. Through these demonstration experiments, we will contribute to the reduction of GHG emissions in our Group and supply chain and the decarbonization of society as a whole, and achieve a low-environmental-load society.

Introduction of renewable diesel (RD) fuel vehicles

Since May 2023, we have been conducting demonstration experiments to confirm the feasibility of RD fuel.

We are operating an RD fuel vehicle between Kanagawa Nishi Post Office (Kanagawa Prefecture) and the post offices it oversees, and checking whether there are any problems in actual operation.

\* RD fuel is a biodiesel fuel made from waste vegetable oil, etc., and according to the Act on Promotion of Global Warming Countermeasures, CO<sub>2</sub> emissions are zero (carbon neutral).



Transportation by hydrogen fuel cell truck (FCV)

We have started transporting mail, etc., by FCV since November 2023. Five small FCVs (three-ton vehicles) have been introduced and are currently operating between post offices in Tokyo.

From the fiscal year ending March 31, 2026, we plan to introduce four large FCVs (10-ton vehicles).





Effective use of renewable energy by responding to the volatility of power supply and demand

Contributing to improving the efficiency of the use of renewable energy and the stability of power supply and demand through the use of batteries

The supply of renewable energy such as solar power varies depending on the time of day, season, and weather. Similarly, demand is volatile, so demand and supply do not match, and oversupply or undersupply may occur. This is a problem not only for post offices that use renewable energy but also for society as a whole.

By utilizing batteries, Japan Post aims to store solar energy generated during the day in batteries and discharge it at night when demand peaks, thereby contributing to improving the efficiency of the use of renewable energy and stabilizing power supply and demand in the community and society as a whole.

For example, based on a strategic alliance with the Chubu Electric Power Group, we have installed solar power generation facilities and batteries at Tempaku Post Office (Aichi Prefecture), and are promoting efforts to utilize renewable energy and optimize energy use.

In addition, based on an agreement on cooperation with PowerX Inc. to promote a carbon neutral society, we are promoting the introduction of power optimization services using large-scale batteries at Okayama Post Office (Okayama Prefecture).

Environmentally friendly post offices that take advantage of regional characteristics and ZEB-certified post offices

Environmentally friendly “+Eco Post Offices” that take advantage of regional characteristics

Japan Post has established eco-friendly “+Eco Post Offices” that use renewable energy such as solar power generation facilities and CLT\*, and is not only working to reduce its GHG emissions but also to promote carbon neutrality in communities. By March 2024, we had opened 14 “+Eco Post Offices” nationwide.

At the Aeon Town Takanosu Post Office (Kitaakita City, Akita Prefecture), which opened in January 2024, we have introduced CLT and air conditioning using underground heat—a first for a post office—as a source of renewable energy.

\* Cross-laminated timber (CLT): Thick panels with long, plate-like wood interlocked vertically and horizontally. It has excellent strength and thermal insulation, and reduces CO<sub>2</sub> compared to concrete and steel.

First post office with ZEB certification

The Naha Higashi Post Office (scheduled to open in October 2024) received the first ZEB certification\* (Nearly ZEB) for a post office in June 2023.

In addition to increasing the energy efficiency of the building, we introduced solar power generation facilities and battery facilities to create an energy-independent post office.

In addition, as a resilient ZEB, it is expected to play a role as a temporary refuge for local residents in the event of a disaster.



\* ZEB certification system: ZEB is an abbreviation for Net Zero Energy Building. ZEB buildings aim to cut the annual primary energy consumed by the building to zero while achieving a comfortable indoor environment, and are certified by a public institution. “Nearly ZEB” refers to a building that is extremely close to ZEB and achieves energy savings of more than 50% compared to conventional buildings, while reducing the annual primary energy consumption to less than 25% through the use of renewable energy generation.

Reducing GHG emissions across the supply chain

Japan Post aims to obtain SBTi certification

In April 2024, Japan Post and its major consolidated subsidiaries submitted a commitment letter with the aim of obtaining certification for the Science Based Targets initiative (SBTi)\*, which are GHG emission reduction targets based on the Paris Agreement, in order to reduce GHG emissions associated with their business activities throughout the supply chain.

Taking this opportunity to express our intention, in order to achieve carbon neutrality by 2050, we aim to reduce our GHG emissions by 46% in fiscal 2030 compared to fiscal 2019, and will work to further reduce total GHG emissions, including GHG emissions from the supply chain (Scope 3).

\* The GHG emission reduction target for companies in line with the level required by the Paris Agreement. Certified by the Science Based Targets initiative (SBTi), which is a joint initiative of WWF, CDP, the World Resources Institute (WRI), and the United Nations (UN) Global Compact.

Aiming to promote innovation and build a new ecosystem to resolve environmental and social issues

Activities that tackle environmental and social issues are difficult to make profitable, and often require the introduction of new technologies and business models, so in many cases there are problems in terms of sustainability.

The Japan Post Group aims to accelerate the social implementation of innovations that contribute to resolving environmental and social issues by leveraging the strengths of, and collaborating with, various stakeholders such as large companies, start-ups, universities, research institutions, national and local governments, NPOs, and NGOs.

Furthermore, by connecting these initiatives, we aim to build an ecosystem that creates new value.



Promoting the circular economy by utilizing post office bases

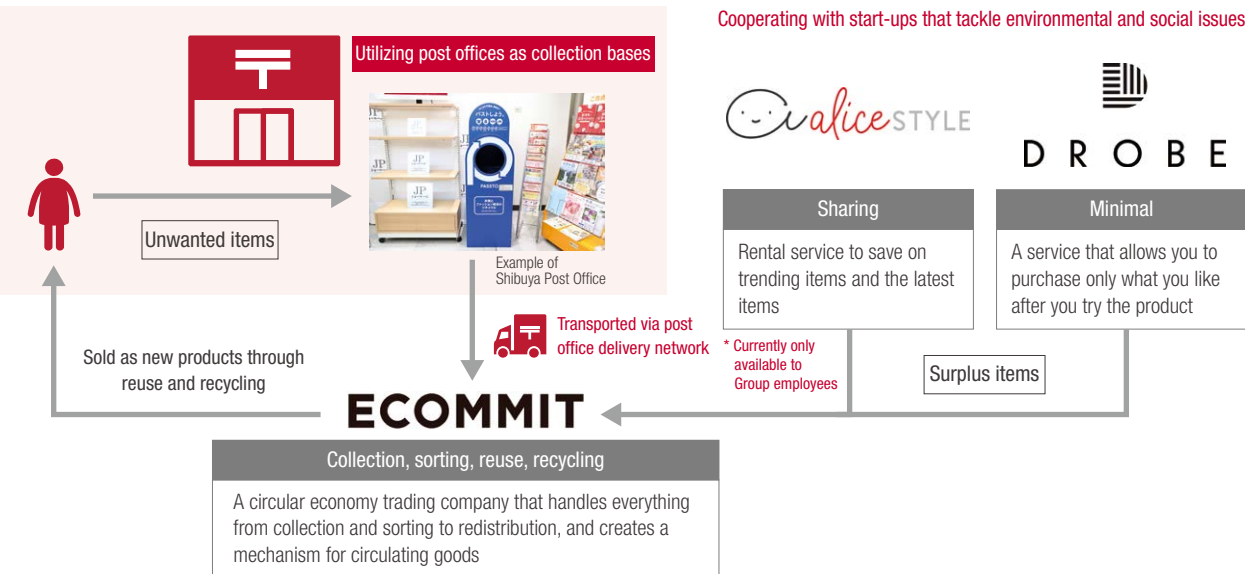
Japan Post Capital Co., Ltd. of the Japan Post Group is actively cooperating with start-ups that tackle environmental and social issues, and is promoting efforts to utilize the post office network in this cooperation.

In April 2023, we established permanent collection boxes called “PASSTO,” where customers can freely send unwanted items such as clothing, hats, bags, and belts to post offices. Unwanted items posted by post office customers are collected at bases operated by the start-up company ECOMMIT using the post office’s delivery network. There, they are sorted for reuse and recycling and eventually sold as new products. Since the start of this initiative, the amount of mail sent to “PASSTO” has increased, and we are planning to expand the number of post offices with collection boxes.

As well, Japan Post Capital is also cooperating with start-up services (DROBE, Alice Style, etc.) that develop and promote new business models such as minimal (minimal purchase) and sharing (replacement by rental) in the apparel field. In addition to utilizing the free space in post offices to exhibit and sell, we are also promoting the use of these services by Group employees, and collecting surplus items in cooperation with ECOMMIT. By reusing (using outlet products), we are promoting a circular economy that utilizes post offices as community bases.

Going forward, we will continue to cooperate with local governments and other organizations as an activity that promotes sustainable consumer behavior among local community members by utilizing the contact points with various people and delivery networks of post offices.

Circular economy efforts using post offices



Column

01 Efforts for paper resource recycling

Use of FSC® certified paper for all postcards

Since its New Year's postcard issued in November 2021, Japan Post has been gradually promoting the use of paper that has received international FSC® Certification (FSC® N003846), a system that aims to promote appropriate forest management. In fiscal 2023, all postcards were manufactured using FSC® certified paper. The FSC® certification system protects the rich natural environment, reduces adverse effects on the environment, and certifies that forests are properly managed from a diverse perspective in all processes from production to processing and distribution, such as ensuring workers' rights and safety and building good relations with the local community.

The adoption of FSC® certified paper promotes the conservation of the world's forests and biodiversity and the sustainable use of forest resources. Through the continuation of this initiative, we will strive to balance the maintenance and improvement of natural capital with the Japanese communication culture of postcards.



December 5, 2023 Yomiuri Shimbun Morning Edition

Formulation of the “Guidelines on Procurement of Paper Products” for sustainable use of natural capital

Through a partnership signed with WWF Japan in 2022, Japan Post has supported 75 million yen in activities over the three years from fiscal 2022 to fiscal 2024 for forest conservation projects undertaken by WWF Japan.

In addition, recognizing that it is essential for business continuity that the production and use of paper products does not have a negative impact on the natural environment and local communities around the world, and that it is important to confirm the traceability of paper products, we formulated the “Guidelines on Procurement of Paper Products” in August 2023 in cooperation with WWF Japan.

In this way, we will promote the sustainable use of natural resources throughout our business activities, including supply chains.

02 Support for resolving community and social issues through New Year's postcards donations

Donation-type illustrated New Year's postcards feature illustrations on the message side. Each postcard provides a donation of 5 yen and is used to help organizations that conduct business such as promoting social welfare and conserving the global environment.

For the fiscal year ending March 31, 2025, we have allocated approximately 200 million yen in donations thanks to the warm support of everyone who purchased donation-type illustrated postcards.

The total amount of donations via the purchase of donation-type New Year's postcards and New Year's stamps by customers nationwide has risen to approximately 52.3 billion yen since the start of issuance in 1950.



Social welfare corporation NOA (Saitama Prefecture)



■ Responding to the TCFD Recommendations

The Japan Post Group recognizes that responding to climate change is one of its key management issues and expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in April 2019.

Since then, based on the recommendations, we have deepened our analysis of the impact of climate change on the Group's business and promoted information disclosure.



▶ Status of the Japan Post Group's response based on TCFD Recommendations

Item	Japan Post Group's response
Governance	<ul style="list-style-type: none"><li>The Japan Post Group's response to climate change is appropriately supervised by the Board of Directors, which has the Group CEO (Representative Executive Officer, President &amp; CEO of Japan Post Holdings) as the highest officer and the Group companies' CEOs as its members.</li><li>&lt;Supervision Process of the Board of Directors on Climate Change Response&gt;</li><li>At the Sustainability Committee, established as an advisory body to the Management Meeting (the chairperson is the executive officer in charge of the Sustainability Management Department, and the Committee meets about four times a year), Committee members deliberate on the progress of the Group's climate change risk and opportunity identification, response policies, targets, and initiatives.</li><li>The deliberations of the Sustainability Committee are reported to the Management Meeting and the Board of Directors and approved by the Board of Directors.</li></ul>
Strategy	<ul style="list-style-type: none"><li>The Japan Post Group has set the reduction of GHG emissions to achieve carbon neutrality as one of its main goals in JP Vision 2025 and is promoting climate change responses as part of its management strategy.</li><li>The Group has conducted a scenario analysis to identify climate change risks and opportunities related to the Group's main business and to understand their impact on the business portfolio.</li><li>For an analysis of climate change risks and opportunities and scenarios related to the Japan Post Group's major businesses, please refer to page 69.</li></ul>
Risk management	<ul style="list-style-type: none"><li>The Japan Post Group discusses the identification, evaluation, and management methods for the risks and opportunities posed by various issues related to sustainability, including climate change, in its examination of material issues relating to sustainability at the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference, and report the results to the Management Meeting and the Board of Directors.</li><li>In the fiscal year ended March 31, 2024, the Japan Post Group discussed the identification, evaluation, and management methods for the risks and opportunities posed by the issues we attach particular importance to and related issues, and the relevant departments and Group companies cooperated to implement appropriate responses.</li><li>In addition, from the perspective of the Group's material risks, sustainability-related risks were selected as one of the risks to our business that management attaches particular importance to (top risks in the fiscal year ending March 31, 2025) based on a questionnaire to Directors.</li><li>In terms of the assessment and management of sustainability-related risks such as climate change, the Japan Post Group has fully cooperated with the Sustainability Department, monitored the response status, shared it at the Group Operational Risk Management Committee (composed of the Group Risk Management Officer (Group CRO) and the risk management officers of each company), and reported to the Management Meeting and the Board of Directors.</li></ul>
Metrics and targets	<ul style="list-style-type: none"><li>As a major goal of JP Vision 2025, the Japan Post Group has set the following goals on climate change and is promoting responses to climate change as part of its management strategy.</li><li>&lt;Target for reduction of GHG emissions&gt;</li><li>The Japan Post Group aims to realize carbon neutrality by 2050.</li><li>(46% reduction in the fiscal year ending March 31, 2031 (compared to the fiscal year ended March 31, 2020))</li><li>* Including Scope 1 and Scope 2 emissions</li><li>To reduce our Scope 3 emissions, we are promoting the following initiatives related to the Group's major businesses.</li><li>Postal and logistics businesses</li><li>Consideration of obtaining SBTi certification through Japan Post consolidation to reduce emissions in the supply chain</li><li>Banking business</li><li>Contribute to the decarbonization of investee companies through investment in green bonds/green loans, etc., and engagement with investee companies</li><li>Insurance business</li><li>Aim to reduce GHG emissions in the investment portfolio by measuring and analyzing the GHG emissions emitted by investee companies and encouraging engagement with investee companies based on the analysis results</li></ul>

GHG emissions  
in the Japan Post Group

▶ Impact analysis and response policies in the Postal and Domestic Logistics Business and the Post Office Business

Scenario analysis				
Classification		Expected occurrence period <sup>1</sup>	Financial impact <sup>2</sup>	Details
Physical Risks	Acute	Short Term	Small to Large	· Increase in restoration and operating costs in the event of damage to post office buildings due to river flooding or high tides · Hindrance to the provision of universal services and decline in sales in cases where the business cannot continue due to damage to post office buildings or disruption of roads
	Chronic	Short Term	Small to Medium	· Reduced productivity of employees engaged in outdoor work due to the increased number of days on which the temperature exceeds 30°C (hot summer days) or 35°C (extremely hot days)
Transition Risks	Policy Regulation	Medium to Long Term	Small to Medium	· Increased operating costs due to the imposition of a carbon tax based on the amount of fossil fuel used and changes in the energy mix
	Reputation	Short to Medium Term	Small to Large	· Divestment from shareholders and investors when Japan Post is seen as reluctant to respond to climate change · Loss of customers/decrease in sales when society judges that Japan Post's consideration of the environment is inadequate
Opportunities				· Increased sales by responding to customer needs such as developing and providing environmentally friendly delivery services and products · Control of cost increases when a carbon tax is introduced by renovating facilities and equipment, introducing and expanding EVs, etc.

\* 1 Expected occurrence period: Classified as short term (to approx. 1 year), medium term (to approx. 3 years), and long term (more than 3 years).  
\* 2 Financial impact: At present, we have classified risks into large (more than 10 billion yen), medium (more than 1 billion yen, less than 10 billion yen), and small (less than 1 billion yen), but we will continue to analyze the quantitative impacts in the future.

Future response policies			
Category		Response policy	
Physical risks	Visualize the risks of torrential rains and floods and bolster resilience toward such risks	· Short-term initiatives	· Visualize risks for each facility · Formulate business continuity plan (BCP) measures for facilities with a high risk of disaster damage, shorten the recovery time after a disaster and establish alternative functions, establish measures to secure the safety of employees, etc.
	Maintaining the productivity of outdoor work	· Medium- to long-term initiatives	· Rebuild the logistics network, consolidate or relocate logistics facilities, etc. · Relocate bases to avoid and mitigate the risk of damage from disasters and utilize hazard maps when building new bases, etc.
Transition risks	Strengthen the decarbonization of facilities and vehicles	· Short-term initiatives	· Formulate plans for adopting mitigation measures assuming the existing operations
		· Medium- to long-term initiatives	· Deliberate mitigation measures based on a re-examination of services and methods of offering services
Opportunities	Create earnings opportunities that look toward a decarbonized society	· Reduce GHG emissions through the adoption of energy-saving technology and renewable energy · Materialize the plans for turning buildings including post offices into net zero energy buildings (ZEBs) (Consider viability)	· 13,500 four-wheeled EVs by the end of the fiscal year ending March 31, 2029, and switching of two-wheeled vehicles to EVs by the end of the fiscal year ending March 31, 2026 · Formulation of further EV expansion plans (including Scope 3)
		· Switch vehicles used for post and parcel deliveries to EVs	· Promote carbon neutrality by combining transport modes that are even more low-carbon · Switch to vehicles and fuels that are even more low-carbon, keeping in mind factors such as technology and costs · Participate in examinations for the social implementation of FCVs
Management	Decarbonized management	· Make essential transportation carbon neutral	· Build a system for gathering customer needs relating to environmental quality through sales activities and sharing such needs within Japan Post · Develop and expand products and services that are high in environmental quality that capture customer needs · Build a system in which the sales staff understand and can explain to the owner of the goods the problems including climate change risk and the company's initiatives
		· Monitor GHG emissions of each product and service · Consider the adoption of Internal Carbon Pricing (ICP)	

Impact Analysis and Response Policies  
in the Postal and Domestic Logistics Business  
and the Post Office Business (Details)

▶ Impact analysis and response policies of Other Businesses

Banking

Japan Post Bank's Response  
to the TCFD Recommendations

Life Insurance Services

Japan Post Insurance's Response  
to the TCFD Recommendations

Real Estate Business

Real Estate Business' Response  
to the TCFD Recommendations

■ Responding to biodiversity conservation (responding to the TNFD)

### Activities related to our relationship with nature

The conservation of biodiversity is a global issue along with climate change.

The Japan Post Group has set "environment" as one of its major sustainability issues, recognizes that its business activities can only be conducted based on the benefits of ecosystems, and is promoting management that considers our relationship with nature, including the conservation of biodiversity.

Specifically, as a company that uses forest resources for New Year's postcards, Japan Post formulated the "Guidelines on Procurement of Paper Products" in 2023. We have established procurement requirements for paper products, including postcards, from the perspectives of the impact on nature such as forests and respect for human rights.

In addition, Japan Post has launched the Business Efficiency and Paperless Project, and is reducing paper materials and promoting the use of electronic files as an effort to achieve resource conservation through business efficiency. As a result, in the six months from October 2023 to March 2024, we reduced the amount of printer paper used by 45% (roughly 800,000 sheets of A4 printer paper) compared to the same period in the previous fiscal year. Japan Post is developing a similar initiative.

### Efforts to disclose information based on the TNFD

The Taskforce on Nature-related Financial Disclosures (TNFD) developed an information disclosure framework for companies with the aim of directing global funds toward the restoration of nature, and published it as a set of final recommendations in September 2023.

Japan Post Bank and Japan Post Insurance participate in the TNFD Forum.

In addition, Japan Post Holdings and Japan Post have also started analyzing and evaluating the dependence and impact of their main business activities on nature since the fiscal year ending March 31, 2025 using the LEAP approach in line with the TNFD recommendations. Going forward, the Japan Post Group will work to enhance the disclosure of nature-related information.

Initiatives relating to human capital

Seeking to put human capital management into practice in the Japan Post Group, we have formulated the Group Human Resources Policy as a basic direction to realize the human resources strategy linked to the management strategy.

Group Human Resources Policy (Policy for Human Resources Development and Policy for the Improvement of the Internal Environment)

The Japan Post Group aims to become a company where all employees can work with “pride and fulfillment.” To achieve this, we will work toward human resources development and the improvement of the internal environment based on the focal points of “Mutually accepting each other’s differences,” “Enhancing capabilities,” and “Demonstrating strengths,” to support the development and challenges of employees. By practicing this type of human capital management, we ensure the sustainable improvement of corporate value and contribute to the happiness of our customers and the development of the local communities.

Details

The positive stance and actions of our employees toward their work will contribute to customers, local communities, and society, and in this way, we will ensure the enhancement of corporate value in a broader sense. Thus, we will provide all employees, who are “working behind the scenes”\* for customers every day, a workplace where they can find pride and fulfillment and positively engage in their work.

\* The credo of MAEJIMA Hisoka, the founder of the postal business: “Do not hesitate to work behind the scenes. Always aspire yourself to bring others good.”

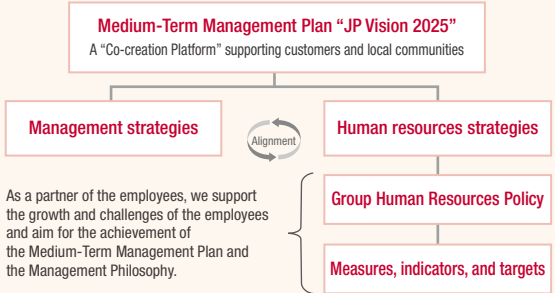
- To make it possible for employees to find pride and fulfillment in their work, the Company will provide a workplace where employees can respect each other’s differences, i.e., a foundation (=“Mutually accepting each other’s differences”) and an environment that supports proactive efforts to enhance capabilities and motivation (= “Enhancing capabilities” and “Demonstrating strengths”).
- To achieve “Mutually accepting each other’s differences,” we will provide a workplace that encourages employees to maintain both a healthy mind and body, without harassment, to mutually respect and accept the diverse lifestyles and individual circumstances of each employee regardless of gender or age and fosters a sense of security.
  - As for “Enhancing capabilities,” we will provide opportunities for employees to acquire skills, knowledge, and technology so that they can adapt to the changes in services and ways of offering services brought on by the changing business environment, and so that they can proactively choose their work styles.
  - As for “Demonstrating strengths,” we will provide employees with opportunities to take on challenges while reinforcing the systems for evaluating such endeavors and establish an organization and culture that encourages employees to demonstrate their strengths and creativity and take on challenges for customers.
  - Through these initiatives, we will nurture human resources capable of “mutually accepting each other’s differences, enhancing capabilities, and demonstrating strengths.”
- In recognition of the fact that the demonstration of the employees’ capabilities and enhanced motivation will lead to the expansion of business, we are planning and implementing human resources measures and promoting the expansion of businesses together with our employees.



Background of the Group Human Resources Policy

We sorted the narratives and concepts underlying the various human resources measures and included them in the Group Human Resources Policy. The policy determines the basic direction for the efforts required in achieving the management strategies and human resources strategies based on the Medium-Term Management Plan. Through this policy, we will expand our contribution to customers, local communities, and society and ultimately to the improvement of corporate value. At the same time, we are addressing the social demands to disclose our initiatives relating to “human capital” that form our intangible assets.

The majority of our 400,000 employees who are on the front lines responding to customers make up the foundation of the Group’s businesses. So, special emphasis was placed on those on the front lines. We place a premium on their mutual acceptance and the enhancement of their motivation and capabilities. We also recognize that the series of recent scandals have impacted the pride and fulfillment of those on the front lines and have lowered their motivation and engagement. We believe that restoring and improving them is essential for our business.



Improvement of “pride and fulfillment,” the core of the Human Resources Policy

Our vision and human resources measures

We will achieve employee happiness and improved productivity by enhancing employees’ pride and fulfillment (engagement). To enhance their pride and fulfillment, we believe that providing an environment of “Mutually accepting each other’s differences” as a foundation, “Enhancing capabilities” of individual employees, and individual employees “Demonstrating strengths” are indispensable, and to this end, we will set specific measures, indicators, and targets and strive to achieve them, as described below. At the same time, we will periodically monitor to what extent the employees are finding pride and fulfillment, analyze and share the results with the employees, and identify any issues and formulate countermeasures.

Measures, indicators, and targets

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"><li>Employee engagement (pride and fulfillment) score* Compared to the previous year’s evaluation score or higher</li><li>Share survey results with employees and carry out continuous improvement measures</li></ul>	3.31 pt (2024/3)

\* Calculated using the Group ES survey from the fiscal year ended March 31, 2024

Focal point (1) of the Human Resources Policy: “Mutually accepting each other’s differences”

Approach

- Achieve “true diversity” in which diverse perspectives and values are respected**  
We will aim to become an organization where diverse perspectives and values reflecting individual differences in experience, skills, and attributes are mutually accepted and respected, allowing each employee to play an active role with peace of mind and bringing about innovation.
- Promote flexible and diverse work styles**  
By developing flexible work and leave systems under appropriate labor management and nurturing a culture where such systems are easily used, we will promote diverse work styles where employees can work comfortably, maintain their health, and maintain a balance between work and life events.

Our vision, measures, indicators, and targets

We will encourage a sense of security and the creation of innovation and enhance employees’ pride and fulfillment by aiming for an environment where employees mutually accept and respect each other’s differences and skills and diverse work styles, upon ensuring their health.

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"><li>Achieve Health Management KPIs (2025/3)<ul style="list-style-type: none"><li>Rate of employees requiring medical attention 1 and 2*: 1% or less</li><li>Rate of no longer requiring Specified Health Guidance: 23% or more</li></ul></li><li>Childcare leave acquisition rate for both men and women: 100%</li><li>Average days of childcare leave acquired by men: 1 month or more</li><li>Recognized cases of harassment: Less than the previous fiscal year</li><li>Employment rate for persons with disabilities: 3.0% (2026/3)</li></ul>	<ul style="list-style-type: none"><li>1.17% (2024/3)</li><li>24.3% (2024/3)</li><li>Women: 100% Men: 98.3% (2024/3)</li><li>Average 35.0 days (2024/3)</li><li>124 (2024/3)</li><li>2.56% (June 2023)</li></ul>
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"><li>Ratio of women in management roles at our head office: 30% (2031/3)</li></ul>	<ul style="list-style-type: none"><li>16.2% (2024/3)</li></ul>

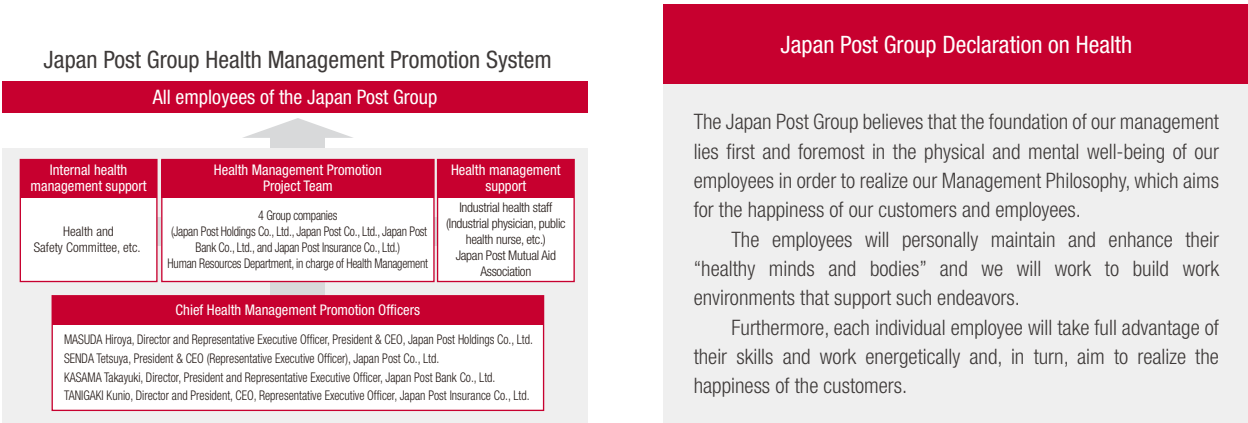
\* Persons requiring emergency or urgent medical attention



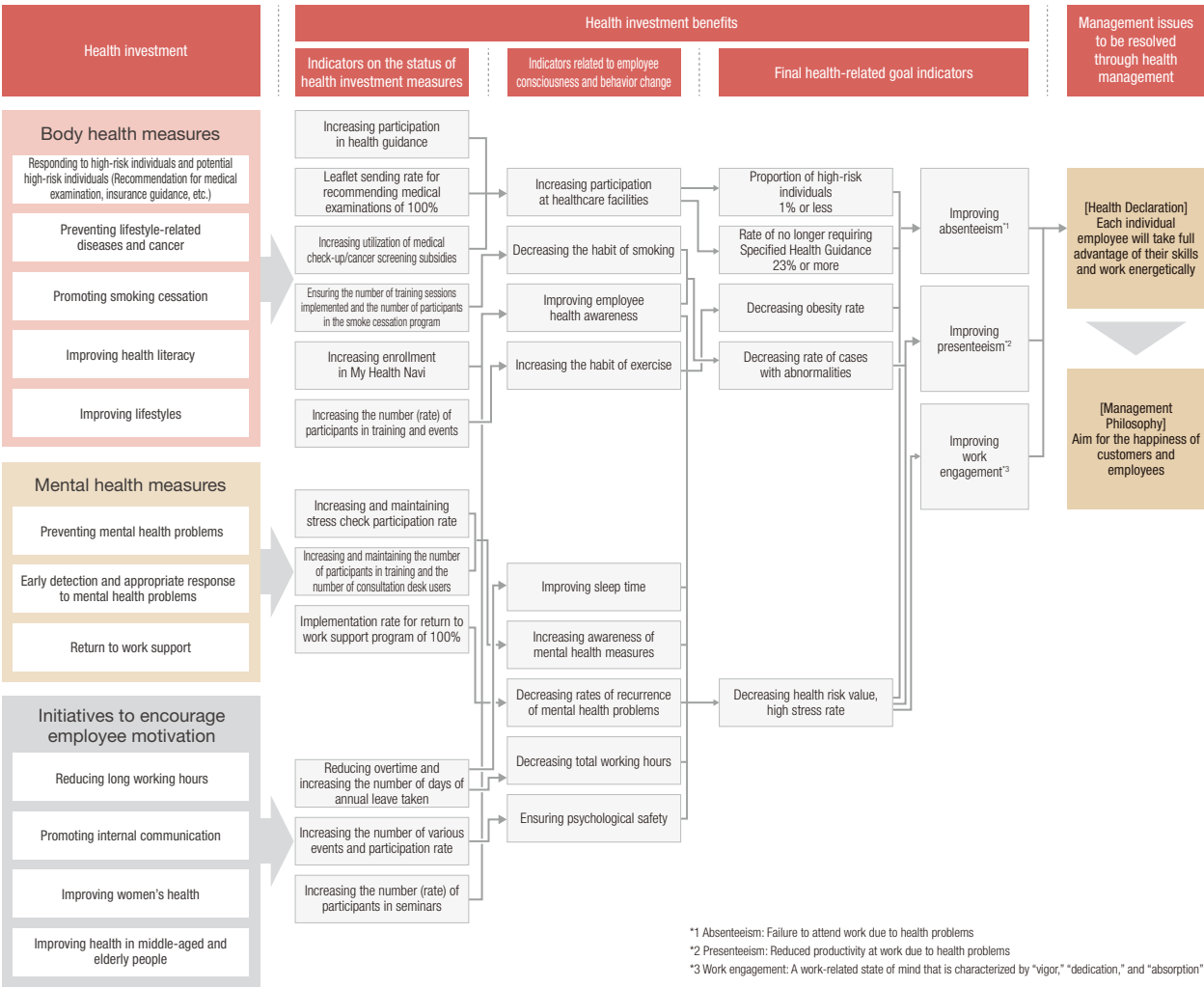
Vision and human resources measures

Promoting health management

We believe that a healthy body and mind are vital for each individual employee to take full advantage of their skills and work energetically. Therefore, the Group companies are working together with employees to implement health maintenance and promotion measures. These measures include “reducing long working hours,” “health guidance toward prevention of lifestyle-related diseases,” and “mental healthcare” while establishing the Japan Post Group Health Management Promotion System. In May 2022, we established the Japan Post Group Declaration on Health to promote Group-wide health management.



Japan Post Group health management strategy map (2025/3 version)



Balancing work with childcare, nursing care, and illness

Regarding childcare and nursing care, we have established a support system exceeding the legal obligation and are implementing various support measures so that both male and female employees can continue working during times they are needed at home, including from pregnancy to childbirth, for childcare, and for nursing family members.

In particular, by making it mandatory for male employees to take the paid leave portion (3 days) of childcare leave and for managers to encourage male employees to take leave and to confirm the employees’ wishes regarding childcare leave (4 weeks or more) with the aim of achieving a “father’s childcare leave rate of 100%,” we are working to spread understanding in order to foster an organizational culture in which it is normal for both men and women to take childcare leave.

Also, in the fiscal year ending March 31, 2025, in addition to increasing the period within which employees can request nursing leave for children until the end of the third grade of elementary school, we extended the period of partial leave for nursing care from three years to five years, and expanded our support for work–life balance.

Additionally, with regard to employee healthcare treatment, we are taking steps to improve work environments and work–life balance, including the enhancement of sick leave, the leave system, and the leave for infertility treatments so that employees can continue working with peace of mind.

Promoting the active participation of women

In recognizing that the further participation of female employees is indispensable for the growth and development of the Group amid diversifying consumer needs, work styles, and other changes in the social environment, we established targets for the ratio of female managers among head office managers. In addition, while evaluating and reflecting as we work toward achieving our goals, we formulate an initiative plan for each year, and work toward improving the environment to make it more comfortable for employees to work in by (1) reducing overtime work and improving work and childcare balance support systems, (2) raising awareness through manager seminars aimed at creating a work environment that allows both men and women to be active, and (3) providing training to develop career awareness among female employees.

Promoting the employment of persons with disabilities

The Japan Post Group promotes (1) the proactive recruitment of persons with disabilities, (2) the establishment of work environments and training aimed at job retention, (3) the establishment and proactive utilization of a special subsidiary company, and (4) the acceptance for work training and employment of persons from special needs schools, with the immediate goal of raising the Group’s employment rate for persons with disabilities to 3.0%, exceeding the statutory employment rate. (2.56% as of June 2023)

Promoting senior employment

We raised the retirement age to 65 years old from the fiscal year ended March 31, 2022. As for securing employment opportunities up to the age of 70 years old, we will proceed with specific examinations by considering such factors as concrete work styles and measures for securing safety after reaching the age of 65 years old.

Eradicating harassment

At the Japan Post Group, efforts to eradicate harassment include messages from senior management pertaining to harassment, the enlightenment and edification of all employees, supervisory training using case studies, and the distribution of booklets and other materials.

Furthermore, with regard to consultations and reporting by employees, we developed rules to thoroughly protect whistleblowers, while establishing, in addition to internal and external consultation counters, a “one-stop consultation and internal reporting platform” where employees have access at any time to harassment consultation staff and an internal reporting contact and can consult or report with peace of mind under robust security.

Addressing sexual diversity

Japan Post Holdings’ Basic Policy on Corporate Governance advocates the promotion of diversity management aimed at creating a work environment where sexual minority employees can work comfortably. In addition, starting in 2022, we extended allowances such as dependency allowances and family care leave, as well as the holiday system and company housing, to same-sex partners.

work with Pride

Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance achieved all five indicators of the certification criteria in PRIDE Index 2023, which evaluates efforts to address LGBTQ+ issues, and received gold certification.

VOICES

JAPAN POST HOLDINGS

In order to realize a workplace in which diverse perspectives and values are respected and which provides a sense of security, we aim to be an organization where all Japan Post Group employees can shine as they are and work with pride and fulfillment.

IKOMA Azusa Group Leader, Japan Post Holdings Co., Ltd.

JAPAN POST

We will promote the understanding and practice of diversity management so that each employee feels a personal stake in the success of diversity and can recognize each other’s differences.

UEDA Yuta Assistant Manager, Diversity Strategy Office, Human Resources Strategy Department, Japan Post Co., Ltd.

JAPAN POST BANK

Through active communication with mutual respect, we aim to improve corporate value by fully harnessing the abilities of people with diverse attributes and sensibilities, and by building a company full of “excitement and passion” where innovation is born.

YOKOMIZO Junya Group Leader, Diversity and Inclusion Department, Japan Post Bank Co., Ltd.

JAPAN POST INSURANCE

Based on the basic philosophy of “promoting the active use of diverse human resources and flexible work styles,” we will respect each other’s individuality, recognize and enhance each other, play our respective roles, and achieve results, responding to the needs of a diverse society, and connecting to the satisfaction of employees and customers.

NAKAMURA Mika Acting Manager, Sustainability Promotion Department, Japan Post Insurance Co., Ltd.

Focal point (2) of the Human Resources Policy: “Enhancing capabilities”

Approach

- Support career formation by providing opportunities for challenges and raising capabilities**  
We will support career formation that emphasizes the motivation of employees by building a system in which employees can feel “employees who try hard are rewarded,” while also providing learning opportunities including employees’ own vision of their future selves, as well as opportunities for challenges and growth.
- Promote DX, acquire skills, and enhance expertise**  
We will raise the efficiency of business operations through the promotion of DX and other means, while re-examining the business model and workflows and supporting the acquisition of skills in new operations and the enhancement of expertise in each operation.

Our vision, measures, indicators, and targets

We will emphasize the willingness to take on challenges and grow and raise the pride and fulfillment of employees by providing a tangible sense that efforts get rewarded through the acquisition of skills necessary for proactive career formation and the promotion of DX.

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"><li>Implement measures for career formation and support (Carrying out re-skilling measures for senior employees, etc.)</li><li>In-house recruitment within the Group* Number of people Equal to or greater than the previous fiscal year</li></ul>	<ul style="list-style-type: none"><li>Implementation of career training</li><li>—</li></ul>
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"><li>Number of persons in headquarters and branches attending DX training 100% (2025/3)</li></ul>	<ul style="list-style-type: none"><li>Attendance rate: Approximately 94% * Number of attendees: 10,200 (As of 2024/3)</li></ul>

\* It has been implemented among head office organizations since 2023/3, and will be implemented company-wide, including front organizations, from 2025/3.

Specific human resources measures

Systematic human resources development training

The Japan Post Group conducts various training programs systematically to develop human resources who can perform the roles expected of them according to their career paths.

- Training necessary for all employees (compliance, human rights awareness, etc.)
- Training necessary for business execution (operational training necessary for each aspect of business execution, acquisition of qualifications, skill training to enhance sales ability, etc.)
- Training according to the career path (hierarchical training according to the position)

Training to enhance Group synergy

In order to enhance Group synergy while providing opportunities that align with employees’ spirit of challenge and aspirations for growth, and supporting career development, the Japan Post Group conducts the following training programs in particular jointly across the Group.

- Development of career-track employees through joint Group training**  
We provide opportunities for career-track employees of Group companies in their first year of employment to learn about each company in the Group, and conduct joint training with the aim of creating connections with peers through group work. In addition, for career-track employees in their third year of employment, we conduct joint training at the stage where employees identify areas in which they want to play an active role in the future.
- Next-generation leader training**  
In order to cultivate the next generation of leaders responsible for the management of the Group, we conduct training according to the stage of each target group by cultivating awareness as a Group executive, giving necessary knowledge and skills, and conducting assessments in order to systematically select and develop candidates for senior management.
- Human resources development to promote DX**  
In order to promote the creation of new businesses and the improvement of services and operations through DX, we are working to enhance training programs and create an environment where the acquired skills are demonstrated in practice. In order to lay the foundation for the promotion of DX measures, we are conducting training to teach the basic concepts of DX for planning employees such as those at the Group headquarters and branches.

Improving the acceptability of human resources evaluations

The Group’s human resources evaluation system consists of performance evaluation, job behavior evaluation, and organizational contribution points for each course category. Through “appropriate evaluation and feedback,” employees aim to achieve organizational goals through their efforts to realize their own goals, which will lead to the achievement of management goals.

▶ **Positive response rate for human resources feedback**

\* Questionnaire on human resources evaluation interviews  
Percentage of respondents who said that they understood the content of the human resources evaluation feedback and that it would lead to their own growth and motivation for business performance  
(Approx. 30,000 respondents)

> **90%**  
(Results in 2024/3)

Realizing a human resources system adaptive to environmental changes

In light of rapid changes in the business environment, the Group is reviewing its labor force composition with an eye on future business and responding to laws and regulations related to equal pay for equal work.  
Regarding employee treatment, we will continue to promote employees from contract worker to full-time employee status, further improve employee treatment, and make efforts to realize a simple and more acceptable salary system.

Supporting proactive career formation that encourages challenges and the enhancement of capabilities

We are providing opportunities for employees to proactively think about their career formation and their work styles. As part of support for the career formation of female employees, we are holding career support seminars for junior to mid-level employees sponsored by Aflac Incorporated and the four main Group companies.  
The participation of more than 100 people from each Group company and exposure to the work styles of other companies inspire employees to think about the ideal leader and their future career vision.

Internship among the Group

To raise the motivation of employees by creating opportunities that utilize their sense of challenge and deepen their understanding of other operations, which interest them, as well as encourage future career formation, we offer internships among the head offices of the four main Group companies.

▶ **Inter-Group internship participant performance**  
\* April 2022–March 2024

79 people

▶ **Results of transfers by internal recruitment across the Group**  
\* April 2022–April 2024

90 people

VOICES

Inter-Group internships and inter-Group internal recruitment testimonials

Joined Japan Post Co., Ltd. in 2018 Chief  
OTANI Mako (transferred to JP Strategic Foresight Laboratory)

Q What triggered you to use the system?

When I thought about my career at the time of my sixth year after joining the company when I had gained a certain degree of experience, I thought, “I want to be involved in measures to deliver the value and appeal of the post office to more customers.” So, I decided to initially try a department where it seemed likely that I would be able to achieve that.

Q What was good about using the system?

I feel that by deepening my motivation for what I want to do in my internship and starting to engage in my work in earnest based on it, I can draw a more specific picture of my future career and I am more willing to engage with my work.

Joined Japan Post Co., Ltd. in 2012 Assistant Manager  
MURAKAMI Ryo (transferred to Japan Post Holdings Co., Ltd. Business Co-creation Department)

Q What triggered you to use the system?

When I revisited my career, I wanted to further improve my skills by taking on the challenge of a new area that I had never experienced before, and to expand the range of things that I could contribute to the company.

Q What was good about using the system?

By utilizing the internship system, I was able to work in the department of my choice for a certain period of time. I was able to “get an idea of working in a new department” and “find out whether my hopes could be realized” in advance, and I was able to express my interest in internal recruitment with confidence.



Focal point (3) of the Human Resources Policy: “Demonstrating strengths”

Approach

- Human resources development and assigning the right person to the right job to ensure customer-oriented services**  
We will provide customer-oriented services under the optimal assignment of personnel based on our management strategies, by nurturing employees who can demonstrate their strengths and creativity for customers and building an environment where the right person is assigned to the right job.
- Demonstrating strengths and creativity through corporate culture reforms**  
We will carry out reforms to achieve a transparent corporate culture by such means as promoting internal and external personnel exchanges and proactively recruiting outside talent and to provide an environment where employees can demonstrate their strengths and creativity to the maximum extent.

Our vision, measures, indicators, and targets

We will encourage employees to demonstrate their strengths and creativity by ensuring employees work with a sense of the right person being assigned to the right job and through reforms to ensure a transparent organization, raise employees' pride and fulfillment.

Applicable companies	Measures, indicators, and targets	Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"><li>• Appropriate fit score* Over the previous fiscal year's evaluation score</li><li>• Average days taken for leave of 18 days or more</li><li>• Maintain 2022/3 levels* for the number of persons participating in inter-Group personnel exchanges</li></ul> * Approximately 1,500 people exchanged between the four companies in the Group	<ul style="list-style-type: none"><li>• 2.70 pt (2024/3)</li><li>• Average of 19.5 days (2024/3)</li><li>• Achieved in 2024/3</li></ul>
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"><li>• Number of persons engaged in strategic side businesses: Greater than the previous fiscal year</li><li>• Promotion of mid-career recruits</li></ul>	<ul style="list-style-type: none"><li>• 45 persons (2024/3)</li><li>• 52 persons (2024/3)</li></ul>

\* Calculations were made using the Group ES survey from 2024/3

Specific human resources measures

Adoption of systems that value employees who take on new challenges and corporate culture reforms

To provide an environment conducive to employees taking on challenges, we are studying the possibility of a new personnel evaluation system where employees rate their own challenges. In addition, we will also work to raise the awareness of the managers and reflect such awareness in the evaluations so that the managers will support the challenges of their subordinates.

Recruitment and appointment of mid-career and foreign nationals

Regarding mid-career recruits, we have been working on recruiting and hiring managers mainly in specialized fields in line with business characteristics (including real estate, legal affairs, IT fields, investment and market management, risk management, and actuaries) and will continue to implement more proactive recruitment and hiring in the future.

We will strive to recruit international human resources and appoint them as managers as necessary for business development, and will continue to consider introducing specific skills from the perspective of securing labor.

It should be noted that we do not differentiate candidates based on nationality when hiring foreign nationals or appointing them for managerial positions.

Initiatives to “Enhance the management capabilities” of post office heads and other managers

To build a workplace where employees can demonstrate their strengths and creativity for customers, we are focusing on coaching-based management training for post office heads and other managers to raise employees' motivation and encourage actions. We will enhance the management capabilities of managers and thoroughly practice customer-oriented services and sales and compliance awareness.



Alumni network

We established the Alumni Network (target: headquarters) in September 2022 with the aim of having alumni (retired members of the Group) who are familiar with the Group and have cultivated new experiences and knowledge outside the Company to be active in the Group again. We are promoting excellent medium- to long-term relationships with alumni through sideline work and the recruitment of experienced personnel. In addition, from October 2024, we plan to start operation of the Comeback Recruitment System (target: all organizations), which will significantly revise the existing re-employment system that applied only to specific retirement reasons such as childcare and nursing care. We will take advantage of the strength of the Group, which has the largest number of employees in Japan, and aim to improve corporate value through the active use of diverse human resources, the Group's greatest asset.

Omokata (Omoi-wo-katachi-ni, Giving Shape to Wishes) Challenge (a system for proposing new businesses within the Group)

We started a new cross-Group service realization challenge system, the Omokata (Omoi-wo-katachi-ni, Giving Shape to Wishes) Challenge, that aims to encourage employees to create new services that will lead to the future of the Group. (Trial implementation in some areas in the fiscal year ended March 31, 2023, and expansion nationally from the fiscal year ended March 31, 2024.)

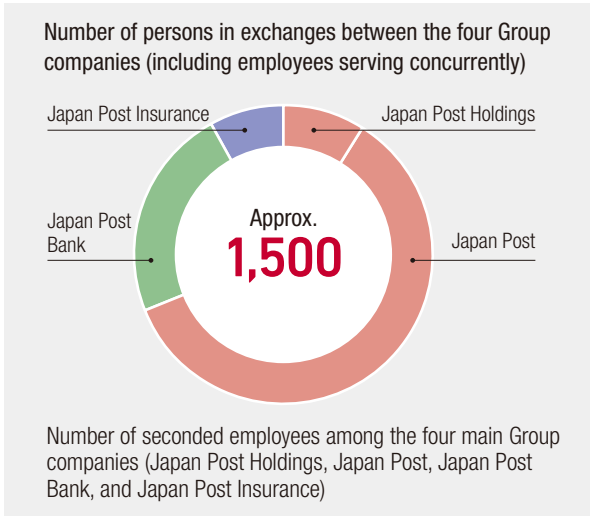
We are encouraging proactive actions by employees taken from the customers' perspective and supporting employees as they take on challenges to demonstrate their strengths and creativity.

Strategic side businesses

In strategic side businesses, head offices of the four main Group companies have simultaneously commenced trial runs of three types of side businesses, i.e. (1) outside side businesses by employees, (2) accepting personnel from outside the Group who are engaged in side businesses, and (3) side businesses among the Group. Through these trial runs, we will ensure that the career of each employee is being fully utilized in these operations and that these side businesses will lead to career formation going forward. Especially with regard to (1) outside side businesses by employees, we are supporting the employee's challenges by making it possible for employees to cut back their work by a maximum of one day a week, in addition to after-hours work, to engage in these side businesses.

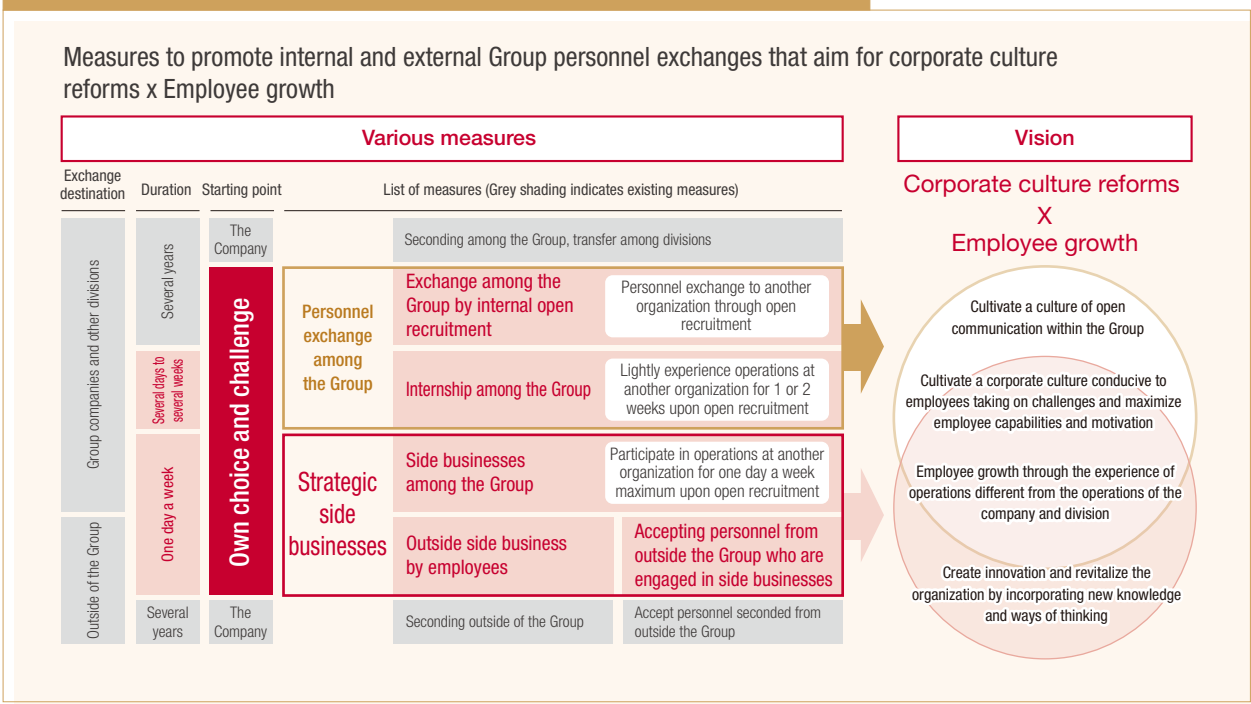
Promotion of personnel exchanges within the Group

The Japan Post Group is characterized by the integrated provision of postal, logistics, banking, and insurance services through its nationwide network of post offices. Therefore, it is extremely important to support the lives of customers in local communities while strengthening the unity and coordination of the Group. In addition, in order to improve the efficiency of operations and optimize personnel allocation that goes beyond the boundaries between companies, the Group actively promotes personnel exchanges throughout the Group.



Notes: 1. 2022/3 results (As of April 1, 2022)  
2. Excluding seconded employees associated with the establishment of the new sales system of Japan Post Insurance (approx. 13,000 employees)

Overview of proposed measures to promote personnel exchanges



Initiatives related to respecting human rights

Formulation of a human rights policy

Considering the growing social demand for companies to respect human rights, we formulated the Japan Post Group Human Rights Policy in April 2019 based on the United Nations (UN) Guiding Principles on Business and Human Rights and other concepts.

Through this policy, we demonstrate our respect for human rights and through building a framework for human rights due diligence and identifying negative impacts on human rights, we promote human rights awareness activities to foster a sense of human rights among all employees. We will periodically review human rights awareness activities after deliberation by the Group Sustainability Committee based on factors such as corporate activities and changes in the business environment.

Implementation of human rights due diligence

As the largest employer in Japan, the Japan Post Group operates a wide range of businesses, including postal services, logistics, banking, and insurance, through approximately 24,000 post offices across Japan. We are implementing measures based on the human rights due diligence process to reduce the risk of potential and apparent human rights issues arising in connection with each business.

Human rights impact assessment

We have grasped the overall picture of the risks posed by each business, and as a Group, we have selected “priority issues for special attention.” Going forward, we will take actions such as implementing monitoring to manage and review the priority issues, and will also implement efforts to reduce risks for other human rights issues.

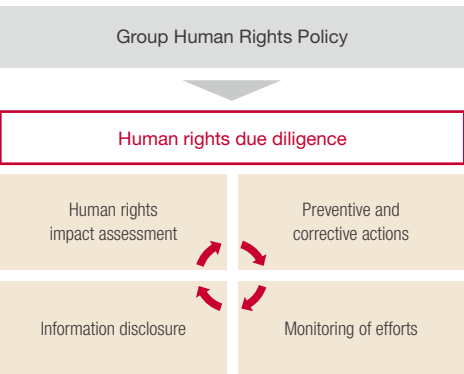
Stakeholders	Priority issues for special attention	
Employees	<ul style="list-style-type: none"><li>Insufficient wages, unpaid wages, living wages</li><li>Power harassment and sexual harassment</li><li>Discrimination (including gender-related human rights issues)</li></ul>	<ul style="list-style-type: none"><li>Excessive and unfair working hours</li><li>Industrial safety and health</li></ul>
Customers	<ul style="list-style-type: none"><li>Right to privacy</li></ul>	<ul style="list-style-type: none"><li>Consumer safety and the right to know</li></ul>
Suppliers	<ul style="list-style-type: none"><li>Forced labor</li></ul>	<ul style="list-style-type: none"><li>Child labor</li></ul>
Investee companies	<ul style="list-style-type: none"><li>Forced labor</li><li>Rights of indigenous peoples and local populations</li></ul>	<ul style="list-style-type: none"><li>Child labor</li></ul>

Preventive and corrective actions

The status of implementation of preventive and corrective measures for the negative impact of potential and apparent human rights risks is as follows. Going forward, we will review and expand various activities in accordance with the actual situation of the impact assessment on human rights.

	Implementation of education and training for employees	Development of internal environment/systems
Employees	<ul style="list-style-type: none"><li>Training on working hours</li><li>Harassment prevention training</li><li>Mental health training</li><li>Transportation safety education and training</li><li>Implementation of self-examination on working hours management</li><li>Establishment of diversity enhancement month</li><li>Holding of diversity-related seminars</li></ul>	<ul style="list-style-type: none"><li>Ensuring adequate working conditions</li><li>Efforts to create comfortable workplaces to expand the system and promote its use</li><li>Efforts to eradicate harassment through President's messages and training for all employees</li><li>Promotion of health management and establishment of a health consultation desk</li><li>Prevention of work accidents and promotion of a comfortable working environment</li><li>Promotion of the active participation of women through enhancement of the system and environment, training, etc.</li><li>Response to gender diversity</li><li>Promotion of hiring people with disabilities</li></ul>
Customers	<ul style="list-style-type: none"><li>Cyber security education and training</li><li>Employee training for customer-oriented business operations</li></ul>	<ul style="list-style-type: none"><li>Establishment of the Japan Post Group Information Security Declaration</li><li>Establishment of the Japan Post Group Basic Policy on Customer-Oriented Business Operations</li><li>Establishment of the Japan Post Group Customer Satisfaction Promotion Liaison Committee</li></ul>
Suppliers Investee companies	<ul style="list-style-type: none"><li>Establishment of the Japan Post Group's Approach to Procurement Activity</li><li>Establishment of the Japan Post Group CSR Procurement Guidelines</li><li>Disclosure of information on the ESG Investment and Financing Policy (Japan Post Bank, Japan Post Insurance)</li></ul>	

Human rights due diligence overview



Relief measures

For consultations on various types of harassment and human rights violations, we have established a system where employees can have consultations with peace of mind, by establishing internal and external consultation contact points such as the Group internal reporting system.

In addition, we have established a “one-stop consultation and internal reporting platform” that accepts various reports and consultations centrally, and we are working to establish a system where employees can consult with confidence, maintain the confidentiality of reports and consultations, and understand the voices of employees related to compliance in general.

Human rights due diligence in the supply chain

Since 2018, the Japan Post Group has supported the Ten Principles of the United Nations (UN) Global Compact relating to human rights, labour, the environment, and anti-corruption, and has formulated “the Japan Post Group's Approach to Procurement Activity” and “the Japan Post Group CSR Procurement Guidelines” which indicates the specific efforts concerning issues based on the Ten Principles for suppliers. The Group also promotes procurement activities that take into account social responsibilities such as human rights, labor standards, and the environment across the supply chain.

Japan Post Group's Approach to Procurement Activity	
1 Open, fair, and appropriate procurement	<ul style="list-style-type: none"><li>The Group opens the door widely to suppliers and offer fair entry.</li><li>The Group selects suppliers based on a comprehensive and appropriate evaluation of quality, price delivery period, technology, business condition and other factors.</li></ul>
2 Compliance with laws, regulations and social standards	<ul style="list-style-type: none"><li>The Group complies with all applicable laws, regulations and social standards and carries out procurement activity in good faith.</li><li>In its procurement activity, the Group forms no relationships with anti-social forces that pose a threat to the order and safety of civil society.</li></ul>
3 Respect for human rights	<ul style="list-style-type: none"><li>The Group aims for building a supply chain in consideration of human rights working together with suppliers.</li></ul>
4 Environmental Consideration	<ul style="list-style-type: none"><li>The Group carries out procurement activity in consideration of global and local environmental preservation and the effective use of resources.</li></ul>
5 Building trusting relationships	<ul style="list-style-type: none"><li>Through good communication with suppliers, the Group builds strong trust and strives for mutual prosperity.</li><li>The Group appropriately manages information about suppliers that it obtains through its procurement activity.</li></ul>
6 Requests to suppliers (Compliance with the UN Global Compact)	<ul style="list-style-type: none"><li>The Group supports the Ten Principles of the UN Global Compact regarding the four areas of human rights, labour, the environment, and anti-corruption and promotes CSR procurement activity. The Group expects its suppliers to understand the above and asks for their proactive cooperation.</li></ul>

Collaboration with the supply chain

The Group has engaged in procurement activities in consideration of the global environment and local communities based on the “Japan Post Group CSR Procurement Guidelines” in cooperation with suppliers.

Since 2019, the Group has conducted a survey of suppliers that have business dealing with us every year for the purpose of understanding supplier's efforts and striving to continuously develop CSR activities of suppliers and us using “the Supplier CSR Procurement Questionnaire.” The Group also customizes a questionnaire to make it easier to answer and encourages target suppliers individually to answer this questionnaire aiming for increasing response rate.

In addition, the Group strives to reduce human rights risks by early understanding of supplier's policies and status of human rights and making a request for cooperation on human rights. Specifically we started to conduct a survey of new entrants on efforts of respecting human rights from this fiscal year. As well, we also conduct interviews for outsourced suppliers on respecting human rights, without waiting for the regular survey using the “Supplier CSR Procurement Questionnaire.”

Efforts for improvement

The Group summarizes the results of the Supplier CSR Procurement Questionnaire and provides feedback on the results to all suppliers who respond.

We conduct interviews with suppliers on points of concern found in their responses about the condition of their efforts and make sure whether they have already taken actions on that or not. Regarding items for which efforts have not been made, we ask for improvements by sharing good examples from other companies.

When issues are identified through supplier's responses, we conduct interactive communication with the supplier to improve them so as to improve the CSR activities of both parties instead of suspending or cancelling transactions immediately.

Overview of survey research by Supplier CSR Procurement Questionnaire in FY2023

Implementation period	October 2023 to January 2024
Usage questionnaire	UN Global Compact CSR Self-Assessment Tool
Target suppliers	217 companies (Breakdown) Japan Post Holdings Co., Ltd.: 88 companies Japan Post Co., Ltd.: 66 companies Japan Post Bank Co., Ltd.: 50 companies Japan Post Insurance Co., Ltd.: 13 companies



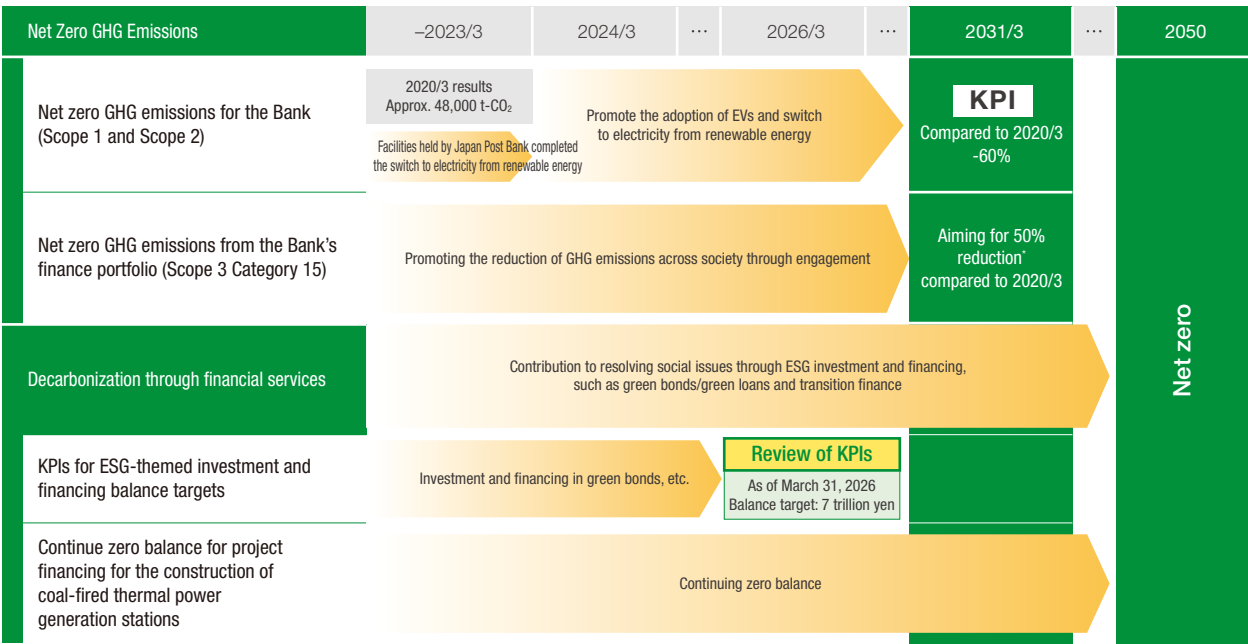
Sustainable investment (ESG investment)

Initiatives of each company

JAPAN POST BANK

Road map for decarbonization

Japan Post Bank announced the Japan Post Bank Net Zero GHG Emission Declaration in 2022 to build a carbon neutral and decarbonized society in Japan by 2050, published a road map for decarbonization in 2023, and is working to reduce GHG emissions. In addition, we have regularly improved our road map by raising various targets and setting new targets. In the fiscal year ended March 31, 2024, we set an interim target for GHG emissions from our investment and financing portfolio for the fiscal year ending March 31, 2031, and raised our target for ESG-themed investment and financing balances from 4 trillion yen to 7 trillion yen.



Note: Emissions per investment unit (100 million yen) (t-CO<sub>2</sub>/100 million yen)

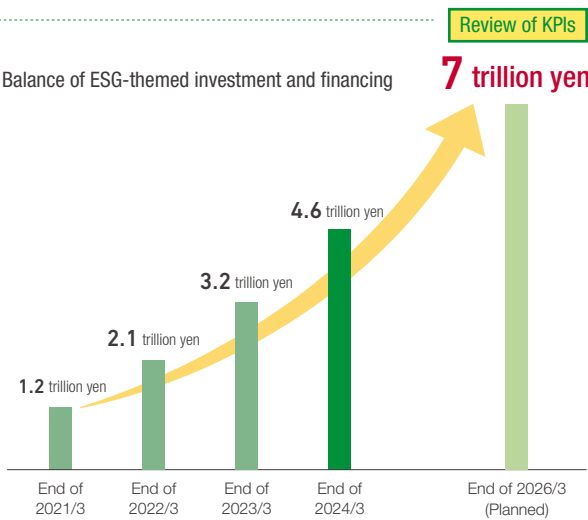
ESG investment and financing

We are also investing in green bonds, etc., issued by companies in countries throughout the world. These funds are used for green projects that assist in resolving environmental problems, including global warming.

In our current Medium-Term Management Plan (FY2021–FY2025), we have set the target to increase the balance of our ESG-themed investment and financing<sup>1</sup> to 7 trillion yen<sup>2</sup> by the fiscal year ending March 31, 2026.

Japan Post Bank has established the ESG Investment and Financing Policy, which stipulates the types of investment and financing to be actively promoted. In the fiscal year ended March 31, 2024, we reviewed the ESG Investment and Financing Policy, newly expanded the prohibited targets for specific sectors, and advanced efforts to appropriately respond to environmental issues such as climate change and biodiversity, and social issues such as human rights violations.

While enhancing returns on assets under appropriate risk management, we will contribute to forming a sustainable society through investment in green bonds, etc.



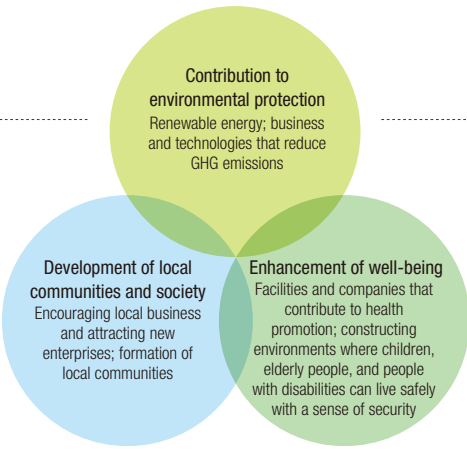
<sup>1</sup> ESG bonds (green bonds, social bonds, sustainability bonds, transition bonds, etc.), loans to the renewable energy sector, regional revitalization funds, etc.  
<sup>2</sup> The balance target increased from 4 trillion yen to 7 trillion yen in May 2024.

JAPAN POST INSURANCE

Sustainable investment

Based on the management philosophy of “Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being,” in order to fulfill its social responsibility to all stakeholders, Japan Post Insurance aims to contribute to resolving social issues related to sustainability (medium- to long-term sustainability including ESG elements), and to achieve sustainable growth and the SDGs.

Under the sustainable investment policy, we are considering various elements of sustainability in all our assets under management, and are promoting sustainable investment that allows stakeholders to feel the “warmth” of Japan Post Insurance, with “Enhancement of well-being,” “Development of local communities and society,” and “Contribution to environmental protection” as the main themes.



Taking on the challenge of the next stage of sustainable investing

Impact-oriented investments and loans



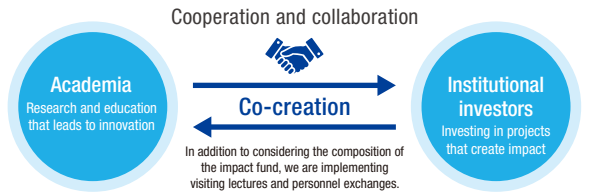
In addition to securing economic returns, we aim to practice and expand impact-oriented investment and financing that contributes to resolving social issues. We are promoting impact-oriented investment and financing based on the priority themes based on the Impact “K” Project, Japan Post Insurance’s unique impact investment framework launched in 2022.

Medium-Term Management Plan KPI (to 2026/3)	Number of projects	Amount
Impact “K” Project Certification Fund <sup>(Note)</sup>	15	50 billion yen

<sup>(Note)</sup> Cumulative number of projects since the start of certification in the fiscal year ended March 31, 2023 and the amount invested by Japan Post Insurance (The amount of investment or commitment is recorded according to the form of the fund.)

Industry-academia cooperation through asset management

We have signed a memorandum of understanding with three academic institutions for cooperation and collaboration to promote investment in innovative technological development and businesses in academia. In addition to considering the composition of the impact fund, we are working on co-creative industry-academia cooperation to jointly move toward the future we envision by creating multiple contact points, such as visiting lectures and personnel exchanges.



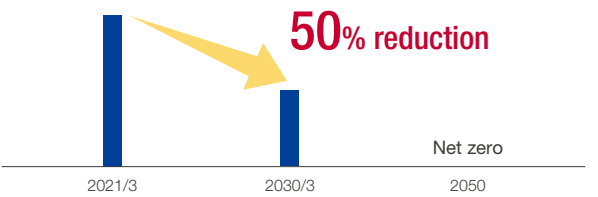
Initiatives in response to sustainability issues as an institutional investor

Climate change

GHG emission reduction targets for investment portfolio<sup>1</sup>

With regard to the GHG emissions in our investment portfolio, while aiming for carbon neutrality in 2050, we set an interim goal of reducing GHG emissions by 50% by the fiscal year ending March 31, 2030 (compared to the fiscal year ended March 31, 2021 level).

Goal for GHG emissions in our investment portfolio<sup>2</sup>



<sup>1</sup> The targets noted above are based on current forecasts, and may need to be revised in line with future social trends or changes in the state of technological innovation.  
<sup>2</sup> Total emissions of Scope 1 and Scope 2 from investee companies (domestic and foreign listed equities and credits including corporate loans) after calculating by the ratio of our holdings.

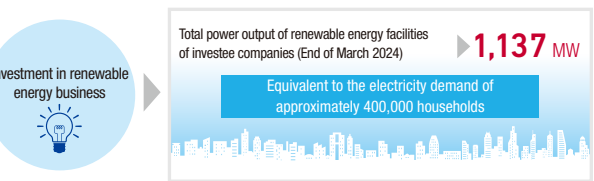
Other sustainability issues

In engagement with investee companies, we promote initiatives that take into account “natural capital,” “human rights,” and “human capital,” as socially important sustainability issues, in addition to “climate change.”

Investment and financing that contributes to the realization of a decarbonized society

- Investments and loans to renewable energy projects such as solar power generation and wind power generation
- Investment in a private real estate fund that invests in sustainable-friendly residential properties for leasing

Example of outcomes created through investment and financing



# Message from an Outside Director



**SATAKE Akira**  
Outside Director

## Japan Post Group's Corporate Governance System and Improving the Effectiveness of the Board of Directors

Since its privatization in 2007, Japan Post Holdings Co., Ltd. has adopted a “company with nomination committee, etc.” governance structure and outside directors make up the majority of its Board of Directors. To successfully privatize a massive organization with 400,000 Group employees, a governance system was adopted with an initial form of less than 80 companies in Japan at the time. My understanding is the policy was to enhance the content of the system year by year from then on.

In fact, the substance of the governance management was supposed to have gradually improved as well. Yet in 2019, major issues associated with the improper solicitation actions of Japan Post Insurance Co., Ltd. were uncovered, leading to a loss of the trust and credibility that the Group had earned over many years.

The regulatory authorities pointed out that the insufficient working of the governance function was one of the root causes of this problem. As for a specific

example cited, the Board of Directors was not always adequately integrated into the important decision-making processes of the Company's management, as the Board, its governing body, was not provided with timely and appropriate information.

To address this situation, current President MASUDA Hiroya took office the following year. With the change, management transparency increased rapidly, and the effectiveness of the Board of Directors was correspondingly improved, with governance management being performed that is appropriate for a company with nomination committee, etc.

## Formulation and Review of Medium-Term Management Plan “JP Vision 2025”

Under the new organizational structure, Medium-Term Management Plan JP Vision 2025 was thoroughly deliberated and formulated by the Board of Directors for over six months to restore confidence in the Group and achieve sustainable growth.

A vision was set to create new products and services together with partners and to realize a “Co-creation Platform” supporting customers and local communities. This is aimed at restoring customer trust and evolving the business foundation built on the nationwide network of 24,000 post offices into one that is even stronger and more valuable.

To achieve this, the promotion of DX will lead to the fusion of physical post offices with digital technologies, enhance and strengthen the core businesses (postal and domestic logistics, banking, and life insurance), and transform the business portfolio by capturing profit opportunities through new business development.

Since then, senior management made steady progress toward implementing this policy. However, two years later, in 2023, the Board of Directors discussed a review of the Medium-Term Management Plan to address changes in the business environment. Over six months were invested in this review, as was the case in formulating the original plan.

The recognition at the time was that although the Company had undertaken initiatives for the past three years to restore trust and achieve new growth, it had been unable to respond to the rapid transformation in the business environment from deflation to inflation and had not shifted to a growth stage.

During the review, the vision of a “Co-creation Platform” was kept intact, while deliberations focused on the most pressing issues and solutions for growth.

## Role of the Board of Directors in Achieving Both Universal Services and Increased Corporate Value

The universal services of developing Japan Post Holdings’ three main businesses nationwide, for which it is obligated to do by law, and its growth, which is tantamount to increasing its corporate value, are not at all contradictory. That said, the recent rapid changes in the business environment, as exemplified by the labor shortage, mean that it is difficult to strike a balance between the two unless the way things have been done until now quickly change.

Therefore, to maintain and improve the quality of universal services, the Company will vigorously promote the operational efficiency of the post office network. It will also leverage intensive investment in the domestic logistics and real estate businesses as well as DX to “transition to a growth stage.”

The balance between the two, in other words, is how to reconcile the expectations of shareholders and the provision of universal services under the vision of a “Co-creation Platform.” I believe this is a classic example of an issue that outside directors should discuss at Board meetings from a variety of perspectives, find the optimum solutions with the departments in charge of execution, and monitor their implementation.

## Expectations of the Japan Post Group, Sustainability Management, and Human Capital Management

Achieving both universal services and increased corporate value also closely overlaps with the essence of sustainability management.

The Group is expected to foster a virtuous cycle of sustainability for both society and the Company. It will accomplish this by providing postal and domestic logistics and financial services to all corners of Japan, while also delivering solutions to key issues in building a sustainable society. These include revitalizing local communities and economies, responding to an aging society, and addressing environmental challenges, while reinvesting management resources gained through this process toward helping resolve further social issues.

And, needless to say, the key to achieving this is ensuring that every one of the Company's 400,000 employees express their capabilities to the fullest and contribute to the creation of new value. The promotion of human capital management is essential in this regard.

As an outside director myself, I will contribute to the realization of a “Co-creation Platform” that supports customers and local communities and enhances the Group's corporate value over the medium to long term through the further execution of the functions of the Board of Directors.



# Japan Post Group Corporate Governance

## Basic Views

Japan Post Holdings shall develop the corporate governance structure of the Japan Post Group based on the following concepts, with a view to ensuring sustainable growth of the Japan Post Group and creating corporate value over the medium to long term.

1. Japan Post Holdings shall continue to create new convenience for customers and pursue the provision of high-quality services, while generating consistent value by providing universal services of the Japan Post Group’s three core businesses through the Japan Post Group’s post office network.

2. Fully recognizing its fiduciary responsibility to its shareholders, Japan Post Holdings shall give consideration to appropriately secure rights and equal treatment of shareholders.

3. Japan Post Holdings shall place emphasis on dialogue with all stakeholders including customers and shareholders with an aim to ensure appropriate collaboration and sustainable coexistence. To this end, Japan Post Holdings shall strive to secure management transparency and commit to appropriate disclosure and provision of information.

4. Japan Post Holdings shall carry out swift and decisive decision-making and business execution under the effective supervision of the Board of Directors, in order to promptly cope with changes in the social and economic environment and meet the expectations of all stakeholders.

These basic views on corporate governance and our corporate governance framework are set forth in our Japan Post Holdings’ Basic Policy on Corporate Governance.

\* For more information, please refer to the following website. <https://www.japanpost.jp/en/group/governance/>

Japan Post Holdings will continue to enhance internal controls and strive to enhance corporate governance of the Japan Post Group from this perspective.

### Group operation and management structure

Japan Post Holdings has concluded agreements on the Japan Post Group's operation and management (hereinafter, “Japan Post Group Management Agreements”) with and between Japan Post, Japan Post Bank, and Japan Post Insurance on the Japan Post Group's common philosophy, policies, and other basic matters concerning Group management, thereby setting up a system to facilitate mutual collaboration and cooperation as well as exerting synergistic effects among the Japan Post Group companies.

In addition, Japan Post is required to give prior approval or report on matters which must be done in order to conduct Group operations in a smooth and appropriate manner, as well as matters which require management based on laws and regulations. The two financial subsidiaries (Japan Post Bank and Japan Post Insurance) are required

to give prior consultation or reports for the purpose of securing the independence of the two finance corporations, and the Group is promoting consolidated management as a Group and working to ensure appropriate governance.

Moreover, in accordance with the Japan Post Group Management Agreements, the Group Steering Committee was established to discuss and share a common understanding of important matters concerning Group management among the management of the Japan Post Group companies for the purpose of promoting effective and efficient operation of the Japan Post Group. In addition, the Group CxO system has been introduced, and Group CxOs have been appointed from among the executives of Japan Post Holdings to implement cross-organizational adjustments and provide advice of the Group.

### Characteristics of the Board of Directors

(As of July 1, 2024)			
Characteristic (1)	Characteristic (2)	Characteristic (3)	Characteristic (4)
Company with nomination committee, etc.	The majority of the Board are outside directors	Putting diversity into practice	Implementation of Board of Directors’ effectiveness evaluation
Japan Post Holdings has adopted the system of a company with nomination committee, etc., and separates the Board of Directors engaged in vital decision-making and supervision from the business execution based on such decisions, thereby increasing the flexibility in management and establishing the management supervision structure of the Group governed by the Board of Directors. The nomination, compensation, and audit committees have at least three members each, the majority of which are independent officers.	The Board of Directors consists of 15 directors (up to 20 as defined in the Articles of Incorporation), of which the majority (10 directors) are independent outside directors. <div><div>Outside Directors</div><div>10 (15 members in total)</div></div>	The Board of Directors consists of diverse directors, who have a wealth of knowledge, experience, and insight. <div><div>Female Directors</div><div>5 (15 members in total)</div></div>	Every year, the Board of Directors confirms the opinions of each director regarding the Board of Directors’ meetings, then analyzes and evaluates the effectiveness of the Board of Directors overall, and discloses an overview of the results, using them to improve operation of the Board of Directors.

### Overview of committees

Japan Post Holdings has adopted a “company with nomination committee, etc.” structure.

	Role and structure (As of July 1, 2024)	Operation status (Fiscal year ended March 31, 2024)	Meetings in the fiscal year ended March 31, 2024 (average attendance rate)
Board of Directors	The Board of Directors, comprised of 15 Directors (including 10 Outside Directors), determines matters such as the basic management policy required by relevant laws and regulations, as well as the matters relating to the important execution of duties, and supervises the execution of duties by Directors and Executive Officers.	In the fiscal year ended March 31, 2024, in addition to discussion on the review of the Group's Medium-Term Management Plan "JP Vision 2025," the Board of Directors discussed Group management strategies including management issues of each Group company and received reports concerning Group performance, risk management, and the state of compliance and internal audits.	12 times (99%)
Nomination Committee	The Nomination Committee, comprised of three Directors (including two Outside Directors), submits proposals to the General Meeting of Shareholders concerning the election and dismissal of Directors. In accordance with the provisions of the Act on Japan Post Holdings Co., Ltd., resolutions for the election and dismissal of Directors of Japan Post Holdings shall not become effective without the approval of the Minister for Internal Affairs and Communications.	The Nomination Committee met four times during the fiscal year ended March 31, 2024, and deliberated and decided on the candidates for the Board of Directors and the skill matrix of candidates for the Board of Directors.	4 times (100%)
Compensation Committee	The Compensation Committee, comprised of three Directors (including two Outside Directors), establishes the policy for determining the amount of compensation for each Director and Executive Officer, and determines the amount for individual officers on the basis of this policy.	The Compensation Committee met eight times during the fiscal year ended March 31, 2024, and decided on individual compensation for Directors and Executive Officers and performance-linked compensation for Executive Officers. In addition, we discussed the review of the compensation system for Directors and Executive Officers.	8 times (100%)
Audit Committee	The Audit Committee consists of four Directors (including four Outside Directors), who audit the execution of duties by Directors and Executive Officers, audit the establishment and operation status of the internal control system, audit the validity of methods and results of auditing of financial statements by accounting auditors, and make audit reports. They also decide on the content of proposals submitted at the General Meeting of Shareholders regarding the election, dismissal, and non-reappointment of accounting auditors.	In the fiscal year ended March 31, 2024, audits focused mainly on the following points based on the audit policy and audit plan established by the Audit Committee. 1 Establishment and operation of internal control system (1) Compliance framework, (2) risk management framework, (3) IT governance and cyber security, (4) appropriate disclosure and investor relations activities, internal control to ensure proper consolidated accounting and financial reporting, (5) management and internal control status of Group subsidiaries other than operating subsidiaries, and (6) internal audit framework. 2 Progress of the Medium-Term Management Plan (including the status of review) The Audit Committee regularly reported these audit activities to the Board of Directors, shared information with Directors who are not members of the Audit Committee, and expressed its opinions at meetings of the Board of Directors or to departments related to business execution as necessary.	19 times (97%)

### Japan Post Holdings corporate governance system

Note: The number of members on the Board of Directors shall be an appropriate number of no more than 20, as stipulated in the Articles of Incorporation, and, in principle, the majority shall be composed of independent officers.

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Top Commitment  
Group Overview  
Stories of Value Creation for Growth  
Business Strategies for Growth  
Management Foundation to Support Growth  
Data Compilation

Skill matrix of Directors

The Board of Directors shall recognize effective supervision of Executive Officers from an independent and objective standpoint as one of their major roles and responsibilities.

The Board of Directors shall be diversely comprised of Directors with a wealth of knowledge and experience as well as deep insight to fulfill the

appropriate supervisory function toward the realization of sustainable growth of the Group and generation of corporate value over the medium to long term.

The following table represents the key skills and experience possessed by each Director.

Position	Name	Key skills and experience						
		Corporate management	Legal affairs/ Compliance	Financial affairs/ Accounting	Human resources/ Labor management	IT/DX/ Technology	Business knowledge (logistics, finance, insurance, etc.)	Community contribution/ Public policy
Director	MASUDA Hiroya	●					●	●
	IIZUKA Atsushi	●		●			●	●
	SENDA Tetsuya	●					●	●
	TANIGAKI Kunio	●	●				●	●
	KASAMA Takayuki	●					●	●
Outside Director	OKAMOTO Tsuyoshi	●			●			●
	KOEZUKA Miharuru	●	●		●			
	KAIAMI Makoto		●		●			
	SATAKE Akira	●	●	●			●	
	SUWA Takako	●				●		●
	ITO Yayoi					●	●	●
	OEDA Hiroshi	●		●	●			
	KIMURA Miyoko	●					●	
	SHINDO Kosei	●			●			●
	SHIONO Noriko	●					●	●

Note: The table above does not show all the skills and experience of each Director.

Evaluation of effectiveness of the Board of Directors

Method of Evaluation, etc.

At Japan Post Holdings, a questionnaire was sent to Directors, and through the questionnaire and discussions at meetings of Outside Directors, an evaluation of effectiveness based on self-assessment by Directors was conducted.

Evaluation Results, etc.

We assessed that the Board of Directors is generally functioning adequately.

The Group's Medium-Term Management Plan "JP Vision 2025" formulated in May 2021, is to be reviewed every three years. The Board of Directors were given early and multiple opportunities to fully discuss this review and other of the Company's priority management issues.

In addition, we believe the supervision function of the Board of Directors functioned adequately, since any scandals, including in-house crimes that come to light, are reported promptly to the Board of Directors, as is important information that contributes to management decisions by the Directors.

With regard to the agenda of the Board of Directors' meetings, as an ongoing initiative, deliberation time at the Board of Directors' meetings was increased from that of the past. In addition, there were ongoing innovations regarding the agenda, such as the Chairman of the Board of

Directors reporting all the regular matters to the Board of Directors after providing explanations in advance. We believe that both have been helpful in stimulating discussion.

In addition, we have continued to provide opportunities for Outside Directors to visit the front lines. In the fiscal year ended March 31, 2024, we held study sessions on the current status and issues of our business, which we believe have helped to deepen their understanding of the Group's operations.

Future issues to be addressed to enable Outside Directors to fulfill their roles include concentrated discussion on important agendas, further enhancement of deliberations on matters that have a material impact on Group management and more intensive follow-up regarding the PDCA cycle, securing opportunities for Japan Post Holdings' Directors to deepen their knowledge, and facilitating mutual understanding with Outside Directors.

We are committed to making improvements to address these issues by following up on the PDCA cycle regarding progress with the Medium-Term Management Plan and annual business plans, continuing to carefully examine the matters to be discussed at the Board of Directors' meetings and improve the information in the materials, organizing visits to the front lines and holding workshops for Directors, among other initiatives.

Independence criteria of Outside Directors

All 10 Outside Directors have been designated as independent executives having been deemed as meeting the "Standards for Designating Independent Directors of Japan Post Holdings Co., Ltd."

defined by Japan Post Holdings and being Outside Directors who have no risk of conflicts of interest with general shareholders, as defined by the Tokyo Stock Exchange.

Standards for Designating Independent Directors of Japan Post Holdings Co., Ltd.

Japan Post Holdings Co., Ltd. shall designate independent officers as specified by the Tokyo Stock Exchange among those who do not fall under any of the following categories.

- Person who has been a person who executes business (hereinafter referred to as "executive") of the Japan Post Group
- Party for whom the Japan Post Group is a major business partner, or an executive (or other) thereof
- Major business partner of the Japan Post Group, or an executive (or other) thereof
- Member, partner or employee of the independent auditor of the Japan Post Group
- Consultant, accounting expert or legal expert who receives or has received a large amount of monetary consideration or other property from the Japan Post Group, in addition to compensation as a director (if the recipient of the said consideration is a corporation, partnership, or other organization, a person who is or was a member of the organization)
- Major shareholder of Japan Post Holdings (if the shareholder is a corporation other than the government, an executive (or other) thereof)

- Executive (or other) of a corporation in which Japan Post Holdings is a major shareholder
- Major creditor of the Japan Post Group, or an executive (or other) thereof
- Spouse or relative within the second degree of kinship of the following persons (excluding those who are not significant persons)
  - Persons in categories 1 to 8 above
  - Executives of subsidiaries of Japan Post Holdings
- Executive (or other) of another company in which an executive (or other) of the Japan Post Group serves as an outside officer
- Person who receives a large amount of donations from the Japan Post Group (if the recipient of the said donations is a corporation, partnership, or other organization, an executive (or other) thereof, or an equivalent person)

Note: Please visit the following website for details.  
[https://www.japanpost.jp/en/group/governance/pdf/02\\_08.pdf](https://www.japanpost.jp/en/group/governance/pdf/02_08.pdf)

Training of Directors & support system for Outside Directors

Training of Directors

Japan Post Holdings provides opportunities for Directors to deepen their understanding and acquire necessary knowledge about such things as the Japan Post Group's businesses, issues to be addressed, and management strategies by proactively creating opportunities to discuss urgent issues of the Japan Post Group, so that Directors may properly fulfill the roles and responsibilities expected of them.

Support system for Outside Directors

Japan Post Holdings has developed an operation system for Outside Directors with consideration for the coordination of a flexible annual schedule, accurate provision of information as necessary, adequate

advance explanation of proposal contents, and securing of time for preliminary consideration and question-asking by the Board of Directors to ensure smooth and effective operation of the Board and improve the effectiveness of supervision by Outside Directors. In addition, Japan Post Holdings has established the Office of the Board of Directors to streamline the deliberation and reporting processes of the Board of Directors and check on the progress of resolutions made by the Board, as well as to support management and ensure communication and coordination with Outside Directors to conduct Board of Directors' meetings effectively and efficiently.

Policy on appointment of Directors

Scale and composition of candidates for Directors

The Nomination Committee nominates diverse Director candidates with different types of expertise and experience while taking into consideration the balance of the Board of Directors as a whole. The number of Director candidates shall be an appropriate number of no more than 20, as defined in the Articles of Incorporation, and as a rule the majority shall be composed of independent Outside Director candidates.

Internal Directors

The Nomination Committee nominates people who meet the following conditions as Internal Director candidates of Japan Post Holdings.

- Has expertise in the business of Japan Post Holdings
- Has superior ability in management judgment and management execution
- Has superior ability in leadership, determination, foresight, and planning

- Has an appropriate personality and insight as a Director
- Has no health problems when performing duties as an Internal Director

Outside Directors

The Nomination Committee nominates people who meet the following conditions as Outside Director candidates of Japan Post Holdings.

- Has knowledge of a specialized field, such as corporate management, legal affairs, financial affairs/accounting, human resources/labor management, information technology etc., and has achieved appropriate results in these specialized fields
- Has an appropriate personality and insight as a Director
- Has no health or operational problems when performing duties as an Outside Director



The reasons for nominating Outside Directors are as follows.

Name	Reasons for election
OKAMOTO Tsuyoshi	OKAMOTO Tsuyoshi has many years' experience on the management teams of business corporations, having served in positions that include Representative Director, President and Director, Chairman of Tokyo Gas Co., Ltd., an integrated energy company. He has also developed greater insight into the Group's businesses, having assumed the position of Outside Director of Japan Post Bank Co., Ltd., a major subsidiary of the Company, in June 2016. He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors, Nomination Committee, and Compensation Committee, based on his extensive experience and knowledge in corporate management developed throughout his career. The Company elected him as an Outside Director given expectations that he will supervise and check the management of the Company.
KOEZUKA Miharu	KOEZUKA Miharu has many years' experience on the management teams of business corporations, having served as Senior Managing Director (Representative Director) of Takashimaya Company, Limited, after having held other key positions including those in sales divisions at Takashimaya Company, Limited, which engages in the department store business in Japan and overseas. She was also involved in auditing the execution of duties of executive officers and directors as a member of the Audit Committee of the Company from June 2018 to June 2022, which has deepened her insight related to the Group's businesses. She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and the Compensation Committee, based on her extensive experience and knowledge in corporate management developed throughout her career. The Company elected her as an Outside Director given expectations that she will supervise and check the management of the Company.
KAIAMI Makoto	KAIAMI Makoto furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on his many years' experience in the legal profession, including serving as President of Tokyo District Court, and also based on his experience and knowledge as a legal expert, developed throughout his career. The Company elected him as an Outside Director given expectations that he will supervise and check the management of the Company. He has not been involved in corporate management other than as an Outside Director and Outside Audit and Supervisory Board Member, but we consider him to be able to perform the duties of Outside Director of the Company for the reasons stated above.
SATAKE Akira	SATAKE Akira has many years' experience on the management team of business corporations, having served as Director and Executive Vice President of Sumitomo Precision Products Co., Ltd., after having held other key positions including those in business divisions and finance divisions at SUMITOMO CORPORATION. He has also developed greater insight into the Group's businesses, having assumed the positions of Outside Director and member of the Audit Committee of Japan Post Insurance Co., Ltd., a major subsidiary of the Company, in June 2019. He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on his insight related to fields such as finance and accounting, developed throughout his career, and also based on his extensive experience and knowledge in corporate management. The Company elected him as an Outside Director given expectations that he will supervise and check the management of the Company.
SUWA Takako	SUWA Takako has many years' experience on the management teams of business corporations as Representative Director of Daiya Seiki Co., LTD., which engages in precision metal machining and manufacturing. She has also developed greater insight into the Group's businesses, having assumed the position of Outside Director of Japan Post Co., Ltd., a major subsidiary of the Company, in June 2018. She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on her insight related to fields such as the technology domain, developed throughout her career, and also based on her extensive experience and knowledge in corporate management. The Company elected her as an Outside Director given expectations that she will supervise and check the management of the Company.
ITO Yayoi	ITO Yayoi has been engaged in management planning and IT strategy business at NTT DATA Corporation, one of Japan's major telecommunication companies, and YAMATO HOLDINGS CO., LTD., a logistics company, etc. over many years. She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Audit Committee, based on her extensive experience and knowledge in logistics industry and IT field, etc. developed throughout her career. The Company elected her as an Outside Director given expectations that she will supervise and check the management of the Company. She has not been involved in corporate management other than as an Outside Director, but we consider her to be a suitable candidate to perform the duties of Outside Director of the Company for the reasons stated above.
OEDA Hiroshi	OEDA Hiroshi has many years' experience on the management teams of business corporations, having served in positions that include Director and President, etc. of Nisshin Seifun Group Inc. and Nisshin Flour Milling Inc., which are Japan's largest flour milling companies. He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Compensation Committee, based on his extensive experience and knowledge in corporate management developed throughout his career. The Company elected him as an Outside Director given expectations that he will supervise and check the management of the Company.
KIMURA Miyoko	KIMURA Miyoko started the business of ASKUL Corporation as one of the founding members. She has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President of ASUMARU Corporation, a subsidiary of ASKUL Corporation, and Director of ASKUL Corporation and KING JIM CO., LTD. She furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors, based on her insight related to fields such as the marketing domain developed throughout her career, and also based on her extensive experience and knowledge in corporate management developed. The Company elected her as an Outside Director given expectations that she will supervise and check the management of the Company.
SHINDO Kosei	SHINDO Kosei has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President and Representative Director and Chairman, etc. of NIPPON STEEL CORPORATION, which is Japan's leading steel company. He furnishes opinions and recommendations that are beneficial to management of the Company, particularly at meetings of the Board of Directors and Nomination Committee, based on his extensive experience and knowledge in corporate management developed throughout his career. The Company elected him as an Outside Director given expectations that he will supervise and check the management of the Company.
SHIONO Noriko	SHIONO Noriko has many years' experience on the management teams of business corporations, having served in positions that include Representative Director and President of SSP Co., Ltd., Konami Sports & Life Co., Ltd. (currently Konami Sports Co., Ltd.), and Widex Japan, a medical device manufacturer. The Company elected her as an Outside Director given expectations that she will supervise and check the management of the Company, based on her insight related to fields such as the marketing domain, developed throughout her career, and also based on her extensive experience and knowledge in corporate management.

■ Compensation system for Directors and Executive Officers

With regard to compensation of the Directors and Executive Officers of Japan Post Holdings, the Compensation Committee has set a “Policy to Determine Content of Compensation for Individual Directors and Executive Officers,” and the amount of compensation is determined in accordance with this policy.

Compensation system

1. When serving concurrently as a Director and Executive Officer, compensation shall be paid as an Executive Officer.
2. Directors of Japan Post Holdings shall be paid a fixed amount of compensation according to their duty, based on the scope and size of their responsibility for management.

3. Executive Officers of Japan Post Holdings shall be paid basic compensation according to their duty (fixed amount compensation) and performance-linked stock compensation, as a mechanism that functions as a sound incentive to promote sustainable growth. In addition, Directors or Executive Officers of Japan Post Holdings who simultaneously serve as a Director, Auditor, Executive, or Executive Officer of a Japan Post Group company shall be paid compensation by the company where that Director or Executive Officer mainly executes business.

Indicators of performance-linked compensation, the reason for selecting those indicators, and the method for deciding the amount of performance-linked compensation

With regard to performance-linked stock compensation, the Compensation Committee multiplies basic points based on the duties of an Executive Officer and individual evaluation points based on the execution of their responsibilities with a coefficient that changes based on company performance each fiscal year (achievement status of management plans, etc.) in order to calculate points.

Individual evaluations are made by individually evaluating the results and status of initiatives in the business that the Executive Officer is responsible for.

With regard to indicators related to company performance, in order to enable comprehensive judgment of the degree of achievement of management, the Compensation Committee has set indicators from multiple different categories, using “net income attributable to Japan Post Holdings” and “consolidated ordinary income ratio” as financial indicators, as well as “progress and implementation of the Medium-Term Management Plan ‘JP Vision 2025’ and the ‘Pledge to Regain Customers’ Trust” and “occurrence of serious clerical accidents and misconduct in the Group and operation of compliance systems” as non-financial indicators, that are suitable for the business format and content of the Company.

Additionally, the Company has a system that allows for a reduction or cancellation (malus) of the number of points used as the basis for calculating the number of shares granted to relevant Executive Officers in the event of a serious misconduct or violation by an Executive Officer eligible for payment. There is no policy for determining the payment ratio of performance-linked compensation and other forms of compensation.

Indicators related to company performance	Goals	Performance in the fiscal year ended March 31, 2024
Net income attributable to Japan Post Holdings	At least ¥240,000 million	¥268,685 million
Consolidated ordinary income ratio	At least 5.709%	5.578%
Progress of the Medium-Term Management Plan “JP Vision 2025”		Steady implementation of each measure such as Co-creation Platform, DX, governance enhancement, and ESG management
Occurrence of serious clerical accidents and misconduct in the Group and operation of compliance systems		Enhancement of management system through initiatives to improve Group conduct, such as strengthening the system for identifying and coordinating misconduct events, and improvement of the whistle-blowing system

Total amount of compensation for each executive category, total amount by type of compensation, and number of Executive Officers

Classification	Total amount of compensation (Millions of yen)	Total amount by type of compensation (Millions of yen)			Number of persons
		Fixed compensation	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors (excluding Outside Directors)	—	—	—	—	—
Executive Officers	720	563	156	—	28
Outside Directors	126	126	—	—	12

- Notes: 1. No compensation as a Director is paid to those who concurrently serve as a Director and Executive Officer.
2. Four Directors serve concurrently as Directors and Executive Officers of major consolidated subsidiaries, but they have not been paid compensation as Directors of Japan Post Holdings for the period that they belonged to a major consolidated subsidiary and only executed business of a major consolidated subsidiary. The total amount of compensation received by those four Directors from major consolidated subsidiaries is ¥117 million.
3. Twenty-five Executive Officers serve concurrently as Directors or Executive Officers of major consolidated subsidiaries, six of whom have not been paid as Executive Officers of Japan Post Holdings for the period in which they belonged to a major consolidated subsidiary and executed business of a major consolidated subsidiary. The total amount of compensation received by those six Executive Officers from major consolidated subsidiaries is ¥130 million.
4. Performance-linked compensation, etc. shows the amount recorded as expenses in the current fiscal year. In principle, at the end of each fiscal year, the Company books the amount expected to be incurred in the relevant fiscal year as an expense as a reserve, and reverses the relevant reserve at the time of retirement (when benefits are paid), etc.
5. The Company grants stock compensation to Executive Officers as non-monetary compensation, etc., under this system. The stock compensation is included in the performance-linked stock compensation, etc.
6. There are no retirement benefits or bonuses for Directors.

Changes to compensation system in the fiscal year ending March 31, 2025

In the fiscal year ending March 31, 2025, in order to further enhance the consciousness and contributions of Executive Officers towards steadily achieving the Company's performance targets and enhancing the medium-to-long term corporate value of the Company, we will introduce a monetary compensation system (annual bonus) linked to short-term performance, as well as non-performance-linked stock compensation to supplement the existing, performance-linked stock compensation and have revised the "Policy for Determining the Details of Individual Compensation for Directors and Executive Officers."

Compensation System for Directors and Executive Officers

Before revision			
Fixed compensation	Variable compensation		
	Medium- and long-term incentives		
Basic compensation	Stock compensation		

After revision			
Fixed compensation	Variable compensation		Non-monetary compensation
	Short-term incentives	Medium- and long-term incentives	
Basic compensation	Annual bonus	Stock compensation II	Stock compensation I

Compensation System

- When serving concurrently as a Director and Executive Officer, compensation shall be paid as an Executive Officer.
- Directors of Japan Post Holdings shall be paid a fixed amount of compensation according to their duty, based on the scope and size of their responsibility for management.
- Executive Officers of Japan Post Holdings shall be paid basic compensation according to their duty (fixed amount compensation), bonuses as short-term incentives, and stock compensation as medium- to long-term incentives (non-performance-linked and performance-linked), as a mechanism that functions as a sound incentive to promote sustainable growth.  
In addition, Directors or Executive Officers of Japan Post Holdings who simultaneously serve as a Director, Auditor, or Executive Officer of a Japan Post Group company shall be paid compensation by the company where that Director or Executive Officer mainly executes business.

Indicators of performance-linked compensation, the reason for selecting those indicators, and the method for deciding the amount of performance-linked compensation

- Performance-linked monetary compensation (annual bonus)  
With regard to short-term performance-linked monetary compensation (annual bonus) paid to Executive Officers, it is calculated by multiplying a standard amount for their position and their corresponding responsibilities by a coefficient based on individual performance evaluation and a variable payout rate based on company performance each fiscal year (achievement status of management plans, etc.).  
Individual evaluations are made by individually evaluating the results and status of initiatives in the business that the Executive Officer is responsible for.  
With regard to indicators related to company performance, in order to enable comprehensive judgment of the degree of achievement of management, indicators are set from multiple different categories, using the financial indicators "consolidated net income attributable to Japan Post Holdings" and "consolidated ordinary income ratio" and sustainability indicators (employee engagement score, ratio of female managers in the head office, status of implementation of initiatives to reduce GHG emissions, and status of improvement in the ratings by ESG assessment organizations)," "progress of the Medium-Term Management Plan 'JP Vision 2025+ (Plus)'," and "occurrence of serious clerical accidents and misconduct in the Group and operation of compliance systems" as non-financial indicators, that are suitable for the business format and content of the Company.

- In addition, the Company has a system that allows for recovery of all or part of the bonus amount paid to Executive Officers (claw back) in the event of a serious misconduct or violation by an Executive Officer eligible for payment of a bonus.
- Performance-linked stock compensation  
With regard to performance-linked stock compensation paid to Executive Officers, after the end of the last fiscal year of the Medium-Term Management Plan, Executive Officers will be awarded points based on the standard number of points for their position and corresponding responsibilities, multiplied by a variable payout rate arrived at based on the degree to which they have met the performance targets in the Medium-Term Management Plan.  
The performance targets, which are the basis for determining the payout rate, are based on the medium- to long-term targets and indicators set forth in the Medium-Term Management Plan such that stock compensation functions as a sound incentive to enhance corporate value and achieve sustainable growth over the medium to long term. ROE (based on shareholders' equity) is one of the key indicators in the current Medium-Term Management Plan and has been adopted.  
Additionally, the Company has a system that allows for a reduction or cancellation (malus) of the number of points used as the basis for calculating the number of shares granted to relevant Executive Officers in the event of a serious misconduct or violation by an Executive Officer eligible for payment.

Target indicators for the performance-linked compensation in the fiscal year ending March 31, 2025

Classification	Indicators related to company performance	
Performance-linked monetary compensation (annual bonus)	Net income attributable to Japan Post Holdings	
	Consolidated ordinary income ratio	
	Sustainability indicators	Employee engagement score
		Ratio of female managers in the head office
		Status of implementation of initiatives to reduce GHG emissions
		Status of improvement in the ratings by ESG assessment organizations
	Progress of the Medium-Term Management Plan "JP Vision 2025+"	
	Occurrence of serious clerical accidents and misconduct in the Group and operation of compliance systems	
Performance-linked stock compensation	ROE (Based on shareholders' equity)	

Policy equity

Holding policy for policy equity

- Japan Post Holdings shall be able to acquire and hold shares of listed companies that are judged to contribute to the medium- to long-term improvement of the corporate value of the Japan Post Group for reasons other than net investment, such as strengthening business alliances (hereinafter, referred to as "policy equity").
- Every year, the Board of Directors shall verify the aim and rationality of holding policy equity that is held by Japan Post Holdings, taking into account medium- to long-term economic rationality and future prospects, and disclose the content of this verification.
- With regard to the exercise of voting rights on policy equity, Japan Post Holdings shall decide how to vote on proposals having individually examined whether each proposal conforms to Japan Post Holdings' holding policy, and whether it can be expected to help ensure the efficient and sound management of the company in question, and improve its corporate value.

Methods of Verifying the Rationality of Holding Policy Equity and Results of Verification by the Board of Directors

When verifying the policy equity held by Japan Post Holdings, every year the Board of Directors verifies the aim and rationality of holding policy equity that is held by Japan Post Holdings, taking into account medium- to long-term economic rationality and the future prospects, and discloses the content of this verification.  
As a result of the Board of Directors conducting a review as described above in April 2024, it was confirmed to be appropriate to continue holding two brands of policy equity held by Japan Post Holdings.

Primary legal regulations

In conducting its business, the Japan Post Group is subject to various legal regulations such as those described below.

(1) Regulations based on the Postal Act and other laws

Under the Postal Act, our business is subject to regulations specific to a business unlike that of other companies, such as postal agreements, an authorization system for business consignment, and a uniform nationwide fee system.

(2) Regulations based on the Banking Act and the Insurance Business Act

The two financial businesses of the Japan Post Group are subject to financial business regulations based on the Banking Act and the Insurance Business Act, including capital adequacy ratio and solvency margin regulations. As a bank holding company and insurance holding company, Japan Post Holdings is also subject

to consolidated capital adequacy ratio regulations and various other financial services business regulations.

Based on the Banking Act, as a banking agency and affiliated bank of Japan Post Bank, Japan Post is not permitted to conduct business other than as set forth by law without approval from the Prime Minister. In addition, it is subject to such regulations as the obligation for separate management, the obligation to explain banking agency services it engages in to customers, and the prohibition of certain activities such as making definitive claims. Based on the Insurance Business Act, as an insurance solicitor and affiliated insurance company of Japan Post Insurance, Japan Post is subject to such regulations as the obligation to provide explanations for customers and the prohibition of certain activities such as providing false explanations.

Licensing required by law

License	Related law	Company	Expiration date	Reasons for cancellation, etc.
Bank Holding Company Authorization	Article 52-17, Paragraph 1 of the Banking Act	Japan Post Holdings Co., Ltd.	None	Article 52-34, Paragraph 1 of the Banking Act
Insurance Company's Major Shareholder Authorization	Article 271-10, Paragraph 1 of the Insurance Business Act	Japan Post Holdings Co., Ltd.	None	Article 271-16, Paragraph 1 of the Insurance Business Act
Bank Agency Authorization	Article 52-36, Paragraph 1 of the Banking Act	Japan Post Co., Ltd.	None	Article 52-56, Paragraph 1 of the Banking Act
Life Insurance Solicitor Registration	Article 276 of the Insurance Business Act	Japan Post Co., Ltd.	None	Article 307, Paragraph 1 of the Insurance Business Act
Banking Business License	Article 4, Paragraph 1 of the Banking Act	Japan Post Bank Co., Ltd.	None	Article 26, Paragraph 1; Article 27; and Article 28 of the Banking Act
Insurance Business License	Article 3, Paragraph 4 of the Insurance Business Act	Japan Post Insurance Co., Ltd.	None	Article 132, Paragraph 1; Article 133; and Article 134 of the Insurance Business Act



(3) Regulations specifically applicable to the Japan Post Group

Japan Post Holdings and Japan Post are required to receive authorization from the Minister for Internal Affairs and Communications to engage in new businesses, solicit shares, elect or dismiss Directors (Japan Post Holdings only), and formulate business plans, based on the Act on Japan Post Holdings Co., Ltd. and Act on Japan Post Co., Ltd., respectively (however, only notification of new businesses to the Minister for Internal Affairs and Communications is required for Japan Post).

The two financial institutions are required to receive authorization from the Prime Minister and the Minister for Internal Affairs and Communications based on the Postal Service Privatization Act to engage in new businesses, conduct mergers, split companies, or transfer and receive businesses. Japan Post Bank may not in itself have banks as subsidiaries and neither may Japan Post Insurance have insurance companies as subsidiaries. In addition, the two financial institutions are subject to regulations different from other companies in the same industry, such as deposit limit regulations in the banking business and subscription limit regulations in the life insurance business.

Since the Company notified the Minister of Internal Affairs and Communications that it had disposed of more than one-half of the shares of Japan Post Insurance, Japan Post Insurance will no longer be required to obtain authorization, but if it intends to engage in any of the abovementioned businesses, it will be required to notify the Prime Minister and the Minister for Internal Affairs and Communications. At the same time, Japan Post Insurance is required to take special care not to impede proper competition with other life insurance companies and the appropriate provision of services to users when conducting its business.

(Reference) Maximum deposit amounts in Japan Post Bank  
Under the Postal Service Privatization Act, Japan Post Bank restricts the amount of deposits that can be accepted from a single depositor, except for transfer savings equivalent to checking deposits. (Article 107 of the Postal Service Privatization Act, Article 2 of the Postal Service Privatization Act Enforcement Ordinance)

- A. Regular savings... ¥13 million
- B. Fixed savings (Fixed amount savings and fixed term savings. Includes postal savings deposited before postal service privatization (taken over by the Organization for Postal Savings, Postal Life Insurance and Post Office Network) but excludes C.) ... ¥13 million
- C. Property fixed amount savings, property pension fixed amount savings, and property housing fixed amount savings... ¥5.5 million in total

(Reference) Enrollment limit at Japan Post Insurance  
Insurance policies for Japan Post Insurance have limits defined by the Postal Service Privatization Act and related laws regarding the amount of insurance that an insured person can be enrolled for (insurance limit amount). (Article 137 of the Postal Service Privatization Act, Articles 6, 7, and 8 of the Postal Service Privatization Act Enforcement Ordinance)

If the insured person has subscribed to a postal life insurance policy since before postal service privatization, then the enrollment limit is the difference of the policy amount of their postal life insurance policy subtracted from the following amounts.

- A. Enrollment limit of the basic policy insurance amount
  - i. When the insured person is 15 years old or younger: ¥7 million
  - ii. When the insured person is 16 years old or older: ¥10 million (the insurance amount of special endowment insurance for insured persons who are 55 years old or older, in combination with regular fixed term insurance, is ¥8 million)  
However, if the insured person is age 20 to 54, this limit can be up to ¥20 million under certain conditions (such as when there is an insurance policy that has passed four or more years since enrolling). The limit for specific endowment insurance is ¥5 million regardless of age.
- B. Enrollment limit amount for pension (excluding nursing care pension)  
¥900,000 annually (amount of basic pension in the first year) (Excluding the amount for the insured person who is the spouse in marital pension insurance, as well as marital insurance with marital pension insurance.)

- C. Enrollment limit of rider coverage
  - i. Security for having a disease or injury, or the state of a person caused by having a disease, death caused directly by having an injury, or similar such states... ¥10 million in total
  - ii. Security for treatment of the issues listed above... ¥10 million
- Note: In addition to the enrollment limits stipulated by laws and regulations above, there are set restrictions on the amount of rider coverage that can be added depending on the type of insurance of the basic policy.
- D. Enrollment limit of total paid-in premiums  
Property savings insurance and property housing

insurance... ¥5.5 million in total (In addition, there is a limitation on the total paid-in premium according to relevant laws and regulations regarding property-type insurance.)

(4) World Trade Organization (WTO): Government procurement rules

Japan Post Holdings, Japan Post, and the two financial institutions are successors to a state-owned enterprise. As such, they are required to comply with the rules on government procurement set forth in the WTO Agreement on Government Procurement and in other international agreements when procuring goods or services covered by those agreements.

Directors



MASUDA Hiroya

Director and Representative Executive Officer, President & CEO  
Member of the Nomination Committee  
Member of the Compensation Committee

Number of shares held: 500 shares  
Number of years as director: 4 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Nomination Committee meetings: 4/4 times (100%)  
Attendance at Compensation Committee meetings: 8/8 times (100%)

Significant Concurrent Positions

Director of Japan Post Co., Ltd.; Director of Japan Post Bank Co., Ltd.;  
Director of Japan Post Insurance Co., Ltd.

Career Summary

April 1977 Joined the Ministry of Construction; July 1994 Director for Construction Disputes Settlement of Construction Industry Division of Ministry of Construction, Economic Affairs Bureau; April 1995 Governor of Iwate Prefecture; August 2007 Minister for Internal Affairs and Communications; Minister for State for Special Missions of Cabinet Office; April 2009 Advisor of Nomura Research Institute, Ltd.; Visiting Professor of Graduate School of Public Policy at the University of Tokyo; January 2020 Representative Executive Officer, President & CEO of the Company; June 2020 Director and Representative Executive Officer, President & CEO of the Company (present); Director of Japan Post Co., Ltd. (present); Director of Japan Post Bank Co., Ltd. (present); Director of Japan Post Insurance Co., Ltd. (present)



IIZUKA Atsushi

Director and Representative Executive Officer, Senior Executive Vice President

Number of shares held: 500 shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)

Significant Concurrent Position

Outside Director of TOENEC CORPORATION

Career Summary

April 1983 Joined Ministry of Finance; July 2011 Deputy Director-General of the Financial Bureau, Ministry of Finance; December 2012 Deputy Director-General of the Headquarters for Japan's Economic Revitalization, Cabinet Secretariat; July 2014 Deputy Director-General of the Financial Bureau, Ministry of Finance; July 2015 Director-General of the Tokai Local Finance Bureau; June 2016 First Deputy Commissioner of National Tax Agency; July 2017 Director-General of the Customs and Tariff Bureau, Ministry of Finance; November 2018 Adviser for Group CEO of Sampo Holdings, Inc.; January 2019 Chairman of Sampo Japan Nipponkoa Research Institute Inc. (currently Sampo Institute Plus Inc.); June 2020 Senior Managing Executive Officer of the Company (to June 2021); April 2021 Senior Managing Executive Officer of Japan Post Co., Ltd.; June 2021 Representative Executive Officer, Executive Vice President of the Company; June 2023 Director and Representative Executive Officer, Executive Vice President of the Company; Apr. 2024 Director and Representative Executive Officer, Senior Vice President of the Company (to present)



SENDA Tetsuya

Director

Number of shares held: 5,200 shares  
Number of years as director: 4 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)

Significant Concurrent Position

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

Career Summary

April 1984 Joined the Ministry of Posts & Telecommunications; July 2011 Executive Officer and Senior General Manager of Corporate Planning Department of Japan Post Insurance Co., Ltd.; June 2013 Managing Executive Officer of the Company (to June 2016); July 2013 Managing Executive Officer of Japan Post Insurance Co., Ltd.; June 2016 Senior Managing Executive Officer of Japan Post Insurance Co., Ltd.; November 2017 Senior Managing Executive Officer of the Company; April 2019 Representative Executive Officer and Executive Vice President of Japan Post Insurance Co., Ltd. (to January 2020); August 2019 Managing Executive Officer of the Company (to June 2020); January 2020 President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd.; June 2020 Director and President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd.; Director of the Company (present); June 2023 President & CEO (Representative Executive Officer) of Japan Post Co., Ltd. (present)



TANIGAKI Kunio

Director

Number of shares held: 17,900 shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)

Significant Concurrent Position

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

Career Summary

April 1984 Joined the Ministry of Posts & Telecommunications; January 2006 Senior General Manager of the Company (in charge of Implementation Plan); October 2007 Senior General Manager of the General Affairs and Human Resources Department of the Company; June 2008 Executive Officer, Senior General Manager of the Corporate Planning Department of the Company; June 2009 Managing Executive Officer, Senior General Manager of the Corporate Planning Department of the Company; January 2013 Senior Managing Executive Officer of the Company; June 2016 Executive Officer and Executive Vice President of Japan Post Insurance Co., Ltd.; January 2017 Executive Officer and Executive Vice President of Japan Post Co., Ltd.; April 2019 Senior Managing Executive Officer of the Company; November 2021 Executive Officer and Executive Vice President of Japan Post Bank Co., Ltd.; June 2023 President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd. (present); Director of the Company (present)



KASAMA Takayuki

Director

Number of shares held: — shares

Significant Concurrent Position

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

Career Summary

April 1996 Joined The Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited); December 1998 Joined IBJ Securities Co., Ltd., (currently Mizuho Securities Co., Ltd.); October 2000 Joined Goldman Sachs (Japan) Ltd.; January 2010 Managing Director of Goldman Sachs Japan Co., Ltd.; January 2011 Managing Director and Head of Credit Trading of Goldman Sachs, Japan Co., Ltd.; July 2013 CEO, Senior Portfolio Manager of GOLVIS INVESTMENT PTE. LTD.; November 2015 Managing Director (in charge of credit investments) of Japan Post Bank Co., Ltd.; June 2016 Managing Director, General Manager of Global Credit Investment Department, Investment Division of Japan Post Bank Co., Ltd.; May 2018 Senior Managing Director, General Manager of Global Credit Investment Department, Investment Division of Japan Post Bank Co., Ltd.; April 2020 Executive Managing Director (supervising bonds and credit) of Japan Post Bank Co., Ltd.; June 2020 Senior Managing Executive Officer of Japan Post Bank Co., Ltd.; June 2023 Director and Representative Executive Vice President of Japan Post Bank Co., Ltd.; April 2024 Director, President and Representative Executive Officer of Japan Post Bank Co., Ltd. (to present)



OKAMOTO Tsuyoshi

Outside Director  
Chairperson of the Nomination Committee

Number of shares held: 6,600 shares  
Number of years as director: 6 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Nomination Committee meetings: 4/4 times (100%)  
Attendance at Compensation Committee meetings: 1/1 times (100%)

Significant Concurrent Positions

Honorary Advisor of Tokyo Gas Co., Ltd.; Outside Director of Asahi Kasei Corp.; Outside Director of Mitsubishi Estate Co., Ltd.

Career Summary

June 2002 Executive Officer of Tokyo Gas Co., Ltd.; April 2004 Senior Executive Officer of Tokyo Gas Co., Ltd.; June 2004 Director, Senior Executive Officer of Tokyo Gas Co., Ltd.; April 2007 Representative Director, Executive Vice President of Tokyo Gas Co., Ltd.; April 2010 Representative Director, President of Tokyo Gas Co., Ltd.; April 2014 Director, Chairman of Tokyo Gas Co., Ltd.; June 2016 Outside Director of Japan Post Bank Co., Ltd.; April 2018 Director, Senior Corporate Advisor of Tokyo Gas Co., Ltd.; June 2018 Director of the Company (present); July 2018 Senior Corporate Advisor of Tokyo Gas Co., Ltd.; June 2023 Honorary Advisor of Tokyo Gas Co., Ltd. (present)



KOEZUKA Miharuru

Outside Director  
Chairperson of the Compensation Committee

Number of shares held: 6,500 shares  
Number of years as director: 6 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Audit Committee meetings: 7/7 times (100%)

Significant Concurrent Positions

Outside Director of Nankai Electric Railway Co., Ltd.;  
Outside Director of SEKISUI CHEMICAL CO., LTD.

Career Summary

May 2007 Executive Officer of Takashimaya Company, Limited; March 2009 Senior Executive Officer of Takashimaya Company, Limited; February 2010 President (Representative Director) of Okayama Takashimaya Co., Ltd.; May 2013 Director of Takashimaya Company, Limited; September 2013 Senior Managing Director (Representative Director) of Takashimaya Company, Limited; Director of Okayama Takashimaya Co., Ltd.; March 2016 Director of Takashimaya Company, Limited; May 2016 Advisor of Takashimaya Company, Limited; October 2016 Representative Director and President of Dear Mayuko Co., Ltd.; March 2018 Advisor of Dear Mayuko Co., Ltd.; June 2018 Director of the Company (present); March 2020 Counselor of Takashimaya Company, Limited



KAIAMI Makoto

Outside Director  
Member of the Audit Committee

Number of shares held: — shares  
Number of years as director: 4 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Audit Committee meetings: 18/19 times (94.7%)

Significant Concurrent Positions

Attorney; Outside Audit & Supervisory Board Member of SEIREN, Co., Ltd.; Outside Director of Tokyu Fudosan Holdings Corporation

Career Summary

April 1978 Appointed as a judge; April 2000 Division-head Judge of Tokyo District Court; July 2007 Associate Vice-Minister of Justice in charge of Litigation Affairs, Minister's Secretariat, Ministry of Justice; July 2009 Judge of Tokyo High Court; December 2009 President of Wakayama District / Family Court; January 2011 President of Nagano District / Family Court; November 2012 Division-head Judge of Tokyo High Court; July 2014 President of Tokyo Family Court; June 2015 President of Tokyo District Court; February 2017 Registered as Attorney (present); September 2018 Joined Otemachi Law Office (present); June 2020 Director of the Company (present)



SATAKE Akira

Outside Director  
Chairperson of the Audit Committee

Number of shares held: — shares  
Number of years as director: 4 years  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Audit Committee meetings: 19/19 times (100%)

Significant Concurrent Positions

None

Career Summary

April 1979 Joined SUMITOMO CORPORATION; April 2011 Executive Officer and General Manager of Planning & Administration Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit of SUMITOMO CORPORATION; April 2013 Managing Executive Officer, General Manager of Finance Dept. of SUMITOMO CORPORATION; April 2016 Senior Managing Executive Officer of SUMITOMO CORPORATION; June 2017 Director and Senior Managing Executive Officer of Sumitomo Precision Products Co., Ltd.; June 2018 Director and Executive Vice President of Sumitomo Precision Products Co., Ltd.; April 2019 Advisor of SUMITOMO CORPORATION; June 2019 Outside Director of Japan Post Insurance Co., Ltd.; June 2020 Director of the Company (present)



SUWA Takako

Outside Director  
Member of the Audit Committee

Number of shares held: 1,000 shares  
Number of years as director: 2 year  
Attendance at Board of Directors' meetings: 12/12 times (100%)  
Attendance at Audit Committee meetings: 18/19 times (94.7%)

Significant Concurrent Positions

Representative Director of Daiya Seiki Co., LTD.; Outside Board Director of Nippon Television Holdings, Inc.

Career Summary

October 1995 Joined Unisia Jecs Corporation (currently Hitachi Astemo, Ltd.); April 2004 Representative Director of Daiya Seiki Co., LTD. (present); June 2018 Outside Director of Japan Post Co., Ltd.; June 2022 Director of the Company (present)



ITO Yayoi

Outside Director  
Member of the Audit Committee

Number of shares held: — shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)  
Attendance at Audit Committee meetings: 14/14 times (100%)

Significant Concurrent Positions

Outside Director of KANADEN CORPORATION; Outside Director and Audit and Supervisory Committee Member of NISHIMATSU CONSTRUCTION Co., Ltd.

Career Summary

April 1986 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION; July 1988 Joined NTT DATA Communications Systems Corporation (currently NTT DATA Corporation); April 2008 Chief of Business Planning and Promotion Office, Public System Sector of NTT DATA Corporation; April 2016 Senior Business Development Manager of Enterprise Partner Sales Division of Microsoft Japan Co., Ltd.; February 2017 Senior Promotion Manager of Yamato Digital Innovation Center of YAMATO HOLDINGS CO., LTD.; June 2018 Senior Strategy Manager in charge of IT Strategy of YAMATO HOLDINGS CO., LTD.; May 2019 Managing Executive Officer of UNIZO Holdings Company, Limited; November 2020 Joined SG SYSTEMS CO., LTD.; April 2021 Executive Officer of SG SYSTEMS CO., LTD.; June 2023 Director of the Company (present)



OEDA Hiroshi

Outside Director  
Member of the Compensation Committee

Number of shares held: 1,200 shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)  
Attendance at Compensation Committee meetings: 7/7 times (100%)

Significant Concurrent Positions

Special Advisor of Nisshin Seifun Group Inc.; Outside Director of EBARA CORPORATION; Outside Director of SEKISUI CHEMICAL CO., LTD.; Chairman of Hitotsubashi Daigaku Koenkai

Career Summary

April 1980 Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.); June 2008 Executive Officer of Nisshin Seifun Group Inc.; Managing Director and Division Executive (Operations & Planning Division) of Nisshin Flour Milling Inc.; June 2009 Director of Nisshin Seifun Group Inc.; June 2010 Senior Managing Director and Division Executive (Operations & Planning Division) of Nisshin Flour Milling Inc.; April 2011 President of Nisshin Seifun Group Inc.; April 2012 Additionally appointed to Director and President of Nisshin Flour Milling Inc.; April 2015 Additionally appointed to Director and Chairman of Nisshin Flour Milling Inc.; April 2017 Director and Advisor of Nisshin Seifun Group Inc.; June 2017 Special Advisor of Nisshin Seifun Group Inc. (present); Director and President of Seifun-Kaikai; June 2023 Director of the Company (present)



KIMURA Miyoko

Outside Director

Number of shares held: — shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)

Significant Concurrent Positions

Director and Managing Executive Officer, General Manager of R&D Division and CMO of KING JIM CO., LTD.; Outside Director and Audit and Supervisory Committee Member of Asahi Holdings, Inc.

Career Summary

April 1988 Joined PLUS Corporation; May 1999 Joined ASKUL Corporation; February 2010 Representative Director and President of ASUMARU Corporation; August 2017 Director, Chief Marketing Officer (CMO), Executive Officer, Executive Officer of Life Creation Center Unit, B-to-C Company of ASKUL Corporation; March 2020 Director, Supervisor of Merchandising Unit, Chief Marketing Officer (CMO), Executive Officer of ASKUL Corporation; May 2021 Director in charge of branding, design, and supplier relations of ASKUL Corporation; September 2022 Director and Managing Executive Officer, General Manager of R&D Division of KING JIM CO., LTD.; June 2023 Director of the Company (present); September 2023 Director and Managing Executive Officer, General Manager of R&D Division and CMO of KING JIM CO., LTD. (to present)



SHINDO Kosei

Outside Director  
Member of the Nomination Committee

Number of shares held: 10,000 shares  
Number of years as director: 1 year  
Attendance at Board of Directors' meetings: 10/10 times (100%)  
Attendance at Nomination Committee meetings: 3/3 times (100%)

Significant Concurrent Positions

Senior Advisor of NIPPON STEEL CORPORATION; Outside Director of Tokio Marine Holdings, Inc.; Outside Director of Development Bank Inc.

Career Summary

April 1973 Joined NIPPON STEEL CORPORATION; June 2005 Director, General Manager of Corporate Planning Department of NIPPON STEEL CORPORATION; June 2006 Executive Officer, General Manager of Corporate Planning Department of NIPPON STEEL CORPORATION; April 2007 Executive Officer, General Manager of General Affairs Department of NIPPON STEEL CORPORATION; April 2009 Executive Vice President of NIPPON STEEL CORPORATION; June 2009 Representative Director and Executive Vice President of NIPPON STEEL CORPORATION; October 2012 Representative Director and Executive Vice President of NIPPON STEEL & SUMITOMO METAL CORPORATION (currently NIPPON STEEL CORPORATION); April 2014 Representative Director and President of NIPPON STEEL & SUMITOMO METAL CORPORATION; April 2019 Representative Director and Chairman of NIPPON STEEL CORPORATION; June 2023 Director of the Company (to present); April 2024 Director and Senior Advisor of NIPPON STEEL CORPORATION; June 2024 Senior Advisor of NIPPON STEEL CORPORATION (to present)



SHIONO Noriko

Outside Director

Number of shares held: — shares

Significant Concurrent Positions

Outside Director of Kirin Holdings Company, Limited; Outside Director of Bengo4.com, Inc.

Career Summary

August 1983 Joined Japan New Media Co., Ltd.; January 1999 General Manager of Marketing Department of Federal Express Corporation; March 2001 Joined The Walt Disney Company (Japan) Ltd.; October 2002 Vice President of Marketing and Sales of The Walt Disney Company (Japan) Ltd.; February 2006 Vice President of Corporate Marketing of The Walt Disney Company (Japan) Ltd.; April 2008 General Manager of Marketing Division of SSP Co., Ltd.; March 2010 Representative Director and President of SSP Co., Ltd.; January 2012 Director and Vice President of Konami Sports & Life Co., Ltd. (currently Konami Sports Co., Ltd.); January 2014 Representative Director and President of Konami Sports & Life Co., Ltd.; May 2016 Director and Chairman of Konami Sports Club Co., Ltd.; October 2017 Representative Director and President of Widex Japan; January 2024 Advisor of Widex Japan; June 2024 Director of the Company (to present)



# Japan Post Group Risk Management

In April 2024, the risk management function was integrated into the crisis management function and is now managed centrally by the Crisis Management Department, thereby promoting an aligned three-pronged approach of “crisis prevention,” “early identification of risk manifestations,” and “minimization of impact.” As part of our risk management initiatives, we will strengthen controls over risks that could have a significant impact on the business of the Japan Post Group, including emerging risks, thereby establishing a system to prevent the materialization of risks that could have a major impact on the Group. We will also work to accelerate the reporting of risks to management when they arise.

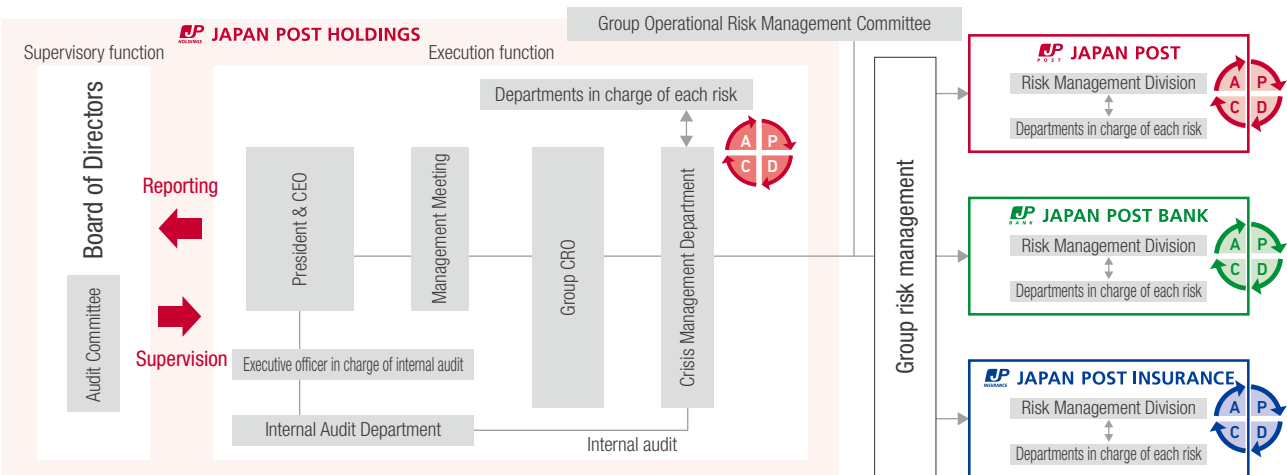
In addition, by aligning the scope of control between risk management and crisis management, a smooth transition to crisis management, etc., can be achieved whenever risks materialize.

Furthermore, to strengthen Group governance, Japan Post Holdings appoints the Group Chief Risk Officer (CRO) from among its executive officers who reports to and is supervised by directors and others regarding the Group’s risk management and its initiatives. In addition, the Group Operational Risk Management Committee, which consists of executive officers in charge of risk management at each Group company, shares information and discusses risk management to improve the risk management of each Group company.

Furthermore, each Group company has designated a department to oversee its own risk management, and each department proactively identifies, assesses, controls, and monitors their risks in accordance with its own business characteristics, and has established a risk management framework where it reports necessary matters to Japan Post Holdings.

Through these initiatives, we aim to ensure the sustainable and sound management of the Group.

Group risk management framework of the Japan Post Group

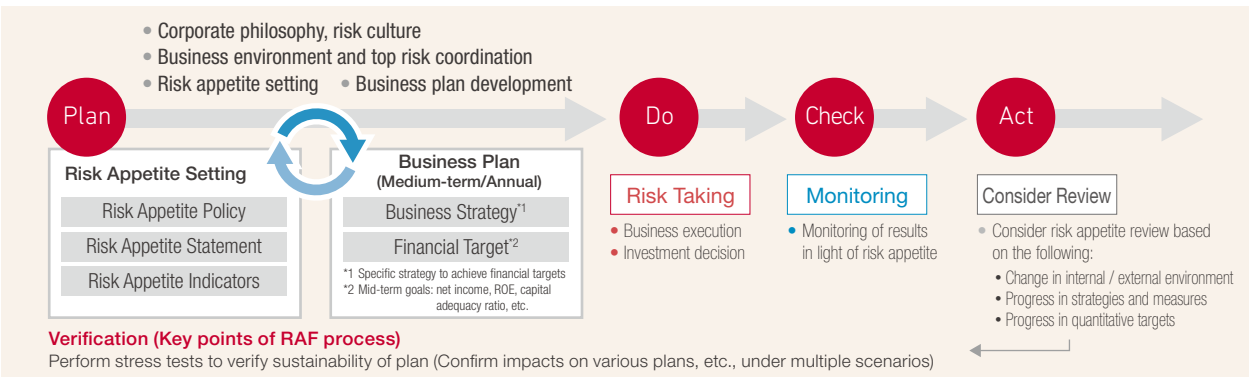


## Risk Appetite Framework (RAF)

The Japan Post Group has introduced its Risk Appetite Framework (RAF) from the fiscal year ended March 31, 2022, as a framework to control risks for the entire Group by clarifying the type and amount of risks (risk appetite) to be taken or accepted in order to expand earnings.

Utilizing this framework, the Japan Post Group will approve the risks and types of risks to be taken by its management together with the business plan, and aims to enhance corporate value by avoiding unexpected losses, improving the risk-return balance, and ensuring accountability.

### RAF operation process



## Basic concept for risk appetite by business

### Financial Businesses

(Japan Post Bank and Japan Post Insurance)

We aim to secure profits while maintaining financial soundness through appropriate risk-taking and risk control in asset and liability management (ALM), investment operations, and insurance underwriting.

### Non-Financial Businesses

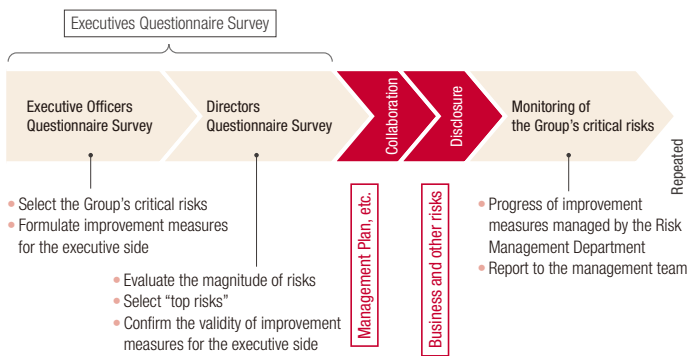
(Japan Post Holdings and Japan Post)

In the postal and domestic logistics business, real estate business, and new businesses, we will aim to secure new earnings while maintaining financial soundness through appropriate risk-taking and risk control within the scope of capital, excluding the financial and existing businesses.

## Management of critical risks facing the Group

Every year, Japan Post Holdings reviews risks that may have a significant impact on the Group’s business (the Group’s critical risks) based on such factors as changes in the external environment and business strategies. Japan Post Holdings identifies and evaluates specific risks by conducting a questionnaire survey of directors and executive officers (Executives Questionnaire Survey) and executes a PDCA cycle, through which the management team formulates improvement measures and monitors their implementation status, among other things.

The Group’s critical risks are disclosed as “Business and Other Risks” in the Annual Securities Report.



## Top risks

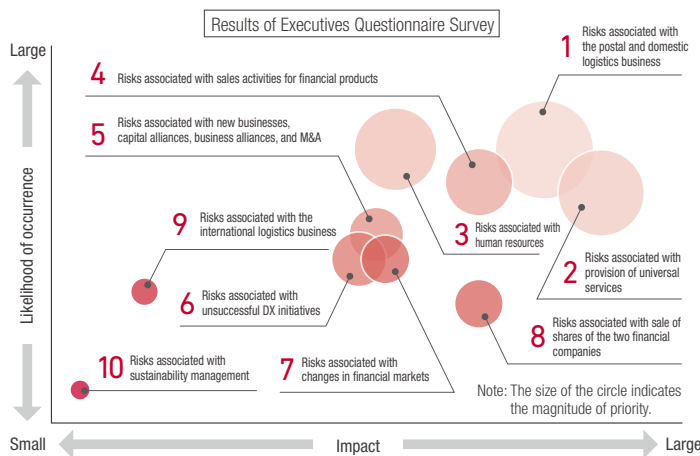
Japan Post Holdings conducts a questionnaire survey of directors and other personnel to identify “risks to the Group’s business and other activities that are of particular importance to management.”

As a result, the Company evaluates the magnitude of risks from the perspective of likelihood of occurrence and severity of impact and designates the most significant risks as “top risks.”

In collaboration with Group companies, Japan Post Holdings monitors the management status of top risks and improvement measures. The monitoring is incorporated into discussions for preventing risk manifestations, initiatives to minimize the impact on Group management, and to the formulation of the RAF and management plans.

Furthermore, the Company will define risks to be monitored from among risks that arise in its operations, etc., and promote the establishment of a system to manage such risks alongside top risks.

Note: The business and other risks listed here are examples of major risks as of the date of publication of this report and are not limited to those listed here. Please refer to the Annual Securities Report for details. <https://www.japanpost.jp/ir/library/security/> (in Japanese only)



## Top risks and main assumed scenarios for the fiscal year ending March 31, 2025

(Business and other risks of the Group that are of particular importance to the management of the Company)

	Top risks	Main assumed scenarios
1	Risks associated with the postal and domestic logistics business	A decrease in mail volume due to the advance of digitization (including after setting postal rates commensurate with costs), weakness in revenues from parcels and other items due to intensified competition with other companies and the expansion of the e-commerce market, and the failure of initiatives to strengthen competitiveness at Japan Post thereby cause a significant decrease in the Group’s earnings.
2	Risks associated with provision of universal services	Initiatives to improve profitability and operational efficiency are not successful, and the cost burden for maintaining universal services increases due to inflation and other changes in the business environment.
3	Risks associated with human resources	Wage levels are inferior to those of other companies leading to an inability to retain talented human resources in various business roles as well as talent specializing in IT and other roles. In addition, an inability to provide a rewarding work environment due to the occurrence of personnel and labor issues lead to a loss or shortage of human resources and higher personnel costs compounded by a loss of competitiveness.
4	Risks associated with sales activities for financial products	With regard to insurance products and investment trusts handled by the Group, the development of new products and sales activities that take customer convenience into consideration are not successful and sales performance is slack, thereby causing a significant decrease in the Group’s earnings.
5	Risks associated with new businesses, capital alliances, business alliances, and M&A	An inability to realize its growth strategy through new businesses, inability to obtain benefits from capital and business alliances, etc., and impairment losses related to investment businesses cause a significant decrease in the Group’s earnings.
6	Risks associated with unsuccessful DX initiatives	If the Group’s integrated DX measures are not successful or if the Group is unable to respond appropriately to changes in the business environment, its competitiveness will decline.
7	Risks associated with changes in financial markets	Sharp market fluctuations cause the business of the two financial companies to deteriorate, and the value of their holdings will fall sharply. In addition, rising interest rates lead to the reallocation of fixed savings and other deposits and the cancellation of insurance policies.
8	Risks associated with sale of shares of the two financial companies	Factors such as losses from the sale of shares of the two financial companies, an inability to secure alternative revenue sources replacing the two financial companies, and/or the difficulty of conducting integrated, Group-wide business operations as a result of a declining equity stake in the subsidiaries lead to customer attrition and a weakening of brand power and thereby cause a significant decrease in the Group’s earnings.
9	Risks associated with the international logistics business	Toll Holdings’ business model and growth strategy for its international logistics business is not successful, and a slowdown in the global economy, heightened geopolitical risks, and other factors leading to business performance stagnation owing to the deteriorating business environment thereby cause a significant decrease in the Group’s earnings.
10	Risks associated with sustainability management	The Group loses the support of its stakeholders due to insufficient progress: its initiatives to address key sustainability issues.

# Japan Post Group Compliance Framework

The Japan Post Group recognizes the promotion of compliance as one of its foremost management priorities. We promote management based on compliance to earn the trust of our customers and other stakeholders, local communities, and society; to solidify our management base, which is the foundation for the realization of the Japan Post Group Management Philosophy and sustainable growth; and to enhance our corporate value.

All Group companies are working to build an effective compliance framework, giving due consideration to the public nature of their businesses. We strive to ensure that customers can use our services with peace of mind by thoroughly implementing customer-first operational management, including the enhancement of compliance risk management from a risk-based approach.

In addition, we will strengthen the Group's compliance function by convening regular meetings of the Group Compliance Committee, and ensure transparency by appropriately disclosing the status of promotion of the Group's management based on compliance and related matters.

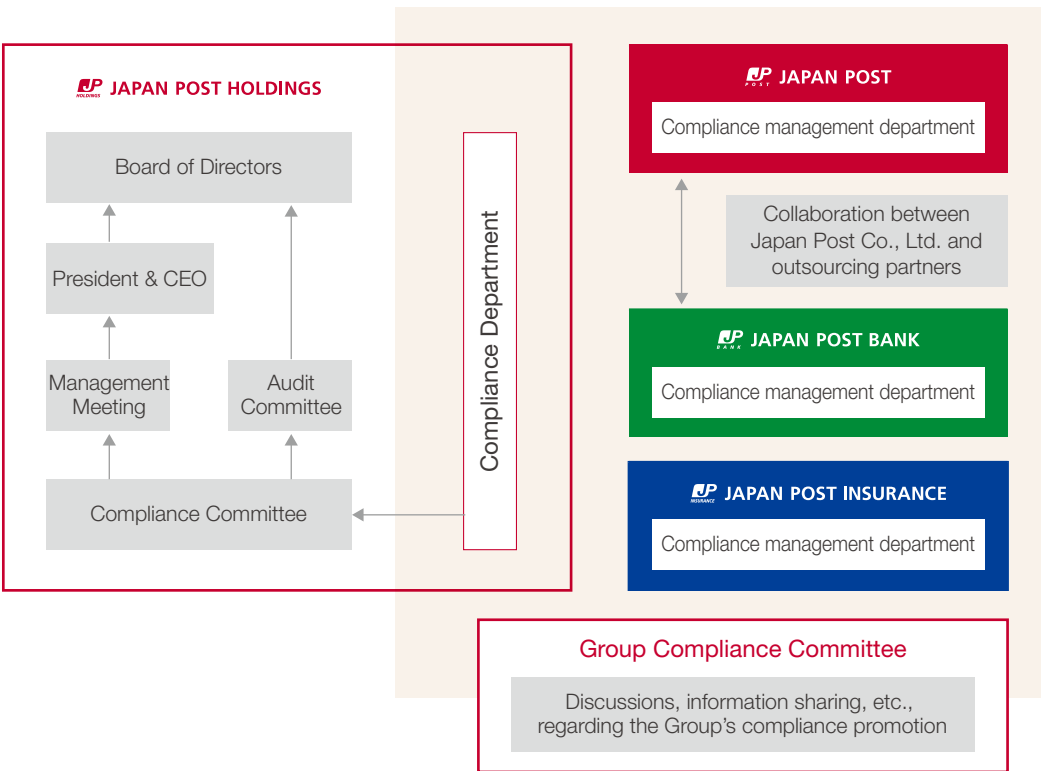
## Japan Post Group compliance framework

The compliance department of each Group company has established a framework that oversees the promotion of compliance, and a compliance management department, which plans, proposes, and manages compliance promotion, has been established under the supervision of the director.

In addition, each Group company has established a Compliance Committee that provides advice to its Management Meeting to deliberate the policy for compliance promotion and response measures. The director in charge of compliance then reports important matters discussed by the Compliance Committee to the Management Meeting and the Board of Directors.

Furthermore, the Group Compliance Committee meets regularly to promote Group compliance through sharing and discussion of compliance-related issues and initiatives and to enhance the Group's compliance risk management through a risk-based approach.

### Japan Post Group compliance framework



## Group Company compliance framework

Japan Post Group companies have built a compliance framework as outlined below and promote compliance.

### Line of reporting for compliance activities

Each Group company develops a line of reporting for compliance activities by establishing a compliance management department that is independent of departments related to business execution and by assigning a compliance officer responsible for promoting compliance, as well as compliance managers responsible for promoting compliance at all head office departments, regional offices, post offices, and branch offices.

## Response to compliance violations

Investigations are conducted promptly mainly by the compliance department when information that raises suspicion of compliance violations is identified at any Group company. During such investigations, the existence of compliance violation facts, causes of occurrence, etc., are clarified, and measures to prevent their recurrence are taken as needed according to these details. Furthermore, we will ensure customer-first business operations by implementing compliance risk mitigation measures and the like and reviewing our compliance framework, as necessary.

## Improvement and appropriate operation of the internal reporting system

To quickly identify and deal with compliance violations and the like, each Group company has established internal reporting hotlines within its compliance management department and at a designated external law firm. We have also set up an internal reporting hotline outside the Company exclusively for financial product sales.

From the fiscal year ended March 31, 2021, onward, we have been working to make fundamental improvements to the internal reporting system at each Group company so employees can actively offer feedback with confidence and peace of mind. This initiative is based on the recognition that "employees' voices are an asset, and employees who raise their voices are also valuable assets."

Senior management repeatedly sent out messages to spread the Group's basic understanding while improving measures to protect whistleblowers, such as restricting the scope for sharing the reported information. In addition, a "one-stop consultation and internal reporting platform" was established as a portal site to accept various types of reports and consultations in an integrated manner, allowing employees to securely communicate with the person in charge at the contact point. We have also introduced and are operating a system where an external team of lawyers and other experts conduct the entire process of internal reporting, from receiving the report to investigating and reporting the results of the investigation.

While protecting the confidentiality of whistleblowers, employee feedback received through the system will not only be used to correct individual cases but will also be used to detect potential risks at an

early stage and to improve operations, procedures, and the workplace environment. We are utilizing this system to achieve a self-cleansing effect throughout the organization.

From the fiscal year ended March 31, 2024, we have introduced an administrative appeal review system conducted by fair and objective third parties (Appeals Board) to review appeals concerning responses to whistleblowing and consultations to ensure proper operation of the whistleblowing system.

## Establishment of compliance program and its initiatives

Each Group company formulates a compliance program each fiscal year, specifies priority compliance items to be promoted, and designates a responsible department for each of these items.

The compliance management department oversees the compliance promotion activities undertaken by the responsible department and conducts integrated management of promotion status.

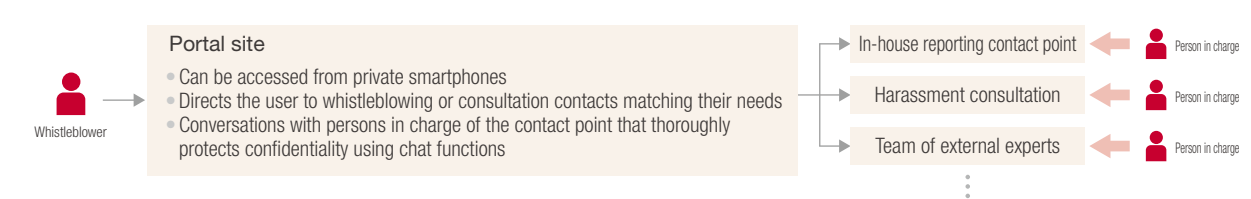
## Preparation and distribution of compliance manual and implementation of compliance-related training

Each Group company prepares and distributes compliance manuals and compliance handbooks for use in training executives and employees and conducts a variety of training activities for compliance items, in order to promote a better understanding of legal matters and other areas, and to raise awareness of compliance.

## Measures against money laundering, financing of terrorism, and proliferation financing

In light of the mounting international calls to help prevent money laundering, terrorism financing, and proliferation financing, the Group has updated and is implementing the "Group Policy on Measures against Money Laundering, Financing of Terrorism, and Proliferation Financing" and otherwise designated such countermeasures as a priority issue. With senior management's leadership, the Group is thus strengthening its promotion framework. Each Group company is working to combat money laundering, the financing of terrorism, and proliferation financing through a risk-based approach in accordance with its own unique business attributes.

## One-stop consultation and internal reporting platform



## Team of external experts



## Utilization of employees' feedback

• We are utilizing the voices of our employees from internal reporting to detect the first signs of risk at an early stage and to improve business operations and the workplace environment.



# Japan Post Group IT Governance

The innovation and spread of information technology is a factor which greatly affects our corporate value, and we recognize it as a major management risk. The Japan Post Group has established a highly effective IT governance system in order to respond appropriately to such an environment.

## Group IT governance system

In the Japan Post Group Management Agreements, the Japan Post Group defines the basic matters for establishing and developing an IT governance system.

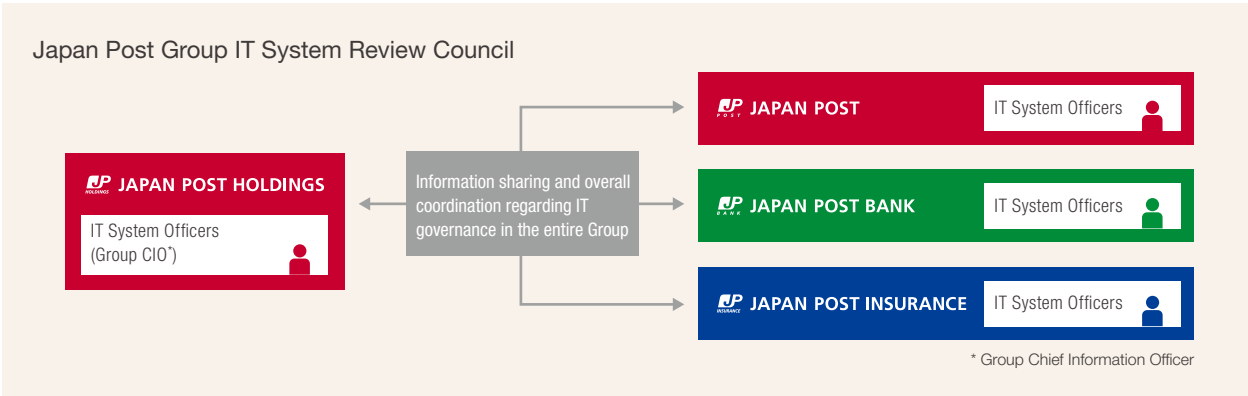
Based on these agreements, through the development and execution of an IT strategy, Group companies improve productivity, streamline management, minimize the risk arising from using IT, and ensure the soundness of Group management. In doing so, they realize the IT governance necessary to maximize corporate value.

## Implementing effective IT governance

The Japan Post Group has set up the Japan Post Group IT System Review Council with members including the Chief Information Officer (CIO) of each Group company, with the purpose of IT sharing and overall coordination related to IT governance in the entire Group. Effective IT governance is implemented based mainly on the agenda items and report items below.

- Examine policies and measures related to IT governance in the entire Japan Post Group
- Study the direction, confirm impact, and adjust the development schedule of major IT system development
- Status of IT governance activities of the entire Group and four Group companies
- Reporting and sharing information on the operation status of major IT systems
- Other matters deemed necessary by members of the Review Council

Organizational chart of IT governance in the Japan Post Group



## IT Strategy to Support Group Management

Aiming to realize a “Co-creation Platform” supporting customers and local communities, the Japan Post Group has established the following three IT strategies to support the promotion of Group-wide digital transformation (DX).

### Promoting DX to create new value

- Provide new value to customers by integrating the real and digital worlds
- Provide customer-oriented, high-quality services through the “Co-creation Platform”

### Providing an IT infrastructure that can respond agilely to a changing business environment

- Promote the creation of a comfortable workplace and improved productivity based on advanced technology and the social environment
- Build a new IT infrastructure that can respond flexibly by optimizing the system configuration

### Promoting IT to restore trust in the Japan Post Group

- Support compliance through cross-Group data utilization
- Ensure security and peace of mind in the provision of various services and promotion of digitization by upgrading security levels

# Japan Post Group Cyber Security Measures

In response to the daily increasing advancement and sophistication of cyber attacks, the Japan Post Group has recognized the threat of cyber attacks as a serious risk, and has developed a system to deal with them.

We are working to safeguard and manage important information from damage such as information leaks and loss caused by cyber attacks and other related threats.

## Group cyber security system

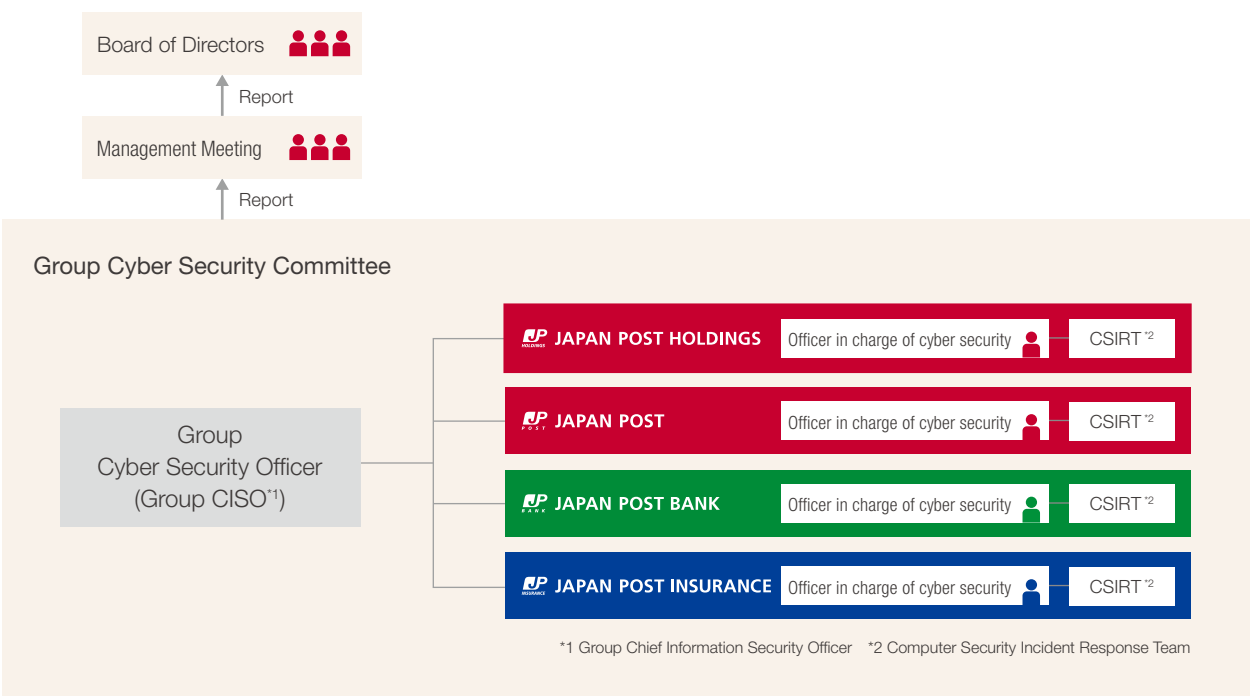
Under governance of the holding company Japan Post Holdings Co., Ltd., we have developed a cyber security management system for the Japan Post Group.

We have established the Group Cyber Security Committee consisting of executives in charge of cyber security from the four main Group companies of the Japan Post Group. The Committee develops

Group cyber security strategy and works to track, evaluate, and enhance the status of cyber security measures in Group companies.

In our system, executives in charge of cyber security at Japan Post Holdings oversee Group governance related to cyber security.

They regularly report on the status of cyber security efforts to the Board of Directors and management meetings.



## Efforts for cyber security measures by Japan Post Holdings

Defense in depth	In order to reduce the risk of malware attacks from outside the Company and unauthorized transfer of information from inside the Company, we have introduced multiple detection and defense mechanisms against unauthorized access and unauthorized programs, and are implementing multilevel countermeasures (defense in depth). The effectiveness of these defense measures is regularly evaluated by a third party.
Incident response system	We have developed an incident response system centered on CSIRT, so that when a cyber attack occurs, we can quickly find the cause and minimize the damage, and at the same time report it to management quickly. We are conducting response training for security incidents on a regular basis, and checking whether our incident response system is functioning effectively, while also working to improve the incident response capabilities of CSIRT staff and other employees. Additionally, we encourage obtaining certifications related to cyber security.
Education / Training	We conduct cyber security education and training for executives and employees, and are making efforts to improve security awareness among both executives and employees.
External collaboration	We collaborate with external organizations such as JPCERT/CC, the Nippon CSIRT Association, and the Metropolitan Police Department to share attack information and countermeasure trends. We strive to respond quickly to increasingly sophisticated cyber attacks on a daily basis.

# Japan Post Group Internal Audit System

The Japan Post Group has established an effective internal audit system at each Group company in order to ensure sound administration and proper operations aimed at building customers' trust. Notably, in light of the recent issues related to the solicitation quality of Japan Post Insurance products, we are conducting interviews by Japan Post Holdings to ascertain the awareness of issues held by frontline employees at post offices and other locations and working to enhance the Group internal auditing liaison committee.

## Japan Post Group internal audit system framework

Based on the Japan Post Group Basic Policy on Internal Auditing, which outlines the basic views to internal audits conducted by each Group company, we have established an effective internal audit system framework befitting the nature of their businesses and the type and degree of risk.

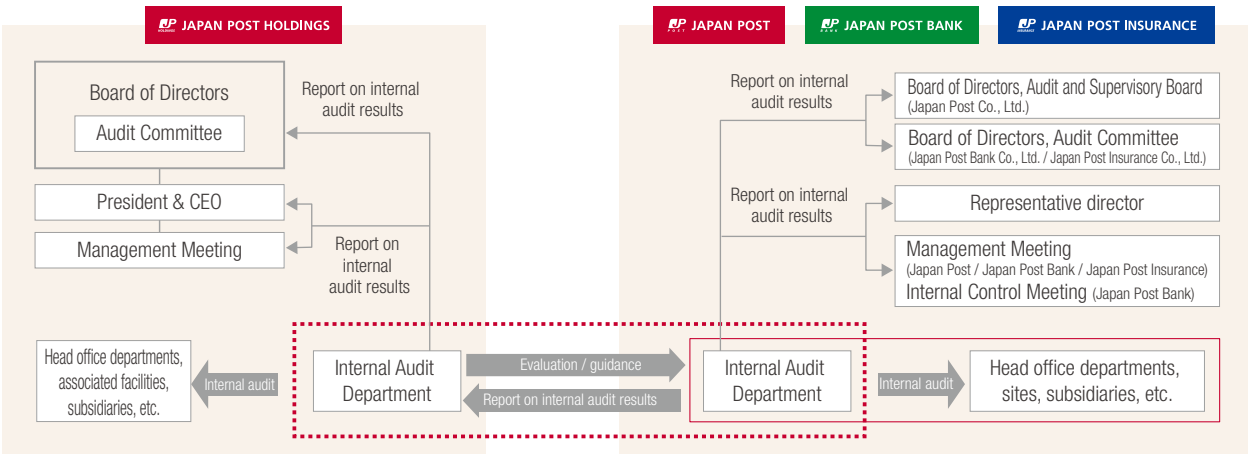
Furthermore, based on the Japan Post Group Management Agreements, the Internal Audit Department of Japan Post Holdings Co., Ltd. evaluates and examines the internal audit systems of and provides guidance and advice to Japan Post Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. In addition, this Internal Audit Department makes recommendations for improvements and directly undertakes audits when required.

## Internal audit activities that contribute to management

The Internal Audit Department of each Group company verifies the status of management activities and internal control systems in order to achieve the objectives stated in the basic policy (to add value to or improve business operations by providing advice that contributes to management).

These results of this verification are reported to the Board of Directors, representative executive officer, Audit Committee, and Audit and Supervisory Board. The status of corrective actions and improvements to the issues pointed out are regularly summarized and reported to the representative executive officer and others to ensure that business improvements are made at each company.

In addition to verifying individual internal control systems, etc., the Internal Audit Department works to improve the quality of internal audits by routinely attending various meetings, gathering relevant internal control materials, and utilize surveys of internal auditors and assessments of the development and operation of the internal audit function by the Audit Committee and the Audit and Supervisory Board. Through these initiatives, the department aims to implement effective internal audits that contribute to management.



- Implementation of internal audit activities based on the Japan Post Group Basic Policy on Internal Auditing
- Collaboration for effective internal audits that contribute to management

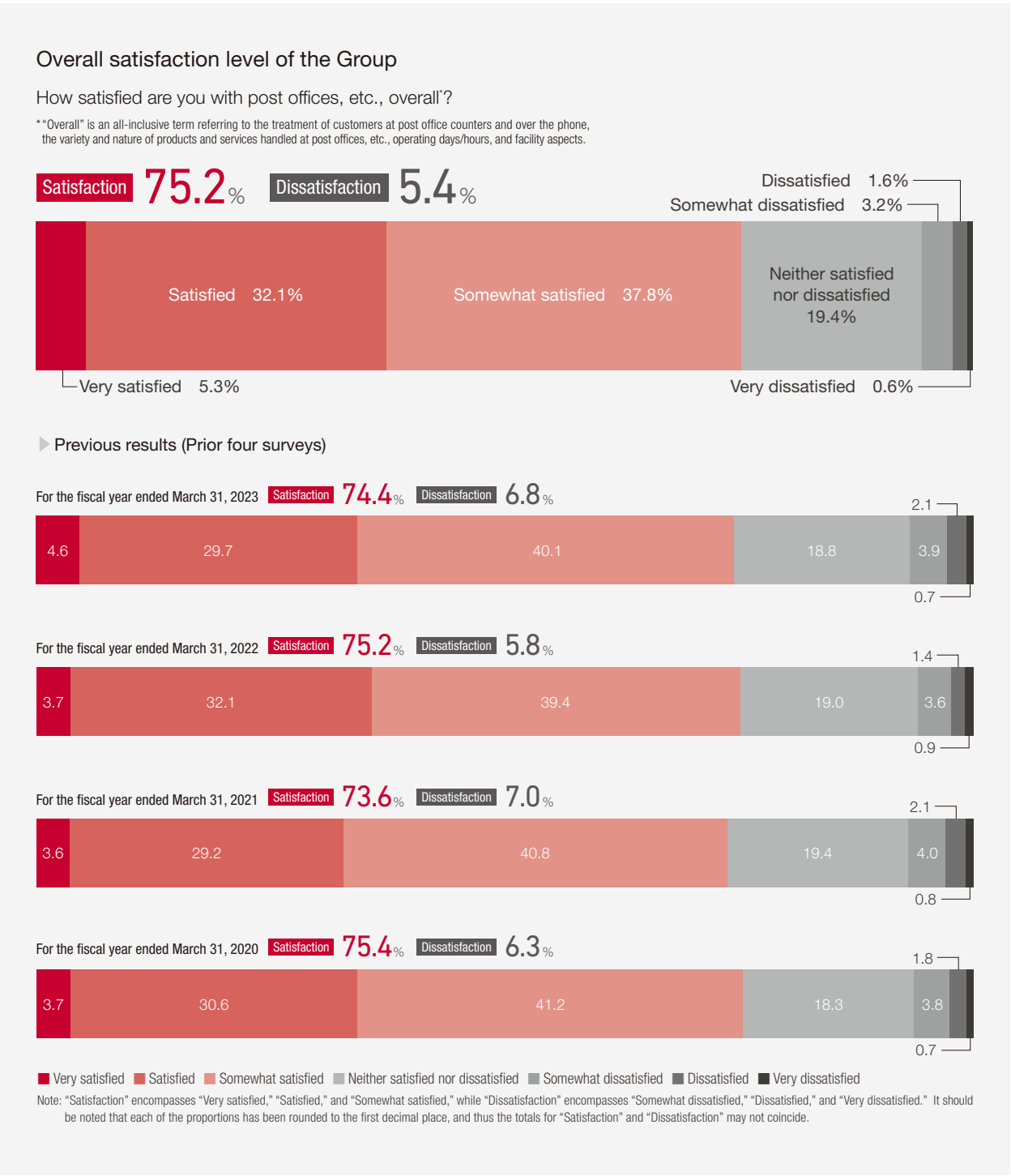
# Dialogue with Stakeholders

## Japan Post Group's customer satisfaction survey

In order to accurately identify the state of products and services from customers' viewpoints and respond to new demand, etc., a survey is conducted on customers' evaluations in terms of their level of satisfaction, their intent to use products and services, etc.

In addition, as an indicator to measure and analyze the details of improving customer satisfaction, the Japan Post Group uses NPS®. For the purpose of further improving customer satisfaction, the Japan Post Group will continue to perform fixed-point observation into the future and utilize the findings from the Group's customer satisfaction survey in management.

\* NPS: Net Promoter Score is a registered trademark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.





## ■ Exchanging opinions with employees

At the Japan Post Group, as part of our efforts to realize an open corporate culture, we regularly organize forums where Group employees are able to exchange opinions with the Japan Post Holdings President.

At these meetings, a lively exchange of opinions takes place in accordance with different themes chosen for each meeting, such as the future vision of the Japan Post Group and operational improvements discovered through customer feedback. In addition to disseminating management's intentions to employees throughout the Group, feedback from employees is utilized in management.

Scenes from previous meetings to exchange opinions can be viewed here.

<https://www.japanpost.jp/jp-group/> (in Japanese only)



Meeting for mutual exchange of opinions

## ■ Investor relations activities report

To contribute to sustainable growth and enhancement of corporate value over the medium to long term, the Japan Post Group aims to disclose information accurately and equally to all shareholders and investors and endeavors to engage in constructive dialogues. Feedback and requests received through such dialogues are discussed periodically at Board of Directors' meetings, and utilized to improve management.

### Activities in the fiscal year ended March 31, 2024

■ **Main respondents**<sup>\*1</sup>: Director and Representative Executive Officer, President & CEO; Director and Representative Executive Officer, Senior Executive Vice President; Director and Representative Executive Officer, Executive Vice President; IR Office, Corporate Planning Department

Activity	Detail
The 18th Annual General Meeting of Shareholders	Date: June 21, 2023
Individual Interviews with Institutional Investors & Analysts <sup>*2</sup>	Overseas investors: 97 firms Domestic investors: 23 firms Securities analysts: 30 firms
Financial Results Briefings & Small Meetings for Institutional Investors & Analysts <sup>*2</sup>	Meetings held: 6 Number of participants: 1,049
Major Topics of Interest in Dialogue with Institutional Investors & Analysts	• Review of Medium-Term Management Plan "JP Vision 2025" • Initiatives for the "Action to Implement Management that is Conscious of Cost of Capital and Stock Price"
Status of Feedback to Top Executives and Board of Directors	• Reporting on the content of the dialogue at Board of Directors' meetings (twice a year) • Reporting on the content of the dialogue to top executives (as required)
Matters Undertaken as Initiatives Based on Dialogue, etc.	• Enhancement of shareholder returns • Disclosure of details on initiatives to achieve management conscious of the cost of capital and share price
The 19th Annual General Meeting of Shareholders (2024/3)	Date: June 19, 2024

\*1 Positions as of April 1, 2024

\*2 Cumulative number of participants and times

### Annual IR schedule

First Quarter	Apr.		Third Quarter	Oct.	
	May	Full-year financial results		Nov.	2Q financial results
	Jun.	General Meeting of Shareholders		Dec.	
Second Quarter	Jul.	Integrated Report issued	Fourth Quarter	Jan.	Intermediate disclosure published
	Aug.	1Q financial results		Feb.	3Q financial results
	Sep.			Mar.	

## ■ Dialogue with outside experts

On August 31, 2023, outside experts were invited to engage in a dialogue. Three experts provided us with evaluations of the Japan Post Group's main initiatives on sustainability and various opinions and recommendations on our future challenges and their expectations and requests for the Group, etc.



This dialogue was held face to face.



Facilitator  
**AKABANE Makiko**  
Director of CSR Asia Japan

### Comments from experts



**ARAI Masaru**  
Chair of Japan Sustainable  
Investment Forum (JSIF)

I believe that the disclosure information in the Annual Report and Annual Securities Report has been enhanced and compiled from a more detailed and holistic perspective. I suggest that each report include a wide range of initiatives of not only the parent company but also its subsidiaries so that we can learn about the strength of the Group as a whole.

While I believe the Co-creation Platform will become a strength of the Group, its impact on future earnings is not clear. Investors are paying attention to how you are

changing your strategy in the face of increasing economic uncertainty, and I hope you will communicate this point well. In addition, a place and system to absorb and consider ideas from employees of each company is needed for the monetization of business services. I would like to see the Japan Post Group's network be utilized to provide services.

I've heard that you have been working on various initiatives related to the environment, but it seems that there are many initiatives that have not yet been disclosed to the outside world. Even if it is an initiative that is in the process of being worked on, it is better to disclose what you are aiming for proactively.

Regarding the role of the CHRO, I believe that it is important to integrate the Group's human resources into a coherent system, as well as to link management strategy with human resources strategy, and from the perspective of how human resources should be utilized in the future. In addition, it will be important to explain the Group's human resources strategy from this perspective to the Board of Directors and deepen their understanding of it.



**SEKI Masao**  
Visiting Professor,  
The Open University of Japan

The overall approach to promoting sustainability management is evolving. I want to note that in the diagram regarding the value creation process (p. 46 of the 18th Annual Securities Report and p. 55 of the Annual Report 2023), it is stated that the company will enhance the ability to execute "emergent strategies." I hope that this will not be a mere title, but actually be implemented within the company to foster corporate culture and develop human resources. Also, I have heard that you are going to consider evaluating the results with outcome goals and indicators, and I urge you to proceed.

I can also see that human rights due diligence efforts are evolving each year. In recent years, human rights initiatives in Japanese companies have become polarized

between those that are evolving rapidly and those that remain behind the curve. I expect the Japan Post Group, which is close to a public entity, to set an example as a progressive company. Please raise the bar toward higher goals by keeping a close eye on the entire value chain, making remedies for human rights violations work, and upgrading the content of the training for all employees that is already being undertaken.

The Local Co-creation Initiative is a co-creation platform that has great significance in fostering leaders of emergent strategies, and I have been paying attention to it for a long time. Please continue to proceed with the efforts and share widely within the company what the experience brings back to you.

In addition, the Japan Post Group has great potential in responding to an aging society. I would very much like to see you support the community by utilizing your local resources in postal, savings, and insurance services.

Biodiversity is an important issue and the partnership with WWF Japan is a good initiative. I think it would be good to expand the scope of collaboration not only in paper procurement guidelines, which is used a lot in your business, but also in building a strategy for biodiversity as a whole.



**FURUYA Yukiko**  
Representative,  
Consumer Conference for  
Sustainability

The overall impression I get is that the company is stepping up its efforts every year and is enhancing its initiatives. I believe that all of the materialities identify themes that the Japan Post Group should address. However, I felt that there was a lack of specific information on your vision for society and the future envisioned by the Japan Post Group, which should have been the background of the project, and on solutions to social and environmental issues. As for human resources and human capital, I think it is important to explain the values and objectives behind this and not just following trends.

In order to promote the resolution of sustainability issues, it would be effective to include specific, bottom-up approaches, such as finding issues that can be solved by individual employees based on materiality. If this bottom-up movement is linked to improving the ability to execute emergent strategies, it could lead to the creation of corporate value.

In addition, while protecting people with disabilities, I would like to see the company further promote the hiring of people with disabilities and initiatives to improve their abilities, from the perspective of utilizing the abilities of people with disabilities.

More dialogue with internal and external stakeholders should be used to identify and resolve issues. I think dialogue will be very important, especially on topics such as gender equality, people with disabilities, and members of the LGBTQ community. I hope that you will find a mechanism for relief through dialogue, both in your human rights efforts and in embodying the Guiding Principles on Business and Human Rights.



Sports & Communications

Sports & Communications Department takes on the challenge of sustainably increasing the Group's corporate value through sports

On April 1, 2023, Japan Post Holdings established the Sports & Communications Department to carry out and enhance measures that contribute to society through sports activities. In addition to further reinforcing and expanding the operation of the Japan Post Group Women's Athletics Team, which was founded for the purpose of sustainably enhancing the corporate value of the Group through sports, we will proactively engage in not only sports activities going forward but also activities that will revitalize communications both within and outside the Group through sports as well as contribute to the regional communities and society.

Members of the Japan Post Group Women's Athletics Team  
Back row: GYU Kae, WADA Yuna, KOSAKAI Chika, SUGATA Miyaka, DOI Hazuki, HIRONAKA Ririka, and OTA Kotona  
Front row: OHNISHI Hikari, TASHIMA Airi, KARIBA Caroline Wanjiku, SUGIMORI Kokone, SUZUKI Ayuko, and YAMANAKA Natsumi



Japan Post Group Basic Approach to Involvement in Sports formulated

In autumn 2023, the Japan Post Group formulated the "Japan Post Group Basic Approach to Involvement in Sports." The Group undertakes diverse but consistent endeavors based on this basic stance, key message (our aspirations), and focal points (the three themes we primarily address).

Basic stance	The Japan Post Group is committed to continuously strengthening its Women's Athletics Team and aims to promote the health of Group employees through various sports-related endeavors. The Group contributes to the revitalization of local communities through the positive actions of healthy Group employees.
Key message	Using the power of sports to energize Japan! powered by Team JP
Focal points	(1) Support for health management..... Provide Group employees opportunities for physical and mental health and self-realization with new ideas! (2) Revitalization of local communities .. Invigorate local communities with vibrancy and vitality by taking on new challenges! (3) Creation of connections ..... Create exciting encounters and networks that will lead to the future through new communication!

Based on the Japan Post Group Basic Approach to Involvement in Sports, the following three endeavors will form the core of the Sports & Communications Department.

Further reinforcing and expanding the operation of the Group Women's Athletics Team	Cooperation with and contribution to regional collaboration and transition of club activities in schools across Japan	Creation and nationwide rollout of a new "ultra-light" exercise program that can be easily enjoyed by anyone living in the Reiwa era
---	---	--

Further reinforcing and expanding the operation of the Group Women's Athletics Team

Celebrating its 10th anniversary in April 2024, the Japan Post Group Women's Athletics Team was founded in April 2014 because the road relay races (ekiden) held in Japan, in which runners are connected by a sash, are very much like how our postal services connect people by mail, and because employees come together and feel a strong sense of unity when supporting the team.

The athletes are permanent employees of Japan Post Group companies, and the team has competed in the All-Japan Industrial Teams Women's Ekiden (nicknamed "Queen's Ekiden" in Miyagi) for eight 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 then capturing first place for two consecutive years in 2019 (39th annual championship) and 2020 (40th annual championship).

In addition, we have also produced individual athletes who have represented Japan in international competitions such as the Olympics and the World Athletics Championships.

Major results in the fiscal year ended March 31, 2024

Activity	Event	Rank/Place	Athlete	Result
43rd All-Japan Industrial Teams Women's Ekiden (Queen's Ekiden in Miyagi)		2nd	1 <sup>st</sup> Leg: SUGATA Miyaka 2 <sup>nd</sup> Leg: GYU Kae*1 3 <sup>rd</sup> Leg: HIRONAKA Ririka*2 4 <sup>th</sup> Leg: KOSAKAI Chika 5 <sup>th</sup> Leg: SUZUKI Ayuko 6 <sup>th</sup> Leg: WADA Yuna*1	2:14:58
19th World Athletics Championships (Budapest in 2023)	Women's 10,000m Women's 5,000m	7th Qualifier Group 1, 12th place	HIRONAKA Ririka	31:35:12 15:11:16
The 19th Asian Games	Women's 10,000m Women's 5,000m Women's Marathon	2nd 2nd 5th	HIRONAKA Ririka OHNISHI Hikari	34:50:74 15:15:34 2:30:06
Marathon Grand Championship		12th 17th	SUZUKI Ayuko OTA Kotona	2:31:33 2:34:16
NAGOYA WOMEN'S MARATHON 2024		3rd 7th	SUZUKI Ayuko OHNISHI Hikari	2:21:33 2:26:12



© PHOTO KISHIMOTO

\*1 Most Impressive Runner prize \*2 Stage prize

Cooperation with and contribution to regional collaboration and transition of club activities in schools across Japan

In order to overcome the social issue of a shortage of instructors for club activities at schools around the nation, the Japan Post Group is developing a framework to cooperate with and contribute to regional collaboration and transition of club activities, which is promoted mainly by the Japan Sports Agency.

Dispatch of instructors

Japan Post Group employees who excel in sports, cultural, and artistic activities are dispatched to club activities and local clubs as instructors, with the aim of establishing a framework whereby employees' areas of expertise can contribute to the community.

The locations for implementation were selected based on the understanding of employees who are already engaged in supporting club activities through volunteering and the like as well as on the basis of requests of the local governments.

Based on the content of the trial implementation, preparations will be made for the nationwide rollout of the dispatch of instructors, including making the necessary amendments to the HR programs and other systems.

Partnership with the Japan Sport Association

A training course for those wishing to provide on-site coaching at local sports clubs, sports youth groups, and school sports club activities has been developed jointly with the Japan Sport Association (JSPo). And on April 10, 2024, the start of the recruitment of participants was announced for "[Special sponsor: Japan Post Holdings Co., Ltd.] JSPo-accredited sports coaching leader training course." This training course aims to improve the overall coaching skill quality of instructors who are dispatched to sports activity sites, support the healthy development of the children who receive coaching, build lasting relationships of trust with parents and teachers, and mitigate concerns on the part of both the hosts and dispatchers of instructors. The course is mandatory for employees of the Group who wish to be dispatched as instructors to club activities (a program to subsidize the cost is available).



Creation and nationwide rollout of a new "ultra-light" exercise program that can be easily enjoyed by anyone living in the Reiwa era

Japan Post welcomed the idol group Momoiro Clover Z affiliated with Stardust Promotion Inc. as the "Japan Post Group Sports Support Ambassadors" for the rollout of the "Karada Ugokase! Nippon! (Move Your Body Japan!)" project.

MEKIMEKI Exercise - Karada Ugokase! Nippon!

Under the supervision of SATO Hiromichi, a.k.a. "Older Brother Hiromichi," who is a medical doctor, a new "ultra-light" exercise that anyone living in the Reiwa era can easily enjoy called "MEKIMEKI Exercise - Karada Ugokase! Nippon!" has been created. An accompanying music video featuring Momoiro Clover Z demonstrating the main exercise was released to the public on Friday, March 22.



"Karada Ugokase! Nippon!" project special website

"MEKIMEKI Exercise - Karada Ugokase! Nippon!", including the music video for the "Karada Ugokase! Nippon!" project, is available for viewing on the special website shown below.

On this special website, we feature videos of the "JP Experience" with Momoiro Clover Z's SASAKI Ayaka and TAKAGI Reni, as well as information on the Japan Post-sponsored mini program "Sakkuto! Exercise Stapura" broadcast over terrestrial television.

"Karada Ugokase! Nippon!" project special website: <https://www.karadaugokase.japanpost.jp/> (in Japanese only)





## The SUZUKI Ayuko Cup Honokuni Toyohashi Half Marathon 2024

TAKAGI Reni of Momoiro Clover Z participated in "The SUZUKI Ayuko Cup Honokuni Toyohashi Half Marathon 2024," held on Sunday, March 24. This is the first tournament named in honor of SUZUKI Ayuko of the Japan Post Group Women's Athletics Team.

On the day of the race, Ms. TAKAGI was joined by coaches from the Japan Post Group Women's Athletics Team and staff from the Japan Post Group Sports & Communications Department, who had been instructing her on running from the preparatory stages. Ms. TAKAGI successfully completed the race, which was her first attempt at a half marathon. Other members of Momoiro Clover Z also appeared at the venue and added to the excitement at this competition.



## Other initiatives

### Planning and holding running classes

In the fiscal year ended March 31, 2024, running classes were held for primary school students in Shibetsu City, Hokkaido by athletes from the Japan Post Group Women's Athletics Team and for junior high school students in Sannohe-machi, Sannohe-gun, Aomori Prefecture by Japan Post Group Women's Athletics Team alumna.

Furthermore, a running class called the "Imperial Palace Run" is held twice a month with the aim of promoting health and enhancing communication among employees at the Japan Post Group head office.

### Cooperative agreement signed with Fuchu City, Tokyo

In August 2023, Japan Post Holdings Co., Ltd. and Fuchu City signed a "Cooperative Agreement on Sports Promotion, etc." As part of the cooperation based on this agreement, initiatives related to the promotion of athletics and other sports, the sound development and education of children, and the promotion of the health of citizens will be put into practice in the future.

This agreement also motivated collaboration between Tokyo University of Foreign Studies, which has a campus in Fuchu City, and Japan Post Holdings Co., Ltd. In December 2023, the university's athletics team and Japan Post Group Women's Athletics Team signed a "Collaboration Agreement on Joint Training."

We aim to sustainably increase the Group's corporate value through sports and will actively engage in sports-based activities that contribute to the energization of communication within and outside the Group and also lead to regional and social contributions.

## 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 established the Sports & Communications Department, as well as sponsors and supports sports and para-sports, including the support of OHTANI Momoko, a wheelchair tennis player who is an employee of Japan

Post Insurance. 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.	Tohoku Rakuten Golden Eagles (Official gold sponsor)
Japan Post Co., Ltd.	JAPAN PROFESSIONAL BASKETBALL LEAGUE (B.LEAGUE partner)
	T.Pro.Innovation Co., Ltd. Operator of the professional motorcycle racing team JAPAN POST Honda Dream and JAPAN POST docomo business
Japan Post Insurance Co., Ltd.	Japan Wheelchair Tennis Association (Top partner)
	Japan Boccia Association (Gold top partner)

### Activities of JAPAN POST Honda Dream and JAPAN POST docomo business

T.Pro.Innovation Co., Ltd., which operates the professional motorcycle racing team JAPAN POST Honda Dream and JAPAN POST docomo business, has been hosting an event named a "Posukuma Parent-Child Motorcycle Class" to teach the importance of traffic safety to children since 2018.

At the class, children can take a short lesson and ride a pocket bike specially decorated with Posukuma paintings. The children can also write letters using an original postcard printed with commemorative photos of their rides. The workshop event is held at four to six locations a year, mainly at circuits when the All-Japan Road Race Championship is held.



### Stellar performance in wheelchair tennis

OHTANI Momoko, an employee of Japan Post Insurance, competed in the Tokyo 2020 Paralympics and won the bronze medal in the wheelchair women's doubles. She has been competing at the highest level, winning the ITF1 series multiple times and playing in the sport's four Grand Slam tournaments.



### Boccia sponsorship activities

Japan Post Insurance sponsors Boccia competitions such as the 2024 Boccia Tokyo Cup Supported by Japan Post Insurance (March 2024), in which the Japanese national team also took part.



### Support for wheelchair table tennis player BESSHO Kimie

BESSHO Kimie is a Japanese para table tennis player who has experience working at a post office. In addition to winning a gold medal in the mixed doubles class XD10 at the 2022 Para Table Tennis Thailand Open, she has competed in four consecutive Paralympic Games; namely, Athens in 2004, Beijing in 2008, London in 2012, and Rio de Janeiro in 2016. Her vitality to continue to take on challenges regardless of her age of late 70s and disability has inspired many people throughout Japan from the perspective of diversity.



# Disaster Prevention Initiatives in the Japan Post Group

Building on its past experience, the Japan Post Group has been conducting drills for its officers and employees during business as usual times in preparation for disasters and establishing a crisis management system as well as undertaking various initiatives to support those affected by disasters.

## Initiatives to support victims of the 2024 Noto Peninsula Earthquake

In January 2024, the Hokuriku region centering on the Noto Peninsula was struck by a major earthquake measuring magnitude 7.6 on the Japanese scale. Everyone in the Japan Post Group would like to express our deepest sympathies to the victims, their families, and all those affected by the earthquake. We are undertaking the following initiatives to support the victims of the 2024 Noto Peninsula Earthquake.

### Postal services

#### Exemption from fees for registered mail for cash delivery containing disaster relief donations

We are implementing a fee waiver for registered mail for cash delivery containing disaster relief donations to organizations providing relief and other services (from January 12, 2024).

### Financial services

#### Implementation of emergency handling of savings accounts

Japan Post Bank will allow people who have lost their savings account bankbooks, certificates, or personal seals to withdraw funds up to 200,000 yen from their ordinary savings accounts (from January 4, 2024).

#### Implementation of emergency handling of insurance

We have implemented emergency handling of insurance policies and postal life insurance policies of Japan Post Insurance, such as extension of the grace period for payment of insurance premiums and payment of insurance benefits (from January 4, 2024).

In addition, to support those who were injured by the earthquake but could not be hospitalized immediately because of the situation of the disaster-stricken region or because the beds in the hospitals and clinics were full or for other reasons, Japan Post Insurance has implemented a special handling to pay the hospitalization insurance amount even during the period when hospitalization treatment had been necessary but could not be received.

At the same time, the interest rate applied to emergency immediate payment of ordinary loans is also reduced (lower interest rate than usual) (retroactively applied to payment notices on and after January 1, 2024 (with a special reduction to 0.00% from January 1, 2024, to March 31, 2024)).

#### Free disaster relief donation remittance service

To support relief activities for disaster victims, free remittance service of disaster relief money through regular payment is available at the savings counters of Japan Post Bank and post offices and through the Yucho Bankbook App (from January 5, 2024).

### Counter-related services

#### Ad hoc service by vehicle-based post office

A vehicle-based post office is dispatched to Anamizu Town and Noto Town\* to provide services such as accepting mail and Yu-Pack services and deposits and withdrawals of savings through an ATM (from January 24, 2024).

\* This service ended on January 31, 2024, with the reopening of the Noto Post Office.



### Other

#### Provision of relief funds

The four companies of the Japan Post Group have donated a total of 40 million yen in relief funds to the victims of the 2024 Noto Peninsula Earthquake.

#### Cooperation with Ishikawa Prefecture

- Responding to a request for cooperation from the disaster-stricken municipalities, we cooperated in refining the list of missing persons by reconciling the matching of the list of missing persons with the resident data held by the post offices, based on the list of missing persons created by those municipalities (January 2024).
- After the disaster, we sent a postal letter enclosing "Notice from Ishikawa Prefecture" regarding the registration of evacuee information to customers who had received notification of relocation from the affected area (February 2024).
- This "Notice from Ishikawa Prefecture" regarding the registration of evacuee information was also posted and displayed on the fee information monitor at the counters of directly operated post offices in Ishikawa and neighboring prefectures (Toyama, Fukui, Niigata, and Nagano) (from February 2024).

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1 Company Outline

Company name (in Japanese):	Nippon Yusei Kabushiki Kaisha ( <a href="https://www.japanpost.jp/en/">https://www.japanpost.jp/en/</a> )
Company name:	JAPAN POST HOLDINGS Co., Ltd.
Head office location:	3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8791, Japan
Telephone:	03-3477-0111 (Japan Post Group main number)
Paid-in capital:	¥3,500 billion
Date of establishment:	January 23, 2006
Legal basis:	Established under the Japan Post Holdings Co., Ltd. Act (Law No. 98 of October 21, 2005)
Line of business:	Strategy formulation of Group management



2 Information on Shares

(As of March 31, 2024)

1. Number of Shares

Total number of authorized shares	18,000,000,000
Total number of issued shares	3,461,049,500
Total number of shareholders	697,571

2. Major Shareholders

	Capital contribution to the Company	
	Number of shares held	Shareholding ratio (%)
Minister of Finance	1,153,683,200	35.98
The Master Trust Bank of Japan, Ltd. (Trust Account)	339,821,600	10.59
Custody Bank of Japan, Ltd. (Trust Account)	103,515,100	3.22
Japan Post Holdings Employee Shareholding Association	95,737,600	2.98
STATE STREET BANK WEST CLIENT - TREATY 505234	45,736,929	1.42
JPMorgan Securities Japan Co., Ltd.	30,723,728	0.95
STATE STREET BANK AND TRUST COMPANY 505103	25,691,613	0.80
SMBC Nikko Securities Inc.	25,351,600	0.79
JP MORGAN CHASE BANK 385781	24,592,556	0.76
SSBTC CLIENT OMNIBUS ACCOUNT	22,853,499	0.71

Note 1: Japan Post Holdings, which holds 254,909,293 shares (shareholding ratio 7.36%) of treasury stock, is not included in the above list of major shareholders.  
Note 2: The shareholding ratio has been calculated by deducting treasury stock from the total number of issued shares and has been rounded down to the second decimal place.

3. Matters Concerning Stock Acquisition Rights

None.

3 Number of Employees

1,533\* (as of March 31, 2024)

\* The number of employees excludes employees assigned to other companies by Japan Post Holdings but includes employees assigned to Japan Post Holdings by other companies. The figure does not include part-time employees (including the indefinite-term employees (associates) based on the indefinite-term employment conversion system).

4 List of Directors, Executive Officers, and Management Committees

(As of July 1, 2024)

1. Directors

Director and Representative Executive Officer, President & CEO .....	MASUDA Hiroya (Concurrently holds the positions of Director of Japan Post Co., Ltd., Director of Japan Post Bank Co., Ltd., and Director of Japan Post Insurance Co., Ltd.)
Director and Representative Executive Officer, Senior Executive Vice President .....	IIZUKA Atsushi
Director .....	SENDA Tetsuya (Concurrently holds the position of President & CEO (Representative Executive Officer) of Japan Post Co., Ltd.)
Director .....	TANIGAKI Kunio (Concurrently holds the position of Director and President, CEO, Representative Executive Officer of Japan Post Insurance Co., Ltd.)
Director .....	KASAMA Takayuki (Concurrently holds the position of Director, President and Representative Executive Officer of Japan Post Bank Co., Ltd.)
Director (Outside) .....	OKAMOTO Tsuyoshi (Concurrently holds the position of Honorary Advisor of Tokyo Gas Co., Ltd.)
Director (Outside) .....	KOEZUKA Mihar
Director (Outside) .....	KAIAM I Makoto (Attorney)
Director (Outside) .....	SATAKE Akira
Director (Outside) .....	SUWA Takako (Concurrently holds the position of Representative Director of Daiya Seiki Co., Ltd.)
Director (Outside) .....	ITO Yayoi
Director (Outside) .....	OEDA Hiroshi (Concurrently holds the position of Special Advisor of Nisshin Seifun Group Inc.)
Director (Outside) .....	KIMURA Miyoko (Concurrently holds the position of Director and Managing Executive Officer, General Manager of R&D Division of KING JIM CO., LTD.)
Director (Outside) .....	SHINDO Kosei (Concurrently holds the position of Senior Advisor of Nippon Steel Corporation)
Director (Outside) .....	SHIONO Noriko

2. Executive Officers (Excludes persons with concurrent posts in the above 1. Directors)

Representative Executive Officer, Executive Vice President	Executive Officer	KAZAMATSURI Makoto
KATO Nobuyasu	Executive Officer	MITANI Masanobu
Senior Managing Executive Officer	Executive Officer	ITAGAKI Tadayuki
YAMASHIRO Yasuhiko	Executive Officer	TAKEMOTO Tsutomu
Senior Managing Executive Officer	Executive Officer	SUNAYAMA Naoki
ASAI Tomonori	Executive Officer	MAKI Hirohisa
Senior Managing Executive Officer	Executive Officer	NAKAHATA Ikuko
HAYAKAWA Masataka	Executive Officer	NISHIDA Akihisa
HAYASHI Toshiyuki	Executive Officer	WAKABAYASHI Isamu
Managing Executive Officer	Executive Officer	ITO Yuri
FUKUMOTO Kenji	Executive Officer	KOMIYA Akio
Managing Executive Officer	Executive Officer	SEKI Yoshiyuki
ICHIKI Miho		
NAKAMATA Chikara		
IIDA Yasuhisa		
SAKURAI Makoto		
KAKINOKI Akira		
AKIMOTO Yosahinori		
MINAMI Yoshito		
NISHIGUCHI Akihito		
TANAKA Susumu		
ONISHI Toru		
KOIKE Shinya		

3. Nomination Committee

Chairman	OKAMOTO Tsuyoshi
Member	SHINDO Kosei
Member	MASUDA Hiroya

4. Audit Committee

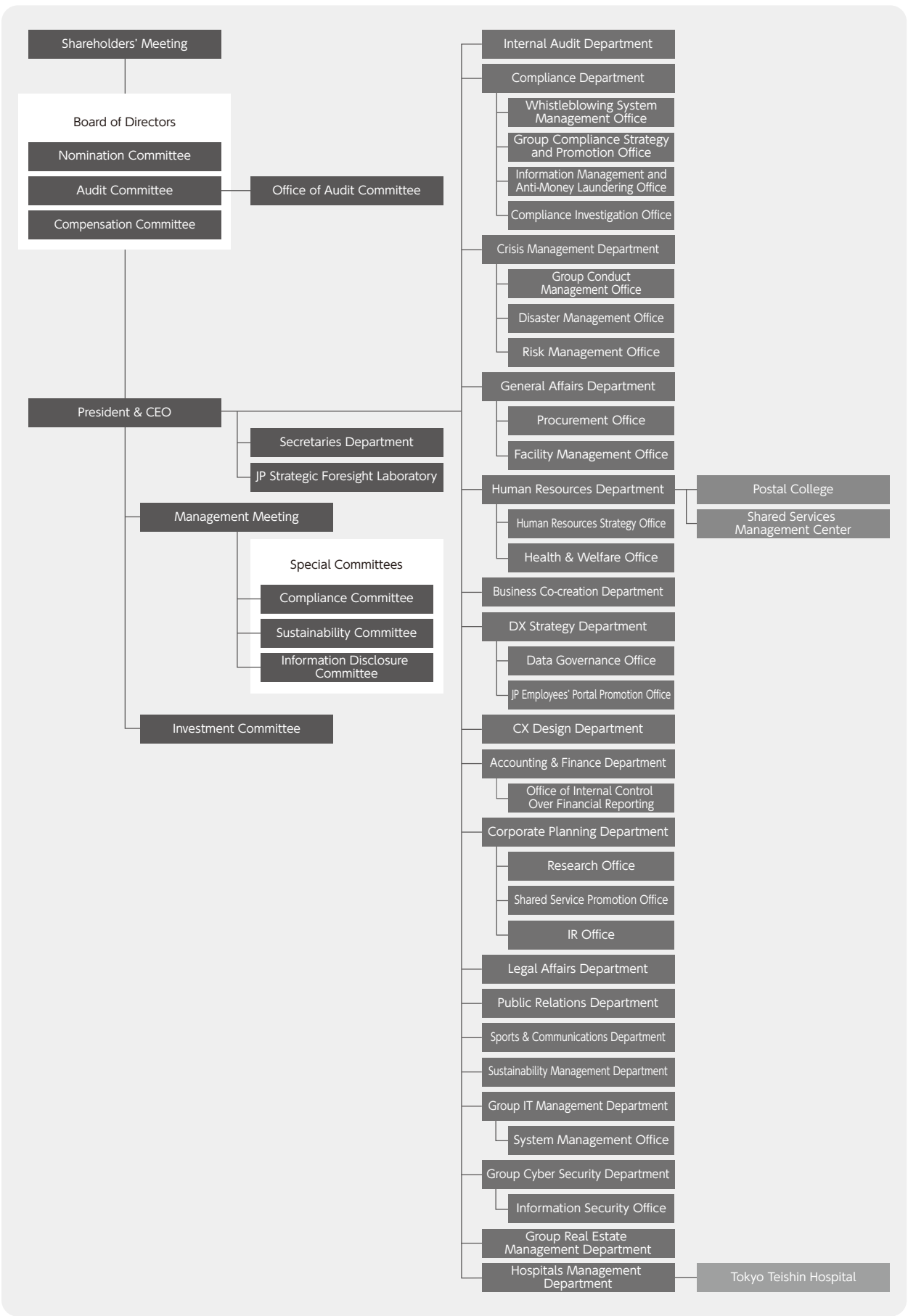
Chairman	SATAKE Akira
Member	KAIAM I Makoto
Member	SUWA Takako
Member	ITO Yayoi

5. Compensation Committee

Chairman	KOEZUKA Mihar
Member	OEDA Hiroshi
Member	MASUDA Hiroya

5 Organization Chart

(As of July 1, 2024)



6 Principal Subsidiaries and Affiliates of Japan Post Holdings Co., Ltd.

(As of March 31, 2024)

Affiliation	Company name	Location	Issued capital (Millions)	Main business	Date of establishment	Percentage ownership of voting rights
Consolidated subsidiaries	JAPAN POST Co., Ltd.	Chiyoda-ku, Tokyo	¥400,000	Postal and domestic logistics business, post office business, international logistics business	October 1, 2007	100.0%
	Japan Post Transport Co., Ltd.	Minato-ku, Tokyo	¥18,250	Postal and domestic logistics business (truck cargo transportation)	November 30, 2007	100.0% (100.0%)
	JAPAN POST MAINTENANCE Co., Ltd.	Koto-ku, Tokyo	¥50	Postal and domestic logistics business (automobile maintenance and machinery maintenance business, product sales business, vehicle maintenance and management business)	March 1, 1991	100.0% (100.0%)
	JP BIZ MAIL Co., Ltd.	Adachi-ku, Tokyo	¥100	Postal and domestic logistics business (preparation and posting of postal items)	February 1, 2006	58.5% (58.5%)
	JP MEDIA DIRECT Co., Ltd.	Minato-ku, Tokyo	¥300	Postal and domestic logistics business (planning, development, and sales of direct mail and contracted shipment of merchandise)	February 29, 2008	51.0% (51.0%)
	Tokyo Beiyu Co., Ltd.	Meguro-ku, Tokyo	¥22	Postal and domestic logistics business (petroleum sales business)	March 10, 1949	82.3% (82.3%)
	JP Rakuten Logistics, Inc.	Chiyoda-ku, Tokyo	¥100	Postal and domestic logistics business (logistics business)	May 14, 2021	50.1% (50.1%)
	JP LOGISTICS GROUP Co., Ltd.	Chiyoda-ku, Tokyo	¥100	Postal and domestic logistics business (planning and drafting logistics strategies)	September 16, 2009	100.0% (100.0%)
	JP LOGISTICS Co., Ltd.	Chiyoda-ku, Tokyo	¥10	Postal and domestic logistics business (contract business, forwarding business, express business)	January 29, 2002	100.0% (100.0%)
	Japan Post Trading Service Co., Ltd.	Koto-ku, Tokyo	¥100	Post office business (merchandise business, contracting business for merchandise operations)	September 11, 2007	100.0% (100.0%)
	Japan Post Communications Co., Ltd.	Chiyoda-ku, Tokyo	¥350	Post office business (operations related to posting advertisements in post offices)	August 8, 2014	100.0% (100.0%)
	JAPAN POST OFFICE SUPPORT Co., Ltd.	Minato-ku, Tokyo	¥100	Post office business (merchandise sales, facilities management, and contracting business)	March 16, 1971	100.0% (100.0%)
	JP GENERAL INSURANCE AGENCY Co., Ltd.	Chiyoda-ku, Tokyo	¥20	Post office business (non-life insurance and automobile liability insurance agency business)	August 7, 1950	70.0% (70.0%)
	YY Gift Co., Ltd.	Nishi-ku, Yokohama-shi, Kanagawa	¥20	Post office business (sales of catalog products, mail-order business, agency business for sales of alcohol)	April 23, 1996	51.0% (51.0%)
	JP TOKYO TOKUSENKAI Co., Ltd.	Taito-ku, Tokyo	¥30	Post office business (sales of catalog products, mail-order business)	March 2, 2015	51.0% (51.0%)
	JAPAN POST INFORMATION TECHNOLOGY Co., Ltd.	Shinjuku-ku, Tokyo	¥3,150	Post office business (maintenance and management of communication networks)	January 30, 1987	100.0% (67.0%)
	JAPAN POST SYSTEM DEVELOPMENT Co., Ltd.	Shinagawa-ku, Tokyo	¥99	Post office business (consulting, planning, and development of various business systems and fundamental technologies)	August 1, 1989	100.0% (100.0%)
	Toll Holdings Pty Limited (Note 5)	Melbourne, Australia	AUD4,978	International logistics business (forwarding business, 3PL business)	June 20, 1986	100.0% (100.0%)
	JAPAN POST BANK Co., Ltd.	Chiyoda-ku, Tokyo	¥3,500,000	Banking business	September 1, 2006	61.5%
	JAPAN POST BANK LOAN CENTER Co., Ltd.	Sumida-ku, Tokyo	¥2,000	Banking business (credit guarantee services for account overdraft guarantee service and agency operations)	May 28, 1980	100.0% (100.0%)
	Japan Post Investment Corporation	Chiyoda-ku, Tokyo	¥750	Banking business (securities investment management business and investment advisory business)	February 9, 2018	75.0% (75.0%) [25.0%]
	JAPAN POST INSURANCE Co., Ltd.	Chiyoda-ku, Tokyo	¥500,000	Life insurance business	September 1, 2006	49.8%
	JAPAN POST INSURANCE SYSTEM SOLUTIONS Co., Ltd.	Shinagawa-ku, Tokyo	¥500	Life insurance businesses (commissioning of design, development, maintenance, and operation of information systems)	March 8, 1985	100.0% (100.0%)
	JAPAN POST CORPORATE SERVICE Co., Ltd.	Minato-ku, Tokyo	¥640	Other businesses (temporary staffing service, contracted business)	July 3, 2007	100.0%
	JAPAN POST BUILDING MANAGEMENT Co., Ltd.	Chiyoda-ku, Tokyo	¥150	Other businesses (operational management of leased buildings)	April 1, 2011	100.0% (100.0%)
	YUSEI CHALLENGED Co., Ltd.	Setagaya-ku, Tokyo	¥5	Other businesses (office cleaning)	November 20, 2007	100.0%



Affiliation	Company name	Location	Issued capital (Millions)	Main business	Date of establishment	Percentage ownership of voting rights
Consolidated subsidiaries	Japan Post Capital Co., Ltd.	Chiyoda-ku, Tokyo	¥1,500	Other businesses (investment business, consulting business for management and financial matters)	November 1, 2017	100.0%
	Japan Post Real Estate Co., Ltd.	Chiyoda-ku, Tokyo	¥1,500	Other businesses (ownership, leasing, and management business of real estate, development business of residential and commercial land, etc.)	April 2, 2018	100.0%
	JP DIGITAL Co., Ltd.	Chiyoda-ku, Tokyo	¥100	Other businesses (digital-related services business)	July 1, 2021	100.0% (10.0%)
	JP TWOWAY CONTACT Co., Ltd.	Nishi-ku, Osaka-shi, Osaka	¥182	Other businesses (telemarketing services)	April 18, 1988	82.9% (82.9%)
	Japan Post Properties Co., Ltd.	Chuo-ku, Tokyo	¥450	Other businesses (holding and rental of buildings, condominiums, and stores; master leases on real estate; etc.)	October 1, 1953	51.0% (51.0%)
	and 186 other companies					
Affiliated companies accounted for under the equity method	SAISON ASSET MANAGEMENT Co., Ltd.	Toshima-ku, Tokyo	¥1,000	Post office business (type II financial instruments business operation and investment trust management business, others)	June 12, 2006	40.0% (40.0%)
	JA FOODS OITA CO., LTD.	Kitsuki-shi, Oita	¥493	Post office business (processing and sales of agricultural products, fruits, and vegetables)	December 2, 1991	20.0% (20.0%)
	RINGBELL Co., Ltd.	Chuo-ku, Tokyo	¥100	Post office business (planning, production, and sales of catalog gifts, others)	July 3, 1987	20.0% (20.0%)
	JP Asset Management Co., Ltd.	Chuo-ku, Tokyo	¥500	Banking business (type II financial instruments business operation and investment management business)	August 18, 2015	50.0% (50.0%)
	ATM Japan Business Service, Ltd.	Minato-ku, Tokyo	¥100	Banking business (ATM cash loading and collection as well as ATM management)	August 30, 2012	35.0% (35.0%)
	Good Technology Company, Co., Ltd.	Chiyoda-ku, Tokyo	¥10	Other businesses (digital-related services)	January 18, 2023	40.0% (40.0%)
	Aflac Incorporated	Columbus, GA, USA	\$136	Group management as a group holding company	April 27, 1973	20.0% (Note 6)
	and 6 other companies					

Note 1: In the main business column, besides the segment names, a summary of the businesses carried out by the concerned companies is included within the parentheses.

Note 2: Among the affiliated companies listed above, Japan Post, Japan Post Bank, Japan Post Insurance, Japan Post Information Technology, and Toll Holdings Pty Limited correspond to a specified subsidiary.

Note 3: Among the affiliated companies listed above, Japan Post Bank and Japan Post Insurance submit securities reports.

Note 4: The figures in parentheses in the column showing percentage ownership of voting rights indicate the percentage of indirect ownership (within parentheses) through subsidiaries. The figures in brackets indicate "Those parties deemed to exercise voting rights for the same details as their own intentions because of the close relationships between themselves and investments, personnel, capital, technologies, business transactions, etc." or "Those parties that agree to exercise voting rights for the same details as their own intentions" (outside the parentheses).

Note 5: Among the affiliated companies listed above, the ordinary income (excluding intercompany ordinary income of consolidated companies) of Japan Post, Japan Post Bank, and Japan Post Insurance exceeded 10% of consolidated ordinary income. Information on principal profits and losses of Japan Post is detailed below. Information on Japan Post Bank and Japan Post Insurance is omitted because these companies submit securities reports.

Name	Principal information on profits and losses (Millions of yen)				
	Operating income	Ordinary income	Net income	Net assets	Total assets
Japan Post	¥2,721,256	¥2,913	¥7,110	¥652,402	¥4,270,826

Note 6: According to the articles of incorporation of Aflac Incorporated, a provision states that if Aflac Incorporated shares are continuously held for exceeding four years, 10 voting rights per share are granted. Consequently, as of March 31, 2024, Japan Post Holdings, through a trust, holds exceeding 20% of the voting rights of Aflac Incorporated. (The specific percentage of voting rights held will vary depending on the existence of other shareholders to whom similar provisions apply and the number of shares held.) However, in the Shareholders Agreement signed on February 28, 2019, between the Company, Aflac Incorporated, J&A Alliance Holdings Corporation (trustee of the trust that the Company established by entrusting the necessary funds to acquire shares of Aflac Incorporated; hereinafter referred to as "trustee" in this Note 6), and the general incorporated association J&A Alliance, which is a shareholder of the trustee, it is stipulated that for the voting rights associated with the common stock of Aflac Incorporated, in which the trust holds beneficial interests, voting rights exceeding 20% of the total voting rights (however, regarding matters related to changes in control of Aflac Incorporated (except when a majority of the members of the Board of Directors of Aflac Incorporated are changed without the consent of the existing directors), all voting rights) shall be exercised in proportion to the number of votes of common stock of Aflac Incorporated not held by the trust. Therefore, based on this Shareholders Agreement, the maximum voting rights ownership ratio that the trustee can exercise at its own discretion is shown.

Note 7: On April 1, 2024, the Company established Japan Post Architecture and Engineering Co., Ltd. (the Company owns 100% of the voting rights), whose business includes research and planning, design and construction supervision, construction management, and support for management and operation and maintenance of buildings and other structures.

Note 8: On May 21, 2024, JAPAN POST BANK CAPITAL PARTNERS Co., Ltd. was established (voting rights owned 100% by Japan Post Bank) to engage in investment management business.

1 Company Outline

Company name (in Japanese):	Nippon Yubin Kabushiki Kaisha ( <a href="https://www.post.japanpost.jp/about/index_en.html">https://www.post.japanpost.jp/about/index_en.html</a> )
Company name:	JAPAN POST Co., Ltd.
Head office location:	3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8792, Japan
Telephone:	03-3477-0111 (Japan Post Group main number)
Paid-in capital:	¥400 billion
Date of establishment:	October 1, 2007
Legal basis:	Established under the Japan Post Co., Ltd. Act (Law No. 100 of October 21, 2005)
Lines of business:	Postal operations; banking counter operations; insurance counter operations; sales of documentary stamps; operations consigned by local government entities; bank and life and non-life insurance agency services other than those mentioned previously; domestic distribution and delivery business and international cargo transport and agency services for air cargo business; logistics business; real estate business; and merchandise sales



2 Management Philosophy

Post offices take on new challenges.

Present at every stage of life,

listening and supporting.

Creating services that resonate with local needs,

continuously innovating to deliver unparalleled convenience.

As our employees reach their full potential,

we create a more caring and connected community.

Always nearby, always ready to help—a unique role only post offices can fulfill.

A narrative that outlines our purpose and vision

Management Philosophy

Present at every stage of life.

Touching the hearts of all.

3 Information on Shares

(As of March 31, 2024)

1. Number of Shares

Total shares issued	10,000,000
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2. Shareholder

Japan Post Holdings Co., Ltd.	Condition of holdings	
	Shares owned	Percentage of total issued
	10,000,000	100%

4 Number of Employees

171,804\* (as of March 31, 2024)

\* The number of employees excludes employees assigned to other companies by Japan Post but includes employees assigned to Japan Post by other companies. The figure does not include part-time employees (including the indefinite-term employees (associates) based on the indefinite-term employment conversion system).

5 List of Directors, Audit and Supervisory Board Members, and Executive Officers

(As of June 25, 2024)

1. Directors

President & CEO (Representative Executive Officer) .....	SENDA Tetsuya (Concurrently holds the position of Director of Japan Post Holdings Co., Ltd.)
Executive Vice President (Representative Director).....	MINAMI Yoshito (Concurrently holds the position of Managing Executive Officer of Japan Post Holdings Co., Ltd.)
Executive Vice President (Representative Director).....	NISHIGUCHI Akihito (Concurrently holds the position of Managing Executive Officer of Japan Post Holdings Co., Ltd.)
First Executive Officer (Director) .....	TSUYAMA Katsuhiko
Director .....	MASUDA Hiroya (Concurrently holds the position of Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.)
Director (Outside) .....	ABE Junichi (Concurrently holds the position of President and Representative Director of CHUOKORON-SHINSHA, INC.)
Director (Outside) .....	ENOMOTO Chisa (Concurrently holds the position of Outside Director (Member of Supervisory Committee) of PERSOL HOLDINGS CO., LTD.)
Director (Outside) .....	OGURA Toshikatsu (Formerly held the position of Senior Executive Vice President, Representative Member of the Board of Nippon Telegraph and Telephone West Corporation)
Director (Outside) .....	TAKAMURA Etsuko (Concurrently holds the position of Managing Director, General Manager, Value Creation of CHORUS CORPORATION)
Director (Outside) .....	TAJI Noriko (Professor of MBA School & Department of Business Administration, Hosei University)
Director (Outside) .....	NOKINA Akira (Concurrently holds the position of Representative Director and Chairman of North Pacific Securities Co., Ltd.)

2. Audit and Supervisory Board Members

KINOSHITA Noriko  
OGURO Masayasu  
SHINODA Kenji  
NAKAYAMA Hitomi

3. Executive Officers

First Executive Officer	YAMASHIRO Yasuhiko	Executive Officer	HASEGAWA Atsushi
First Executive Officer	ASAI Tomonori	Executive Officer	OGAWA Masato
First Executive Officer	KATO Nobuyasu	Executive Officer	NAKAI Katsunori
First Executive Officer	HAYAKAWA Masataka	Executive Officer	NAMIKI Tsukasa
First Executive Officer	HAYASHI Toshiyuki	Executive Officer	TANAKA Yutaka
Senior Executive Officer	NEGISHI Kazuyuki	Executive Officer	MITOMA Norimasa
Senior Executive Officer	TAKAHASHI Yasuhiro	Executive Officer	MITANI Masanobu
Senior Executive Officer	KOIKE Shinya	Executive Officer	GOMI Yoshihiro
Senior Executive Officer	SAKATA Hiroshi	Executive Officer	TANAKA Hiroyuki
Senior Executive Officer	FUKUMOTO Kenji	Executive Officer	BANDO Hideki
Senior Executive Officer	ONOKI Kieko	Executive Officer	MEGURO Kenji
Senior Executive Officer	KAMIOZAKI Koji	Executive Officer	SUNAYAMA Naoki
Senior Executive Officer	TAKAHASHI Fumiaki	Executive Officer	MAKI Hirohisa
Senior Executive Officer	ICHIKI Miho	Executive Officer	KUROGI Nobuhiro
Senior Executive Officer	NAKAMA Yoshinobu	Executive Officer	SAITO Takashi
Senior Executive Officer	IIDA Yasuhisa	Executive Officer	MATSUOKA Hoshihiko
Senior Executive Officer	ASAMI Kanako	Executive Officer	YAMADA Ryotaro
Senior Executive Officer	NAKAMATA Chikara	Executive Officer	NAKAHATA Ikuko
Senior Executive Officer	KAKINOKI Akira	Executive Officer	NISHIDA Akihisa
		Executive Officer	MITA Akiko
		Executive Officer	IBUSUKI Ichirou
		Executive Officer	TAKAHASHI Chie

6 Organization Chart

(As of July 1, 2024)



Note: The number of Regional Inspection Offices, Compliance Offices, and each Center (excluding Financial Services Contact Centers) is as of April 1, 2024. In addition, the number of directly managed post offices and contracted post offices is as of March 31, 2024.



1 Company Outline

Company name (in Japanese):	Kabushiki Kaisha Yucho Ginko ( <a href="https://www.jp-bank.japanpost.jp/en_index.html">https://www.jp-bank.japanpost.jp/en_index.html</a> )
Company name:	JAPAN POST BANK Co., Ltd.
Head office location:	3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8793, Japan
Telephone:	03-3477-0111 (Japan Post Group main number)
Paid-in capital:	¥3,500 billion
Date of establishment:	September 1, 2006 (On October 1, 2007, the name was changed from Yucho Co., Ltd. to Japan Post Bank Co., Ltd.)
Line of business:	Banking
Financial institution code number:	9900



2 Management Philosophy

Japan Post Bank aims to become “the most accessible and trustworthy bank in Japan,” guided by the needs and expectations of our customers.

Trust:	We comply with laws, regulations, and other standards of behavior and value trusted relationships with customers, markets, shareholders, and employees and consistently serve as a responsible corporate citizen.
Innovation:	We work sincerely to improve our management and business operations in response to requests from customers and changes in the business environment.
Efficiency:	We pursue improvements in speed and efficiency of our management and business operations in order to provide customer-oriented financial instruments and services.
Expertise:	We continually strive to strengthen our expertise for the aim of services meeting the expectations of our customers.

3 Information on Shares

1. Number of Shares

(As of March 31, 2024)

Total shares issued	3,617,602,420
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2. Major Shareholders

		Number of shares held and percentage of shares held	
		Number of shares held	Percentage of shares held (%)
1	Japan Post Holdings Co., Ltd.	2,224,866,500	61.50
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	279,774,900	7.73
3	Custody Bank of Japan, Ltd. (Trust Account)	83,444,000	2.30
4	STATE STREET BANK WEST CLIENT – TREATY 505234	33,738,200	0.93
5	JPMorgan Securities Japan Co., Ltd.	26,643,962	0.73
6	JP MORGAN CHASE BANK 385781	20,095,742	0.55
7	SSBTC CLIENT OMNIBUS ACCOUNT	14,338,424	0.39
8	STATE STREET BANK AND TRUST COMPANY 505103	13,419,497	0.37
9	Japan Post Bank Employee Shareholding Association	11,880,500	0.32
10	TADA Katsumi	11,738,500	0.32

Note: The percentage of shares held has been calculated excluding treasury stock (70,064 shares) and has been rounded down to the second decimal place.

4 Number of Employees

11,345\* (as of March 31, 2024)

\* The number of employees excludes employees assigned to other companies by Japan Post Bank but includes employees assigned to Japan Post Bank by other companies. The figure does not include part-time employees (including the indefinite-term employees (associates) based on the indefinite-term employment conversion system).

5 List of Directors, Executive Officers, and Management Committees

(As of July 1, 2024)

1. Directors

Director, President and Representative Executive Officer.....	KASAMA Takayuki (Concurrently holds the position of Director of Japan Post Holdings Co., Ltd.)
Director, Representative Executive Vice President.....	TANAKA Susumu (Concurrently holds the position of Managing Executive Officer of Japan Post Holdings Co., Ltd.)
Director, Representative Executive Vice President.....	YANO Harumi
Director .....	MASUDA Hiroya (Concurrently holds the position of Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.)
Director .....	YAMAZAKI Katsuyo
Outside Director .....	TAKEUCHI Keisuke (Formerly held the position of Principal Corporate Advisor of JGC HOLDINGS CORPORATION)
Outside Director .....	KAIWA Makoto (Concurrently holds the position of Special Advisor of Tohoku Electric Power Co., Inc.)
Outside Director .....	AIHARA Risa (Concurrently holds the position of Representative Director and President of Ai-LAND Co., Ltd.)
Outside Director .....	KAWAMURA Hiroshi (Attorney-at-law)
Outside Director .....	YAMAMOTO Kenzo (Concurrently holds the position of Representative of Office KY Initiative)
Outside Director .....	NAKAZAWA Keiji (Formerly held the position of Vice President of McDonald's Company (Japan), Ltd.)
Outside Director .....	SATO Atsuko (Associate Professor, Department of International Studies, Faculty of Economics of Takasaki City University of Economics)
Outside Director .....	AMANO Reiko (Formerly held the position of Auditor of Japan Atomic Energy Agency)
Outside Director .....	KATO Akane (Concurrently holds the position of Representative Director of AKANE IDENTITIES INC.)

2. Executive Officers (Excludes persons with concurrent posts in the above 1. Directors)

Executive Vice President	OGATA Kenji	Executive Officer	TOUMA Masaya
Senior Managing Executive Officer	TAMAKI Masato	Executive Officer	FUKUSHIMA Katsuya
Senior Managing Executive Officer	MATSUNAGA Hisashi	Executive Officer	HASUKAWA Koji
Senior Managing Executive Officer	SHINMURA Makoto	Executive Officer	YOSHIDA Koichiro
Managing Executive Officer	NAGURA Shinobu	Executive Officer	KATO Hisanori
Managing Executive Officer	OGATA Satoru	Executive Officer	TOYODA Yasumitsu
Managing Executive Officer	NAKAO Hideki	Executive Officer	FUJIE Junko
Managing Executive Officer	IIMURA Koji	Executive Officer	UEDA Hiroshi
Managing Executive Officer	KISHI Etsuko	Executive Officer	AONO Kenji
Managing Executive Officer	DEN Akihiro	Executive Officer	YAMAMOTO Hirokazu
		Executive Officer	YANO Tomotake
		Executive Officer	IMAI Kenichi
		Executive Officer	YOSHIDA Yuko

3. Nomination Committee

Chairman	KAIWA Makoto
Member	TAKEUCHI Keisuke
Member	AMANO Reiko
Member	KASAMA Takayuki
Member	MASUDA Hiroya

4. Audit Committee

Chairman	KAWAMURA Hiroshi
Member	YAMAZAKI Katsuyo
Member	YAMAMOTO Kenzo
Member	NAKAZAWA Keiji
Member	KATO Akane

5. Compensation Committee

Chairman	TAKEUCHI Keisuke
Member	AIHARA Risa
Member	NAKAZAWA Keiji
Member	MASUDA Hiroya

6 Organization Chart

(As of July 1, 2024)



1 Company Outline

Company name (in Japanese): Kabushiki Kaisha Kanpo Seimei Hoken (<https://www.jp-life.japanpost.jp/english/index.html>)  
Company name: JAPAN POST INSURANCE Co., Ltd.  
Head office location: 3-1, Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8794, Japan  
Telephone: 03-3477-0111 (Japan Post Group main number)  
Paid-in capital: ¥500 billion  
Date of establishment: September 1, 2006  
(The name of the company was changed from Kanpo Co., Ltd. to Japan Post Insurance Co., Ltd., on October 1, 2007.)  
Line of business: Life insurance



2 Management Philosophy and Management Policy

**Management Philosophy**  
Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being.

**Management Policy**  
We aim to become the No.1 Japanese insurance company selected by customers.

- We are always close to people's lives, offering easy-to-understand products and high-quality services.
- We always ensure that employees who have contact with our customers make full use of their strengths to offer better customer services.
- We create a working environment in which all employees can develop their talents and work with energy and vitality.
- We practice sound management based on strong corporate governance, constantly creating new value to achieve sustainable growth.
- We actively contribute to health promotion, environmental protection, and the development of local communities and society as a whole.
- We work to communicate closely with all stakeholders.

3 Information on Stocks

(As of March 31, 2024)

1. Number of Stocks

Issued stocks	383,192,300
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2. Major Shareholders

	Number of shares held and percentage of shares held	
	Number of shares held	Percentage of shares held
Japan Post Holdings Co., Ltd.	190,963,900	49.84%
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,020,900	7.83%
Custody Bank of Japan, Ltd. (Trust Account)	11,383,100	2.97%
JPMorgan Securities Japan Co., Ltd.	4,139,400	1.08%
STATE STREET BANK WEST CLIENT - TREATY 505234	4,031,000	1.05%
STATE STREET BANK AND TRUST COMPANY 505103	3,881,422	1.01%
Japan Post Insurance Employee Shareholding Association	3,428,900	0.89%
SSBTC CLIENT OMNIBUS ACCOUNT	2,901,657	0.76%
JP MORGAN CHASE BANK 385781	2,618,104	0.68%
MORGAN STANLEY & CO. LLC	2,590,443	0.68%

Notes: Percentage of owned shares included in the total number of shares is calculated excluding treasury stock (11,151 shares) and rounded to two decimal places.  
Treasury stock does not include the 415,900 shares of the Company's stock held in the Board Benefit Trust.



4 Number of Employees

18,427\* (as of March 31, 2024)

\* The number of employees excludes employees assigned to other companies by Japan Post Insurance but includes employees assigned to Japan Post Insurance by other companies. The figure does not include part-time employees (including the indefinite-term employees (associates) based on the indefinite-term employment conversion system).

5 List of Directors, Executive Officers, and Management Committees

1. Directors

(As of July 1, 2024)

Director and President, CEO, Representative Executive Officer	TANIGAKI Kunio	(Concurrently holds the position of Director of Japan Post Holdings Co., Ltd.)
Director and Deputy President, Representative Executive Officer	ONISHI Toru	(Concurrently holds the position of Managing Executive Officer of Japan Post Holdings Co., Ltd.)
Director	NARA Tomoaki	
Director	MASUDA Hiroya	(Concurrently holds the position of Director and Representative Executive Officer, President & CEO of Japan Post Holdings Co., Ltd.)
Outside Director	SUZUKI Masako	(Formerly held the position of Executive Advisor of Pasona Group Inc.)
Outside Director	HARADA Kazuyuki	(Concurrently holds the position of Chairman of the Board, Representative Director of Keikyu Corporation)
Outside Director	TONOSU Kaori	(Formerly held the position of Partner of Deloitte Touche Tohmatsu LLC)
Outside Director	TOMII Satoshi	(Concurrently holds the position of Chairman of DBJ Investment Advisory Co., Ltd.)
Outside Director	SHINGU Yuki	(Concurrently holds the position of Director of Future Corporation)
Outside Director	OMACHI Reiko	(Attorney-at-law)
Outside Director	YAMANA Shoei	(Formerly held the position of Director, President & CEO, Representative Executive Officer of KONICA MINOLTA, INC.)

2. Executive Officers (Excludes persons with concurrent posts in the above 1. Directors)

Deputy President, Representative Executive Officer	Executive Officer	MURO Takashi
SHIMA Toshitaka	Executive Officer	TAGUCHI Yoshihiro
Senior Managing Executive Officer	Executive Officer	SHIGEMATSU Jun
TACHIBANA Atsushi	Executive Officer	KIMURA Yoshihisa
Senior Managing Executive Officer	Executive Officer	HAMASAKI Rika
SAKAMOTO Hidekazu	Executive Officer	HANDA Shuji
Senior Managing Executive Officer	Executive Officer	IZUMI Mamiko
HARUNA Takayuki	Executive Officer	ADACHI Tamami
Managing Executive Officer	Executive Officer	IWATA Kazuhiko
KOIE Junko	Executive Officer	SHISHIDO Tsuyoshi
Managing Executive Officer	Executive Officer	NOTO Kazumi
MIYAZAWA Hitoshi	Executive Officer	TANABE Mikio
Managing Executive Officer	Executive Officer	YANAGISAWA Kenichi
IMAIZUMI Michinori		

3. Nomination Committee

Chairman	HARADA Kazuyuki
Member	TANIGAKI Kunio
Member	MASUDA Hiroya
Member	SUZUKI Masako
Member	YAMANA Shoei

4. Audit Committee

Chairman	SUZUKI Masako
Member	NARA Tomoaki
Member	TONOSU Kaori
Member	TOMII Satoshi
Member	OMACHI Reiko

5. Compensation Committee

Chairman	TOMII Satoshi
Member	MASUDA Hiroya
Member	HARADA Kazuyuki
Member	SHINGU Yuki

6 Organization Chart

(As of July 1, 2024)



Japan Post Group (Consolidated)

	As of and for the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Total income	11,950,185	11,720,403	11,264,774	11,138,570	11,982,152
Income before income taxes	864,457	914,164	991,464	657,663	668,316
Net income	483,733	418,238	501,685	431,045	268,685
Comprehensive income (loss)	(2,225,078)	3,567,160	(805,187)	(305,245)	1,256,009
Net assets	12,616,774	16,071,067	14,688,981	15,096,168	15,738,530
Total assets	286,098,449	297,738,131	303,846,980	296,093,652	298,689,150
Consolidated capital adequacy ratio (domestic standard)	17.66%	17.55%	17.21%	17.35%	15.88%

Notes:  
1. The amount of net income attributable to Japan Post Holdings has been used for net income of the Japan Post Group (Consolidated).  
2. The consolidated capital adequacy ratio (domestic standard) has been calculated in line with provisions of Article 52-25 of the Banking Act and on the basis of criteria for judging whether a bank holding company's capital adequacy ratio and that of its subsidiaries are appropriate in light of assets held (Financial Services Agency Notice No. 20, 2006).  
3. Figures for the fiscal year ended March 31, 2023 are retroactively applied to reflect the change in accounting policy for the fiscal year ended March 31, 2024.

Japan Post Holdings (Non-consolidated)

	As of and for the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Operating income	289,447	167,933	284,688	257,559	219,644
Net operating income	236,452	104,871	203,545	180,637	145,502
Net ordinary income	243,027	114,800	217,753	198,881	162,776
Net income (loss)	397,647	(2,129,989)	325,460	293,787	158,023
Net assets	8,031,667	5,912,969	5,740,721	5,625,034	5,163,805
Total assets	8,129,402	5,997,547	5,848,650	5,762,311	5,300,393

Japan Post (Consolidated)

	As of and for the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Operating income	3,839,318	3,837,635	3,656,920	3,451,530	3,323,743
Net operating income	179,034	155,070	148,268	83,801	6,369
Net ordinary income	168,111	149,191	143,545	79,641	2,196
Net income	87,155	53,415	93,217	62,090	7,270
Net assets	855,378	871,293	910,154	849,268	771,550
Total assets	5,179,414	5,175,507	5,180,966	4,873,023	4,754,760

Notes:  
1. The amount of net income attributable to Japan Post has been used for net income of Japan Post (Consolidated).  
2. Figures for the fiscal year ended March 31, 2023 are retroactively applied to reflect the change in accounting policy for the fiscal year ended March 31, 2024.

[Postal and domestic logistics business segment (Consolidated)]

	For the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Operating income	2,125,313	2,068,426	2,041,210	2,056,437	1,975,570
Net operating income (loss)	147,505	123,716	102,245	33,007	(68,623)

Note: Figures for the fiscal year ended March 31, 2023 are retroactively applied to reflect the change in accounting policy for the fiscal year ended March 31, 2024.

[Post office business segment (Consolidated)]

	For the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Operating income	1,298,774	1,243,466	1,151,797	1,074,041	1,112,929
Net operating income	44,598	37,727	24,569	49,311	72,962

[International logistics business segment (Consolidated)]

	For the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Operating income	634,954	749,878	687,506	539,198	448,814
Net operating income (loss)	(8,683)	3,505	28,788	10,476	9,582

Notes:  
1. For the international logistics business segment, the amount presented in net operating income (loss) is EBIT.  
2. Figures for the fiscal year ended March 31, 2023 are retroactively applied to reflect the change in accounting policy for the fiscal year ended March 31, 2024.

Japan Post Bank (Consolidated)

	As of and for the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Ordinary income	1,799,544	1,946,728	1,977,640	2,064,251	2,651,706
Net ordinary income	379,137	394,221	490,891	455,566	496,059
Net income	273,435	280,130	355,070	325,070	356,133
Net assets	9,003,256	11,394,827	10,302,261	9,651,874	9,707,923
Total assets	210,910,882	223,870,673	232,954,480	229,582,232	233,907,990
Consolidated capital adequacy ratio (domestic standard)	15.58%	15.53%	15.56%	15.53%	15.01%

Notes:  
1. The amount of net income attributable to Japan Post Bank has been used for net income of Japan Post Bank (Consolidated).  
2. The consolidated capital adequacy ratio (domestic standard) has been calculated based on standards stipulated by Article 14-2 of the Banking Act for the purpose of determining whether banks have sufficient equity capital given their holdings of assets and other instruments (Financial Services Agency Notice No. 19 2006).

Japan Post Insurance (Consolidated)

	As of and for the fiscal year ended				
	March 31, 2020	March 31, 2021	March 31, 2022	March 31, 2023	March 31, 2024
Ordinary income	7,211,405	6,786,226	6,454,208	6,379,561	6,744,134
Net ordinary income	286,601	345,736	356,113	117,570	161,173
Net income	150,687	166,103	158,062	97,614	87,056
Net assets	1,928,380	2,841,475	2,421,063	2,375,377	3,395,744
Total assets	71,664,781	70,172,982	67,174,796	62,687,388	60,855,899
Consolidated solvency margin ratio	1,070.9%	1,121.2%	1,045.5%	1,009.1%	1,023.2%

Notes:  
1. The amount of net income attributable to Japan Post Insurance has been used for net income of Japan Post Insurance (Consolidated).  
2. The consolidated solvency margin ratio has been calculated in accordance with Articles 86-2 and 88 of the Ordinance for Enforcement of the Insurance Business Act and Financial Services Agency Notice No. 23, 2011.



Matters for Disclosure Concerning Composition of Capital

Capital structure  
Consolidated capital adequacy ratio (domestic standard)

(Millions of yen)		
Items	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Core Capital: instruments and reserves		
Directly issued qualifying common stock or preferred stock mandatorily converted into common stock capital plus related capital surplus and retained earnings	¥ 8,537,060	¥ 8,607,026
of which: capital and capital surplus	3,638,100	3,638,044
of which: retained earnings	5,351,369	5,415,576
of which: treasury stock (deduction)	301,230	201,307
of which: cash dividends to be paid (deduction)	151,179	245,287
of which: other than those above	—	—
Accumulated other comprehensive income included in Core Capital	25,221	20,407
of which: foreign currency translation adjustments	(75,843)	(116,148)
of which: remeasurements of defined benefit plans	101,065	136,555
Subscription rights to common stock or preferred stock mandatorily converted into common stock	—	—
Adjusted non-controlling interests (amount allowed to be included in Core Capital)	943,145	921,756
Reserves included in Core Capital: instruments and reserves	899	205
of which: general reserve for possible loan losses	899	205
of which: eligible reserve	—	—
Eligible non-cumulative perpetual preferred stock subject to phase out arrangement included in Core Capital: instruments and reserves	—	—
Eligible capital instrument subject to phase out arrangement included in Core Capital: instruments and reserves	—	—
Capital instrument issued through the measures for strengthening capital by public institutions included in Core Capital: instruments and reserves	—	—
45% of revaluation reserve for land included in Core Capital: instruments and reserves	—	—
Non-controlling interests included in Core Capital subject to phase out arrangement	1,333,152	1,642,835
Core Capital: instruments and reserves (A)	10,839,480	11,192,230
Core Capital: regulatory adjustments		
Total intangible fixed assets (net of related tax liability, excluding those relating to mortgage servicing rights)	144,048	125,231
of which: goodwill (net of related tax liability, including those equivalent)	4,947	6,926
of which: other intangible fixed assets other than goodwill and mortgage servicing rights (net of related tax liability)	139,101	118,305
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	—	—
Shortfall of eligible provisions to expected losses	—	—
Securitization gain on sale	—	—
Gains and losses due to changes in own credit risk on fair valued liabilities	—	—
Net defined benefit asset	51,803	52,740
Investments in own shares (excluding those reported in the Net Assets section)	—	—
Reciprocal cross-holdings in capital instruments issued by Other Financial Institutions for raising capital that are held by the Holding Company Group	—	—
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation ("Other Financial Institutions"), net of eligible short positions, where the bank does not own more than 10% of the issued share capital ("Non-significant Investment") (amount above the 10% threshold)	—	—

(Millions of yen)		
Item	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Amount exceeding the 10% threshold on specified items	—	—
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	—	—
of which: mortgage servicing rights	—	—
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—
Amount exceeding the 15% threshold on specified items	—	—
of which: significant investments in the common stock of Other Financial Institutions, net of eligible short positions	—	—
of which: mortgage servicing rights	—	—
of which: deferred tax assets arising from temporary differences (net of related tax liability)	—	—
Core Capital: regulatory adjustments (B)	195,851	177,972
Total capital		
Total capital ((A) - (B)) (C)	10,643,628	11,014,257
Risk-weighted assets		
Credit risk-weighted assets	64,696,101	60,792,901
of which: total of items included in risk-weighted assets subject to transitional arrangements	—	—
of which: Other Financial Institutions Exposures	—	—
of which: other than those above	—	—
Market risk equivalent / 8%	—	—
Operational risk equivalent / 8%	2,291,026	2,678,331
Credit risk-weighted assets adjustments	—	—
Operational risk equivalent adjustments	—	—
Total amount of risk-weighted assets (D)	66,987,128	63,471,232
Capital adequacy ratio		
Capital adequacy ratio ((C) / (D))	15.88%	17.35%

Note 1: The consolidated capital adequacy ratio (domestic standard) is calculated in line with provisions of Article 52-25 of the Banking Act and on the basis of criteria for judging whether a bank holding company's capital adequacy ratio and that of its subsidiaries are appropriate in light of assets held (Financial Services Agency Notice No. 20, 2006, hereinafter referred to as Holding Company Capital Adequacy Ratio Notice). The data is calculated on a consolidated basis and according to the domestic standard.

Note 2: In accordance with Article 15, Paragraph 3 of the Holding Company Capital Adequacy Ratio Notice, Japan Post Insurance Co., Ltd. is not included in the scope of consolidation.

## Qualitative Disclosure

### 1. Scope of consolidation

- (1) Differences and the causes of the relevant differences between companies belonging to the Japan Post Group that calculate the consolidated capital adequacy ratio in accordance with Article 15 of the Financial Service Agency's (FSA) Holding Company Capital Adequacy Ratio Notice and companies that are included in the scope of consolidation in accordance with Regulations for Consolidated Financial Statements The Company calculates its consolidated capital adequacy ratio as follows. Pursuant to Article 52-25 of the Banking Act, Consolidated capital adequacy ratio is calculated its capital adequacy in accordance with the capital adequacy ratio measurement guidelines, FSA's Notice No. 20, March 27, 2006 (hereinafter referred to as Holding Company Capital Adequacy Ratio Notice), which requires the bank holding company to calculate its capital adequacy based on assessment of the assets of the bank holding company and its subsidiaries. Please refer to pages 115 through 116 for the names of principal subsidiaries. In accordance with Article 15, the Group is comprised of the following 216 companies (hereafter the "Group") for the purpose of the calculation of the consolidated capital ratio. In accordance with the provisions of Article 15, Paragraph 3 of the Holding Company Capital Adequacy Ratio Notice, Japan Post Insurance Co., Ltd., an insurance subsidiary, is not included in the scope of consolidation.

However, according to the Regulations of Consolidated Financial Statements, the scope of consolidation includes 217 companies, comprising 216 consolidated subsidiaries and Japan Post Insurance Co., Ltd., a Group company.

Further details on Japan Post Insurance Co., Ltd. are presented on pages 50 and 123 through 125.

- (2) Number of consolidated subsidiaries and names and details of main business activities of principal consolidated subsidiaries within the Group

As mentioned previously, the Group is composed of the Company and 216 companies under the Holding Company Capital Adequacy Ratio Notice.

Principal consolidated subsidiaries are Japan Post Co., Ltd. and Japan Post Bank Co., Ltd. For details on business activities of the principal consolidated subsidiaries, refer to pages 41, 43, 45, 47, and 117 through 122 of this report.

- (3) Number of affiliated corporations engaged in financial businesses subject to application of Article 21 of the Holding Company Capital Adequacy Ratio Notice, names of affiliated companies engaged in the relevant financial businesses, total amounts of assets and total amounts of net assets on the balance sheets and details of principal businesses  
None

- (4) Names of companies belonging to the Group that are not included in the scope of consolidation and companies not belonging to the Group that are included in the scope of consolidation, total amounts of assets and total amounts of net assets on the balance sheets and details of principal businesses

- 1) Companies belonging to the Group that are not included in the scope of consolidation  
None

- 2) Companies not belonging to the Group that are included in the scope of consolidation  
Japan Post Insurance Co., Ltd.  
Refer to page 127 of this report for details on the total amount of assets and total amount of net assets for Japan Post Insurance Co., Ltd. and to page 50 of this report for details about the company's main business activities.

- (5) Restrictions on transfer of funds and common stock among companies in the Holding Company Group  
None

2. Overview of capital instruments (This entire amount or partial amount are referred to as capital instruments and included in basic items of Core Capital as calculated under Article 14 of Holding Company Capital Adequacy Ratio Notice.)

The Company raises capital through equity financing (issuance of common stock).

3. Overview of method for evaluating the level of capital adequacy for the Group

With regard to the current adequacy of capital, the consolidated capital adequacy ratio as of March 31, 2024 calculated in accordance with the Holding Company Capital Adequacy Ratio Notice was 15.88%. This level is substantially higher than the 4% capital adequacy ratio of the domestic standard. When calculating the consolidated capital adequacy ratio, the standardized approach is used for credit risk and the basic indicator approach is used for operational risk. A figure for market risk is not included.

Japan Post Bank holds most of the assets with risk exposure concerning risk categories for companies belonging to the holding company's group with regard to the Holding Company Capital Adequacy Ratio Notice. Consequently, the following section covers primarily risk management at Japan Post Bank.

As a bank holding company, Japan Post Holdings monitors the overall risk management framework at Japan Post Bank. In addition, the holding company supervises risk management for the entire Group in accordance with the Basic Policy for Group Risk Management. Please refer to "Japan Post Group Risk Management" on pages 96 through 97 for more information about risk management for the Japan Post Group.

### 4. Credit risk

- (1) Summary of risk management policy and procedures

Credit risk is the risk of incurring a loss due to a decline in the value of assets (including off-balance-sheet assets), or total loss of value due to the deteriorating financial condition of an obligor or to other factors.

Japan Post Bank uses a statistical method called value at risk (VaR) to quantify credit risk exposure. Japan Post Bank monitors its credit risk limit amounts on an ongoing basis in order to ensure that VaR does not exceed allocated risk capital. Japan Post Bank also carries out stress testing to consider the possibility of credit risk due to large-scale economic fluctuations outside those in the VaR model.

Japan Post Bank sets credit limits for exposure for individual companies, corporate groups, and countries and areas and manages and monitors this exposure in order to control credit concentration risk.

To provide a system of checks and balances for credit risk management, Japan Post Bank has a Risk Management Department, positioned as a middle management unit, and a Credit Department, positioned as a credit control unit. Within the Bank's organization, these units are independent of front-office and back-office operations. The Risk Management Department oversees credit risk measurements, credit concentration risk management, internal credit rating systems and other activities associated with credit risks. The Credit Department is responsible for individual credit account management, including assigning internal credit ratings, monitoring borrowers, managing major loan accounts and screening prospective loan deals.

The Risk Management Committee, ALM Committee and Executive Committee hold discussions and reach decisions on matters concerning the establishment and operation of credit risk management programs and on credit risk management.

Moreover, Japan Post Bank conducts credit business with the basic principles of public welfare, financial soundness and profitability. The Bank establishes the credit code to underpin sound and appropriate credit business activities by all executives and employees, in which the Bank has defined in writing its basic philosophy, action guidelines and other items of credit business.

Reserve for possible loan losses is provided for in accordance with the write-off and provision standards from the "Practical Guidance for Checking Internal Controls for Self-Assessments of Assets by Banks and Other Financial Institutions and for Audits of Loans Written Off and Loan Loss Allowance Provisions" (Japanese Institute of Certified Public

Accountants (JICPA), Special Committee for Audits of Banks, etc., Report No. 4). In accordance with self-assessment standards for assets, all loans are categorized by marketing departments and then audited by independent credit assessment departments.

Moreover, Japan Post Bank continuously monitors individual obligor's ability to meet the financial obligations, their financial condition and other factors affecting their credit standing in order to check obligors' credit risk in a timely and suitable manner. Additionally, Japan Post Bank performs even more-strict monitoring of borrowers with business conditions requiring close attention, such as borrowers at risk of having their credit rating downgraded due to deteriorating business results and borrowers with a steep decline in their stock price.

- (2) Portfolios where the standardized approach is applied

- 1) Qualified rating agencies, etc., used in making judgments on risk weights

When making judgments on risk weight, Japan Post Bank uses the credit ratings of four rating agencies and the Organisation for Economic Co-operation and Development (OECD). The four credit rating agencies are Rating and Investment Information, Inc. (R&I); Japan Credit Rating Agency, Ltd. (JCR); Moody's Investors Service, Inc. (Moody's); and S&P Global Ratings (S&P).

- 2) Qualified rating agencies, etc., used to determine risk weight for each category of exposure

Japan Post Bank uses the following qualified rating agencies for each of the following credit risk exposure categories.

In the case where multiple credit rating agencies provide ratings, the Bank selects the credit rating that yields the second smallest risk weight in accordance with Ministerial Notification of Capital Adequacy Ratio of the FSA's Notice No. 19, March 27, 2006, criteria on whether or not the adequacy of equity capital of a Bank is appropriate in light of the circumstances such as the assets owned by that Bank as stipulated by Article 14-2 of the Banking Act (hereinafter referred to as "Capital Adequacy Ratio Notice").

Exposure		Rating agencies
Central governments and central banks	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P, OECD
Non-central government public-sector entities		R&I, JCR, Moody's, S&P
Foreign non-central government public-sector entities		Moody's, S&P, OECD
Multilateral Development Banks		Moody's, S&P
Japan Finance Organization for Municipalities		R&I, JCR, Moody's, S&P
Japanese government agencies		R&I, JCR, Moody's, S&P
Three regional public corporations under Japanese local governments		R&I, JCR, Moody's, S&P
Financial institutions and Type I Financial Instruments Business Operators	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P, OECD
Corporates	Resident	R&I, JCR, Moody's, S&P
	Non-resident	Moody's, S&P
Securitization transactions		R&I, JCR, Moody's, S&P

5. Summary of risk management policy and procedures for credit risk mitigation methods

In calculating the capital adequacy ratio, Japan Post Bank applies "credit risk mitigation methods" prescribed in the Capital Adequacy Ratio Notice. These methods are used to incorporate the risk mitigation effects of collateral, guarantees and other items in the capital adequacy ratio. These methods include qualified financial collateral, the netting of loans and self deposits, and guarantees and credit derivatives.

- Types of qualified financial collateral

Japan Post Bank accepts cash, self-deposits and securities as qualified financial collateral.

- Summary of policy and procedures for valuation and management of collateral

Japan Post Bank changed the method of applying eligible financial collateral from the "simplified method" to the "comprehensive method" as prescribed in the Capital Adequacy Ratio Notification as of March 31, 2022.

The Bank has established internal bank procedures to permit the timely disposal or acquisition of qualified financial collateral based on contracts concerning collateral as prescribed in loan agreements, etc.

- Summary of policy and procedures for offsetting loans and self-deposits and types and scope of applicable transactions

For the use of the netting of loans and self-deposits, as prescribed in the special terms for netting in the bank transaction agreement, etc., Japan Post Bank uses the remaining amount after netting loans and self-deposits as the amount of exposure for calculating the capital adequacy ratio.

As of the end of March 2024, Japan Post Bank was not using the off-setting of loans and self-deposits.

- Categories and credit standing of guarantors and major credit derivative counterparties

Principal guarantors at Japan Post Bank are the central governments, etc., to which lower risk weightings than the guaranteed obligations are applied.

Additionally, credit derivative counterparties are the financial institutions to which lower risk weightings than the reference obligations are applied.

- Summary of policy and procedures when using legally binding mutual netting contracts for derivative transactions and transactions with repurchase agreements and categories and scope of applicable transactions

Japan Post Bank considers the results of derivatives transactions, including interest swaps and currency swaps, for which it has concluded effective netting contracts in accordance with the legal systems of each country in which it carries out transactions

- Information concerning concentrations of credit risk and market risk associated with the use of credit risk mitigation methods

The principal credit risk mitigation methods of Japan Post Bank are qualified financial collateral that use cash and self-deposits and there is no concentration of credit risk and market risk.

6. Summary of risk management policy and procedures for counterparty risk concerning derivative transactions and transactions with long-term settlements

- (1) Policy on collateral security and reserve calculation, impact in the event of need for provision of additional collateral due to downturn in credit standing of Japan Post Bank

As required, Japan Post Bank enters into contracts for the mitigation of credit risk in which collateral is periodically submitted or received with the derivative transaction counterparty in order to cover rebuilding and other costs. Under the provision of these contracts, a decline in the financial condition of Japan Post Bank may require the provision of additional collateral to the counterparty. However, the Bank believes that the impact would be negligible.

The policy for calculating the allowance for derivative transaction losses is the same as for ordinary balance sheet assets.

- (2) Policy for credit limits and allocation of capital for risk exposure

When conducting derivative transactions, Japan Post Bank assigns obligor ratings to all counterparties and provides credit limits in accordance with the rating of each counterparty. These limits are monitored on a daily basis. In addition, the credit balance calculation method for credit risk management was changed from the current exposure method to SA-CCR as of March 31, 2022.

The allocation of capital for taking on risk for derivative transactions is almost the same as other transactions.

### 7. Securitization exposure

- (1) Summary of risk management policy and risk characteristics

As an investor, Japan Post Bank is exposed to risks associated with securitization. Just as with investments in other securities, for purchasing, the Bank provides credit limits based on obligor ratings assigned in accordance with the Bank's own thorough examination of underlying assets, the senior / subordinate rights structure, the nature of securitization scheme and other factors. Following a purchase, the Bank monitors any decline in the quality of and changes in the composition of the underlying assets as well as other factors. Also, credit risk with securitization exposure is included in the calculation of credit risk and interest rate risk is included in the calculation of market risk. In addition, the Bank is also aware of market liquidity risk and reports on the state of these risks to the Executive Committee and other bodies.

The procedure concerning re-securitization exposure is the same as for securitization exposure.



(2) Outline of the establishment and state of operation of a system prescribed by Article 226, Paragraph 1-1 to 1-4 of the Holding Company Capital Adequacy Ratio Notice (includes cases of application pursuant to Article 280-2, Paragraph 2) of the Holding Company Capital Adequacy Ratio Notice.

For securitization exposure risk, Japan Post Bank operates a structure that ascertains on a timely basis information concerning comprehensive risk characteristics and performance. Specifically, in addition to the Bank periodically reviewing obligor ratings in the event that a decline in the quality of or change in the structure of underlying assets has an impact on obligor ratings, the Bank provisionally reviews the obligor ratings.

The procedures concerning re-securitization exposure are the same as for securitization exposure.

(3) Policies on using securitization transactions as a credit risk mitigation method  
Japan Post Bank does not use securitization transactions as a credit risk mitigation method.

(4) Name of method used to calculate amount of credit risk assets for securitization exposure  
Japan Post Bank uses the External Ratings-Based Approach and Standard Approach prescribed in the Capital Adequacy Ratio Notice for calculating the amount of credit risk assets for securitization exposure.

(5) Name of method used for calculating an amount equivalent to market risk of securitization exposure  
Not applicable

(6) Distinguishing types of conduits for securitization and whether the Group is exposed to risks associated with securitization from securitization transactions when using conduits for securitization in executing securitization transactions for third-party assets  
The Japan Post Group does not use conduits for securitization to execute securitization transactions involving third-party assets.

(7) Among the Group's subsidiaries (excluding consolidated subsidiaries, etc.) and affiliate companies, names of those companies exposed to risk associated with securitization transactions carried out by the Group (including securitization transactions using conduits for securitization)  
Not applicable

(8) Accounting policy on securitized transactions  
For the recognition, valuation and accounting treatment of origination and extinguishment of financial assets and liabilities associated with securitized transactions, Japan Post Bank applies ASBJ Statement No. 10 "Accounting Standard for Financial Instruments" (January 22, 1999, Business Accounting Council).

(9) Name of qualified rating agencies used in making judgments on risk weight for securitization exposure by category  
Japan Post Bank uses the ratings of the following credit rating agencies for the calculation of credit risk assets for securitization exposure:  
Rating and Investment Information, Inc. (R&I)  
Japan Credit Rating Agency, Ltd. (JCR)  
Moody's Investors Service, Inc. (Moody's)  
S&P Global Ratings (S&P)

8. Operational risk  
(1) Summary of risk management policy and procedures

The Japan Post Group defines operational risk as the risk of incurring losses caused by inappropriate activity involving business processes, the activities of executives and employees or computer systems, or by external events.

Japan Post Bank has seven categories of operational risk: processing risk, IT system risk, information assets risk, legal risk, human resources risk, tangible assets risk and reputational risk.

Japan Post Bank identifies, assesses, controls, monitors and mitigates risk for each risk category to manage operational risk and to maintain the soundness of their operations. To manage risk, Japan Post Bank identifies risks associated with business operations and evaluates these risks based on the frequency of their occurrence and the scale of their impact on operations. The Bank provides controls in accordance with the importance of each risk, monitors these risks and takes actions as required.

In addition, Japan Post Bank prepares a list of operational risks associated with business processes, products, computer systems and other items. The Bank periodically uses a Risk & Control Self Assessment (RCSA) process to determine the effectiveness of management systems aimed at reducing exposure to these risks. Based on the results of RCSA, for areas in which it is recognized that risk management needs to be improved and areas that risk management especially needs to be reinforced, improvement plans are formulated and improvement plans for reducing risk are discussed and formulated.

Japan Post Bank is making preparations for using systems to report actualized events such as clerical accidents or system problems. The content of the reports analyzes the causes and tendencies of clerical accidents, system problems and other matters and is used as basic data for taking effective countermeasures.

(2) The name of method used for the calculation of an amount equivalent to operational risk  
Japan Post Bank uses the "basic indicator approach" with regard to the calculation of an amount equivalent to operational risk.

9. Summary of risk management policy and procedures for investments, shares and other exposure  
Japan Post Bank, which is a company engaged in the banking business that belongs to the Group as prescribed in the Holding Company Capital Adequacy Ratio Notice, monitors and manages exposure to investments, stock, and other assets as owned by the Bank in the banking account based on the framework of market risk management and credit risk management. It does so by establishing market risk limits and loss limits so that the amount of market risk does not exceed the amount of capital allocated for market risk, based on the Bank's equity and other resources.

10. Interest rate risk

(1) Summary of risk management policy and procedures  
Interest rate risk in the banking book (IRRBB) is the risk of incurring a loss due to a change in the value of assets and liabilities (including off-balance-sheet assets and liabilities) or the risk of incurring a loss due to changes in earnings generated from assets and liabilities due to changes in interest rates.

As part of its monitoring of interest rate risk in the banking book, Japan Post Bank measures interest rate sensitivity (10BPV) daily and also measures ΔEVE (measured as such an amount of decline in economic value of equity in relation to an interest rate shock as may be calculated on the basis of interest rate shocks as prescribed by the Capital Adequacy Ratio Notification) and ΔNII (measured as such an amount of decline in interest income over the measurement period (the period of 12 months from the reference date of calculation) in relation to an interest rate shock as may be calculated on the basis of interest rate shocks as prescribed by the Capital Adequacy Ratio Notification) monthly to evaluate a level of capital adequacy.

(2) Summary of method for calculating interest rate risk for internal management

The main assumptions for calculation of interest rate risk (ΔEVE and ΔNII) in the banking book of Japan Post Bank Co., Ltd. are as follows.

- The Bank applies an internal model for estimating outstanding balances and allocating to settlement dates of liquid deposits that will remain on deposit in the Bank for a long term without being withdrawn (so-called core deposits). The average maturity for interest rate revisions is 3.7 years and the longest maturity for interest rate revisions is 10 years.
- Interest rate risk relating to TEIGAKU deposits is calculated based on an estimated future cash flow using an internal model. ΔNII is the simple sum of ΔNII measured for each currency.
- For aggregating multiple currencies, the ΔEVE calculated for each currency consisting of the Japanese yen, U.S. dollar, euro, pound and Australian dollar is aggregated factoring in cross-currency correlations. For other currencies, calculation is performed based on the simple addition of just those positive currencies from among the ΔEVE calculated for each currency.
- Spread levels are included in discounted interest rates and cash flows.

Quantitative Disclosure

1. Among subsidiaries that are Other Financial Institutions (referred to as Other Financial Institutions as prescribed under Article 18, Paragraph 6-1 of Holding Company Capital Adequacy Ratio Notice), names of the companies with shortage in the regulatory required capital and the total amounts of the regulatory required capital shortfall  
None

2. Capital adequacy

(1) Amount of required capital for credit risk (On-balance-sheet items)  
(Millions of yen)

Item	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
1 Cash	¥ —	¥ —
2 Japanese government and the Bank of Japan	—	—
3 Foreign central governments and central banks	4,511	6,820
4 Bank for International Settlements, etc.	—	—
5 Non-central government public-sector entities	—	—
6 Foreign non-central government public-sector entities	6,394	6,636
7 Multilateral Development Banks	—	—
8 Japan Finance Organization for Municipalities	2,473	2,480
9 Japanese government agencies	8,005	8,956
10 Three regional public corporations under Japanese local governments	516	526
11 Financial Institutions and Type I Financial Instruments Business Operators	72,827	79,992
12 Corporates	297,551	273,224
13 Small and medium-sized enterprises and individuals	2	2
14 Mortgage loans	—	—
15 Project finance (acquisition of real estate)	204	204
16 Past-due loans (three months or more)	62	92
17 Outstanding drafts	—	—
18 Loans guaranteed by Credit Guarantee Corporation, etc.	—	—
19 Loans guaranteed by the Regional Economy Vitalization Corporation of Japan (REVIC), etc.	—	—
20 Investments in capital and others	12,318	23,868
of which: exposure to investments	12,318	23,868
of which: exposure to significant investments	—	—
21 Other than above	233,329	193,966
of which: exposure to capital instruments other than those corresponding to subject common shares among capital instruments of Other Financial Institutions as well as other external TLAC-related instruments	17,536	17,677
of which: exposure related to portions not included in adjustment items among specified items	89,343	49,539
of which: exposure related to other external TLAC instruments associated with other financial institutions holding more than 10% of the voting rights for all shareholders	—	—
of which: exposure related to the portion exceeding the 5% criteria amount associated with other external TLAC-related instruments among other external TLAC instruments associated with other financial institutions not holding more than 10% of the voting rights for all shareholders	—	—
of which: other exposure	126,449	126,749
22 Securitization transactions	29,719	24,057
of which: STC requirements are applied	—	—
of which: non-STC requirements are applied	29,719	24,057
23 Re-securitization transactions	19	22
24 Exposure to which deemed calculation of risk weight is applied	1,875,870	1,774,505
25 Amount of items included in risk-weighted assets through transitional arrangements	—	—
26 Amount of items not included in risk-weighted assets through transitional arrangements pertaining to exposure concerning capital instruments of Other Financial Institutions	—	—
Total	¥ 2,543,805	¥ 2,395,355

Note: Required capital is calculated using the following formula:  
Credit risk-weighted assets × 4%

(2) Amount of required capital for credit risk (Off-balance-sheet items)  
(Millions of yen)

Item	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
1 Commitment lines that can be cancelled automatically or unconditionally at any time	¥ —	¥ —
2 Commitment lines with original contracts of one year or less	37	37
3 Short-term trade contingent liabilities	—	—
4 Contingent liabilities arising from specific transactions	—	—
of which: principal reimbursement trust deeds with restructuring	—	—
5 NIF or RUF	—	—
6 Commitment lines with an original duration of one year or longer	497	448
7 Contingent liabilities arising from directly substituted credit	6,599	8,834
of which: secured with loan guarantees	—	—
of which: secured with securities	—	—
of which: secured with drafts	—	—
of which: principal reimbursement trust deeds without restructuring	—	—
of which: secured with credit derivative protection	4,859	6,914
8 Assets sold with repurchase agreements or assets sold with right of claim (after deductions)	—	—
Assets sold with repurchase agreements or assets sold with right of claim (before deductions)	—	—
Deduction	—	—
9 Futures bought, forward delivery deposits, partially subscribed equity shares, partially subscribed bonds	—	—
10 Securities lending, cash or securities collateral, or sale of securities with repurchase agreement or purchase with resale agreement	26,707	23,064
11 Derivative transactions and long-term settlements transactions	3,715	1,266
Current exposure method	1	3
Derivative transactions	1	3
Foreign exchange related transactions	1	3
Interest rate related transactions	0	—
Gold related transactions	—	—
Equity security related transactions	—	—
Precious metal related transactions (excluding gold)	—	—
Other commodity related transactions	—	—
Credit derivative transactions (counterparty risk)	—	—
Netting effect on credit equivalent amount under close-out netting agreement (deduction)	—	—
Long-term settlements transactions	—	—
SA-CCR	3,713	1,262
Derivative transactions	3,711	1,262
Long-term settlements transactions	1	0
12 Outstanding transaction	—	—
13 The unexecuted portion of a credit facility for qualified servicer cash advance pertaining to securitization exposure	—	—
14 Off-balance-sheet securitization exposure other than the above	—	—
Total	¥ 37,556	¥ 33,651

Note 1: Required capital is calculated using the following formula:  
Credit risk-weighted assets × 4%

Note 2: Japan Post Bank Co., Ltd. applies the SA-CCR as the credit equivalent calculation method for derivative transactions and long-term settlements transactions. Other credit equivalent amounts are calculated using the current exposure method.

(3) Total amount of consolidated required capital

(Millions of yen)		
Item	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Total amount of consolidated required capital	¥ 2,679,485	¥ 2,538,849
Amount of required capital for credit risk	711,973	657,210
Portfolios where the standardized approach is applied	675,753	630,421
Securitization exposure	29,738	24,079
CVA risk equivalent amount	5,570	1,898
Central counterparty risk exposure	912	810
Amount of required capital for credit risk pertaining to exposure for which deemed calculation of risk weight is applied	1,875,870	1,774,505
Amount of required capital for market risk equivalent amount	—	—
Amount of required capital for operational risk equivalent amount	91,641	107,133
Basic indicator approach	91,641	107,133

Note 1: The total amount of consolidated required capital is the denominator of the consolidated capital adequacy ratio x 4%.  
Note 2: The amount of required capital for credit risk is the amount of credit risk assets x 4%.  
Note 3: The amount of required capital for operational risk equivalent amount is operational risk equivalent amount divided by 8% x 4%.

3. Credit risk

(1) Credit risk exposure by region, industry and customer

(Millions of yen)						
Counterparts		2024 (As of March 31, 2024)				
		Loans and deposits	Securities	Derivatives	Others	Total
Domestic	Sovereigns	¥ 68,487,547	¥ 58,628,765	¥ —	¥ 112,513	¥ 127,228,825
	Financial institutions	5,263,566	11,357,713	448,409	26,653	17,096,343
	Corporates	577,959	6,258,575	—	370,014	7,206,549
	Small and medium-sized enterprises and individuals	—	—	—	111	111
	Others	2,366,368	8,490,288	73,057	3,256,612	14,186,327
	Domestic total	76,695,441	84,735,343	521,467	3,765,905	165,718,157
	Overseas total	83,994	12,469	176	262,426	359,066
Investment trust, etc.		6,190,493	57,189,419	—	—	63,379,913
Total		¥ 82,969,929	¥ 141,937,232	¥ 521,643	¥ 4,028,331	¥ 229,457,137

(Millions of yen)						
Counterparts		2023 (As of March 31, 2023)				
		Loans and deposits	Securities	Derivatives	Others	Total
Domestic	Sovereigns	¥ 77,543,487	¥ 52,816,698	¥ —	¥ 119,294	¥ 130,479,480
	Financial institutions	5,593,733	11,416,634	168,710	48,926	17,228,004
	Corporates	563,120	6,586,786	—	319,628	7,469,535
	Small and medium-sized enterprises and individuals	—	—	—	140	140
	Others	2,425,288	7,269,507	51,674	3,266,367	13,012,837
	Domestic total	86,125,629	78,089,626	220,384	3,754,357	168,189,997
	Overseas total	85,784	12,325	385	166,474	264,970
Investment trust, etc.		6,126,443	52,820,289	—	—	58,946,733
Total		¥ 92,337,857	¥ 130,922,241	¥ 220,770	¥ 3,920,832	¥ 227,401,701

Note 1: All subsidiaries other than Japan Post Bank Co., Ltd. do not engage in loan operations, in principle, and therefore do not categorize credit by industry sector. Accordingly, a breakdown by customer is presented in the above table.  
Note 2: "Domestic" and "Overseas" refer to the domicile of the main branch (Head Office).  
Note 3: "Loans and deposits" include loans and bills discounted, due from banks, call loans and off-balance-sheet assets, etc., other than derivatives.  
Note 4: "Securities" include Japanese government bonds, local government bonds, corporate bonds, etc.  
Note 5: "Derivatives" include forward interest rate swaps and currency swaps, etc.  
Note 6: "Sovereigns" include central governments, central banks, local governments, etc.  
Note 7: "Financial institutions" include the Multilateral Development Banks, Bank for International Settlements, etc., Japan Finance Organization for Municipalities and Financial Institutions and Type I Financial Instruments Business Operators.  
Note 8: "Corporates" include Foreign public-sector entities other than central governments, Japanese government agencies, three regional public corporations under Japanese local governments and corporations, etc.  
Note 9: The exposure amount includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.  
Note 10: Investment trusts and other funds are recorded in investment trust, etc.



(2) Credit risk exposure by maturity

(Millions of yen)

Remaining period	2024 (As of March 31, 2024)				
	Loans and deposits	Securities	Derivatives	Others	Total
1 year or less	¥ 14,873,941	¥ 16,601,318	¥ 15,844	¥ 537,377	¥ 32,028,481
Over 1 year to 3 years	847,957	16,986,023	149,598	—	17,983,578
Over 3 years to 5 years	585,589	11,418,621	258,166	30	12,262,408
Over 5 years to 7 years	368,688	5,936,988	24,820	—	6,330,496
Over 7 years to 10 years	344,749	8,428,977	49,877	—	8,823,605
Over 10 years	761,058	24,365,057	23,336	—	25,149,452
No due date or perpetual	58,997,451	1,010,826	—	3,490,924	63,499,201
Investment trust, etc.	6,190,493	57,189,419	—	—	63,379,913
Total	¥ 82,969,929	¥ 141,937,232	¥ 521,643	¥ 4,028,331	¥ 229,457,137

(Millions of yen)

Remaining period	2023 (As of March 31, 2023)				
	Loans and deposits	Securities	Derivatives	Others	Total
1 year or less	¥ 13,919,794	¥ 12,879,820	¥ 7,112	¥ 422,958	¥ 27,229,686
Over 1 year to 3 years	738,020	19,912,778	42,199	—	20,692,999
Over 3 years to 5 years	560,811	11,770,487	96,490	35	12,427,825
Over 5 years to 7 years	343,131	6,103,656	1,210	—	6,447,998
Over 7 years to 10 years	457,389	4,673,719	25,029	—	5,156,138
Over 10 years	801,230	21,846,876	48,728	—	22,696,835
No due date or perpetual	69,391,035	914,612	—	3,497,837	73,803,485
Investment trust, etc.	6,126,443	52,820,289	—	—	58,946,733
Total	¥ 92,337,857	¥ 130,922,241	¥ 220,770	¥ 3,920,832	¥ 227,401,701

Note 1: "Loans and deposits" include loans and bills discounted, due from banks, call loans and off-balance-sheet assets, etc., other than derivatives.  
Note 2: "Securities" include Japanese government bonds, local government bonds, corporate bonds, etc.  
Note 3: "Derivatives" include forward interest rate swaps and currency swaps, etc.  
Note 4: The exposure amount includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.  
Note 5: Investment trusts and other funds are recorded in investment trust, etc.

(3) Past-due loans for three months or more exposure by region, industry and customer

(Millions of yen)

Counterparts		2024 (As of March 31, 2024)					2023 (As of March 31, 2023)				
		Loans and deposits	Securities	Derivatives	Others	Total	Loans and deposits	Securities	Derivatives	Others	Total
Domestic	Sovereigns	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —	¥ —
	Financial institutions	—	—	—	—	—	—	—	—	—	—
	Corporates	—	—	—	0	0	—	—	—	5	5
	Small and medium-sized enterprises and individuals	—	—	—	38	38	—	—	—	61	61
	Others	—	—	—	2,237	2,237	—	—	—	3,639	3,639
	Domestic total	—	—	—	2,276	2,276	—	—	—	3,707	3,707
	Overseas total	—	—	—	—	—	—	—	—	—	—
Investment trust, etc.		—	—	—	—	—	—	—	—	—	—
Total		¥ —	¥ —	¥ —	¥ 2,276	¥ 2,276	¥ —	¥ —	¥ —	¥ 3,707	¥ 3,707

Note 1: "Past-due loans for three months or more" means the payment of principal or interest is past due three months or more from the day following the scheduled payment date.  
Note 2: "Domestic" and "Overseas" refer to the domicile of the main branch (Head Office).  
Note 3: "Loans and deposits" include loans and bills discounted, due from banks, call loans and off-balance-sheet assets, etc., other than derivatives.  
Note 4: "Securities" include Japanese government bonds, local government bonds, corporate bonds, etc.  
Note 5: "Derivatives" include forward interest rate swaps and currency swaps, etc.  
Note 6: "Sovereigns" include central governments, central banks, local governments, etc.  
Note 7: "Financial institutions" include the Multilateral Development Banks, Bank for International Settlements, etc., Japan Finance Organization for Municipalities and Financial Institutions and Type I Financial Instruments Business Operators.  
Note 8: "Corporates" include Foreign public-sector entities other than central governments, Japanese government agencies, three regional public corporations under Japanese local governments and corporations, etc.  
Note 9: Exposures of certain subsidiaries are included in "Others" (exposure) under "Others" (counterparts).  
Note 10: The exposure amount includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.  
Note 11: Investment trusts and other funds are recorded in investment trust, etc.

(4) Year-end balances and changes during the period of general reserve for possible loan losses, specific reserve for possible loan losses and loan loss reserve for specific overseas countries

Year-end balance

(Millions of yen)

	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
General reserve for possible loan losses	¥ 174	¥ 161
Specific reserve for possible loan losses	0	—
Loan loss reserve for specific overseas countries	—	—

Change during the period

(Millions of yen)

	2024 (From April 1, 2023 to March 31, 2024)	2023 (From April 1, 2022 to March 31, 2023)
General reserve for possible loan losses	¥ 12	¥ (10)
Specific reserve for possible loan losses	0	(0)
Loan loss reserve for specific overseas countries	—	—

Note 1: Reserve for loan losses related to loans disclosed under the Financial Revitalization Law is listed.  
Note 2: General reserve for loan losses is not classified by region, industry and customer.

• Year-end balances and changes during the period of specific reserve for possible loan losses by region and industry  
By region

(Millions of yen)

	2024 (From April 1, 2023 to March 31, 2024)	2024 (As of March 31, 2024)	2023 (From April 1, 2022 to March 31, 2023)	2023 (As of March 31, 2023)
	Change during the period	Year-end balance	Change during the period	Year-end balance
Domestic	0	0	(0)	0
Overseas	—	—	—	—
Total	0	0	(0)	0

Note: Reserve for loan losses related to loans disclosed under the Financial Revitalization Law is listed.

By industry

	(Millions of yen)			
	2024 (From April 1, 2023 to March 31, 2024)	2024 (As of March 31, 2024)	2023 (From April 1, 2022 to March 31, 2023)	2023 (As of March 31, 2023)
	Change during the period	Year-end balance	Change during the period	Year-end balance
Agriculture, forestry, fisheries, mining	—	—	—	—
Manufacturing	—	—	—	—
Utilities, Information/communications, transportation	—	—	—	—
Wholesale, retail	—	—	—	—
Finance and Insurance	—	—	—	—
Construction, real estate	—	—	—	—
Services, goods rental/leasing	—	—	—	—
Sovereigns	—	—	—	—
Others	0	0	(0)	0
Total	0	0	(0)	0

Note: Reserve for loan losses related to loans disclosed under the Financial Revitalization Law is listed.

(5) The amount of write-off of loans by industry and customer

	(Millions of yen)	
	2024 (From April 1, 2023 to March 31, 2024)	2023 (From April 1, 2022 to March 31, 2023)
Agriculture, forestry, fisheries, mining	—	—
Manufacturing	—	—
Utilities, Information/communications, transportation	—	—
Wholesale, retail	—	—
Finance and Insurance	—	—
Construction, real estate	—	—
Services, goods rental/leasing	—	—
Sovereigns	—	—
Others	5	1
Total	5	1

(6) Amount of exposure by risk weight category

Risk weight	(Millions of yen)			
	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
	Rated	Not rated	Rated	Not rated
0%	¥ 121,296,220	¥ 8,446,292	¥ 124,196,836	¥ 8,525,877
2%	—	424,775	—	684,204
4%	—	—	—	—
10%	237,919	2,584,770	212,929	2,852,002
20%	17,620,841	81,993	17,282,358	69,357
35%	—	—	—	—
50%	7,655,528	2,103	7,106,627	3,519
75%	—	73	—	78
100%	2,232,675	4,337,716	2,240,444	4,507,929
150%	166	171	178	186
250%	49,479	1,019,321	50,893	621,273
1,250%	—	—	—	—
Others	—	87,173	—	100,272
Investment trust, etc.	—	63,379,913	—	58,946,733
Total	¥ 149,092,832	¥ 80,364,305	¥ 151,090,267	¥ 76,311,434

Note 1: Ratings are used for those rated by qualified rating agencies in principle.

Note 2: The exposure amount includes balances before the deduction of specific reserve for possible loan losses and after the application of credit risk mitigation methods.

Note 3: Regarding assets to which the Company applied transitional arrangements, the Company records these assets in risk-weighted categories in case of that transitional arrangements are not applied.

Note 4: The "Others" item represents clearing funds contributed to qualifying central counterparties.

Note 5: Investment trusts and other funds are recorded in investment trust, etc. The weighted average of risk weights was 73.99% as of March 31, 2024 (compared with 75.26% as of March 31, 2023)

4. Credit risk mitigation methods

Exposure amount to which credit risk mitigation methods are applied

Item	(Millions of yen)			
	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
	Exposure amount	Composition ratio	Exposure amount	Composition ratio
Eligible financial collateral	¥ 36,517,098	92.56%	¥ 30,709,264	91.80%
Guarantees and credit derivatives	2,934,279	7.43%	2,742,714	8.20%
Total	¥ 39,451,378	100.00%	¥ 33,451,978	100.00%

Note 1: Japan Post Bank accepts cash, self-deposits and securities as eligible financial collateral.

Note 2: Principal guarantors are central governments, etc., to which lower risk weight than the guaranteed obligations are applied.

Note 3: Credit derivative counterparties are the financial institutions to which lower risk weightings than the reference obligations are applied.

Note 4: The exposure included in investment trusts and other funds are not included herein.

5. Derivative transactions and long-term settlements transactions

Derivative transactions and long-term settlements transactions

Item	(Millions of yen)	
	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Amount for which the current exposure method has been applied		
Aggregate sum of amounts of gross reconstruction costs	¥ —	¥ 232
Aggregate sum of gross add-on amounts	215	224
Gross credit equivalents	215	456
Foreign exchange related transactions	215	456
Interest rate related transactions	—	—
Stock related transactions	—	—
Credit derivative transactions (counterparty risk)	—	—
Long-term settlements transactions	—	—
Reduction in credit equivalents through netting (deduction)	—	—
Net credit equivalents (before taking into account the effect of credit risk reduction by collateral)	215	456
Amount of SA-CCR to be applied		
Collateral amount received	64,486	49,946
Marketable securities	64,486	27,289
Cash	—	22,657
Collateral amount pledged	2,556,542	823,199
Marketable securities	776,119	288,488
Cash	1,780,423	534,711
Net credit equivalents (after consideration of effectiveness of risks mitigated by collateral)	521,653	220,380
Net credit equivalents (current exposure method and SA-CCR)	¥ 521,868	¥ 220,837

Note 1: Japan Post Bank Co., Ltd. applies the SA-CCR as the credit equivalent calculation method.

Other credit equivalent amounts are calculated using the current exposure method.

Note 2: Regarding derivative transactions and transactions with long-term settlements, only those transactions requiring the calculation of credit equivalents are included.

Note 3: Derivative transactions and transactions with long-term settlements included in investment trusts and other funds are not included herein.

Note 4: Limited to transactions on which gross reconstruction costs are not less than zero.

Note 5: There is no treatment of either credit derivatives used in the credit equivalent calculation or credit derivatives used to take into account the effect of credit risk reduction methods.



6. Securitization exposure

Securitization exposure in which the Group invests:

(1) Securitization exposure and breakdown by type of main underlying assets (excluding re-securitization exposure)

(Millions of yen)		
Type of underlying assets	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Mortgage loans	¥ 237,733	¥ 248,271
Auto loans	220,955	219,343
Leases	5,019	3,967
Accounts receivable	99,088	64,861
Corporate loans	3,172,284	2,489,111
Others	—	—
Total	¥ 3,735,079	¥ 3,025,555

Note 1: There are no off-balance sheet transactions.

Note 2: Excludes securitization exposure included in investment trust, etc.

(3) Balance by risk weight of securitization exposure and amount of required capital (excluding re-securitization exposure)

(Millions of yen)				
Risk weight	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
	Balance	Required capital	Balance	Required capital
15% or more and 20% or less	¥ 3,735,079	¥ 29,719	¥ 3,025,555	¥ 24,057
Over 20% and 45% or less	—	—	—	—
Over 45% and 70% or less	—	—	—	—
Over 70% and 140% or less	—	—	—	—
Over 140% and 225% or less	—	—	—	—
Over 225% and 420% or less	—	—	—	—
Over 420% and less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 3,735,079	¥ 29,719	¥ 3,025,555	¥ 24,057

Note 1: There are no off-balance sheet transactions.

Note 2: Excludes securitization exposure included in investment trust, etc.

Note 3: Required capital is the amount of credit risk assets × 4%.

7. Market risk

Not applicable since the Group, based on Article 16 of Holding Company Capital Adequacy Ratio Notice, does not include the amount of market risk equivalent in the calculation formulae prescribed under Article 14 of the Notice.

8. Equity exposure

(1) Amount carried on the consolidated balance sheet and fair value

(Millions of yen)				
	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
	Amount carried on the consolidated balance sheet	Fair value	Amount carried on the consolidated balance sheet	Fair value
Listed equities exposure (Note 1)	¥ 1,637	1,637	¥ —	—
Investment or equities exposure not corresponding to listed equities exposure (Note 2)	29,870		35,056	
Total	¥ 31,508		¥ 35,056	

Note 1: Shares with market quotations are listed.

Note 2: Shares without market prices are listed.

Note 3: Shares held by the Bank's subsidiaries and their subsidiaries are listed. The exposure included in investment trusts and other funds are not included herein. The same applies to the following.

(2) Re-securitization exposure and breakdown by type of main underlying assets

(Millions of yen)		
Type of underlying assets	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Mortgage loans	¥ 483	¥ 561
Auto loans	—	—
Leases	—	—
Accounts receivable	—	—
Corporate loans	—	—
Others	—	—
Total	¥ 483	¥ 561

Note 1: There are no off-balance sheet transactions.

Note 2: Excludes re-securitization exposure included in investment trust, etc.

(4) Balance by risk weight of re-securitization exposure and amount of required capital

(Millions of yen)				
Risk weight	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
	Balance	Required capital	Balance	Required capital
100%	¥ 483	¥ 19	¥ 561	¥ 22
Over 100% and less than 1,250%	—	—	—	—
1,250%	—	—	—	—
Total	¥ 483	¥ 19	¥ 561	¥ 22

Note 1: There are no off-balance sheet transactions.

Note 2: Excludes re-securitization exposure included in investment trust, etc.

Note 3: There are no credit risk mitigation methods applied to re-securitization exposures.

Note 4: Required capital is the amount of credit risk assets × 4%.

(2) Gains and losses on sale or write-off of investment or equity exposures

(Millions of yen)		
	2024 (From April 1, 2023 to March 31, 2024)	2023 (From April 1, 2022 to March 31, 2023)
Gains / Losses	¥(3,963)	¥(1,208)
Gains	283	362
Losses	—	—
Write-off	¥ 4,247	¥ 1,570

Note: Gains and losses on the sale of stock are listed in the Consolidated Statements of Income.

(3) Amounts of valuation gains and losses recognized on the Consolidated Balance Sheet not recognized on the Consolidated Statements of Income

(Millions of yen)		
	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Amounts of valuation gains and losses recognized on the Consolidated Balance Sheet not recognized on the Consolidated Statements of Income	¥ 131	—

Note: Shares with market quotations are listed.

(4) Amounts of valuation gains and losses not recognized on the Consolidated Balance Sheet and the Consolidated Statements of Income

(Millions of yen)		
	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
Amounts of valuation gains and losses not recognized on the Consolidated Balance Sheet and the Consolidated Statements of Income	—	—

Note: Shares with market quotations of affiliated companies are listed.

9. Balance and amount of required capital by each exposure calculation method for which deemed calculation of risk weight is applied

(Millions of yen)					
Calculation method	Risk weight	2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
		Balance	Required capital	Balance	Required capital
Look-through approach (LTA)	—	¥ 63,309,144	¥ 1,845,484	¥ 58,753,172	¥ 1,737,039
Mandate-based approach (MBA)	—	—	—	—	—
Probability approach	250%	12,495	1,249	139,584	13,958
	400%	—	—	10,237	1,638
Fall-back approach (FBA)	1,250%	58,273	29,136	43,739	21,869
Total		¥ 63,379,913	¥ 1,875,870	¥ 58,946,733	¥ 1,774,505

Note 1: The amount of required capital is the amount of credit risk-weighted assets × 4%.

Note 2: Risk weight is as prescribed in the Capital Adequacy Ratio Notification.

Note 3: Look-through approach (LTA) is as stipulated in 54-5-2 of the Capital Adequacy Ratio Notification.

Note 4: Mandate-based approach (MBA) is as stipulated in 54-5-6 of the Capital Adequacy Ratio Notification.

Note 5: The probability approach is as stipulated in 54-5-9 of the Capital Adequacy Ratio Notification.

Note 6: Fall-back approach (FBA) is as stipulated in 54-5-10 of the Capital Adequacy Ratio Notification.

10. Interest rate risk

(Millions of yen)					
Interest rate risk					
Item number		(A)	(B)	(C)	(D)
		ΔEVE		ΔNII	
		2024 (As of March 31, 2024)	2023 (As of March 31, 2023)	2024 (As of March 31, 2024)	2023 (As of March 31, 2023)
1	Upward parallel shift	¥ 919,536	¥ 685,309	¥ 191,415	¥ 295,311
2	Downward parallel shift	2,220	536,094	18,656	(107,442)
3	Steepening	980,503	753,119		
4	Flattening				
5	Rise in short-term interest rates				
6	Decrease in short-term interest rates				
7	Maximum value	¥ 980,503	¥ 753,119	¥ 191,415	¥ 295,311
		(E)		(F)	
		2024 (As of March 31, 2024)		2023 (As of March 31, 2023)	
8	Amount of equity	¥ 10,643,628		¥ 11,014,257	

Note 1: Decreased economic value and interest income are shown as positive values.

Note 2: Key assumptions for ΔEVE and ΔNII calculations are as follows:

- The Bank has applied an internal model to allocate the estimated balance and termination dates of liquid deposits that have remained on deposit in the Bank for a long term without being withdrawn, (so-called "core deposits"). The average repricing maturities of liquid deposits are 3.1 years. The longest repricing maturities are 10 years.
- Interest rate risk relating to TEIGAKU deposits is calculated based on an estimated future cash flow using an internal model.
- The Bank aggregates ΔEVE of JPY, USD, EUR, GBP, and AUD taking into account the correlation between each different currency. On the other hand, the Bank adds only positive ΔEVE of the other currencies. ΔNII is the simple sum of ΔNII measured for each currency.
- Spread levels are included in discount rates and cash flows.

Note 3: The Bank confirms that it has secured sufficient capital to counter measured interest rate risk.

Note 4: According to the "Comprehensive Guidelines for Supervision of Major Banks, etc." prescribed by the Financial Services Agency (FSA), "Because JAPAN POST BANK is obligated legally to hold a portion of its assets in JGBs and other "safe" assets, the FSA takes this special information into consideration in its oversight of the Bank in terms of the application of the materiality test."

Note 5: Regarding interest rate risks, the assets of consolidated subsidiaries are insignificant, and Japan Post Bank's non-consolidated figures are shown excluding the amount of equity capital.

## Compensation, etc., Subject to Disclosure

### 1. Matters concerning the establishment of an organizational system for subject executives and employees of the Company (Group)

#### (1) Scope of subject executives and employees

The following describes the scope of "subject executives" and "subject employees" (collectively referred to as "subject executives and employees") who are subject to disclosure as persons having a significant impact on the operation of the banking business and state of assets as prescribed by the notification (Japan Financial Services Agency Notification No. 21 of March 29, 2012) for deciding matters determined separately by the Commissioner of the Financial Services Agency as an item concerning compensation based on provisions of the Ordinance for Enforcement of the Banking Act, Article 19-2, Paragraph 1-6.

##### 1) Scope of "subject executives"

Subject executives are the Company's directors and executive officers. Outside directors are excluded.

##### 2) Scope of "subject employees"

Among Company executives (other than subject executives) and employees as well as executives and employees of subsidiaries, those "persons receiving high amounts of compensation" and who have a significant impact on the management of business operations and the state of assets of the Company or its principal subsidiaries are deemed "subject employees" who are subject to disclosure.

##### (a) Scope of "principal consolidated subsidiaries"

Principal consolidated subsidiaries are consolidated subsidiaries that have a significant impact on Group management. Specifically, the three business subsidiaries are in this category.

##### (b) Scope of "persons receiving high amounts of compensation"

"Persons receiving high amounts of compensation" are those persons receiving compensation exceeding standard amounts from the Company and its principal consolidated subsidiaries. The Company has set the Group standard amount at ¥30 million. The relevant standard amount is set based on the average basic compensation (excludes persons who assume positions or retire from positions during the term in each fiscal year) for the past three years for executives of the Company and Japan Post Bank and this serves as a common standard amount for the Group. However, because there are no large differences in compensation systems and levels for the Company's principal consolidated subsidiaries, these are also applied in common at principal consolidated subsidiaries.

##### (c) Scope of "persons having a significant impact on the management of the Group's business or the state of its assets"

"Persons having a significant impact on the management of the Group's business or the state of its assets" refers to persons who engage in regular business transactions and manage matters that have a considerably significant impact on the management of the Company, the Japan Post Group and its principal consolidated subsidiaries, or persons who would exert a significant impact on the state of assets by incurring losses from business transactions or other matters. Specifically, this refers to executives of principal consolidated subsidiaries or executive officers with authority to execute the business of business departments in accordance with resolutions by the Board of Directors as well as to professional positions at Japan Post Bank. (Referred to hereafter as management employees for whom a performance-linked compensation system is applicable based on professional position salary regulations and who perform duties for the execution of business using especially sophisticated and expert knowledge in the Investment Division of Japan Post Bank).

### (2) Determination of compensation for subject executives and employees

#### 1) Determination of compensation for subject executives

The Company has established the Compensation Committee as the body for determining the details of the compensation system and compensation for executives. The Compensation Committee determines policies for deciding details of compensation for the Company's directors and executive officers as well as details of individual compensation. In accordance with the Companies Act, the Compensation Committee is composed of a majority of outside directors. The Committee is independent of the business promotion department and has the authority to decide policies for determining compensation as well as determine individual compensation.

### 2) Determination of compensation for subject employees

The determination of compensation for executives of principal consolidated subsidiaries who are deemed subject employees is as follows.

#### (a) Japan Post

Executive compensation is determined under a structure whereby the total amount of executive compensation is determined at the Shareholders' Meeting.

Individual allocation of directors' compensation is determined on a resolution by the Board of Directors, according to the total amount decided at the Shareholders' Meeting.

Individual allocation of compensation for auditors is determined based on consultation by the auditors.

Compensation for executive officers is determined based on a resolution by the Board of Directors.

#### (b) Japan Post Bank and Japan Post Insurance

Japan Post Bank and Japan Post Insurance have respectively established a Compensation Committee as the body for determining the details of the compensation system and compensation for executives. The Compensation Committee determines policies for deciding details of compensation for each company's directors and executive officers as well as details of individual compensation. In accordance with the Companies Act, the Compensation Committee is composed of a majority of outside directors. The Committee is independent of the business promotion department and has the authority to determine policies for determining compensation as well as determine individual compensation.

The Human Resources Division, which is independent from the Corporate Administration Division, has established a performance-linked compensation system based on professional position salary regulations for professional positions at Japan Post Bank. Compensation based on this system is determined after deliberation at the Evaluation Committee that is composed of executive officers such as the President and Representative Executive Officer of Japan Post Bank.

### (3) Determination of compensation for staff of the Risk Management Department and Compliance Department

Compensation for staff of the Risk Management Department and Compliance Department is determined based on salary rules and regulations. Specific amounts paid are decided by determining compensation separate from the sales promotion department by setting amounts based on employee performance evaluations, with the general manager of the relevant departments as the person making final decisions.

Assessment categories of employee performance evaluations encompass assessments of the execution of duties and attainment levels for targets for each job responsibility in the Risk Management Department and Compliance Department. These assessments reflect the level of contribution to the risk management structure and compliance readiness.

### (4) Total amount of compensation paid to members of the Compensation Committee and number of times the Compensation Committee and other meetings convened

Company name	Name of meeting	Number of times convened (From April 2023 to March 2024)
Japan Post Holdings	Compensation Committee	8 times
Japan Post	Shareholders' Meeting	1 time
	Board of Directors	3 times
	Board of Corporate Auditors	1 time
Japan Post Bank	Compensation Committee	5 times
	Evaluation Committee	10 times
Japan Post Insurance	Compensation Committee	6 times

Note: The total amount of compensation is not listed because this amount cannot be calculated separating only the portion corresponding to compensation for the execution of duties of the Compensation Committee.

### 2. Matters concerning evaluation of the appropriateness of the design and operation of the compensation system for subject executives and employees of the Company (Group)

#### (1) Policies concerning compensation for "subject executives"

The Company determines compensation for the Company's directors according to job responsibilities based on the scope and size of responsibilities for management and other areas. For executive officers, the Company has designed a compensation system that considers job content as an executive officer, personal evaluations and job performance. As a specific executive compensation system, compensation for executives consists of base compensation.

#### (2) Policies concerning compensation for "subject employees"

In determining compensation for Company employees, the Company determines compensation for directors and auditors according to job responsibilities based on the scope and size of responsibilities for management and in other areas. For executive officers and executives, the Company has designed a compensation system that considers job content as an executive officer or executive, personal evaluations and job performance. As a specific compensation system, compensation consists of base compensation.

The Company determines compensation for employees based on employee evaluations to reflect the degree of attainment of targets and job behavior. As a specific compensation system for employees, compensation is determined based on salary rules and regulations.

### 3. Matters concerning consistency between the compensation system for subject executives and employees of the Company (Group) and risk management and the link between compensation and performance

In determining compensation for subject executives, the Compensation Committee decides on policies concerning the determination of details of compensation, after which details of compensation for each individual are determined.

In determining compensation for subject employees, compensation for directors and auditors of Japan Post is determined based on resolutions at the Shareholders' Meeting, while compensation for executive officers is determined based on resolutions by the Board of Directors. Regarding executives of Japan Post Bank and Japan Post Insurance, the Compensation Committee decides on policies concerning the determination of details of compensation, after which details of compensation for each individual are determined. In determining compensation for professional positions at Japan Post Bank, the scheme for determining compensation is discussed at the Evaluation Committee, after which details of compensation for each individual are determined. Compensation for other employees is determined based on salary rules and regulations.

Compensation for subject executives and subject employees takes into consideration the state of employee evaluations and the appropriateness of amounts paid without excessive emphasis on performance based systems.

### 4. Matters concerning the types of compensation for subject executives and employees of the Company (Group), total amount paid and payment method

Total amount of compensation for subject executives and employees (From April 1, 2023 to March 31, 2024)

Classification	Number of persons	Total amount of compensation (Millions of yen)						Retirement benefits	Other
		Total fixed compensation		Total variable compensation					
		Base compensation		Bonuses	Stock compensation				
Subject executives (excluding outside executives)	37	1,157	812	812	345	—	345	—	—
Subject employees, etc.	24	1,242	678	678	561	222	338	—	0

Note 1: Compensation for subject executives is listed including compensation as executives of principal consolidated subsidiaries.

Note 2: Stock-compensation type stock options are not applicable.

Note 3: The retirement benefits system for directors, auditors, executive officers and executives was discontinued in June 2013 and therefore retirement benefits are not applicable.

### 5. Other special pertinent matters for reference or other applicable matters other than those specified up to the previous item concerning the systems for compensation for subject executives and employees of the Company (Group)

There are no applicable matters besides those specifically listed in the previous items.



① Japan Post Group Privacy Policy

The Japan Post Group (“the Group”) is dedicated to providing services that can achieve a high degree of customer satisfaction. Properly protecting and the treatment of personal information is vital to accomplishing this goal. Accordingly, the Group has established the following fundamental policy (hereinafter referred to as “the Privacy Policy”) for protecting personal information.

(1) Compliance with laws and regulations

When handling personal information, the Group complies with all laws and regulations associated with protecting personal information, national government policies and the provisions of the Privacy Policy (“laws, regulations, etc.,” hereafter).

(2) Purpose of using personal information

The Group specifies the purpose of using personal information and does not use this information beyond the scope necessary for achieving this purpose.

The purposes for which Group companies use personal information are listed in the privacy policies on each company’s website and where applicable.

(3) Acquisition of personal information

The Group acquires personal information using methods that are legal and proper.

(4) Security measures for management of personal information

The Group uses an appropriate security management system to prevent leaks, losses or alterations of personal information. In addition, the Group properly supervises persons engaged in the business of handling personal information, outsourcing parties and others.

(5) Provision of personal information to third parties

Except in cases where required by laws and regulations, the Group does not supply personal information to third parties without the prior consent of each individual.

In cases where two or more Group companies share the same personal information, this sharing is performed only after providing prior notice or public announcements of items required by law.

Irrespective of the above, specific personal information shall not be provided to third parties or shared jointly except when prescribed by laws or ordinances.

(6) Procedures for requesting disclosure of personal data

The Group responds in a sincere manner in cases where there are requests for the notification of the purpose of use or for the disclosure, correction or termination of use of retained personal data as prescribed by laws, regulations, etc.

The disclosure request procedures for each company can be found on their respective websites and where applicable.

(7) Points of contact for inquiries

Requests regarding retained personal data set forth in the preceding section and inquiries and requests regarding treatment of personal information can be made to designated points of contact.

(8) Continuous improvements

The Group constantly reviews and improves its management and handling methods for the protection of personal information in response to advances in information technology and shifts in social demands.

② Sharing of Personal Data among Japan Post Group Companies

Japan Post Group companies consist of Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd., Japan Post Insurance Co., Ltd. and several other subsidiaries and affiliated companies.

Each Japan Post Group company uses its respective specialized skills to provide high-quality services. The objective is to achieve even greater customer satisfaction.

To accomplish this goal, the Japan Post Group wishes to share customers’ personal data solely to the degree required and within the scope explained below. This data is used to conduct business activities performed directly by Group companies or through outsourcing parties.

The Group asks for customers’ understanding and pledges that strict information management will be used during the shared use of personal data.

(1) Personal data items for shared use

Shared use covers names, birth dates, addresses, telephone numbers and other contact information, family members, occupations and data concerning business transactions with the Group. However, this excludes information about materials sent or delivered by postal mail or any sensitive information.

(2) Scope of parties involved in shared use

Shared use is limited to the Japan Post Group. However, this applies only to companies included in the consolidated financial statements, including equity-method affiliates, of Japan Post Holdings, as prescribed by laws, regulations, etc., and is limited to the following companies:

Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd.

(3) Purpose of use

- 1) Distribution of information about services and research and development involving services
- 2) Decisions involving the provision of services
- 3) For the proper management of Group business operations primarily for the purpose of monitoring and managing risks

(4) Name of party with responsibility for managing personal data

Japan Post Holdings Co., Ltd.

The Japan Post Group conducts its procurement activity according to the following concept.

Japan Post Group’s Approach to Procurement Activity

1. Open, fair and appropriate procurement

- The Group opens the door widely to suppliers and offers fair entry opportunities.
- The Group selects suppliers based on a comprehensive and appropriate evaluation of quality, price, delivery period, technology, business condition and other factors.

2. Compliance with laws, regulations and social standards

- The Group complies with all applicable laws, regulations and social standards and carries out procurement activity in good faith.
- In its procurement activity, the Group forms no relationship with antisocial forces that pose a threat to the order and safety of civil society.

3. Respect for human rights

- The Group aims to work with its business partners to build a supply chain that respects human rights.

4. Environmental considerations

- The Group carries out procurement activity in consideration of global and local environmental preservation and the effective use of resources.

5. Building trusting relationships

- Through good communication with suppliers, the Group builds strong trust and strives for mutual prosperity.
- The Group appropriately manages information about suppliers that it obtains through its procurement activity.

6. Request to suppliers (Compliance with the UN Global Compact)

- The Group supports the Ten Principles of the UN Global Compact regarding the four areas of human rights, labor, the environment and anti-corruption and promotes CSR procurement activity. The Group expects its suppliers to understand the above and asks for their proactive cooperation.

The Ten Principles of the UN Global Compact

<https://www.unglobalcompact.org/what-is-gc/mission/principles>

## 9. Japan Post Group Conflicts of Interest Management Policy

The Japan Post Group ("the Group") conducts business activities fairly based on laws, ordinances and internal regulations so that the interests of customers are not unduly impaired due to transactions that may give rise to a conflict of interest.

- The following representative examples of companies in the Japan Post Group ("Group companies") fall within the scope of the Conflicts of Interest Management Policy.
  - Japan Post Bank Co., Ltd.
  - Japan Post Insurance Co., Ltd.
  - Japan Post Co., Ltd.
- The Group will manage conflicts of interest for the transactions stipulated below.
  - Transactions that may unduly impair the interests of customers among the following transactions:
    - Transaction with a customer that has an interest in one of the Group companies based on an agreement
    - Transaction with a party that has conflicting interests or is competing with a customer that has an interest in one of the Group companies based on an agreement
    - Transaction that makes wrongful use of information gained from a customer with an interest in one of the Group companies based on an agreement
  - Any transaction aside from the aforementioned that may unduly impair the interests of the customer due to a conflict of interest

- The Group will select one or a combination of the following methods and other measures to manage transactions with a conflict of interest:
  - Separate the business unit conducting the target transaction and the business unit conducting the secondary transaction with the customer
  - Amend the terms and conditions or method of the target transaction or the secondary transaction with the customer
  - Discontinue the target transaction or the secondary transaction with the customer
  - Properly disclose to the customer that the target transaction may unduly impair his or her interests
- The Group will establish a department that handles conflicts of interest independent from business departments that will specify target transactions and properly manage conflicts of interest. In addition, the Group will educate and train executives and employees so that they comply with laws, ordinances and internal regulations set down regarding the management of conflicts of interest.
- The Group will continuously review its management stance regarding conflicts of interest and strive to make improvements.

## 11. Japan Post Group Information Security Declaration

Services provided by Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. as the Japan Post Group are used by a large number of customers. We believe that information about these customers must be strictly managed, and the services used by customers must be absolutely safe.

We understand that information security is essential for

customers to use our services with confidence. Our activities reflect this awareness of the importance of information security. We place priority on the following items in order to manage information about customers safely and to protect this information from leaks and alterations resulting from unauthorized access and from disruptions in services caused by accidents, natural disasters and other events.

- Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. will establish information security policies and follow the policies for the purpose of conducting information security activities.
- We will conduct a continuous information security training program for the purpose of maintaining a strong awareness among employees of the importance of information security and reinforcing that awareness.
- We will conduct continuous inspections of information security activities and make revisions and improvements whenever needed for the purpose of maintaining and enhancing the effectiveness of information security activities.

## 10. Declaration by Top Management Regarding the Elimination of Relationships with Antisocial Forces

To eliminate any relationships with antisocial forces and prevent damage to the organization, the Japan Post Group has made the following declaration in line with the Fundamental Policy for Establishment of Internal Control Systems.

### 1. Organizational response

In firm recognition of its social responsibility and to strengthen management based on compliance, the Japan Post Group, as an organization in its entirety, will ensure that any relationships with antisocial forces are eliminated.

will take legal measures, either via a civil court or a criminal court, or both. The Japan Post Group will never negotiate in secrecy with antisocial forces, even if their unjustified demands are to conceal matters related to any misconduct of the Group's own activities or that of its staff.

### 2. Complete elimination of relationships, including transactions

The Japan Post Group will have no relationships whatsoever with antisocial forces, including transactions.

### 4. Cooperation with outside experts

The Japan Post Group will establish close relationships with outside experts in preparation for any unjustified demands by antisocial forces in order to ensure the safety of its staff against such demands.

### 3. Legal measures and prohibition of secret negotiations

The Japan Post Group will strongly refuse any unjustified demands by antisocial forces and

### 5. Prohibiting financing for antisocial forces

The Japan Post Group will never engage in financing for antisocial forces.

## 12. Japan Post Group Executive Declaration on Cyber Security

Recognizing cyber security measures as a critical issue in its corporate management, the Japan Post Group (\*) has developed the Japan Post Group Executive Declaration on Cyber Security (hereinafter the "Declaration").

In adherence to the Declaration, the Group will be committed to further driving cyber security measures, with the management taking the initiative, and to delivering services in a secure and safe fashion, in defense against increasingly serious and sophisticated cyber attacks.

(\*) Japan Post Group refers to JAPAN POST HOLDINGS Co., Ltd., JAPAN POST Co., Ltd., JAPAN POST BANK Co., Ltd. and JAPAN POST INSURANCE Co., Ltd.

### 1. Recognition as an executive issue

Recognizing the importance of cyber security, the Japan Post Group will position risks related to cyber attacks and other such threats as a critical issue in its corporate management and the management will take the initiative in driving the measures to address those risks.

### 2. Development of measures and representation of commitment

Only after reviewing the functions of our cyber security measures (identification, defense, detection, response and recovery) according to changes in the surroundings, the Japan Post Group will develop business continuity plans (BCPs) with the aim of ensuring quick recovery from the event of any cyber security risk materializing.

The management will take the leading role in making its commitment clear to internal and external stakeholders, as well as in making efforts to disclose what risks are recognized and what action is taken to address them by, for example, voluntarily stating them in various types of reports.

### 3. Establishment of a control structure

The Japan Post Group will establish an organization engaged to work under normal circumstances in preparation for cyber attacks as well as to take action in the event of emergency and thereby conduct a range of activities relevant to cyber attacks, including monitoring, inspection, collecting and analyzing information, and responding to and recovering from incidents, and will also perform regular exercises and training sessions in an attempt to develop more sophisticated cyber security readiness.

For the purpose of cyber security enhancement, each class of the Group's personnel, from executives to managers and employees, will be provided with necessary education.

The Group will pursue security measures that encompass its business associates, including contractors.

4. Continuous delivery of systems and services with user peace-of-mind  
In order to maintain its cyber security measures and make them better, the Japan Post Group will continually perform inspections and work on improvements.

### 5. Coordination with external organizations

The Japan Post Group will have timely and appropriate coordination with related ministries and governmental agencies, such as the Ministry of Internal Affairs and Communications, the Financial Services Agency, the National Center of Incident Readiness and Strategy for Cybersecurity, the Information-Technology Promotion Agency and the police, and will also make proactive efforts in the exchange of information through JPCERT / CC and other relevant channels, thereby contributing to raising the levels of cyber security measures of the entire society.



Fundamental policy

The Japan Post Group has stipulated in its Charter of Corporate Conduct to “fulfill our responsibility to explain our operations by conducting highly transparent business operations and disclosing information in a fair manner” to earn the trust of customers. To achieve sustainable growth and medium- to long-term improvement in our enterprise value, Japan Post Holdings Co., Ltd. (the “Company”) shall disclose information in a fair and accurate manner to its shareholders, investors, and other stakeholders. In addition, the management shall make efforts to actively communicate with them and share among its own staff the requests, expectations, and so on obtained through this communication.

Standards for information disclosure

The Company shall comply with the Financial Instruments and Exchange Act of Japan, other applicable laws and regulations and the securities listing regulations stipulated by the Tokyo Stock Exchange, manage important information about the Company and its subsidiaries, and swiftly disclose it in a timely manner.

Moreover, the Company shall not only disclose information in accordance with the aforementioned laws and regulations and other relevant rules and regulations, but it shall also strive to voluntarily disclose information that will contribute to the deepening of understanding of the Company and its subsidiaries at occasions such as investor information meetings.

Establishment of internal systems

The Company shall strive to establish and reinforce its internal systems by appointing the executive officer in charge of the Corporate Planning Division to be responsible for establishing the internal system for our IR

activities, so that each division works together in an organic manner to ensure appropriate information disclosure. Furthermore, the Company has established the Disclosure Committee for discussions about information disclosure.

Method of disclosing information

The Company shall make disclosure as required based on the Financial Instruments and Exchange Act of Japan, other related laws and regulations, securities listing regulations of the Tokyo Stock Exchange, etc., through prescribed means including the Electronic Disclosure for Investors' NETwork (EDINET), which is operated by the Financial Services Agency, the Timely Disclosure network (TDnet), which is operated by the Tokyo Stock Exchange, and through the Company's website.

Disclosure of information through methods other than the above shall be made through the Company's website and other means.

Future outlook

Information disclosed of the Company might include forward-looking statements. Such statements have been prepared in accordance with judgments made by the management based on the information available to the Company at the time of disclosure and on certain assumptions that the Company believes to be reasonable in making its predictions of the future, thereby containing various risks, as well as some degree of indeterminacy and uncertainty. Accordingly, actual figures and financial results may differ from the forward-looking statements included in the disclosed information depending on future business operation as well as changes in economic and other circumstances.

JAPAN POST GROUP

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