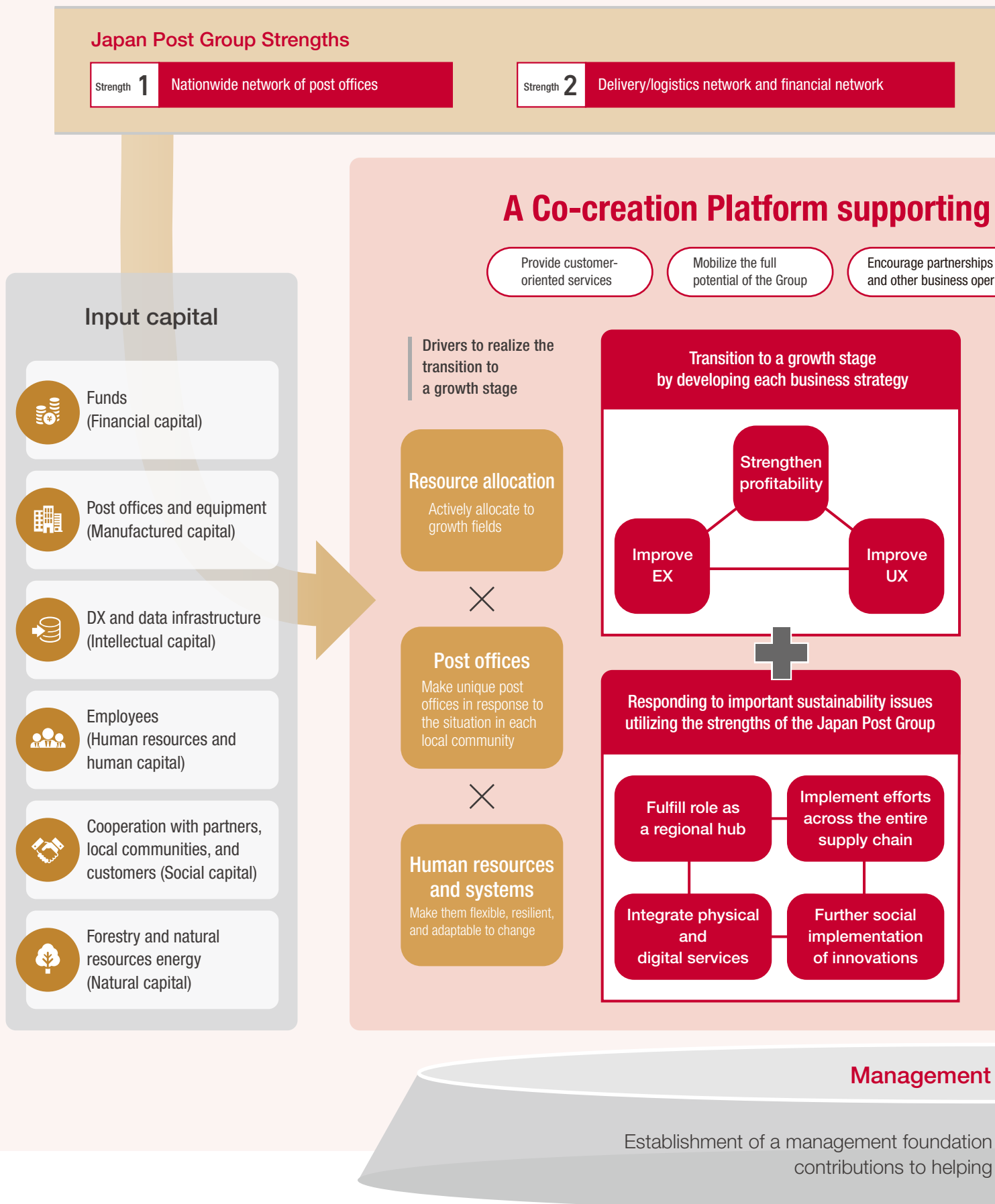


# Value Creation Process



Strength 3

Vast customer base and extensive customer data

Strength 4

Trust in post offices and deep understanding of local communities

## customers and local communities

with local communities  
atorsOffer platforms for  
life and business

Sustainably create value

### Strategies

Initiatives for  
social and  
economic value

CX initiatives

DX initiatives

EX initiatives

#### Financial Targets

ROE (based on shareholders' equity)

Consolidated net income

At least 4%

¥570 billion

Consolidated net income attributable to Japan Post Holdings

¥360 billion

Shareholder return policy

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

Improve capital efficiency through flexible acquisition of treasury stock

#### Non-financial Targets

Employee engagement score

At least the score in the previous fiscal year

Support childcare for a balance with work

Rate of childcare leave taken by both men and women:

Average number of days of childcare leave taken by men:

100%

1 month or more

Women in management roles

Ratio of women in management positions at our head offices of the four major Group companies:

30% by the fiscal year ending March 31, 2031

Greenhouse gas emissions

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

Become carbon neutral in 2050

### Value creation

Group growth and  
improved social and  
Group sustainabilityImproved  
well-being  
of local and  
diverse peopleRealization of a  
low-environmental-  
load society

#### ► Material Issues Relating to Sustainability

Local communities  
and economiesResponding to the  
aging society

Access to services



Environment

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

## Foundation

that is trusted by customers and supports  
resolve social issues

# Identifying Material Sustainability Issues

## Concerns and 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 survey of Group stakeholders, 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 management philosophy and our 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.

### Step 2 Assessment from internal/external perspectives

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

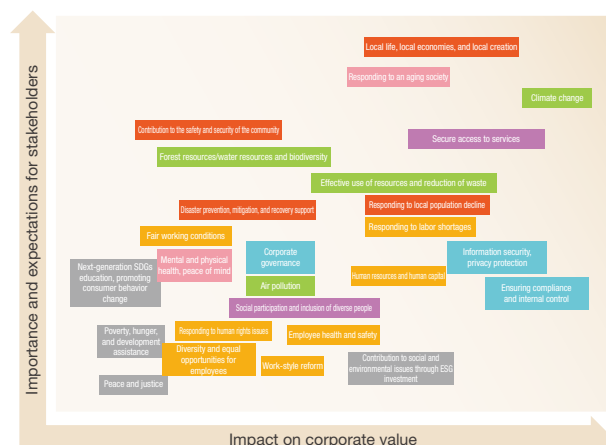
- Opinions of local experts  
Reflects opinions and requests to the Group at group meetings for regional opinion leaders conducted by Japan Post Co., Ltd. branch offices
- Results of dialogue with experts on sustainability, etc.

### Step 3 Verification of appropriateness and integrated management

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.

## Findings on Sustainability Issues

### Findings on Sustainability Issues Based on the Materiality Matrix



We are working to address the material issues in line with the direction, leveraging the Group strengths.

### Material Issues Relating to Sustainability of the Japan Post Group (Six Areas and Direction of the Initiatives)

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

## Responding to Important Issues, Leveraging Group Strengths

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. They play an important role in connecting producers and consumers through postal and logistics networks.

Leveraging these strengths, the Group aims to improve the well-being of communities and individuals, while contributing to the creation of a low environmental impact society. This we aim to do based on our role as a regional hub and our efforts across the entire supply chain.



Please refer to the table: Initiatives for Material Sustainability Issues on page 50. P. 50

## Improving Community and Individual Well-being; Contributing to a Low Environmental Impact Society

The Japan Post Group views individual well-being from four perspectives: health and safety; economic foundation; career and motivation in life; and social participation. We are promoting initiatives based on these perspectives tailored to different life stages.

At the same time, we are pursuing activities that have a mutually beneficial impact on communities by using post offices as community hubs. This enables local residents to live healthy and economically secure lives; to express themselves freely; and to play an active role in society.

In addition, the Japan Post Group is addressing issues such as climate change, resource recycling, and biodiversity throughout our entire supply chain, with the aim of contributing to a low environmental impact society. For example, we are promoting the development of environment-friendly products and services by connecting producers and consumers through postal and logistics networks. In this way, consumers are able to participate in efforts to reduce greenhouse gas emissions and recycle resources.

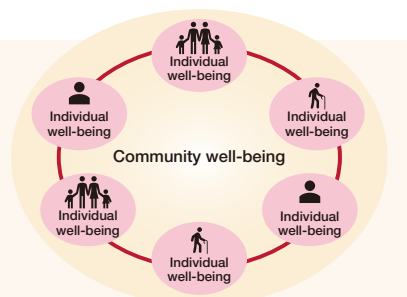
In addition to promoting the use of electric vehicles for deliveries and solar power to generate electricity, we also are contributing to the reduction of regional environmental impacts. We are doing this through renewable energy optimization, by using storage batteries, and by opening our electric vehicle rapid-charging facilities to local communities.

### 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.



		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		Give back
	<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		

# Medium-term Management Plan: JP Vision 2025+

**We will take into account changes in the business environment, overcome the issues facing us, and grow.**

## IIZUKA Atsushi

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



To realize a Co-creation Platform to support customers and local communities under the Group's JP Vision 2025+ medium-term management plan, we have put in place three initiatives designed to strengthen profitability, improve EX by investing in human resources, and improve UX by promoting DX.

### Looking back over fiscal 2024

In light of the ongoing decline in the number of items being sent by mail, due to the advancement of digitalization, and increased costs resulting from rising prices, we revised postal rates in October 2024 to ensure that postal services could remain stable.

Recognizing digitalization as an opportunity for growth, in November 2024 we launched a Group points program, Yu-Yu Point, to further enhance customer experience through digital technologies.

Then, in April 2025, we added a new consolidated subsidiary, Tonami Holdings, which has strengths in long-haul transportation. We aim to add value to the Group through this collaboration.

In terms of our fiscal 2024 business performance, consolidated net income attributable to Japan Post Holdings increased 37.9% year on year to ¥370.5 billion. This was due mainly to two factors: the increased profits of Japan Post Bank and Japan Post Insurance, that add to our interest income as a result of higher yen interest rates, and the reporting of equity earnings of its affiliates

## 1. Group's Management Vision

Changes in the external environment surrounding the Group have been more drastic, occurred more quickly, and become more complex than initially anticipated. Costs associated with rising prices have risen, as have interest rates, while Japan's population continues to decline and the nation experiences regional depopulation.

If the Group's business is to remain sound, we must address issues facing it. They include three requirements: improved profitability for sustainable growth; becoming a diverse and flexible organization that can respond to changes in the business environment and in customer needs; and improved human resources capabilities. In light of the Group's current business environment, JP Vision 2025+ was formulated precisely to overcome such issues, and to make the revisions necessary for the Group to transition to growth.

The current mid-term management plan seeks to set up a Co-creation Platform to support Group customers and local communities. The platform is designed to provide customer-oriented services, while mobilizing the Group's full potential and encouraging partnerships with local communities and other business operators to offer platforms for everyday living and business, while creating sustainable value.

by Aflac Incorporated. With return on equity (ROE) at 4.4%, the target of 4% or higher set by our medium-term management plan was achieved one year ahead of schedule.

Based on our policy to lower our stake in Japan Post Bank and Japan Post Insurance to 50% or less by fiscal 2025, we sold bank shares in March 2025 so that, as of June 30, 2025, the Group owned 49.9% of the bank's shares.

As a result, the restrictions imposed on Japan Post Bank under the Postal Service Privatization Act will be relaxed. This is expected to lead to greater flexibility and freedom for us to develop new lines of business, and to accelerate the medium- to long-term growth of Japan Post Bank.

Our policy of enhancing shareholder returns and improving capital efficiency saw us conduct a share buyback worth ¥350.0 billion in fiscal 2024.

## Future initiatives

Since fiscal 2025 is the final year of JP Vision 2025+, we will work to achieve major targets and milestones during what time remains.

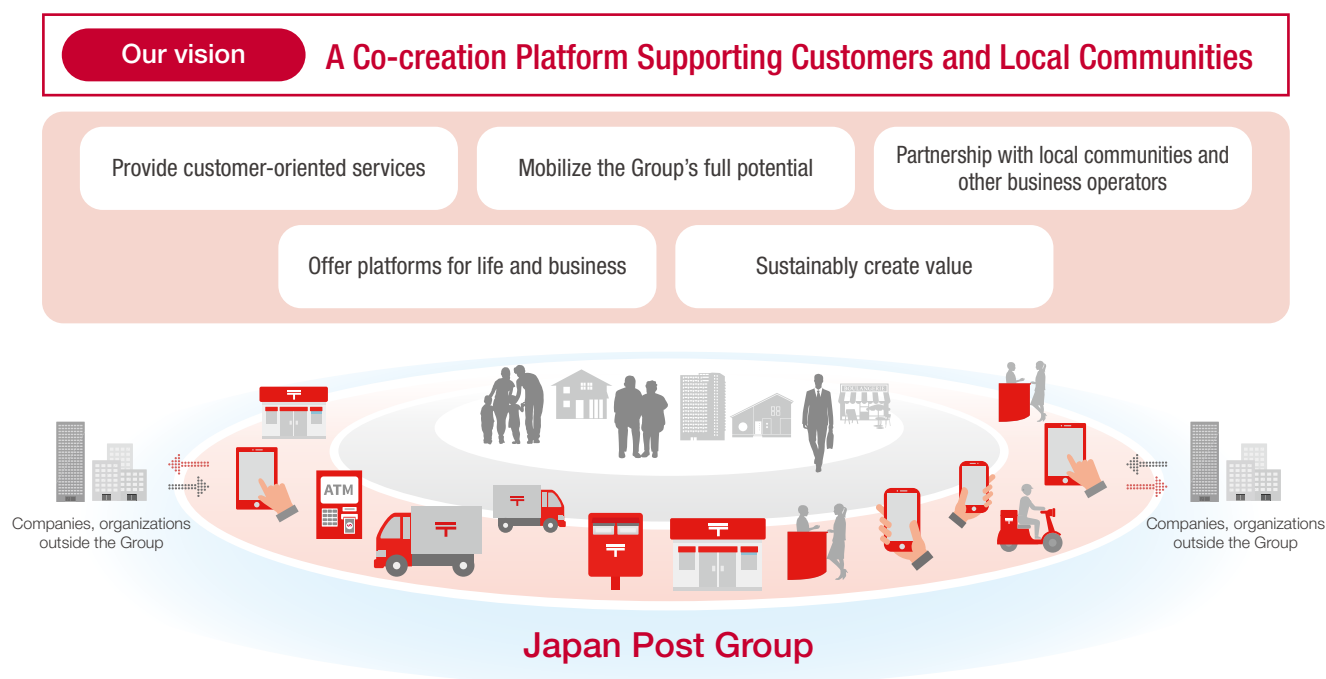
The Group expects to see a year-on-year increase in profits due to postal rate revisions, while Japan Post Bank and Japan Post Life Insurance are expected to continue achieving solid investment income.

The current consolidated net income attributable to Japan Post Holdings of ¥380 billion and the ROE of 4.6%, have both exceeded the targets set in our current medium-term plan.

The funds obtained from the sale of Japan Post Bank shares in March 2025 will be used to increase capital in Japan Post and invest in logistics and other growth areas. The plan is to return Japan Post to a growth trajectory.

Our JP Vision 2025+ dividend policy of paying a stable annual dividend of ¥50 per share will continue throughout fiscal 2025. Further, we will go on buying back shares in an effort to enhance shareholder returns and improve capital efficiency. We decided to buy back shares to the amount of ¥250 billion in fiscal 2025, and to ensure flexibility in our capital policy, we have transferred capital and increased our other capital surplus to ¥1 trillion.

We have decided to reduce capital costs and improve capital efficiency by increasing the financial leverage of Japan Post Holdings through flexible share repurchases and debt financing. In other words, we will strive to enhance the Group's corporate value while maintaining its financial soundness.





## 2. Status of Management Initiatives

In fiscal 2024, we promoted a number of measures, including the enhancement and strengthening of the Group's core businesses, collaboration with companies outside the Group, and promotion of Group-wide digital transformation. This we did to realize a Co-creation Platform to support customers and local communities as part of our current medium-term management plan.

### 1 (1) Postal and Domestic Logistics Business

At Japan Post, we have been working to expand revenue in the package delivery market by making sending and receiving parcels more convenient, strengthening our sales structures and capabilities, and enhancing collaboration with other companies such as Rakuten Group, Inc. In addition, we have been improving our operational efficiency by promoting DX and rethinking both products and services.

To address the problems we experienced in 2024, we reviewed our transportation operations, including the introduction of relay transportation.<sup>1</sup> In addition, we entered a business alliance agreement with the Seino Group in May 2024, and are improving our transportation efficiency through joint operation of trunk transport<sup>2</sup> routes.

Then in April 2025, we executed a successful tender offer for the shares of Tonami Holdings Co., Ltd., as part of a joint consortium. This comprises a representative of Tonami's founding family, its senior management, and Japan Post Co., Ltd. Tonami Holdings became a consolidated subsidiary of Japan Post, which will enhance its added value through collaboration with Tonami Holdings, given its strong trunk line transportation capabilities.

In the postal business, due to the expected decrease in the volume of mail and increases in operating expenses such as labor costs, we revised postal rates in October 2024, in a bid to ensure that postal services remain stable.

Notes: 1. A system that divides long-distance truck transportation among multiple truck drivers.

2. Trunk transport is long-distance transportation, from the package collection point to the delivery destination.

		FY2023*	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>Net operating margin</li> <li>Net operating income and loss</li> </ul>	<p>—</p> <p>-¥68.8 billion</p>	<p>—</p> <p>-¥38.3 billion</p>
Major KPIs	<ul style="list-style-type: none"> <li>Income from Yu-Pack</li> <li>Income from Yu-Packet</li> </ul>	<p>¥339.4 billion</p> <p>¥80.7 billion</p>	<p>¥339.0 billion</p> <p>¥92.2 billion</p>

\* The figures for fiscal 2023 have been reclassified due to the addition of the real estate business to the business segments from fiscal 2024.

### 1 (2) Post Office Business

As we have been improving the quality of our service, we have been striving to strengthen the earning power, and enhance the value and attractiveness, of our post offices, where we hope to be customers' business of choice. We have increased the number of post offices where we are testing the feasibility of closing counter services at lunchtime to approximately 1,400, to have more flexible post office counter operating hours based on local community needs. In addition, we have assigned consulting partners to post offices to support and train counter staff in sales. This allows us to develop more human resources who can build positive relationships of trust with customers.

We have started deploying new tablet PCs to improve customer convenience by digitizing various procedures, and transforming work styles. We are also promoting the reform of counter operations through measures such as the progressive introduction of systems that allow for the paperless processing of new applications for Japan Post Insurance products, contract maintenance, and payments.

At the same time, in addition to a decrease in bank and insurance commission fees due to a decline in the number of remittance settlements and insurance policies in force, costs have continued to increase steadily, due to rising prices and labor costs.

		FY2023*	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>Net operating margin</li> <li>Net operating income and loss</li> </ul>	<p>4.7%</p> <p>¥48.5 billion</p>	<p>2.3%</p> <p>¥23.1 billion</p>

\* The figures for fiscal 2023 have been reclassified due to the addition of the real estate business to the business segments from fiscal 2024.

### 1 (3) International Logistics Business

We have implemented measures to improve profitability in Australia through Japan Post subsidiary Toll Holdings Pty Limited. Further, we are expanding our revenues in Asia, by developing businesses focused on specific countries and industries that are expected to grow, as we continue to cut costs.

		FY2023	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>Net operating margin</li> <li>EBIT</li> </ul>	<p>2.1%</p> <p>¥9.5 billion</p>	<p>2.6%</p> <p>¥13.3 billion</p>

## I (4) Banking Business

In terms of retail business, we are deepening and strengthening our retail customer base at Japan Post Bank by developing customer-oriented business through the mutually complementary use of physical and digital channels.

We also have made a number of improvements to our digital services. These include having made the Yucho Bankbook App more convenient, expanding our points program, and the provision of guidance at post office counters to expand app usage.

As a result, the number of registered accounts exceeds 13 million users. And we are also promoting the use of Japan Post Bank accounts and services through television commercials and social media advertising.

In terms of marketing, in response to rising domestic interest rates, following the Bank of Japan's changes in monetary policy, we have shifted investments from deposits to Japanese government bonds.

We are promoting international diversification, fully aware of risks versus returns, and are expanding the balance of risk assets, mainly in investment-grade foreign corporate bonds. Selective investments have also been made in high-quality projects in strategic investment areas, such as private equity funds, thereby increasing the balance of risk assets.

In May 2024, Japan Post Bank Capital Partners Co., Ltd. was launched for the full-scale launch of the  $\Sigma$  business, which aims to create futures for societies and local communities through investment. It is a wholly owned subsidiary of Japan Post Bank responsible for the Bank's core investment business.

		FY2023	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>• ROE</li> <li>• Net income</li> </ul>	3.7% ¥356.1 billion	4.2% ¥414.3 billion
Major KPIs	<ul style="list-style-type: none"> <li>• Bankbook app registered accounts</li> <li>• NISA accounts</li> <li>• Risk asset balance</li> <li>• Strategic investment areas balance</li> <li>• General partner business-related investments balance (based on investment commitments)</li> </ul>	10,400,000 accounts 730,000 accounts ¥107.4 trillion ¥12.1 trillion ¥48.9 billion	13,590,000 accounts 820,000 accounts ¥107.9 trillion ¥13.3 trillion ¥119.1 billion

## I (5) Life Insurance Business

Japan Post Insurance remains a strong company as it continues to promote initiatives aimed at retaining and expanding its customer base through connections across different life stages and generations. Capable of sustainable growth, it is fulfilling its social mission of remaining a trusted Company that is selected by customers to protect their lives by providing life insurance products.

In terms of retaining and expanding its customer base through connections across different life stages and generations, efforts to strengthen the sales structure, expand product lineups, and enhance after-sales follow-ups have driven customer satisfaction increasingly higher each year. Sales activities have also been invigorated, with new individual policies up 26.5% year on year.

In terms of remaining a strong company, we aim to maintain stable net interest margins based on asset-liability management, while continuing to invest in revenue-generating assets within the scope of our risk tolerance. This we are doing in order to attain sustainable growth and secure stable income through greater depth and evolution of asset management, to ensure the reliable payment of insurance claims and other liabilities.

Through partnerships with the Daiwa Securities Group and Mitsui & Co., Ltd., we are working to enhance our asset management capabilities and human resources portfolio.

		FY2023	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>• Adjusted ROE</li> <li>• Adjusted net income</li> </ul>	6.1% ¥97.6 billion	8.8% ¥145.7 billion
Major KPIs	<ul style="list-style-type: none"> <li>• EV growth rate (RoEV)</li> <li>• Customer satisfaction</li> <li>• Policies in force</li> </ul>	7.6% 83% 19,700,000	9.8% 84% 18,810,000

## I (6) Real Estate Business

Japan Post and Japan Post Real Estate focus on the development of Group-owned real estate, office buildings (including JP Tower), and commercial facilities, as well as on the leasing and sale of residences, and care facilities for the aged.

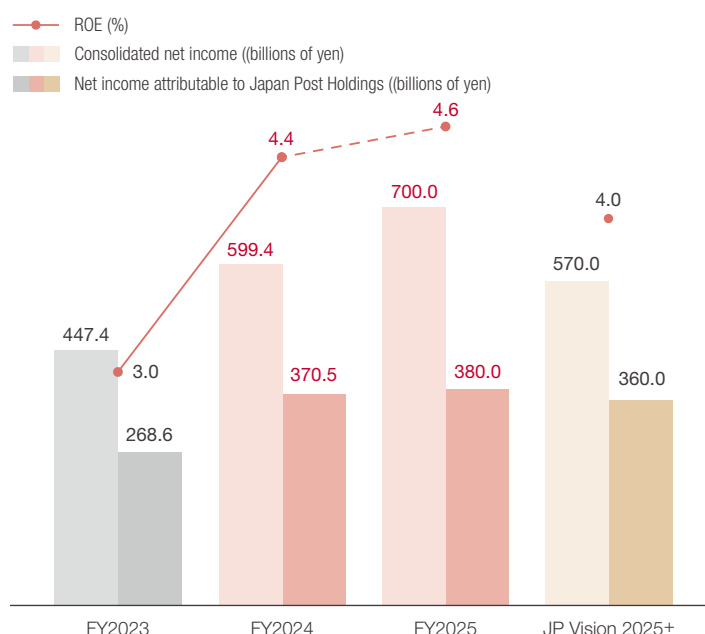
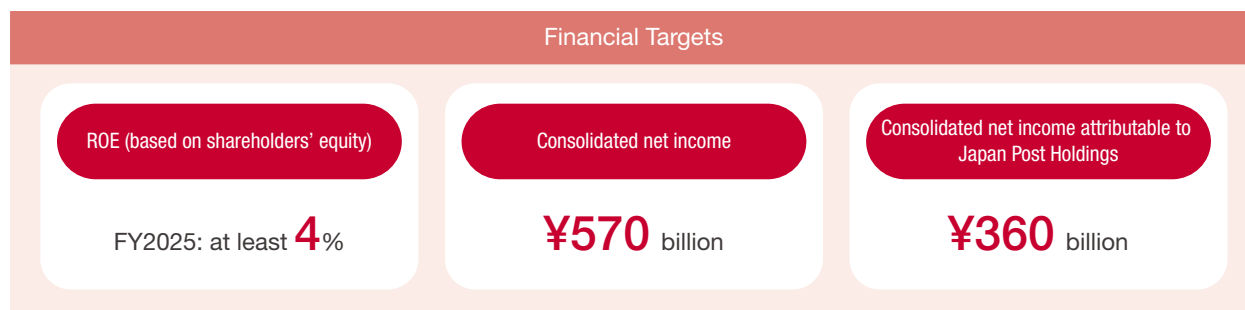
In July 2024, a grand opening was held for the commercial facility KITTE Osaka, located in JP Tower Osaka, while a property in Nagoya, Non-Group-owned property included the Landmark Nagoya Sakae, is scheduled for completion in March 2026. We also have acquired residences for lease, based on our assessment of the market by purpose and area.

		FY2023*	FY2024
Profitability indicator	<ul style="list-style-type: none"> <li>• Net operating margin</li> <li>• Net operating income</li> </ul>	22.9% ¥22.9 billion	17.0% ¥13.9 billion
Major KPIs	<ul style="list-style-type: none"> <li>• Ordinary income</li> </ul>	¥100.0 billion	¥81.4 billion

\* The figures for fiscal 2023 have been reclassified due to the addition of the real estate business to the business segments from fiscal 2024.



## Progress and Achievement of Medium-term Management Plan Major Targets



In fiscal 2024, consolidated net income attributable to Japan Post Holdings was ¥370.5 billion, and ROE was 4.4%, due to increased profits from the Group's two financial subsidiaries. Japan Post Bank and Japan Post Insurance had benefited from an increase in investment income.

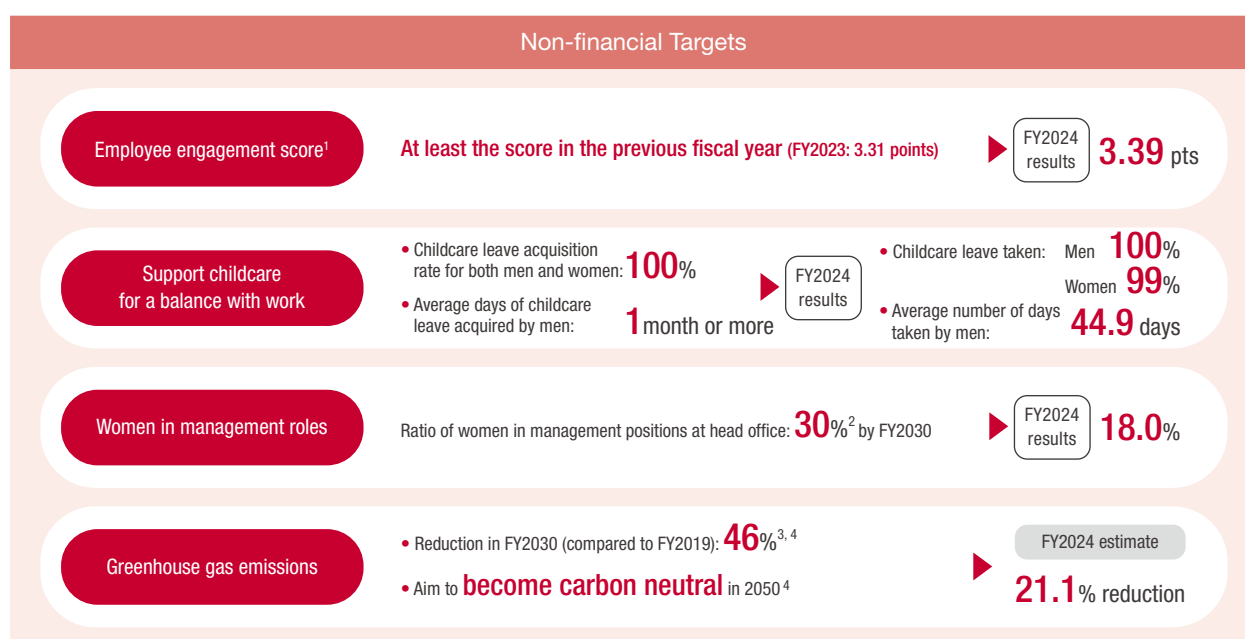
Fiscal 2025 revenues for post and parcels are expected to fall significantly short of our medium-term plan targets. But we aim to achieve ROE of 4.6% and consolidated net income attributable to Japan Post Holdings of ¥380.0 billion, both of which exceed planned targets.

Although ROE fell below the Company's cost of equity (around 5%, calculated based on the capital asset pricing model),\* each business will generate profits as we implement flexible capital policies (such as the acquisition of treasury stock) and aim for both the early achievement of ROE exceeding the cost of equity, and further increases over the medium to long term.

\* The method for calculating the cost of equity using the capital asset pricing model 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, 2023.

$$\text{Cost of equity} = \text{Risk-free rate} + \beta \times \text{Risk premium}$$

Approx. 5%	0.4-0.8%	0.6-0.7	6.0-6.4%
------------	----------	---------	----------



Notes: 1. Employees' engagement score based on results of Group employee satisfaction survey.

2. 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 is working to improve the work environment and train human resources to boost the number of employees pursuing management and executive positions. It is seeking to increase the number of women in management positions in locations other than our head offices.

3. Targets for Scope 1 (direct emissions by a company) and Scope 2 (emissions from use of electricity, etc., supplied by other enterprises).

4. The achievement of these targets assumes that Japan will become carbon neutral to a considerable degree through the widespread adoption of renewable energy. The Group will push for carbon neutrality in Japan and abroad.

### 3. FY2025 Initiatives

#### I (1) Postal and Domestic Logistics Business

To expand operating income from logistics, we are making the sending and receiving of parcels more convenient, and improving our services overall in order to enhance our sales structure and capabilities.

At the same time, we will continue to implement wage increases and other measures using the additional revenue resulting from the October 2024 postal rate revisions. We are promoting the use of postal services by stimulating demand and improving convenience, while advancing the development and mechanization of facilities to build a robust delivery network and improve operational efficiency.

Due to reduced revenue from postal, Yu-Packet, and other services, the fiscal 2025 net operating income for the postal and domestic logistics business is expected to be ¥29.0 billion, falling short of the medium-term management plan target.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	• Net operating margin Net operating income	1.0% ¥29.0 billion	3.5% ¥90.0 billion
Major KPIs	• Income from Yu-Pack • Income from Yu-Packet	¥390.0 billion ¥120.0 billion	¥400.0 billion ¥160.0 billion

#### I (2) Post Office Business

To ensure that customers consider us as the business of choice, we need to improve the value and appeal of post offices and the quality of our services, while at the same time boosting our profitability. To achieve these goals, we will secure a postal operation system and enhance human resources by implementing a system of flexible staff placement at post office counters, strengthening the knowledge and skills of all employees, and developing staff able to build solid relationships of trust with customers.

We plan to take steps to improve value and appeal, and develop products and services closely connected to local communities and customers. At the same time, we will provide high-quality services that combine face-to-face services with digital technologies through the promotion of post office counter operational reforms.

As a result of these efforts, the fiscal 2025 post office business net operating income is expected to reach ¥4.0 billion, exceeding the plan target.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	• Net operating margin Net operating income and loss	0.0% ¥4.0 billion	— -¥49.0 billion

#### I (3) International Logistics Business

Through Toll Holdings Pty Limited we will work to expand our logistics business,<sup>1</sup> mainly in Asia, by adding warehouse space. We will improve the profitability of our forwarding business<sup>2</sup> by increasing the volume we handle as we acquire new projects, and will continue to reduce Company-wide costs in areas such as procurement and IT.

As a result, our fiscal 2025 international logistics business earnings before interest and taxes are expected to reach ¥13.0 billion, exceeding the target set in the medium-term management plan.

Notes: 1. Our logistics business provides such services as transportation, warehouse management, and distribution.

2. The forwarding business provides a full line of international cargo transportation services, focusing on imports and exports.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	• Net operating margin EBIT	2.0% ¥13.0 billion	2.0% ¥12.0 billion

## ■ (4) Banking Business

In terms of retail business, we are placing the highest priority on maintaining and deepening our Japan Post Bank retail customer base. This is in line with the concept of implementing thorough customer-oriented sales activities, while promoting various initiatives to maintain long-lasting connections with customers by accelerating mutually complementary strategies using physical and digital channels. As we focus on the rollout of digital services centered on the Yucho Bankbook app starting with the next medium-term management plan, we will expand use of the app as we leverage our network of post offices.

In terms of marketing, we will continue to promote a shift in investment from bank deposits to Japanese government bonds, taking advantage of the rising trend in domestic interest rates. Regarding the  $\Sigma$  business, we will continue to promote investment operations through investment vehicles established by business partners, including Japan Post Capital Partners Co., Ltd., a Japan Post Bank subsidiary.

We thus expect the fiscal 2025 Japan Post Bank net operating income to reach ¥470.0 billion, exceeding the target set in the medium-term management plan.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	<ul style="list-style-type: none"> <li>ROE</li> <li>Net income</li> </ul>	4.7% or higher ¥470.0 billion	4.0% or higher ¥400.0 billion or higher
Major KPIs	<ul style="list-style-type: none"> <li>Bankbook app registered accounts</li> <li>NISA accounts</li> <li>Risk asset balance</li> <li>Strategic investment areas balance</li> <li>General partner business-related investments balance (based on investment commitments)</li> </ul>	16,000,000 accounts 870,000 accounts Approx. ¥108.0 trillion Approx. ¥14.0 trillion Approx. ¥170.0 billion	16,000,000 accounts 940,000 accounts Approx. ¥114.0 trillion Approx. ¥14.0 trillion Approx. ¥400.0 billion

## ■ (5) Life Insurance Business

To advance customer-oriented business operations at Japan Post Insurance, and in line with our sense of mission as insurance professionals, we plan to develop integrated activities. These will provide customers with peace of mind every step of the way, from product proposals to after-sales follow-ups, insurance claims, and other procedures.

Further, under the enterprise risk management<sup>1</sup> framework, we aim to improve asset management earnings based on asset liability management,<sup>2</sup> while working to generate additional earnings by capitalizing on changes in the market environment. Our asset management structure will be enhanced through collaboration with other companies, as we advance our human resources portfolio.

We thus expect the fiscal 2025 Japan Post Insurance adjusted net operating income to reach ¥142.0 billion, exceeding the target set in the medium-term management plan.

Notes: 1. Enterprise risk management refers to integrated risk management. Japan Post Insurance identifies risks faced by the Company holistically, including potentially significant risks, and compares and contrasts them with the Company's overall equity capital to manage risks.

2. Adjusted profit: net income + burden of regular policy reserves in the first year (after tax) + amortization of goodwill.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	<ul style="list-style-type: none"> <li>Adjusted ROE</li> <li>Adjusted net income</li> </ul>	Approx. 8.5% (¥142.0 billion) forecast	Approx. 6.0% ¥97.0 billion
Major KPIs	<ul style="list-style-type: none"> <li>EV growth rate (RoEV)</li> <li>Customer satisfaction</li> <li>Policies in force</li> </ul>	Target level achieved, aiming to maintain and improve  Promoting ongoing customer experience improvements, aiming to achieve target  Although the pace of decline in number of policies in force is slowing, we expect to fall short of the medium-term management plan target	Aiming for 6–8% growth  Aiming for 90% or higher  18.5 million or more

## ■ (6) Real Estate Business

In fiscal 2025, Japan Post and Japan Post Real Estate will continue to engage in the rental business, focusing on JP Tower, other offices and commercial facilities, residences, daycare centers, and care facilities for the aged.

From the perspective of putting real estate owned by the Group to the most effective use, and thus expanding revenue opportunities, we plan to pursue built-for-sale business. Since construction costs and revenue-generating property prices are rising sharply, we plan to formulate and execute development and acquisition plans as appropriate.

In addition, we will engage in partner collaborations and outsource as appropriate those properties currently in operation. This will allow us to maintain and improve income and asset value, as we strive to provide high-quality, efficient management.

These efforts are expected to result in a fiscal 2025 real estate business net operating income of ¥18.0 billion, exceeding the management plan target.

		FY2025 Plan Targets	Medium-term Plan Targets
Profitability indicator	<ul style="list-style-type: none"> <li>Net operating margin</li> <li>Net operating income</li> </ul>	21.0% ¥18.0 billion	14.0% ¥11.0 billion
Major KPIs	<ul style="list-style-type: none"> <li>Ordinary income</li> </ul>	¥86.0 billion	¥80.0 billion

## I (7) Two financial subsidiaries' share disposal

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

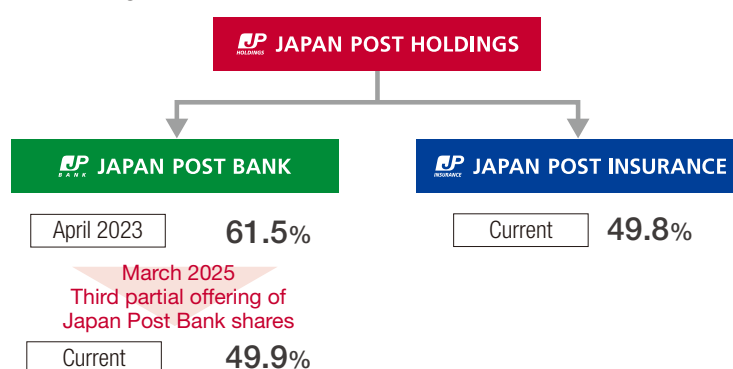
In accordance with the spirit of the Act, and from the perspective of increasing the management independence and freedom of the two financial companies, we have decided to aim for our holding ratio of each company's shares to be 50% or less during the medium-term management plan JP Vision 2025+. Thus, our holding ratio of Japan Post Insurance shares is currently approximately 49.8%.

Following the third partial sale of Japan Post Bank shares in March 2025 and with the steady progress of the privatization process, Japan Post Bank holdings now amount to approximately 49.9% of the original total.

Funds obtained from the third partial offering of Japan Post Bank shares will be used to increase capital in Japan Post with the aim of strengthening logistical capabilities, and upgrading and digitizing post offices and other facilities in order to improve Group profitability.

Future share disposals will be considered based on the spirit of the provisions of the Postal Privatization Act and from the perspective of Group management. We will also consider measures to strengthen collaborations that support the subcontracting relationship between the two financial subsidiaries—Japan Post Bank and Japan Post Insurance—and Japan Post, and that promote Group-wide efforts to achieve these specific aims.

Shareholding ratio of the two financial subsidiaries

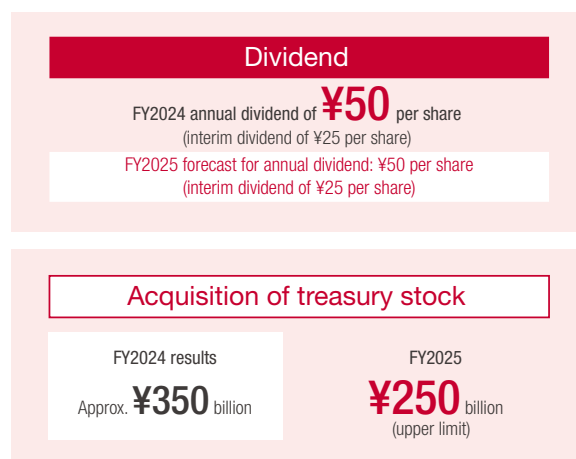


## I (8) Shareholder return policy

Japan Post Holdings considers the return of profits to shareholders to be one of its most important management policies and has established a basic policy requiring the ongoing provision of stable returns to shareholders, according to business performance.

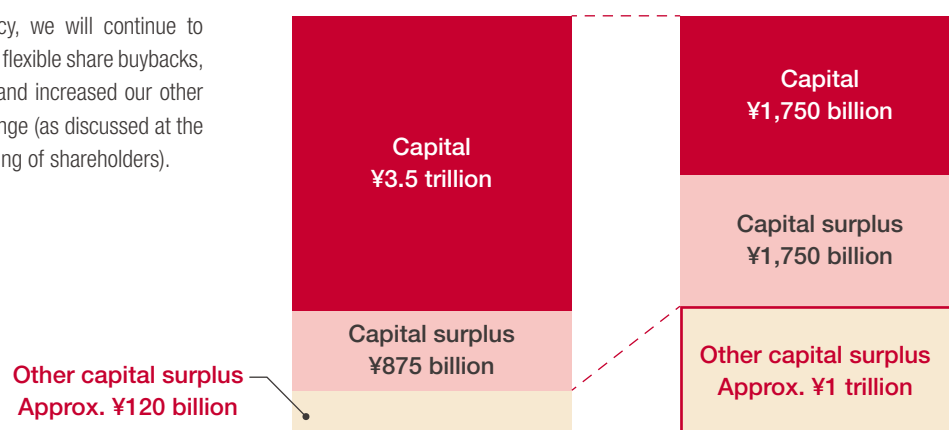
With regard to the distribution of surplus earnings, we aim to provide stable returns to shareholders while enhancing internal reserves and being mindful of capital efficiency. Accordingly, during what remains of JP Vision 2025+ (ending March 31, 2026), we intend to provide a stable annual dividend of ¥50 per share, including an interim dividend of ¥25 per share.

Further, we have decided to improve capital efficiency through the flexible acquisition of treasury stock during the JP Vision 2025+ period and, in August 2025, will commence acquiring treasury stock up to a maximum value of ¥250.0 billion.



## I (9) Capital transfer (increase other capital surplus due to reduction in capital)

To ensure a flexible capital policy, we will continue to increase capital efficiency through flexible share buybacks, and have transferred our capital and increased our other capital surplus to the ¥1 trillion range (as discussed at the June 2025 ordinary general meeting of shareholders).



## In the Social and Economic Arenas

### Focusing on earnings, societal issues

#### SUNAYAMA Naoki

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



In recent years, Japanese companies have been shifting their responsibilities from simply selling products to devising solutions for issues facing society. In other words, we are entering a time when profitability and the public good are considered truly compatible.

The Japan Post Group, in like spirit, is looking to establish new businesses that can make the most of its community-based post offices, as well as new businesses that can benefit communities and people's livelihoods. At the same time, they provide solutions for even bigger issues, such as those related to the environment.

To address these problems on a Group-wide basis, we have set up the Regional Co-Creation Division within Japan Post Holdings and Japan Post Co., Ltd. In our view, business co-creation is about generating earnings by bringing together people from inside and outside the Group, and leveraging its vast platform of operations to support these people's passions, ideas, and wide-ranging expertise.

### Helping Support People's Lives

To enhance the value and appeal of our post offices, we develop all kinds of services to support the daily lives of customers. For example, to help communities ensure the safety and security of elderly residents living alone, we provide a service through which post office staff visit their homes once a month to check on them.

We also supply another version of this service—tailored for use by local governments and businesses—in which we supply tablet devices equipped with speaking and listening functions. These enable elderly residents to communicate and stay in touch with their families.

In response to a growing demand for end-of-life planning in recent years, we developed a service that introduces users to end-of-life planning providers. The service was offered, on a trial basis, in the Tokyo metropolitan area and Hokkaido Prefecture. Thanks to its popularity, in February 2024 we rolled it out as a new service at post offices nationwide. The service allows users to contact a specialized call center for consultations free of charge, and refers users to end-of-life planning providers affiliated with Japan Post in accordance with their requests.

In January 2025, we launched a nationwide service for regularly checking vacant homes on behalf of owners who live far away and have difficulty handling routine maintenance. The service has post office staff who live nearby regularly check the condition of the vacant homes.

We look forward to enhancing these services, which have become typical of our community-based post office offerings.

While coordinating the Group's resources, particularly its deep-rooted network of post offices, and collaborating with its alliance partners while pursuing M&A when thought necessary, we are aiming both to secure earnings and help solve issues confronting society today.

Since April 2025, we have been further expanding the function of the Regional Co-creation Division, and working to enhance the value and appeal of our post offices. This we have been doing by offering services tailored to meet regional needs, and by strengthening ties with local governments.

Customers can purchase items and seek advice about our services at the nationwide network of post offices, which function as retail outlets and serve as a web of community hubs and logistics centers. As retail outlets, they strive to offer customers greater convenience and security through their products and services; and as community hubs, they help bring dynamism and comfort to their communities. In short, they provide coordinated

services that eliminate inconveniences, and serve as places where people can interact.

Furthermore, to increase the profitability of its network of post offices while maximizing their significance—particularly with respect to sustainability—Japan Post Holdings, as the owner of these real estate assets, has invested in a fund promoting sustainable forestry management, and another that invests in energy storage plants. These initiatives are expected to contribute to achieving the Japan Post Group's goal of becoming carbon neutral by 2050.

Since its formation in 2007, the Japan Post Group has created new services and businesses, including those involving merchandise and real estate. We plan to continue launching new businesses that generate earnings, while also providing needed solutions and creating new products and services that deliver more convenience, security, comfort, and value. The goal is to help support the lives and livelihoods of customers across the country.

## Tackling Societal Issues with JR East Japan

In February 2024, Japan Post Holdings and Japan Post concluded an agreement with East Japan Railway Company ("JR East Japan") to step up efforts to provide solutions for issues confronting Japan today. Specifically, they will work together to address the depopulation of rural communities, labor shortages, and other major challenges by enhancing collaboration in five ways, by making post offices and train stations community hubs; ensuring the sustainability of logistics; using assets to develop communities based on a co-creation model; promoting local industries and creating local businesses; and applying digital technologies to support the livelihoods of community residents.

To establish post offices and train stations as community hubs, we have been working to integrate the operations of our post offices and JR East's train stations in certain communities. In the city of Kamogawa in Chiba Prefecture, for example, we opened a post office inside Emi Station in August 2020, since when it has been handling train ticket services. In the same way, such services have been handled by post offices opened at Awa-Katsuyama Station in the town of Kyonan, Chiba Prefecture, since July 2024; Kamasusaka Station in the city of Sakura, Tochigi Prefecture, since March 2025; and Aburakawa Station in the city of Aomori, Aomori Prefecture, since March 2025. By March 2026, we plan to open a post office in Ubara Station in the city of Katsuura, Chiba Prefecture.





## Fund Investment: Energy-storage and Forestry

In line with its JP Vision 2025+ medium-term management plan, the Japan Post Group is striving to help solve environmental issues by investing in natural assets, including forests and renewable energy sources.

In 2024, Japan Post Holdings invested in the Tokyo Metropolitan Energy Storage Plant Investment Limited Partnership. This is a fund promoted by the Tokyo Metropolitan Government and operated by GI Energy Storage Management Inc., which was jointly set up by Itochu Corporation and Gore Street Capital Limited, a UK-based investment management firm.

The fund develops and invests in energy storage plants connected to the power grid, in order to help align energy supply with demand in the electric power market. This should help facilitate more widespread use of renewable energy and accelerate decarbonization.

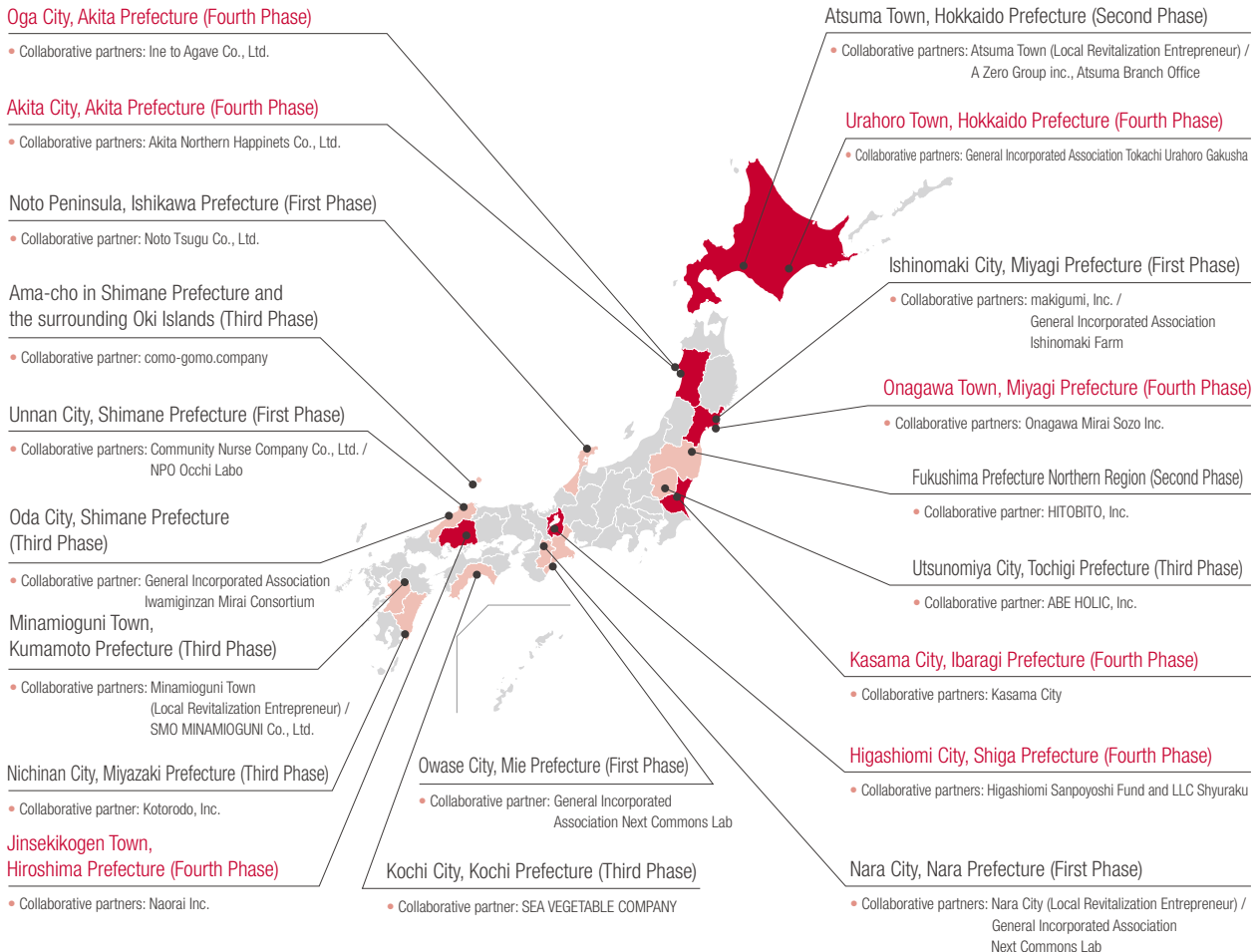
In 2023, Japan Post Holdings invested in the Eastwood Climate Smart Forestry Fund I. It was established by a forest asset management firm in the United States that is affiliated with Sumitomo Forestry Co., Ltd. The fund promotes sustainable forest management and increased biodiversity.

Looking ahead, we will continue making use of the Japan Post Group's resources to help provide solutions for today's issues, while assisting in the realization of carbon neutrality in Japan and other countries.



## Local Co-creation Initiative (LCI)

### Japan Post Group employee dispatching areas and collaborative partners



Note: Personnel from Next Commons Lab, an organization based in Tokyo, are also being dispatched to the area during the first stage.

The Japan Post Group launched the Local Co-creation Initiative in April 2022, with the goal of fostering an entrepreneurial mindset among its employees. Through this initiative, employees are dispatched, for about two years, to local governments and local venture companies involved in community revitalization. There they help create new businesses, while gaining valuable experience around the country. Employees of Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance are eligible for selection through an open recruitment process.

Between 2022 and 2024, 16 employees were dispatched to 13 organizations in 13 municipalities. Then, in April 2025, the recruitment process was expanded to include employees of Japan Post's branch offices. The network of collaborating partners has been growing around the country, with another seven employees having been dispatched later on to eight organizations in seven municipalities.

Among the initiative's successes is the launching, using Japan Post's delivery network and post offices, of a new shopping and delivery service for community residents who live far from supermarkets.

In addition, a project to outsource local administrative work to post offices has begun on a trial basis. By spearheading and carrying out these kinds of projects, the Japan Post Group is working to foster activities that help develop sustainable communities and improve the livelihoods of their residents.

In May 2024, the Group held a conference, the Social Co-Creation Summit Liquid 2024. Participants explored possibilities for universal services and learned from project leaders who have successfully devised solutions for challenges facing communities and society as a whole.

## Promoting Group DX

**Creating new customer value,  
more convenient and pleasant experiences**

### IIDA Yasuhisa

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



For over 150 years, post offices have been a part of Japan's social infrastructure, providing universal services and support for the nation's people. To maintain our close connection, we are promoting digital transformations (DX) and working to bring about changes aimed at realizing a sustainable society.

The post office of the future is an initiative that aims to combine the strengths of physical post offices, namely people, with the power of digital technologies. Rather than simply promoting digitization, we are pursuing DX, which gives the utmost consideration to user experience (UX). The aim is to enhance the experience value of both post office customers and employees.

### Yu ID and Yu Yu Point

The Yu ID (the name was changed from Yubin ID in May 2024) is a single, Group-wide common ID which serves to provide customers with integrated value across the Group. In addition to Japan Post's existing postal and logistics services, in May 2024 we launched a collaboration with Japan Post Insurance's Kampo My Page website. Then, as of the end of March 2025, the number of registered Yu ID members has reached approximately 15 million. We plan to continue expanding the range of services accessible via Yu ID and to make post offices even more convenient for customers.

In November 2024, we launched Yu Yu Point with the aim of promoting the use of post offices, Yu ID, and the Post Office App, while strengthening our ties with customers. Yu Yu Point are earned easily by simply visiting a post office (Visit Points), as well as through various campaigns. Accumulated points can be exchanged for distinctive post office products. In the near future, we plan to award points for purchasing products and conducting transactions at post offices, and will strive to make this service available to more customers.



With regard to the value of customer experience, we plan to provide new experience value through expanded Post Office App functions and the Yu Yu Point service. The latter is accessible via the single, Group-wide common Yu ID. We make sure that ease of understanding and usability of each digital product is taken into consideration in order to provide better user experience value.

As a result, the Post Office App had in excess of five million downloads in the 18 months following its October 2023 release. The number of registered Yu ID accounts is steadily progressing toward the target of 20 million by the end of FY2025. We intend to keep up our efforts to further

improve the convenience of our service as we continue to enhance customer experience.

At the same time, employee work-style reforms are also an important issue. We are working to improve business efficiency by expanding the distribution of digital devices and utilizing AI. As of April 2025, we have created an environment where more than 7,000 employees, mainly at the headquarters of each Group company, can use generative AI in their work. We will continue to maintain an environment that makes employees' work easier and enables them to spend more time interacting with customers, with the aim of enhancing the value of their work experience.

## Employee Work-style Reforms

To improve the experiences of customers and employees at post office counters, as of the end of March 2025 we have installed digital ticket issuing machines at 326 post offices nationwide. We will continue to provide reliable and comfortable postal services by taking into consideration customer waiting times and ensuring that employees perform their duties accurately and quickly.

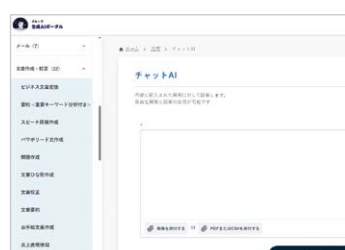
As part of our efforts to change employees' work-styles, we are creating an environment in which more employees than ever have access to digital devices. This will improve administrative efficiency and facilitate communication between employees, as well as enable us to provide customers with easier-to-understand explanations and proposals.

We are also promoting the use of generative AI. We have developed an internal Group Generative AI Portal, and at present are making an effort to streamline and refine planning and administrative tasks, primarily focused on head office employees. We plan to develop core personnel skilled in the use of generative AI, so that we may expand its use to branch offices and front-line managers, as we streamline administrative tasks.

In addition, we are expanding the functionality and usability of the JP Employee My Page, which further cements the connection between employees and the Company through digital technology.



Group generative AI portal



## Group Company DX Initiatives

### P-DX Promotion



Japan Post is promoting postal digital transformations (P-DX) to realize data-driven operations and services utilizing digitized shipping information and delivery destination information accumulated to date, with the aim of making it more convenient for both senders and recipients to delivery service and streamlining operations.

To improve convenience for both senders and recipients, we will expand the number of locations where customers can use Yu-Pri Touch to create shipping labels at post offices using QR codes\* generated by the Post Office App. Meanwhile, we also are promoting initiatives such as delivery notifications and doorstep deliveries that allow customers to take delivery of packages according to their wishes.

In terms of operational efficiency, in FY2024, we rolled out an automated routing system that uses AI to automatically create delivery routes nationwide, and a parcel pickup support system that digitizes operations, from parcel pickup to shipment instructions.

To further improve operational efficiency, we will continue utilizing the smartphone app to eliminate paper in our delivery operations. With the introduction of robotics, and transportation telematics, we will manage shipment location, status, and other information using GPS data.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED in Japan and in other countries.



### Improving Post Office Counter Operations



We are promoting the digitalization of physical channels to improve convenience for customers who visit post office counters, as well as remote and digital channels for customers who have difficulty visiting post offices.

In FY2024, we introduced a system facilitating the paperless processing of new Japan Post Insurance product applications, as well as maintenance and payments, and digitalized the catalog application process for merchandise and products. We will continue to promote the expansion of paperless operations for applications, procedures, and other tasks using tablet devices for business purposes.

In addition, we are considering expanding the introduction of digital ticket issuing machines. These enable customers to issue tickets and check congestion status via the Post Office App. Also being considered is the introduction of self-checkout counters that allow customers to post mail and purchase products without waiting in line at counters.

Further, we are expanding the number of post offices connected to Financial Services Contact Centers, where specialized operators remotely provide product explanations and application procedures for NISA (Nippon Individual Savings Account, accumulated investment accounts) and non-life insurance products.

Through the above initiatives, we will continue to improve customer convenience and operational efficiency.





## Diverse App Lineup

**JP JAPAN POST BANK**

Japan Post Bank offers a variety of apps that are easy and convenient to use.

To provide customers with the tools they need, whenever and wherever they are needed, we launched the Yucho Bankbook App. It enables customers to confirm their current bank balance, review deposit and withdrawal transaction details, and initiate transfers around the clock. We also offer Yucho Reco, a personal financial management app that automatically records monthly and annual income and expenses. The Yucho Pay app facilitates easy payments simply by scanning a bar code. Meanwhile, the Yucho Tetsuzuki App allows customers to open a multipurpose account without a passbook, and re-register PIN numbers anytime, anyplace.

We expanded the functionality of the Yucho Bankbook App in May 2025 to facilitate the opening of Japanese government bond accounts, balance detail confirmation, and bond purchases. In addition, the menu screen will be redesigned to be more user-friendly and easier to navigate.

In addition, the Yucho Tetsuzuki App soon will facilitate additional procedures. These include the opening of child bank accounts—enabling parents to quickly and easily open a multipurpose account in the name of a child aged 15 or younger—as well as a reporting and card reissuing procedures.

We will continue to promote expanded app functionality and strive to enhance digital services that all customers can use safely and with peace of mind.



## Utilizing Digital Technologies to Streamline Business Operations and Strengthen Sales Force

**JP JAPAN POST INSURANCE**

With a view to improving productivity and enhancing the sophistication of planning operations, Japan Post Insurance has been streamlining business operations since fiscal 2023 by introducing generative AI in all head office departments.

In addition to the general information currently possessed by generative AI, we plan to utilize internal data and other information resources to strengthen connections with customers and improve productivity.

In May 2025, we introduced a generative AI-based role-playing service to enhance the training of young employees working in the Whole Sales Division at all branches. The service makes it possible to conduct customer service training incorporating a variety of scenarios anytime, anywhere.

Feedback combining evaluations based on the same criteria used by generative AI and assessments from training staff is provided to employees in the Whole Sales Division to enhance their customer service skills.





# Innovating Group CX\*

## Driving customer-centric operations and delivering meaningful value through our products and services

### KAMADA Mayumi

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



In FY2024, a series of scandals were revealed within the Japan Post Group, including inappropriate use of non-public financial information without customer consent, offering insurance products to customers before obtaining approval to sell them as required under the Insurance Business Act, and execution of administrative dispositions concerning unperformed roll calls. We deeply apologize for the anxiety and concern these issues have caused our customers and stakeholders.

Given these circumstances, the Japan Post Group will return to its core principles, listen sincerely to customer feedback, and strive to operate in a customer-centric manner that meets customer expectations.

Each year, the Japan Post Group receives approximately five million items of feedback from customers, including complaints, requests, and compliments. We value every piece of feedback and continuously work to improve our services, regardless of the size of a request. We are also

\* Customer experience

## CX Design Initiatives

Initiative Item	Description
Market and business environment analysis	Anticipate and track evolving customer needs by leveraging research and market intelligence.
CX design	Evaluate group business performance and adapt products and services to proactively address customer needs.
CX design functions	Develop frameworks to enable the delivery of products and services that provide meaningful value to customers.
Customer voice analysis and insights	Utilize advanced analytics, including AI, to gain in-depth insights from customer feedback.
Customer feedback and continuous improvement	Embed a customer-centric culture by establishing and advancing initiatives under our Customer-Centric Business Operations Basic Policy.
Fostering CX mindset	Champion CX-focused learning and cultivate an environment in which employees are empowered to serve customers with confidence.

continually working to better understand customer needs by accurately analyzing customer voices using AI and other technologies.

While steadily advancing our core businesses, we recognize that developing forward-looking initiatives is also essential for the Group's growth.

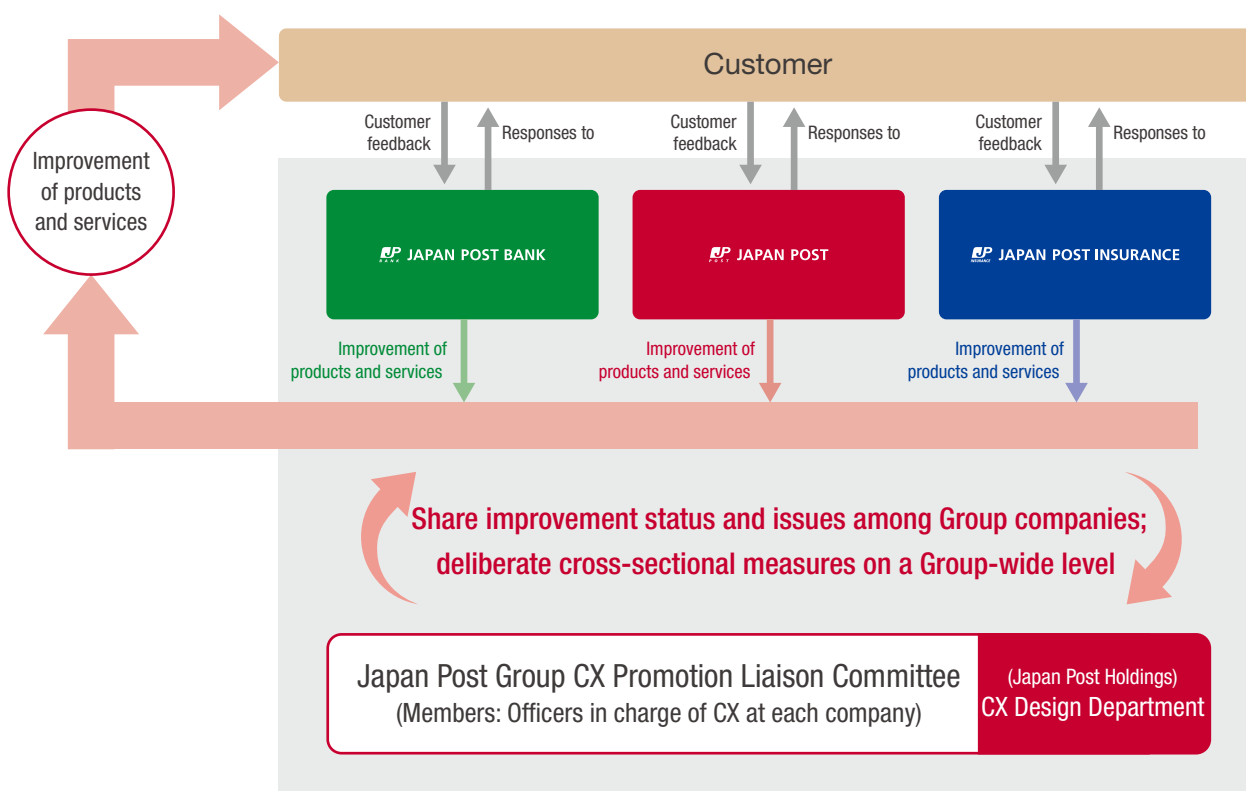
Established in FY2024 within Japan Post Holdings, the CX Design Department is dedicated to identifying and responding to the evolving values and needs of customers across all businesses. In the context of rapid digitalization, ongoing population decline and regional depopulation, and increasing diversity in people's values and lifestyles, our mission is to take a comprehensive, group-wide approach to understanding what customers truly seek and to unlock the full potential of the Japan Post Group by delivering superior customer experiences.

By returning to our founding principles and sincerely listening to customer feedback, we are committed to

ensuring thoroughly customer-centric operations and business practices, enabling our customers and stakeholders to place their trust and expectations in us.

To achieve these aims, it is essential to enhance our opportunities to engage with customers through digital transformation (DX). By integrating the strengths of our nationwide post office network with the convenience and efficiency of digital technologies, we seek to deepen our understanding of customers via digital channels, while also identifying unique ways to connect through in-person interactions. We believe that DX will serve as a valuable driver of our future growth.

In FY2025, we remain fully committed to further strengthening customer-centric operations and to making every effort to provide products and services that effectively address the needs and expectations of our customers.



# Improving EX\* by Promoting Human Capital Management (Human Resources Investment)

Realizing workplaces that instill pride and fulfillment, and improve EX among all employees

## HAYASHI Toshiyuki

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



## Looking back on FY2024

If the workforce-dependent postal business is to grow, investing in human resources is essential. Thus, during FY2024, we stepped up investment in those who support our business operations: our employees.

As part of our human resources portfolio restructuring initiatives, we set out to become a more flexible, diverse organization and are taking the following steps.

- Expanding the assignment of alumni (retired former Group employees) to positions throughout the Group, rather than working only our headquarters, to which they previously had been limited
- Making available the Comeback Recruitment System, which enables retired employees, including those who left for personal reasons, to apply for reemployment

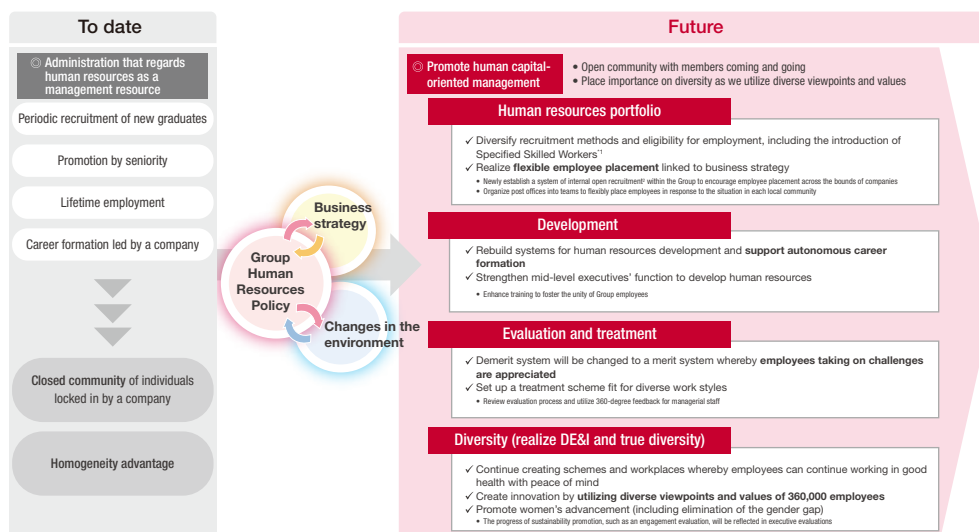
\* Employee experience gained through working at the company.

## EX Improvement Initiatives

### Transitioning to growth

In May 2023, we formulated the Group Human Resources Policy, which sets forth the basic direction for realizing human resources strategies aligned with management strategies. We are promoting human capital management based on this policy.

We believe that, in working for the Group, employees feel a sense of pride and fulfillment. This, in turn, is conveyed to customers, local communities, and society, ultimately leading to enhanced corporate value. Based on this belief, we have identified four key initiatives—human resources portfolio, development, evaluation and treatment, and diversity—and are steadily advancing efforts in each. Through continued investment in human resources, we are working to enhance EX across the organization.



Notes:

1. A plan to secure a workforce who supports our business over a long period through securing and developing foreign human resources and converting them into Specified Skilled Workers (i) through the Specified Skilled Workers System, a national program scheduled to be established.
2. Internal open recruitment refers to inviting employees to submit their preferences and make selections.

- Introduced an Employee Referral Program, leveraging Japan's largest employee network to promote the acquisition of diverse human resources
- Expanded internal open recruitment across the Group to include frontline employees, enabling self-initiated internal transfers

Furthermore, in response to rising prices, the need to secure human resources, and the importance of creating a workplace environment where employees can work with peace of mind, we have introduced new human resources measures. These include ongoing base wage increases, the Lump-sum Relocation and Transfer Allowance, and the Lump-sum Childcare and Nursing Care Leave Support Allowance.

### Investing in people, focusing on the future

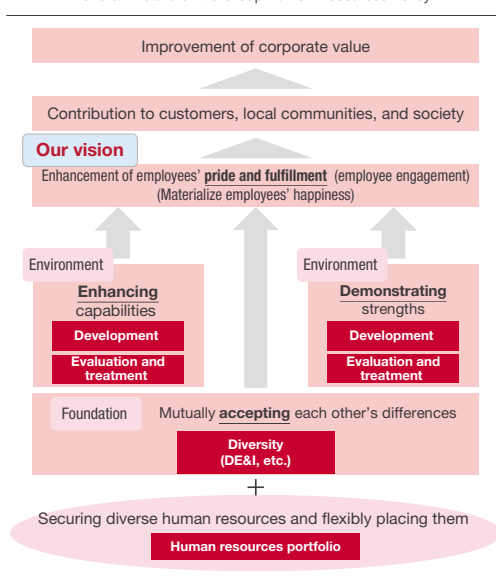
Our Group must swiftly overcome the challenges posed by changes in the external environment, including labor shortages resulting from a declining working population, as well as the diversification of values and lifestyles. To address these

challenges, we are strengthening and evolving our human capital management, recognizing our approximately 360,000 employees as our greatest capital and striving to maximize their value.

Employees on the front lines, who interact with customers daily, are essential to our Group's business operations. We will continue to create an environment in which all employees—especially those on the front lines—can fully demonstrate their capabilities, as we remain fully committed to enhancing corporate value.

This fiscal year is the final year of JP Vision 2025+. Under the Group Human Resources Policy, we are committed to implementing human resources strategies that are closely aligned with our management strategy. We are steadily advancing key initiatives in the four areas of: human resources portfolio, development, evaluation and treatment, and diversity. We will also strive to respect the human rights of all stakeholders involved in our business operations. We will improve the EX of all employees, especially those on the front lines, and provide a workplace where they can feel pride and fulfillment, while strongly supporting the Group's transition to a growth stage.

Overall Picture of the Group Human Resources Policy



### Major KPIs for the Key Initiatives

#### Pride and fulfillment score

At least the previous fiscal year's score will be targeted for the fiscal year ending March 31, 2026.  
(Reference: Fiscal year ended March 31, 2025 — 3.39 pts)

#### Number of personnel exchanged within and out of the Group

Maintain the fiscal year ended March 31, 2022 level (Fiscal year ending March 31, 2026)

#### Number of personnel who applied for open recruitment within the Group

At least the previous fiscal year's figure for the fiscal year ending March 31, 2026

#### Right person to the right job score

At least the previous fiscal year's score will be targeted for the fiscal year ending March 31, 2026.  
(Reference: Fiscal year ended March 31, 2025 — 2.51 pts)

#### Ratio of women in management positions at head offices of the four major Group companies

Fiscal year ending March 31, 2031: 30%

#### Rate of childcare leave taken by both men and women: 100% Average number of days of childcare leave taken by men: 1 month or more

Please refer to page 69 for details. [P. 69](#)

### Investing in Human Resources (Amount Invested in the Two Years to Fiscal Year Ending March 31, 2026)

#### Investment in human resources\*

▶ Strengthen human resources development seminars (including re-skilling)

▶ Initiative to promote diversity

▶ Initiative to secure human resources, etc.

Total **¥35 billion**

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

# Real Estate Business

## Pursuing new revenue sources for the 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.



We are working to achieve the targets set out in JP Vision 2025+—our medium-term management plan announced in FY2024—in a bid to make our real estate business an earnings pillar for the Group before the five-year plan ends in 2025.

In FY2024, we created a division to manage real estate business under an integrated Group-wide real estate management structure. As a result, we have been promoting office tenant leasing for large-scale development properties, such as JP Tower Osaka that was completed in March 2024. Meanwhile, we are also carefully selecting and acquiring non-Group-owned properties, based on an

## Addressing Societal, Community Needs

When we develop real estate, the Group's sustainability management initiatives take into consideration awareness of such key ESG issues as the global environment, wellness, local communities, and resilience. In addition, we also address societal and community needs. These include those related to JP Tower Osaka (completed in March 2024) and Kuramae JP Terrace (completed in March 2023). Both sites are implementing measures that include the development of pedestrian networks to make the city more lively and convenient, as well as the provision of open spaces, and the implementation of disaster countermeasures for the local community.



### JP Tower Osaka (Osaka City, Osaka Prefecture)

Acquired CASBEE Osaka Mirai S-rank and CASBEE Smart Wellness Office\* S-rank

Creation of a lively atmosphere	<ul style="list-style-type: none"> <li>By integrated development of a mixed-use complex comprising commercial facilities (KITTE Osaka) from the basement to the 6th floor, including a hotel, offices, and a theater</li> </ul>
Provision of pedestrian networks	<ul style="list-style-type: none"> <li>Through a direct connection to the West Exit of JR Osaka Station, with passageways and pedestrian decks running north-south through the building</li> <li>By connecting to the Garden Avenue Nishi-Umeda underground pedestrian passageway</li> </ul>
Provision of open spaces	<ul style="list-style-type: none"> <li>By using the several multipurpose plazas created within the facility</li> </ul>
Implementation of disaster countermeasures	<ul style="list-style-type: none"> <li>By creating a temporary shelter, for people unable to return home when disasters occur, featuring seismic-damping construction and providing a power supply for up to 72 hours, as well as temporary toilet facilities (using recycled water)</li> </ul>



### Kuramae JP Terrace (Taito-ku, Tokyo)

Acquired CASBEE Architecture S-rank, CASBEE Smart Wellness Office S-rank, and DEJ Green Building Certification 5-stars (highest).

Establishment of community-based facilities	<ul style="list-style-type: none"> <li>Provide senior residences, combining independent and nursing care facilities</li> <li>Set up licensed day care facilities to support a comfortable working environment for local residents</li> </ul>
Provision of open spaces	<ul style="list-style-type: none"> <li>Roof-top garden provided, where residents and users can interact</li> <li>Place created for members of the local community to relax</li> </ul>
Implementation of disaster countermeasures	<ul style="list-style-type: none"> <li>Temporary shelter provided for those unable to return home during disasters, and disaster preparedness storage facilities</li> <li>With a seismic isolation structure (for office building) and a vibration control structure (for residential building)</li> </ul>

\* A system for evaluating initiatives to improve the health, comfort, and convenience of office workers. Buildings obtaining CASBEE S-rank certification can also receive CASBEE-Smart Wellness Office S-rank certification.



assessment of their intended use and the market conditions in the relevant areas.

Despite the challenging business environment and soaring construction and other costs, we are diversifying our sources of revenue. This is being done through ongoing efforts focused on areas with potential in turnkey business, as we revise development plans for large-scale properties and other projects, while determining when operations can best be resumed. Furthermore, we will continue making carefully considered investments in selected, non-Group-owned, profitable properties.

As part of the ongoing Group-wide sustainability management initiatives, we are continuing to implement measures that address key ESG issues, with particular focus on the global environment, wellness, local communities, and resilience.

## Main Buildings and Locations to Be Developed

