

Sustainability Management

Realizing integrated value creation

ASAI Tomonori

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



Over the past year, the Japan Post Group has implemented various initiatives to further advance its management of sustainability. We are achieving results in a number of areas. These include the environment, society, governance, our commitment to obtaining science-based target (SBT) certification, the promotion of the first phase of our green transformation (GX), utilization of employee engagement scores, and co-creation platform-based initiatives.

At the same time, the external environment is becoming increasingly uncertain, due to factors such as the intensification of climate change-related natural disasters and sustainability-related political movements.

Sustainability Management Approach

The Japan Post Group Basic Sustainability Policy states that we will endeavor to achieve sustainable growth for the Group and increase corporate value over the medium to long term. This is to be achieved by helping to resolve social issues related to sustainability through the Group's business activities.

In addition, the goal of our medium-term management plan—JP Vision 2025+, announced in May 2024—sets the goal of sustainability management by leveraging the Japan Post Group's strengths, namely, its business strategies.

We are seeking to bring about greater societal and Group sustainability by helping improve people's well-being and contributing to the creation of a low-environmental-load society by means of GX. At the same time, with our Vision 2025+ having been approved by the Management Meeting and the Board of Directors, we are committing ourselves to promoting sustainability management.



Japan Post Group
Basic Sustainability Policy



Convening of the Sustainability Committee in FY2024

Committee Meeting [*]	Date	Major Topic of Deliberation/Reporting Matters
1st	Jul. 2024	Progress toward ESG targets (non-financial targets) in JP Vision 2025+; promotion of human capital management; challenges to disclosure according to SSBJ standards
2nd	Oct. 2024	Greenhouse gas emissions reduction portfolio; status of ICP review; strengthening sustainability communications; internalization of sustainability management
3rd	Dec. 2024	Promotion of sustainability management, strengthening of governance; results of interviews with executive officers about risks, opportunities, impacts, and response to TNFD
4th	Mar. 2025	Setting up of rules to promote sustainability, human rights due diligence initiatives

^{*} In FY2024, two special committee members—the president & CEO, and the senior executive vice president—attended the first and fourth committee meetings, respectively.

Given these conditions, companies need to reexamine the essence of sustainability and rethink their strategies. We now need to implement integrated value creation that simultaneously realizes the creation of social value, as well as the enhancement of corporate value.

Given that the revitalization of local communities is essential to the continued existence of our Group, we aim to improve the well-being of individuals and communities through our business activities. This requires that we collaborate with a number of entities. At the center of this effort is a co-creation platform for creating value together with local communities and customers.

By means of this platform, we will strengthen our capabilities in such areas as customer experience (CX), digital transformation (DX), and employee experience (EX). That will enable us to create social value and enhance corporate value, thereby realizing what is known as sustainable transformation (SX).

To achieve this, it is important to visualize the relationship between financial and non-financial indicators, and to clarify how business activities contribute to the creation of value for both society and the Company.

In addition, it is necessary for the entire organization to engage in Company-wide efforts to take ownership of sustainability, integrate diverse perspectives, and promote value creation with all members working together, regardless of organization or position, according to a shared vision.

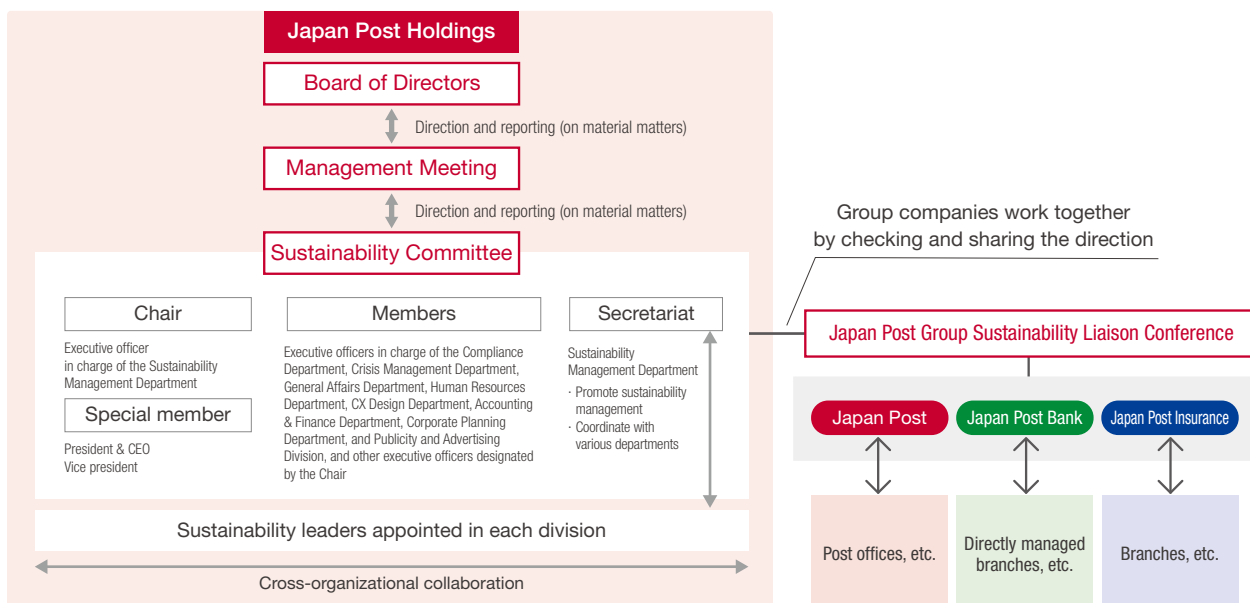
As the person responsible for promoting sustainability for the Group, I am committed to advancing the integration and coordination of various Group activities, in order to realize integrated value creation and, thus, a sustainable society and Group growth.

Sustainability Promotion System

The Sustainability Committee was set up as an advisory body to the Management Meeting. It is chaired by the executive officer in charge of the Sustainability Management Department, and meets approximately four times a year. The president and other special committee member officers attend as necessary. The committee deliberates risks and opportunities related to sustainability, policies for addressing sustainability, metrics and targets, and progress on the initiatives. It reports the results of the deliberations to the Management Meeting and the Board of Directors.

The Japan Post Group Sustainability Liaison Conference, the members of which include executive officers in charge of sustainability at each Group company, also meets with the Sustainability Committee to promote sustainability management as a unified Group.

The deliberations of the Sustainability Committee are reported to the Management Meeting and the Board of Directors.



Major Initiatives Addressing Material Sustainability Issues

Material Sustainability Issues, Major Initiatives in This Report

Material Issues		Direction of Initiatives	Main Initiatives
Responding across multiple domains		<ul style="list-style-type: none"> Act as regional hubs Promote supply chain collaboration, change in consumer behavior 	<ul style="list-style-type: none"> Promote ethical choices that only gently impact the environment, society, and people Encourage agriculture–welfare collaboration Support regional logistics (Poschoko Bin)
			<ul style="list-style-type: none"> Support sustainable investment
		<ul style="list-style-type: none"> Support societal adoption of innovations to help resolve environmental and social issues 	<ul style="list-style-type: none"> Improve logistics efficiency by using next-generation mobility
Six Domains	Local communities and economies	<ul style="list-style-type: none"> Leverage the postal network to provide solutions tailored to meet local issues Support Japan's aging society through services that render life-long support in this era of 100-year lifespans 	<ul style="list-style-type: none"> Develop the Otagai Market shopping service Strengthen collaboration with local governments
	Responding to the aging of society		<ul style="list-style-type: none"> Devise ways to collaborate to support regional economic development (Σ Business) Support asset-building for Japan's aging society (NISA)
	Access to services		<ul style="list-style-type: none"> Arrange impact investment and financing to help solve social issues Promote health, revitalize local communities through exercises broadcast on the radio Resolve social issues through sports Support local community solutions through New Year's postcard donations
	Environment	<ul style="list-style-type: none"> Help enrich lives by providing easy-to-use services to satisfy wider range of needs 	<ul style="list-style-type: none"> Post office app that can be used anytime, anywhere
	Environment		Retail business transformation <ul style="list-style-type: none"> Simple, easy and expandable Yucho bankbook app Asset-building support business strategy
	Environment	<ul style="list-style-type: none"> Lessen environmental impact of business operations, contribute to low-environmental-impact society 	<ul style="list-style-type: none"> Information disclosure initiatives based on TCFD recommendations Information disclosure initiatives based on TNFD recommendations
	Environment		Response to climate change <ul style="list-style-type: none"> Reduce Company and community greenhouse gas emissions Use renewable energy effectively to address power supply fluctuations Introduce supply chain-wide initiatives to cut greenhouse gas emissions Take steps to achieve carbon neutrality in core transportation Introduce renewable diesel and hydrogen fuel cell trucks
	Environment		<ul style="list-style-type: none"> Environmentally friendly post offices utilize local characteristics (+Eco Post Offices) Naha Higashi Post Office first to receive ZEB certification
	Human resources and human capital	<ul style="list-style-type: none"> Workplaces that enable employees to work with pride and sense of fulfillment 	Nature-related initiatives <ul style="list-style-type: none"> Use sustainable natural capital Place PASSTO collection boxes in well-frequented post offices to encourage a circular economy
	Human resources and human capital		<ul style="list-style-type: none"> Human capital management Initiatives based on Group human resource policies (1) Mutually accept each other's differences (2) Enhance capabilities (3) Demonstrate strengths Respect for human rights Human rights due diligence
	Management foundation	<ul style="list-style-type: none"> Establish a management foundation that earns customer trust and supports steps to resolve social issues 	<ul style="list-style-type: none"> Crisis management framework Use of AI
	Management foundation		<ul style="list-style-type: none"> Risk management framework Disaster countermeasure initiatives Maintain compliance framework Maintain IT governance framework Cybersecurity countermeasures Maintain internal auditing framework

Note: Among these various measures, we do not set quantitative targets for measures that are at the trial stage and for which future implementation plans are undecided; measures for which it is difficult to set targets due to reasons such as the need to respond to requests, intentions, or circumstances of the commissioning party or business partners; and measures aimed at suppressing undesirable events where setting targets could potentially lead to the emergence of issues. Instead, appropriate evaluations are conducted by the companies and departments responsible for implementing each measure.

The Group leverages strengths that include the role of post offices as regional hubs, responding across the entire supply chain, and supporting societal adoption of innovations. It aims to specify and advance initiatives that concretely address material issues in each of its business areas.

We believe it is important to address multiple issues across the organization and pursue comprehensive solutions. By these efforts, we intend to create value in the form of low environmental impact and better well-being for communities and individuals.

	Indicators and Targets	Reference page
		P. 52
		P. 53
	<ul style="list-style-type: none">Promote sustainable investment<ul style="list-style-type: none">Japan Post Bank ESG-themed investment and financing balance: ¥7.0 trillion by the end of FY2025Japan Post Insurance Impact K Project Certified Fund: 15 projects totaling ¥50.0 billion by the end of FY2025	P. 54–55
		P. 56
	<ul style="list-style-type: none">Monitor progress using the number of times each measure is applied as the indicator<ul style="list-style-type: none">Target four new regions for the community-based shopping service Otagai Market by FY2025 endGeneral Partner (GP) business-related investment (based on investment commitments): ¥400.0 billion by and of FY2025Radio broadcast exercise implementation rate: 25% by end of FY2025Collaboration with local governments: As of FY2025 end, conclude comprehensive agreements with 45 prefectures and 1,571 municipalitiesMonitor progress using indicators such as the number of measures implemented, in addition to indicators relevant to local communities and economies<ul style="list-style-type: none">NISA accounts: Attain 940,000 accounts by end of FY2025	P. 57
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		P. 58–59
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	<ul style="list-style-type: none">Progress managed using the number of initiatives and other indicators<ul style="list-style-type: none">Reach 5 million downloads by registered post office app users by end of FY2025Reach 16 million Yucho bankbook app registered users by end of FY2025	P. 61
	<ul style="list-style-type: none">Greenhouse gas emission reductions*<ul style="list-style-type: none">Long-term goal: Carbon neutrality by 2050Medium-term goal: Cut of 46% (from FY2019 figure) by FY2030* Includes Scope 1 and 2 emissions.Compliance with environmental laws, regulations, and other agreementsAir pollution reduced by promotion of electric vehiclesEfficient use of resources, reduction of waste <ul style="list-style-type: none">Progress managed using several initiatives, other indicators<ul style="list-style-type: none">Four-wheel EVs:* have 15,000 by FY2028 endTwo-wheel vehicles: have 30,800 by FY2025 end* Including 500 three-wheel EV vehicles.Use high-efficiency air conditioning in 82 new locations by end of FY2025Use LED light bulbs at 430 more post offices by end of FY2025Establish +Eco Post Offices in three locations opened in FY2025Use FSC®-certified paper for postcards	P. 62
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	<ul style="list-style-type: none">Use engagement score<ul style="list-style-type: none">Meet or exceed point score compared with that of previous fiscal yearSupport balance between work and childcare<ul style="list-style-type: none">Women: 99%; Men: 100%Average days of childcare leave taken by men: One month or moreWomen in management roles<ul style="list-style-type: none">Ratio of women in management positions at head office: 30% or more by FY2030	P. 68–75
		P. 76–77
	<ul style="list-style-type: none">Maintain compliance frameworkExpand internal reporting systemAscertain instances of misconductEnsure cybersecurity frameworkRespond to risk of information leaksMaintain data governance frameworkEstablish a management foundation that earns customer trust and supports help in resolving societal issues through the analysis and use of customer feedbackManage progress by using indicators such as the utilization status of initiatives related to newly introduced systems	P. 78
		P. 79–82
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Supply Chain Cooperation and Changing Consumer Behavior

Rather than individual companies working alone in the supply chain, environmental and social issues require that they collaborate.

At the same time, to get as many consumers as possible to utilize products and services that address these issues, consumers must understand their significance and change their behaviors if they are to choose them. By utilizing postal and logistics networks and post offices that connect producers and consumers, the Japan Post Group aims to create a virtuous cycle of supply chain cooperation that will lead to changes in consumer behavior.

Ethical choices good for environment, people, society

Japan Post is promoting efforts to encourage consumers to make ethical choices through the development and sale of parcels containing hometown specialties that embody kindness to the environment, society, and people.

Such parcels were first introduced in 2022 and featured mangoes and pineapples from Okinawa Prefecture. The idea was expanded in 2023, with participation in the Saga Prefecture Ethical Advanced Community Demonstration Project. Consequently, a comprehensive cooperation agreement was signed with the Agriculture-Welfare Cooperation Association. This is a network of organizations and individuals working to integrate agriculture and welfare, particularly through social farming initiatives. In FY2024, we expanded the initiative to other regions and products; the ethical parcels now became available at post offices, and through post office online shops.

The initiative enables people to enjoy local specialties, as well as support initiatives such as: the reduction of CO₂ emissions and food waste; the simplification of packaging; changes in producer workstyles; and the promotion of agricultural-welfare collaboration.

By connecting producers and consumers, this initiative expands consumption options and encourages the realization of a more sustainable society.



Ethical Practices

Activities that benefit the Earth, society, and people, while making the world a more comfortable place in which to live, are termed ethical practices. "Ethical" originally referred to ethics and morals but, in recent years, the word has come to refer to consumer behavior that takes into consideration people, society, communities, and the environment. Included are regional revitalization and employment activities.

Ethical consumption is achieved when each of us becomes aware of social issues and, when engaged in our daily shopping routine, thinks about what might be done to help resolve them.



Good for the Earth



Good for society



Good for people

Agriculture-welfare cooperation

Agriculture-welfare cooperation refers to collaboration between the agricultural and social welfare sectors. The initiative is aimed at enabling people with disabilities to participate in society with confidence and a sense of purpose, by playing active roles in the agricultural sector.

There are high expectations that the enterprise will help resolve some social issues. By reducing agricultural labor shortages, maintaining and developing production areas, and creating opportunities and places for diverse people to thrive, the initiative will become a driving force that will create and support sustainable lifestyles and economies.

In March 2023, we signed a comprehensive cooperation agreement with the Agriculture-Welfare Cooperation Association, to promote collaboration between labor and agriculture. We will promote such joint efforts by expanding the sales channels for products produced collaboratively by such means as their unattended sale at post office counters.



Agriculture

Welfare



ノウ (自然、農林水産業)
Nature, Agriculture,
Forestry and Fisheries

フク (人、福祉)
People and Welfare



Supporting inter-regional distribution logistics

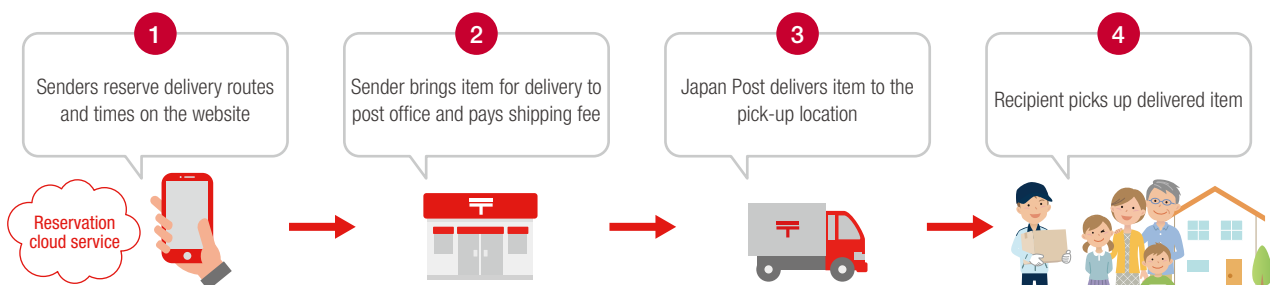
In 2023, Japan Post launched a new delivery service to support inter-regional logistics, a crucial aspect of supply chain management, that impacts regional economies and the efficiency of national distribution networks.

This service meets regional needs for short-haul deliveries. They include distribution logistics for delivering locally produced agricultural products to local restaurants, as well as shopping support. It is an inexpensive, easy-to-use delivery service that makes use of the empty space in postal vehicles, mainly when they are delivering between post offices.

So far in 2025, this service has been used in nine regions (Please refer to page. 57). It connects local producers and consumers, thereby contributing to the revitalization of regional logistics as a local supply chain. It also plays an important role in connecting local governments, local companies, and residents, promoting business utilization within the region, and deepening ties with the community.



Service Overview

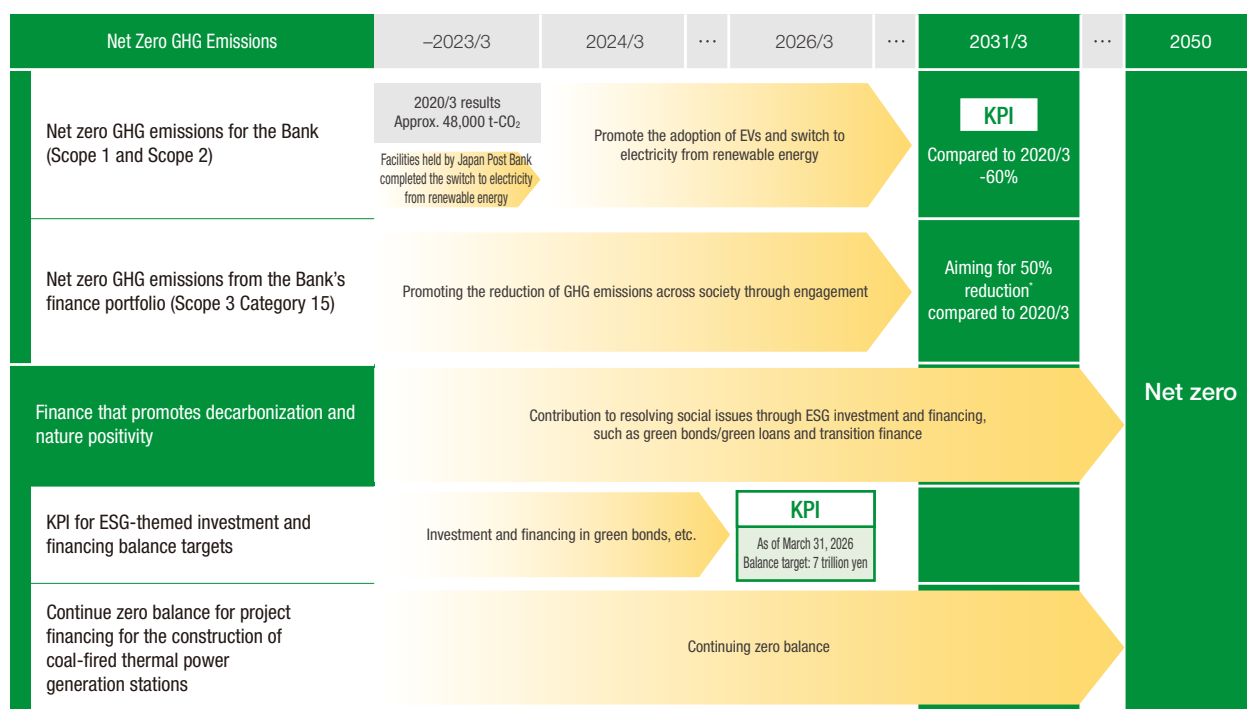


Sustainable Investment



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 and realize nature positive.



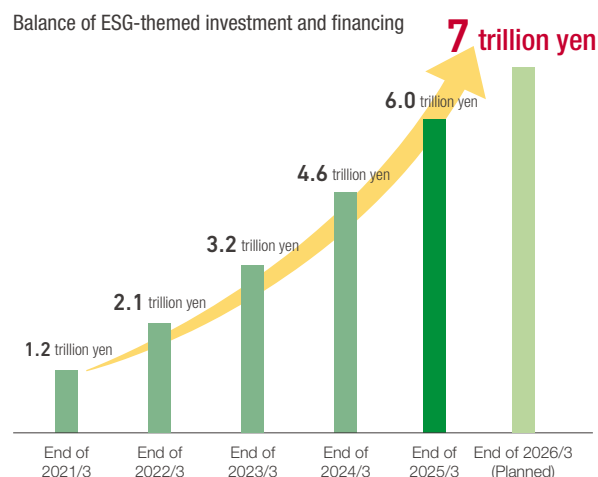
Note: Emissions per investment unit (¥100 million) (t-CO₂/¥100 million)

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* to ¥7 trillion 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, 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.



* ESG bonds (green bonds, social bonds, sustainability bonds, transition bonds, etc.), loans to the renewable energy sector, and regional revitalization funds, etc.

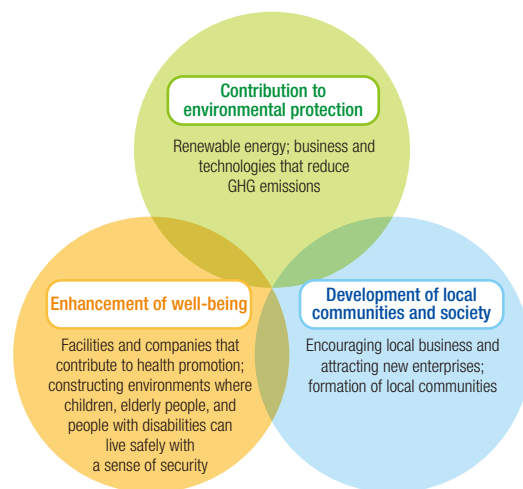
JAPAN POST INSURANCE

Sustainable investment

Japan Post Insurance aims to fulfill its social responsibility to all stakeholders, while striving to help realize a sustainable society and improving long-term investment performance.

This we are doing as a universal owner, managing a wide range of assets over the long term, as well as to reflect our management philosophy, which states, "Be a trustful partner for people, always being close at hand and endeavoring to protect their well-being."

Based on the importance of insurance premiums entrusted to us by our customers, we consider sustainability (including ESG factors) over the medium to long term to be important for all assets under management. We also consider key focus areas to include improving well-being, contributing to regional and social development, and contributing to environmental protection, while promoting investment and financing that embody the warmth that is unique to Japan Post Insurance.



Taking on the challenge of the next stage of sustainable investing

Impact-oriented investments and loans



In addition to securing financial returns, we aim to conduct and expand impact-oriented investment and financing that contributes to resolving social issues. We are promoting impact-oriented investment and financing that reflect the priority themes based on the Impact K Project, which is Japan Post Insurance's unique impact investment framework launched in 2022.

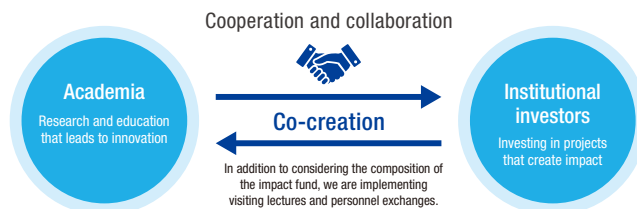
Medium-term Management Plan KPI (by Mar. 2026)	Number of projects	Amount
Impact K Project Certification Fund*	15	¥50 billion

* Cumulative number of projects since the start of certification in FY2022 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 signed memorandums of understanding with four educational institutions in FY2025. This we did to promote alliances and collaboration with academia, aimed at investing in innovative technological developments and business ventures.

In addition to launching impact funds, we are working to create diverse points of contact through various activities, including the conducting of lectures and promotion of interactions between employees and students. In this way we aim to form co-creative, industry-academia partnerships that will enable us to move forward together into the future.



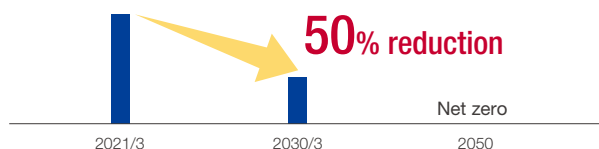
Initiatives in response to sustainability issues as an institutional investor

Climate change

GHG emission reduction targets for investment portfolio¹

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 portfolio²



Notes:

- 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.
- 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

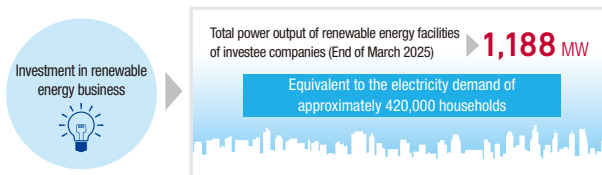
In engagement with investee companies, we promote initiatives that take into account natural capital, human rights, and human capital, as socially important sustainability issues, in addition to climate change.

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

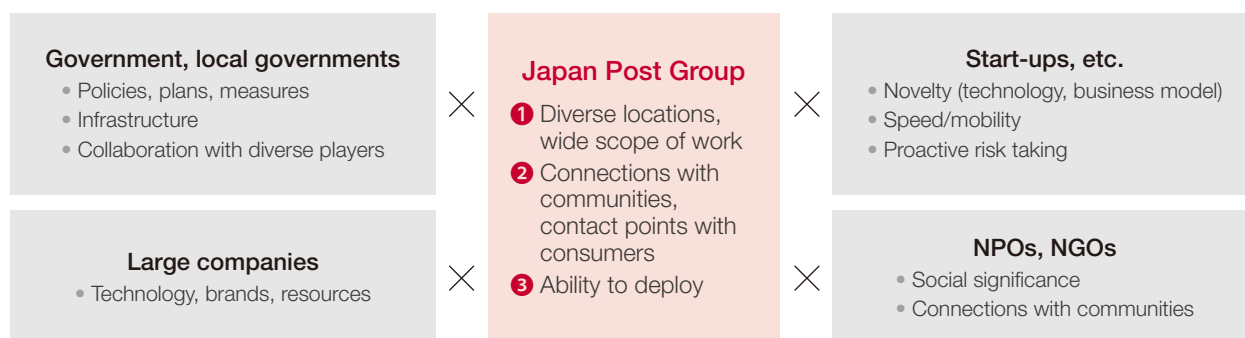


Innovation, New Ecosystem Helping to Resolve Environmental and Social Issues

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.

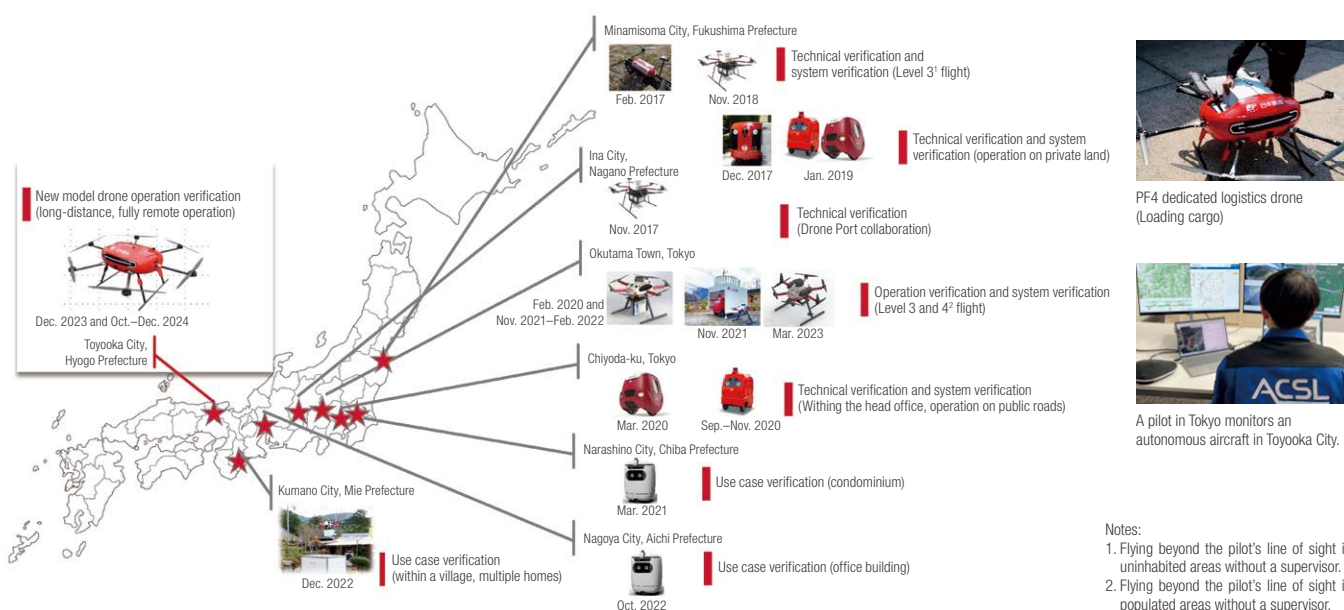


Streamlining logistics using next-generation mobility

As Japan's working-age population declines, we are taking steps to utilize next-generation mobility technologies. To continue providing stable and sustainable postal and logistics services, we are studying the use of drones, delivery robots, and self-driving cars.

In fiscal 2021, we partnered with ACSL Co., Ltd., a domestic drone manufacturer, and in March 2023 we accomplished Japan's first beyond visual line of sight (BVLOS) Level 4 flight in a populated area. Currently, we are conducting delivery trials and technical verification in the mountainous area of Toyooka City, Hyogo Prefecture, utilizing a dedicated logistics drone developed jointly with ACSL.

In addition to working with the Japanese government to establish legal systems and develop technologies, we will continue to aim for the safe and secure practical application of next-generation mobility, while increasing social acceptance among local post offices and residents through demonstrations and other activities.



Local Communities, Economies, and Response to Aging Society

We support the creation of livable communities, in which all residents can live their lives as they wish. With access to essential services, they are able to participate in the activities of their local communities and society. Meanwhile, various local activities serve to improve the multi-layered well-being of the community as a whole.

We seek to help create a society in which people can live free from major anxieties and inconvenience, both for themselves and for those around them, even as Japan's population continues to age. We are focusing on improving well-being in the areas of health, finances, and careers at each life stage.

Otagai Market rollout

The Otagai Market, which we launched in 2024, is a service that provides cost-effective shopping. It makes use of Japan Post's network in areas where the population is declining and aging. The service is expected to increase interaction among local residents.

To use the service, local residents order items online and travel to pick-up points to retrieve their orders. This not only reduces costs, but allows residents to do their shopping, an integral part of their lives, in the area.

Another benefit is that, since customers gather at pick-up points, those locations are likely to facilitate daily communication among users.

In fiscal 2024, besides Nara City, Nara Prefecture, where the service was launched, the service was introduced in Yamabe Town, Yamagata Prefecture. It has been well received there, since it allows customers to shop in their local communities. We plan to provide the service in other areas, to meet the needs of more communities and our customers. During fiscal 2025, we aim to provide the service in a total of six areas.



Enhancing collaboration with local governments

Japan Post has concluded comprehensive partnership agreements with 45 prefectures and 1,571 cities, towns, and villages (as of March 31, 2025).

Through these agreements, we are strengthening our ties to local governments, and are being entrusted with tasks such as the issuance of official certificates; My Number ID card electronic certificate-related services; and accepting My Number Card applications. In addition, delivery staff are being asked to conduct vacant house surveys to assess the overall number and condition of vacant properties. In Japan, such dwellings have become a significant issue, and the extent of the problem needs to be understood so that policies can be formulated to address it.

Japan Post will continue to make the most of its resources, beginning with the post office network it has cultivated over the years, in order to provide a range of services and contribute to the greater convenience of local residents.



Collaboration with Mitsui & Co., Ltd.

In January 2025, Japan Post Bank established a ¥10 billion fund in collaboration with Mitsui & Co., Ltd. to support the growth of small and medium-sized enterprises. Through the management of this fund as well as joint investment initiatives, we are leveraging the trading company functions and domestic and international networks of the Mitsui Group, as well as our nationwide network. This we are doing to support the growth of local businesses from a medium- to long-term perspective and, as a company with close community ties, to contribute to the development of society and local economies.

Asset-building support for an aging society

Japan Post Bank is expanding its lineup of investment trust products to better assist customers in long-term asset building using the NISA system. Our target for Nippon Individual Savings Account (NISA) arrangements is to reach 940,000 accounts by the end of fiscal 2025. However, by the end of fiscal 2024, we had already reached 820,000.

Investment and financing help solve social issues

Japan Post Insurance has set enhancement of well-being, development of local communities and society, and contribution to environmental protection as key themes for its sustainable investments. In addition, to help build a better society, we are pursuing a new stage in sustainable investing through impact-oriented investments that contribute to solving social issues.

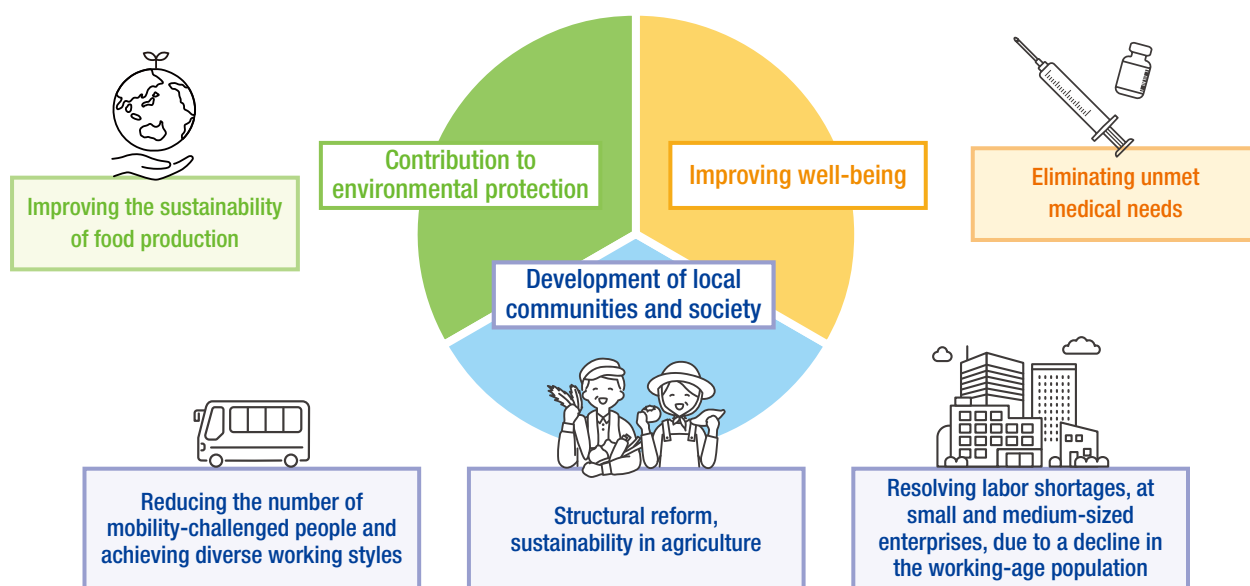
Impact “K” Project

As an asset owner funded by the valuable insurance premiums provided by our customers, we have launched an impact investment framework called the Impact K Project. We plan to expand impact-oriented investment and financing.

This is an internal certification system that defines requirements and processes to ensure the quality and transparency of impact creation. It also selects highly effective investments that will lead to the future we aim to help achieve.

The requirements take into account international standards for impact investing, as well as Japan Post Insurance's management philosophy and its three key themes. To date, we have steadily built up a track record through a variety of investment projects, including domestic listed stock funds, private equity funds, and real estate funds.

Through the Impact K Project, we will continue to create positive impacts that provide approaches to solutions for various social issues.



Positive impact: approaches to solving social issues

Promoting health and revitalization of communities through Radio-Taiso anyone can do anytime, anywhere

Japan Post Insurance has set improving well-being and protecting people's contentment and health as one of its materialities (priority issues). One of its main initiatives in this regard is the promotion of Radio-Taiso.

We work with local governments to revitalize communities through the Festival of 10 Million Participants' Radio-Taiso, Japan's largest Radio-Taiso event, and Roaming Radio-Taiso Event. The habit of listening to and following calisthenics on the radio is deeply embedded in Japanese culture. It is often seen as a way to promote health, community, and a sense of national unity. People of all ages participate, from schoolchildren to the elderly, and the practice is even incorporated into workplace routines. We also distribute Radio-Taiso Attendance Cards, and hold a National Elementary School Radio-Taiso Competition.



The 63rd Festival of 10 Million Participants' Radio-Taiso

Goal **25%** participation rate in Radio-Taiso
(Result for fiscal 2024: **23.8%**)*

* Radio-Taiso participation rate, according to an online survey (of 2,400 men and women aged 20 to 69) regularly conducted by Japan Post Insurance, is the percentage of people who answered that they are familiar with Radio-Taiso and who participate in Radio-Taiso at least once a year.

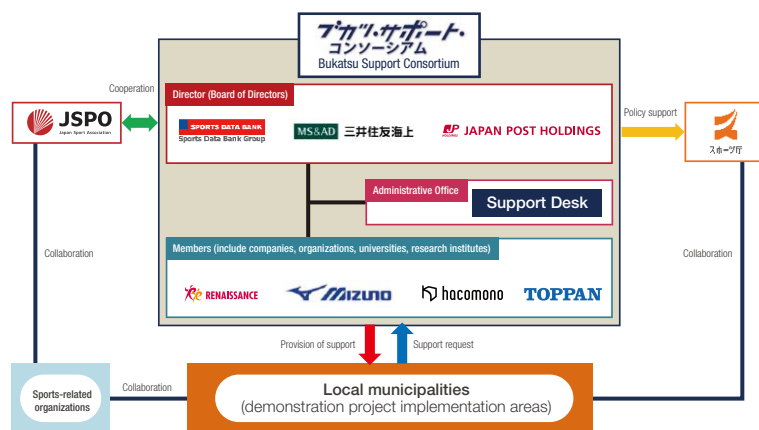
Solving social issues through sports

To help resolve social issues related to school club activities across the country, the Japan Post Group is working to establish a cooperative system for the regional collaboration and development of club activities, an effort spearheaded by the Japan Sports Agency.

In April 2024, we launched the JSPO-accredited sports coaching leader training course (Special Sponsor: Japan Post Co., Ltd.). It was jointly developed with the Japan Sport Association, a public interest incorporated foundation that, as a non-profit organization, carries out projects that benefit the public. We provided course fee subsidies to Japan Post Group employees taking the course, and approximately 400 of our employees have already obtained the certification.

In September 2024, Japan Post joined two other companies to establish Bukatsu Support Consortium to support school club activities. We plan to join forces with numerous companies and organizations, making the most of their respective areas of expertise, to support the local collaboration and development of school club activities.

Furthermore, at the 4th Sport in Life Awards ceremony, sponsored by the Japan Sports Agency, our Move Your Body! Japan! Project won the Grand Prize. We received rave reviews for our achievements and ripple effects in providing a wide range of exercise opportunities for everyone, from children to adults. This contributed to the health management of our Group companies, and created opportunities through numerous events.



Support Framework (as of March 2025)

© Club activity support consortium



— 第4回 —
**Sport
in Life
Award**

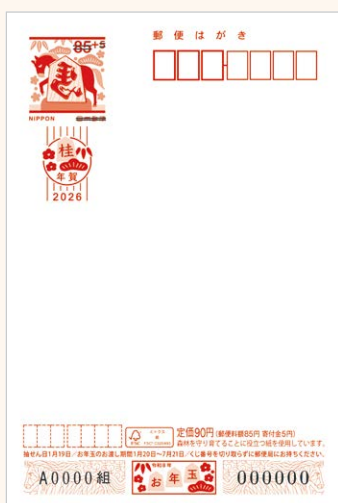
The Fourth Sport in Life Awards

COLUMN

New Year Card-related Donations Help Communities

Japan Post sells donation-included New Year's postcards, as well as New Year's stamps. The donations collected are used to support the activities of organizations working to solve community and social issues. In the fiscal 2024, approximately ¥160 million in donations was distributed to organizations throughout Japan.

The challenges the world faces change with the times, from infectious diseases and natural disasters to support for LGBTQ people and young care givers. But by supporting a variety of activities, we will continue to champion the post office as a part of local communities that leaves no one behind.



2025 New Year's postcards



Social welfare service corporation Okutsu Kosaiken facility, Okayama Prefecture

Other support activities

- Collecting weather and atmospheric data to continue research activities
- Expanding the seedling greenhouse at the employment support facility
- Selling high-quality flower seedlings to support users' independence



Social contribution project through
New Year Card-related donations
(in Japanese only)



Access to Services

The Japan Post Group aims to make well-being readily accessible to all by providing a variety of services and basic guarantees to a cross section of the public.

Available anytime, anywhere! The Post Office app

The Japan Post Office app, which we launched in October 2023, is steadily evolving as a tool that allows customers to use post office services anytime, anywhere.

In fiscal 2024, we added various new features, including the ability to make reservations for financial consultations at post offices, the ability to apply for e-relocation, and integration with the Japan Post Insurance site My Page. In addition, the Post Office Visit Points, linked to Yu Yu Point, that were launched in November 2024, now can be easily accessed through the app.

Consequently, as of March 31, 2025, the app had reached a download figure of some 5.4 million. In the future, we intend to provide even more valuable customer experience by working closely with Group companies' apps and services.

Transforming the retail business

Simple and easy. Expanding Yucho Bankbook App.

Japan Post Bank leverages its customer base of 120 million accounts and network of 23,494 post offices to provide friendly and courteous guidance and support regarding the Yucho Bankbook App to customers of all ages who visit its counters.

Our initial target for the number of registered accounts for the app, which is a KPI in our medium-term management plan, was 10 million accounts by the end of fiscal 2025. But we reached that target two years ahead of schedule and, as of March 31, 2025, more than 13 million accounts were being used by our customers. In light of this, we have revised our target number for registered accounts for the end of the fiscal 2025, to 16 million.

In addition, for customers who are unfamiliar with using banking services on smartphones, we provide an instruction manual, the *Getting Started Guide*, and provide guidance at our counters as needed.



Asset-building support business strategy

Due to such changes in the business environment, such as growing digitalization in society, and the launch of the new Nippon (Japan) Individual Savings Account (NISA) system—we are shifting the focus of our sales from face-to-face channels to collaborative digital/remote channels that are linked to brick-and-mortar counter channels.

In face-to-face channels, consultants provide detailed support, and post offices nationwide will be connected remotely with financial contact centers and other such resources. That will enable us to accept applications for investment trusts (NISA) at approximately 20,000 locations close to our customers. This will enable us to build a sales configuration that fully leverages the strengths of the Japan Post Group, combining both the physical and digital worlds.

Digital channel support for individual JGB accounts

In response to the growing digitalization of society and the diversifying needs of our customers, in May 2025 we launched a service that allows individuals to open Japanese government bond accounts, purchase JGBs, and check balances, among other services, using the Yucho Bankbook App and Yucho Direct, thereby expanding our digital services to make them more readily available to all of our customers.

Upgrading our lineup of investment trust products

We recognize that many customers who use Japan Post Bank and post office counters are new to investing, and we therefore offer a lineup of simple and easy-to-understand products, and provide complete explanations to all customers concerning the basics of investing, such as about long-term, diversification, and regular savings.

At the same time, our digital channels offer a diverse lineup of products to meet the needs of customers with a degree of investment experience and knowledge. We plan to continue reviewing our lineup from time to time, to meet the needs of even more customers.

Environment

The Japan Post Group is helping conserve the global environment with a view to a sustainable future. To this end, it is playing its part in the reduction of greenhouse gas emissions, at the same time working to mitigate the effects of climate change and helping realize a resource-recycling society, even as it assists in the maintenance and restoration of biodiversity.

TCFD-driven information disclosure

The Japan Post Group recognizes its response to climate change as one of its management-related material issues. Accordingly, in April 2019, we endorsed Task Force on Climate-Related Financial Disclosure (TCFD) recommendations.

Based on these, we have deepened our analysis of the impact of climate change on Group business, and are promoting the disclosure of this information.



TNFD-driven information disclosure

The Group has identified the environment as one of its material issues pertaining to sustainability, and recognizes that Group business activities are made possible only through the benefits of ecosystems. We promote management that considers our relationship with Nature and the conservation of biodiversity, and as part of these efforts, we disclose Nature-related information.

Group companies Japan Post Bank and Japan Post Insurance now are participating in the TNFD Forum. In FY2024 Japan Post Holdings and Japan Post also used the LEAP approach in line with TNFD recommendations. This they are using to analyze and evaluate the dependence on, and impact of, their main business activities on Nature. Meanwhile, the Group as a whole will continue to enhance its disclosure of Nature-related information.

Governance	<ul style="list-style-type: none"> Basic Sustainability Policy It states that the Group will strive to adapt the way it conducts business in order to mitigate the effects of climate change, while proactively promoting business and environmental conservation activities aimed at reducing its impact on the global environment. In the Group's Medium-term Management Plan, JP Vision 2025+, announced in May 2024, we set the reduction of greenhouse gas emissions as one of our main targets for achieving carbon neutrality, and are promoting measures to address climate change as part of our management strategy. That management plan has been approved by the Management Meeting and Board of Directors resolution Responses to climate change and Nature-related issues They are supervised by the Board of Directors, the highest officer of which is the Group CEO (Representative Executive Officer, President & CEO of Japan Post Holdings), while membership comprises Group company CEOs Board supervision of climate change, Nature-related responses <ul style="list-style-type: none"> 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 and Nature-related risk and opportunity identification, response policies, targets, and initiatives The deliberations of the Sustainability Committee are reported to the Management Meeting and the Board of Directors, and approved by the Board of Directors 		
Strategy	<ul style="list-style-type: none"> The Japan Post Group has set the reduction of GHG emissions to achieve carbon neutrality as one of its main goals in its current management plan, and is promoting climate change responses as part of its management strategy The Group has conducted a scenario analysis to identify climate change risks and opportunities related to the Group's main business, and to help it understand their impact on the business portfolio In FY2024, Japan Post Holdings and Japan Post conducted analyses of the dependence and impacts on Nature of the main business activities, based on the trial use of the LEAP approach* <p>* LEAP (locate, evaluate, assess, prepare) refers to TNFD's methodology for identifying corporate Nature-related risks and opportunities, involving a four-phase approach with 16 steps.</p> <table border="1"> <tr> <td data-bbox="260 1462 1066 1780"> <p>TCFD Climate risks, opportunities; business scenarios</p> <ul style="list-style-type: none"> The results of the Group's climate change-related risks and opportunities, and scenario analyses we have conducted indicate the need to further explore specific measures to address identified climate change risks and opportunities, while also analyzing their quantitative impact on our business portfolio Postal and Domestic Logistics Business and Post Office Business https://www.japanpost.jp/en/sustainability/environment/environmental-management/post-scenario.html Banking Business https://www.jp-bank.japanpost.jp/en/sustainability/environment/climate/tcfd/ Life Insurance Business https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcfd.html Real Estate Business https://www.japanpost.jp/en/sustainability/environment/environmental-management/real-estate-scenario.html International Logistics Business* https://cms.tollgroup.com/sites/default/files/2024-12/Toll-Sustainability-Report-2024.pdf <p>* Please refer to P. 17: Climate Change Risks and Opportunities in the Toll Holdings Sustainability Report 2024.</p> </td><td data-bbox="1066 1462 1444 1780"> <p>TNFD Results of LEAP Analysis of Main Business Areas</p> <ul style="list-style-type: none"> The following is the summary of results of the LEAP approach applied to the assessment of Japan Post. Going forward, the Group will further examine possible specific steps to take in consideration of the identified Nature-related risks and opportunities and move forward with relevant activities. Postal and Domestic Logistics Business, Post Office Business, International Logistics Business, and Real Estate Business https://www.japanpost.jp/sustainability/environment/leapapproach.html (in Japanese only) </td></tr> </table>	<p>TCFD Climate risks, opportunities; business scenarios</p> <ul style="list-style-type: none"> The results of the Group's climate change-related risks and opportunities, and scenario analyses we have conducted indicate the need to further explore specific measures to address identified climate change risks and opportunities, while also analyzing their quantitative impact on our business portfolio Postal and Domestic Logistics Business and Post Office Business https://www.japanpost.jp/en/sustainability/environment/environmental-management/post-scenario.html Banking Business https://www.jp-bank.japanpost.jp/en/sustainability/environment/climate/tcfd/ Life Insurance Business https://www.jp-life.japanpost.jp/english/aboutus/sustainability/environment/tcfd.html Real Estate Business https://www.japanpost.jp/en/sustainability/environment/environmental-management/real-estate-scenario.html International Logistics Business* https://cms.tollgroup.com/sites/default/files/2024-12/Toll-Sustainability-Report-2024.pdf <p>* Please refer to P. 17: Climate Change Risks and Opportunities in the Toll Holdings Sustainability Report 2024.</p>	<p>TNFD Results of LEAP Analysis of Main Business Areas</p> <ul style="list-style-type: none"> The following is the summary of results of the LEAP approach applied to the assessment of Japan Post. Going forward, the Group will further examine possible specific steps to take in consideration of the identified Nature-related risks and opportunities and move forward with relevant activities. Postal and Domestic Logistics Business, Post Office Business, International Logistics Business, and Real Estate Business https://www.japanpost.jp/sustainability/environment/leapapproach.html (in Japanese only)
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Risk and impact management	<ul style="list-style-type: none"> The Group's material sustainability issues are discussed by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference, with results being reported to the Management Meeting and the Board of Directors When examining material issues related to sustainability risks, we consider risk and opportunity identification, evaluation, and management methods, after which the Sustainability Promotion Department and other relevant departments work together to implement appropriate responses During the review of material issues conducted in FY2022, environmental issues—including climate change—were considered to be among the most important, while major risks associated with the issues were deliberated by the Sustainability Committee and the Japan Post Group Sustainability Liaison Conference, before being reported to the Management Meeting and Board of Directors 		
Indicator and targets	<table border="1"> <tr> <td data-bbox="260 1971 1066 2175"> <p>TCFD</p> <ul style="list-style-type: none"> The strategy under the Group's medium-term management plan includes: the long-term target of achieving carbon neutrality by 2050; the reduction of CO₂ emissions by 46% (compared with the FY2019 figure) in FY2030 based on a 1.5°C scenario; and the promotion of overall adequate responses to climate change Japan Post Group greenhouse gas reduction targets https://www.japanpost.jp/en/sustainability/environment/environmental-management/climate-change.html#ghgchallenge Japan Post Group Scope 1, 2, and 3 emissions ESG Data https://www.japanpost.jp/en/sustainability/library/data/ </td><td data-bbox="1066 1971 1444 2175"> <p>TNFD</p> <ul style="list-style-type: none"> In line with strategies and risk management processes, the Group will consider introducing indicators and targets to assess and manage material Nature-related risks, opportunities, dependencies, and impacts </td></tr> </table>	<p>TCFD</p> <ul style="list-style-type: none"> The strategy under the Group's medium-term management plan includes: the long-term target of achieving carbon neutrality by 2050; the reduction of CO₂ emissions by 46% (compared with the FY2019 figure) in FY2030 based on a 1.5°C scenario; and the promotion of overall adequate responses to climate change Japan Post Group greenhouse gas reduction targets https://www.japanpost.jp/en/sustainability/environment/environmental-management/climate-change.html#ghgchallenge Japan Post Group Scope 1, 2, and 3 emissions ESG Data https://www.japanpost.jp/en/sustainability/library/data/ 	<p>TNFD</p> <ul style="list-style-type: none"> In line with strategies and risk management processes, the Group will consider introducing indicators and targets to assess and manage material Nature-related risks, opportunities, dependencies, and impacts
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Climate-related impact analysis and response policies in the Postal and Domestic Logistics Business and the Post Office Business

Scenario Analysis

Classification	Expected occurrence period ¹	Financial impact ²	Details
Physical Risks	Acute	Short Term	Small to Large
	Chronic	Short Term	Small to Medium
Transition Risks	Policy Regulation	Medium to Long Term	Small to Medium
	Reputation	Short to Medium Term	Small to Large
Opportunities			

Notes:

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
	Maintaining the productivity of outdoor work
	Strengthen the decarbonization of facilities and vehicles
	Create earnings opportunities that look toward a decarbonized society
Opportunities	Decarbonized management
Management	

* The target for the fiscal year ending March 31, 2026, was revised to 30,800, which includes three-wheeled EVs.

LEAP approach based on the TNFD recommendations

Category	Risks and Opportunities in Light of Dependencies and Impacts on Ecosystem Services		Qualitative Business Impact Assessment	
	Major Risks	Major Opportunities	Impact	Estimated Duration of Occurrence*
Biodiversity	Procurement of stamps and postcards			
	Revenue decrease due to reduced use of postal services as a paper-based communication method, considering impacts on forest resources.	Reputation enhancement by disclosing that the paper for postcards and other postal products is procured from sustainably managed forests.	Large	Short to long term
	Waste at post offices			
	Reputation decline due to excessive waste at post offices.	Reputation enhancement through strengthened proper waste disposal and recycling efforts. Cost reduction through waste reduction.	Large	Short to long term
	Post office construction			
	Increased compliance costs due to stricter regulations and standards on development to minimize ecological impacts.	Reputation enhancement through early response to rising concerns over natural capital and ecosystems, and to demand for eco-friendly buildings, by using environmentally friendly materials and constructing energy-efficient post offices.	Middle	Medium to long term
Trade-Offs	Product sales			
	Shortages of quality products for sale due to factors such as a decrease in agricultural and fishery production resulting from deteriorated ecosystems.	Reputation enhancement and creation of business opportunities through incorporating biodiversity into sales strategy and expanding the handling of environmentally friendly and ethical products.	Middle	Short to long term
	Procurement of renewable energy			
	Reputation decline due to negative ecological impacts from land use by renewable energy suppliers.	Reputation enhancement through renewable energy procurement considerate of both decarbonization and natural capital.	Small	Long term

* Short term: up to about 1 year, medium term: up to about 3 years, and long term: 3 years or longer.

Major countermeasures promoted by the Group

- Reduction in the use of paper, plastic, and metal; waste reduction; promotion of recycling
- Selling of merchandise that contributes to the restoration of the natural environment
- Devising procurement and environment-related regulations and producing manuals

Impact analysis and response policies of Other Businesses

Banking	Life Insurance Services
 Japan Post Bank's Response to the TNFD Recommendations	 Japan Post Insurance's Response to the TNFD Recommendations

GHG emission reduction

The intermediate targets the Group has set for its medium-term management plan include the achievement of carbon neutrality by 2050, and the reduction of GHG emissions by 46% (compared with FY2019 figures) by FY2030.

Since over 90% of the Group's greenhouse gas emissions come from Japan Post and its logistics subsidiaries, we are working on reducing emissions from transportation and delivery vehicles, as well as from electricity used at post offices.

The Group also aims to attain carbon neutrality at its post offices, which are taking on the role of community hubs, while it seeks to cut emissions across the entire supply chain.

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)	8,020 total 23,798 total 1 total 5 total	• 17 +Eco Post Offices opened ¹ • 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 with LED lighting • ZEB post office • Naha Higashi Post Office opened in November 2024 • A total of 1,275 post offices upgraded to high-efficiency air conditioning ³	18,007 total ²	• 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 • Introduced at 90 post offices nationwide • Introduction of power storage equipment • Tempaku Post Office, Okayama Post Office starts operating in FY2024		
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 • Re-delivery times optimized to six slots starting in October 2024		

Notes:

1. Three post offices in FY2024.

2. Includes 1,074 post offices constructed between FY2014 and FY2020.

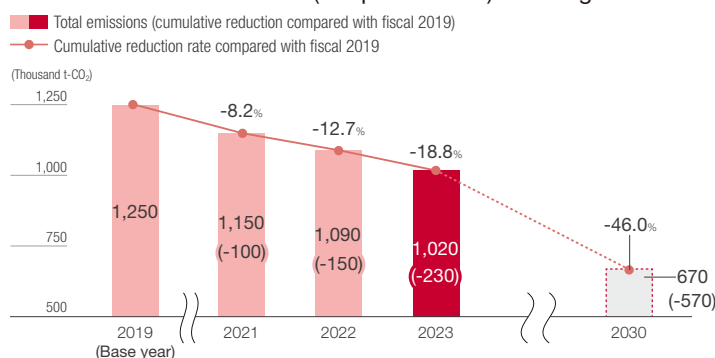
3. Includes 950 post offices constructed between FY2014 and FY2020.



- 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

Greenhouse Gas Emissions (Scopes 1 and 2) and Targets



Notes:

1. The Group's greenhouse gas emissions targets apply to Japan Post, Japan Post Bank, Japan Post Insurance, Japan Post Transport, Toll Holdings, JP LOGISTICS GROUP Co., Ltd. (including JP LOGISTICS Co., Ltd.), and Japan Post Real Estate Co., Ltd.

2. Japan Post Holdings and Japan Post greenhouse gas emissions for fiscal 2023 are disclosed with reasonable assurance.

3. Excludes greenhouse gas emissions from the accommodations business and Toll global express business.

4. We plan to disclose fiscal 2024 performance on our website.

<https://www.japanpost.jp/en/sustainability/library/data/#emissions>



Scope 3 Performance
by Category



Effective use of renewable energy

Renewable energy supply and demand, especially solar power, can fluctuate depending on the season, weather, and time of day. This is an issue to be considered by post offices introducing renewable energy, as well as by society as a whole.

The Japan Post solution to date is to store solar energy generated during the day in batteries and to discharge it when demand peaks at night. The Company aims to improve utilization efficiency and to help stabilize regional power supply and demand.

In FY2024, we introduced power optimization services using large-scale batteries at Okayama Post Office (Okayama Prefecture), while promoting the introduction of renewable energy at post offices nationwide.

Main Achievements in FY2024

- Introduced PPA services and storage batteries at the Tempaku Post Office (Nagoya City)
- Installed EV rapid charger devices at the Kojima Post Office (Kurashiki City)
- Converted an additional 72 post offices to use of renewable energy



Reducing greenhouse gas throughout the supply chain

In April 2024, Japan Post and its major consolidated subsidiaries submitted a letter of commitment with the aim of obtaining certification for its Science-based Targets initiative.* The greenhouse gas (GHG) emission reduction targets are based on the Paris Agreement.

Seizing on this declaration as an opportunity, we will work to reduce the GHG emissions of Japan Post and its subsidiaries (Scopes 1 and 2), as well as the GHG emitted throughout the entire Group supply chain (Scope 3).

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

Making essential transportation carbon neutral

As motorcycles and small cars are replaced by EVs, we also expect technological innovations that will decarbonize medium- and large-sized vehicles. Japan Post and its subsidiary, Japan Post Transport, are working to decarbonize medium-sized and large vehicles responsible for essential transportation by such means as the Green Innovation Fund Project.

In this way, we will contribute to the Group-wide reduction of GHG emissions as well as to that in our supply chain, thereby helping to realize a society with a low environmental impact.

Introducing renewable diesel, hydrogen fuel cell trucks

Japan Post Transport has been conducting demonstration tests of renewable diesel fuel at Kanagawa Nishi Post Office since May 2023, confirming operational issues during actual use between post offices. The fuel used is biodiesel made from waste vegetable oil and other materials, with virtually zero CO₂ emissions (carbon neutral).

Since November 2023, we have been transporting mail and parcels using hydrogen fuel cell trucks, with five small (three-ton) vehicles currently operating between post offices in Tokyo. We plan to introduce four large (10-ton) vehicles from fiscal 2025 onwards.



Eco Post Offices leverage regional characteristics

Japan Post has established eco-friendly +Eco Post Offices that use renewable energy such as solar power generation facilities and cross-laminated timber.* It is working not only to reduce its GHG emissions, but also to promote carbon neutrality in communities. By March 2025, we had opened 17 +Eco Post Offices nationwide.

* Cross-laminated timber (CLT): Thick panels with long, plate-like wood interlocked vertically and horizontally. It has excellent strength and thermal insulation, and reduces CO₂ compared to concrete and steel.



Maruyama Post Office (Chiba Prefecture)



Toma Post Office (Hokkaido)



Kamiongatamachi Post Office (Tokyo)

First ZEB-certified post office

Naha Higashi Post Office opened in November 2024 as the first net zero energy building (ZEB) erected by the Japan Post Group. In addition to its greater energy efficiency, the facility generates solar power, which it can store in batteries, making it an energy-independent post office. Since it also serves as a regional hub, it is helping contribute to local communities.

CO₂ emissions reduction and biodiversity

Naha Higashi Post Office proactively incorporated locally sourced materials, such as weathered coral and distinctive Okinawan flower blocks, which are carved into a floral pattern, into the building's design, reducing CO₂ emissions from transportation during construction.

As the nation's first ZEB-certified post office, it received the second-highest rank of Nearly ZEB for having achieved energy savings of approximately 68% and for energy generation of approximately 13%, resulting in a combined reduction in primary energy of approximately 81%.

This environment-friendly post office reduced waste by using building materials made from recycled postcards, and promotes biodiversity through a landscaping design that incorporates local vegetation.

ZEB-enhanced resilience

The Naha Higashi Post Office will provide part of its building for use by local residents as a temporary refuge in the event of a disaster. With its solar power generation equipment and storage battery, the building has air conditioning, lighting, and charging outlets that can be used for a certain period of time even if the local power supply is interrupted. Naha Higashi aims to be viewed as a resilience-enhanced ZEB, providing the local community with peace of mind, even in emergencies.

Creating post offices with local residents

Naha Higashi Post Office held a workshop where local children applied a weathered coral wall material to post office walls. The event increased the interaction between postal employees and local residents, while providing children with a valuable opportunity to learn about sustainability through a fun, hands-on activity.



Our relationship with Nature

The conservation of biodiversity, together with climate change, are global issues. The Group recognizes that its business activities can only be conducted based on the benefits of ecosystems, and so is promoting management that considers our relationship with Nature, including the conservation of biodiversity.

Sustainable use of natural capital

Use of FSC® certified paper for all postcards

Starting with New Year's postcards issued in November 2021, Japan Post has been progressively promoting the use of paper that has received international FSC® Certification (FSC® N003846). The certification is designed to promote appropriate forest management. In fiscal 2023, all post office postcards were manufactured using FSC® certified paper.

The FSC® system protects rich forested natural environments and reduces adverse impacts on the environment. At the same time, it certifies that products are properly managed; manufactured and distributed in accordance with responsible forest management, processing, and distribution standards; that the rights and safety of workers are protected; and that products help build good relationships with local communities.

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



Sustainable procurement of paper

Through a partnership signed with WWF Japan in 2022, Japan Post has provided support totaling ¥75 million. Over the three years from FY2022 to FY2024, the Group has been backing forest conservation projects undertaken by WWF Japan.

In addition, we recognize that the manufacture and use of paper products should not negatively impact natural environments and local communities around the world. If we are to ensure business continuity, it is important that the origins of paper products be traceable.

Thus, in cooperation with WWF Japan, in August 2023 we formulated the Guidelines on Procurement of Paper Products. As a result, we can promote the sustainable use of forest resources throughout our business activities, including in our supply chain.



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PASSTO resource recycling service at post offices

Familiar circular economy collection base

This initiative uses post offices as collection points for unwanted clothing and other items, which are then delivered to ECOMMIT Co., Ltd., facilities for recycling and reuse.

PASSTO is a neologism combining the English-language words "pass" and "to," as in "pass to the next person" or "pass on to the future." In making local post offices—a familiar presence in people's lives—a touchpoint for consumer eco-activities and a gateway to resource circulation, we are hoping to build a circular economy.

The initiative, which began at the Shibuya Post Office (Tokyo) and Nagareyama Post Office (Chiba Prefecture), had expanded to 35 post offices as of March 2025.



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: "Don't be afraid to be a behind-the-scenes supporter. Always have the desire to do good for others."

- 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 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
- To 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
- To 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

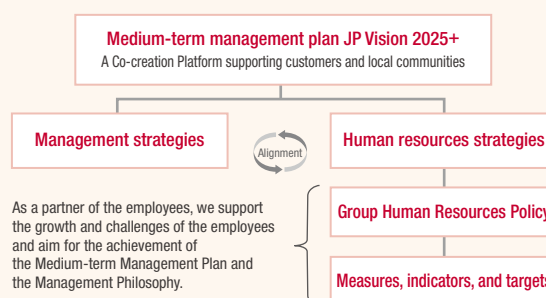
Overall Picture



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	FY2024 Results ¹
The Company and its operating subsidiaries ²	<ul style="list-style-type: none"> Employee engagement (pride and fulfillment) score* At least the previous fiscal year's score Share survey results with employees and carry out continuous improvement measures 	3.39 pts

Notes:

1. Calculated using Group engagement survey results since FY2023.

2. Japan Post, Japan Post Bank, and Japan Post Insurance.

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.

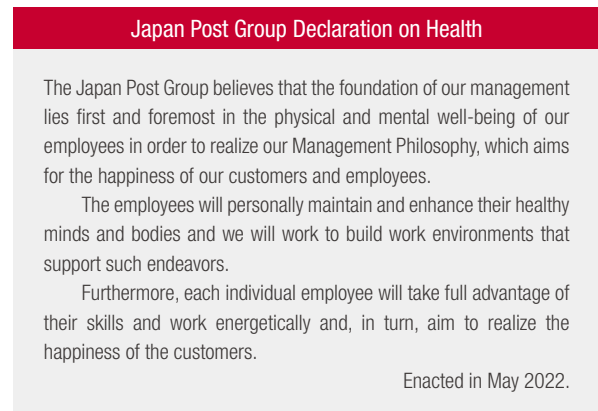
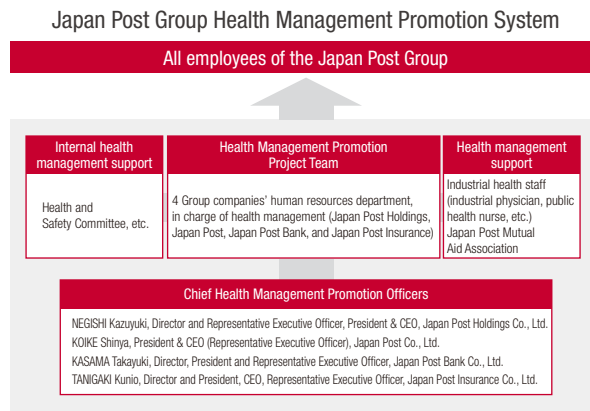
Applicable Companies	Measures, Indicators, and Targets	FY2024 Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"> Achieve Health Management KPIs (2025/3) Rate of employees requiring medical attention 1 and 2: 1% or less Rate of no longer requiring Specified Health Guidance: 23% or more 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 Recognized cases of harassment: Less than the previous fiscal year Employment rate for persons with disabilities: 3.0% (2026/3) 	1.19% 21.0% • Women: 99.9% Men: 100.0% • Average 44.9 days • 147 • 2.71% (June 2024)
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"> Ratio of women in management positions at head office: 30% (2031/3) 	• 18.0%

* Persons requiring emergency or urgent medical attention.

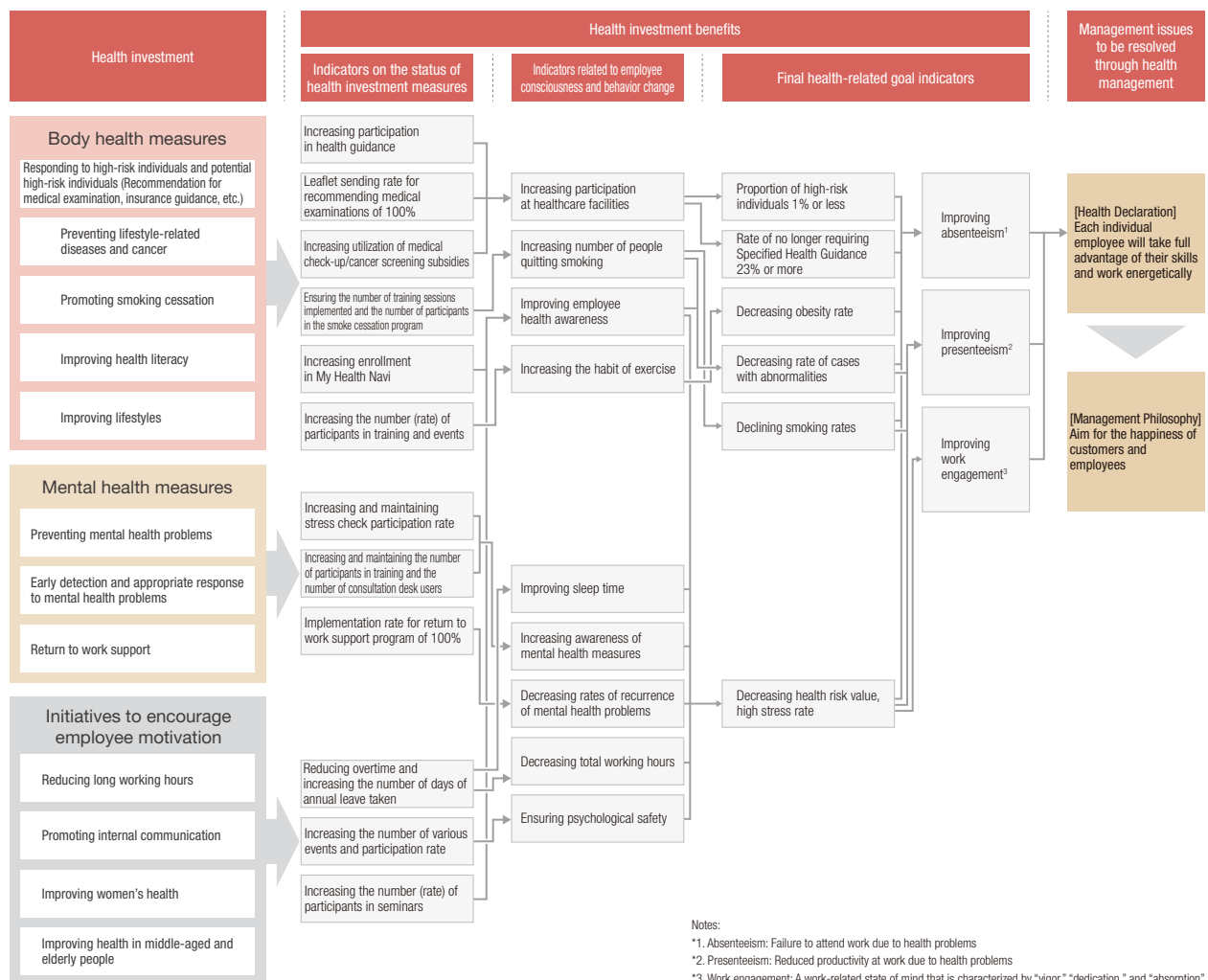
Vision and human resources measures

Promoting health management

Recognizing that physical and mental health are major factors in making the most of employees' capabilities, we have devised a system whereby the Group promotes the management of employee health. Together with a strategy map, it forms part of the Japan Post Group Health Declaration. Currently, we are working on steps to promote health maintenance, prevent lifestyle-related diseases, and support mental healthcare.



Japan Post Group health management strategy map (2026/3 version)



Diversity

	Our systems and support measures go beyond legal requirements. As part of our efforts to improve work-life balance, these systems are designed to enable employees to continue working while raising children, caring for the elderly, or recovering from illness.											
	Recent highlights											
Balancing work with childcare, nursing care, and illness	Up until FY2024	Fiscal 2024	Fiscal 2025									
	<ul style="list-style-type: none">• Promoting childcare leave for male employees<ul style="list-style-type: none">· Paid childcare leave (three days)· Encouragement to take at least four weeks of leave· Requirement to confirm intention to take childcare leave• Childcare leave<ul style="list-style-type: none">· Promotion of 100% childcare leave taken by both men and women• Fertility treatment leave<ul style="list-style-type: none">· Expansion of leave allowance for fertility and related treatments: 30 days per year (up from 10)	<ul style="list-style-type: none">• Expansion of systems that go beyond legal requirements<ul style="list-style-type: none">· Extended the period within which employees can request nursing leave for children (until the end of third grade in elementary school)· Extended the maximum duration of partial leave for nursing care (from three years to five years)	<ul style="list-style-type: none">• Developing the workplace environment for flexible and sustainable working styles<ul style="list-style-type: none">· Establishment of the Lump-sum Childcare and Nursing Care Leave Support Allowance· A lump-sum allowance of up to ¥200,000 is provided to employees who support the duties of coworkers taking childcare or nursing care leave· Relaxation of requirements for transitioning to and from reduced-hours positions									
Promoting the active participation of women	<ul style="list-style-type: none">• Ratio of women in management positions at head offices of the four major Group companies	<ul style="list-style-type: none">• Initiatives to promote women's active participation										
	<div>KPI</div> <div>30.0% (By April 2031)</div> <div>As of April 2025</div> <div>18.0%</div> <div><table><tr><th>Year</th><th>Ratio (%)</th></tr><tr><td>2023</td><td>15.2</td></tr><tr><td>2024</td><td>16.2</td></tr><tr><td>2025</td><td>18.0</td></tr><tr><td>2031</td><td>30.0</td></tr></table><p>* Results as of April of each year.</p></div>	Year	Ratio (%)	2023	15.2	2024	16.2	2025	18.0	2031	30.0	<div>Organizational Initiatives</div> <p>To promote flexible and sustainable working styles, we are reviewing personnel systems and enhancing workplace environments.</p> <div>Culture-building Efforts</div> <p>To foster career ambition and leadership development, we offer seminars, training, and dialogue opportunities.</p>
Year	Ratio (%)											
2023	15.2											
2024	16.2											
2025	18.0											
2031	30.0											
Promotion of employment for persons with disabilities	<ul style="list-style-type: none">• Improvement in employment rate for persons with disabilities at the four major Group companies	<ul style="list-style-type: none">• Initiatives to promote employment of persons with disabilities<ul style="list-style-type: none">· The proactive recruitment of persons with disabilities, along with the development of work environments and training programs aimed at long-term employment retention· The establishment and proactive utilization of a special subsidiary company· The acceptance of students from special needs schools for workplace training, and the employment of their graduates										
	<div>KPI</div> <div>3.0% (By April 2026)</div> <div>As of June 2024</div> <div>2.71%</div> <div><table><tr><th>Year</th><th>Rate (%)</th></tr><tr><td>2022</td><td>2.41</td></tr><tr><td>2023</td><td>2.56</td></tr><tr><td>2024</td><td>2.71</td></tr><tr><td>2026</td><td>3.0</td></tr></table><p>* Results as of June of each year.</p></div>	Year	Rate (%)	2022	2.41	2023	2.56	2024	2.71	2026	3.0	
Year	Rate (%)											
2022	2.41											
2023	2.56											
2024	2.71											
2026	3.0											
Sexual diversity	<ul style="list-style-type: none">• Creating a work environment that supports sexual minority employees<ul style="list-style-type: none">· Application of systems to same-sex partners (company housing, dependency and housing allowances, nursing care leave, etc.)• Gold Certification in PRIDE Index 2024<ul style="list-style-type: none">· Gold Certification in the PRIDE Index 2024, which evaluates LGBTQ+ initiatives based on five criteria,* was awarded to Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance <p>* The criteria are policy (declarations of action against discrimination), representation (support for LGBTQ+ communities), inspiration (awareness-raising activities), development (HR systems and programs), and engagement/empowerment (social contribution and external relations).</p> <div>work with Pride</div> <div></div>											
Other measures	<ul style="list-style-type: none">• Promoting senior employment<ul style="list-style-type: none">· Retirement age raised to 65 (since FY2021)· Considering specific work styles and safety measures for employees aged 65 and older to secure employment opportunities up to age 70• Eradicating Harassment<ul style="list-style-type: none">· Several approaches are being used to eradicate harassment, including a messages from the president; dissemination of information to all staff; the training of managers based on case studies; and booklets and other materials· We protect employees who report harassment and have established a system that allows them to consult or report safely at any time, through internal and external consultation desks and the one-stop platform for consultation and reporting• Group-wide diversity initiatives<ul style="list-style-type: none">· Seminars and study sessions are held; training is provided across the Group to deepen staff understanding of diversity, equity, and inclusion											

Please refer to the specific initiatives. ➡ P. 77

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	FY2024 Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"> Implement measures for career formation and support (Carrying out re-skilling measures for senior employees, etc.) Internal open recruitment among the Group* Number of people Equal to or greater than the previous fiscal year 	<ul style="list-style-type: none"> Implementation of career training 90 people
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"> Number of persons in headquarters and branches attending DX training 100% by March 2026 	<ul style="list-style-type: none"> Attendance rate: Approximately 100% * Number of attendees: 13,000

* The training was implemented among head office organizations in fiscal 2022 and 2023. From fiscal 2024, it has been implemented Company-wide, including frontline organizations.

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.

1	Training necessary for all employees (compliance, human rights awareness, etc.)	2	Training necessary for business execution (operational training necessary for each aspect of business execution, acquisition of qualifications, skill training to enhance sales ability, etc.)	3	Training according to the career path (hierarchical training according to the position)
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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.

1	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.
2	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.
3	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.

Promoting fair and motivating evaluations

The Group’s evaluation system consists of three components for each course category: performance evaluation, job behavior evaluation, and organizational contribution points.

Through appropriate evaluation and feedback, we aim to help employees pursue their individual goals, thereby contributing to the achievement of organizational goals and ultimately leading to the realization of management objectives. We have introduced multi-faceted feedback for employees in management positions to raise their self-awareness.

Positive response rate for evaluation feedback

* Survey on evaluation feedback
Percentage of respondents (approx. 26,000) who indicated that they understood the evaluation feedback and felt it supported their personal growth and motivation at work.

> 90%
(Results in FY2024)

Enhancing Employee Capabilities

Realizing a human resources system adaptive to environmental changes	<ul style="list-style-type: none"> • Review of personnel systems <ul style="list-style-type: none"> · Reviewing workforce composition in response to rapid changes in the business environment and future business outlook · Responding to laws and regulations related to equal pay for equal work · Establishment of the Lump-sum Relocation and Transfer Allowance • Employee Treatment and Measures <ul style="list-style-type: none"> · Promotion of fixed-term employees to full-time employees continues (total number of employees promoted to date: 54,390) · Considering the integration of general-duties and regional managerial positions to promote workforce mobility · Base pay increased in light of rising prices and the growing importance of investing in human resources (¥10,000 increase in FY2025)
Promoting DX to improve operational efficiency and support skill development for new business tasks	<ul style="list-style-type: none"> • Workplace Environment <ul style="list-style-type: none"> · Enhancing training programs and building environments for practical skill application to support new business creation and service improvement through DX · Upgrading the work environment to enable employees to receive training via tablets and other devices while remaining at their post office locations
Supporting proactive career formation that encourages challenges and the enhancement of capabilities	<ul style="list-style-type: none"> • Career guidebook <ul style="list-style-type: none"> · To support career planning, we have compiled a comprehensive guidebook that outlines ideal employee profiles and job descriptions by role and career track, mainly on the frontline organizations. It also features model career paths, internal career systems, and various training programs
Training to enhance expertise	<ul style="list-style-type: none"> • Training for employees who handle financial instruments <ul style="list-style-type: none"> · In collaboration with Japan Post Bank and Japan Post Insurance, we provide training—particularly for employees handling financial instruments—covering banking agency services, investment trusts, various insurance products, and compliance, to support understanding and skill development in related operations · Training to develop consulting skills required for customer-oriented sales activities



A career guidebook (partial)

Career Development Support Respecting Employee Motivation

Internships among the Group	<ul style="list-style-type: none"> • Internships among the head offices of the four major Group companies (since April 2022) <ul style="list-style-type: none"> · Employees are given opportunities to experience and better understand operations in other departments, and to foster future career development—based on their own choices and willingness to take on new challenges 	Participant results 117 people
Internal open recruitment among the Group	<ul style="list-style-type: none"> • Internal open recruitment among the Group (launched in April 2022) <ul style="list-style-type: none"> · To support proactive career formation, we conduct internal open recruitment among the Group for head office employees, enabling them to apply for transfers to their desired Group company or department · Since FY2024, internal open recruitment among the Group has been extended to include not only head office employees but also frontline employees <p><small>* Participant and assignee figures represent cumulative totals since each program's launch.</small></p>	Assignee results 187 people

VOICES

Employee Testimonials on Internships and Internal Open Recruitment Across the Group

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	FY2024 Results
The Company and its operating subsidiaries	<ul style="list-style-type: none"> Right person to the right job score,* over the previous fiscal year's evaluation score Average number of annual paid holidays taken: 18 days or more Number of personnel exchanged within and out of the Group maintained at FY2021 levels** <p>* Calculated using Group engagement survey results since FY2023. ** Approximately 1,500 people exchanged between the four major Group companies.</p>	<ul style="list-style-type: none"> 2.51 pts Average of 19.7 days Achieved
Head offices of the Company and its operating subsidiaries	<ul style="list-style-type: none"> Number of persons engaged in strategic side businesses: greater than the previous fiscal year Promotion of mid-career recruits 	<ul style="list-style-type: none"> 47 people 59 people

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.

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.

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). In addition, from the perspective of complementing new graduate hiring and securing a diverse talent pool, we have also been hiring mid-career candidates for generalist positions, and will continue to implement more proactive recruitment and hiring going forward.

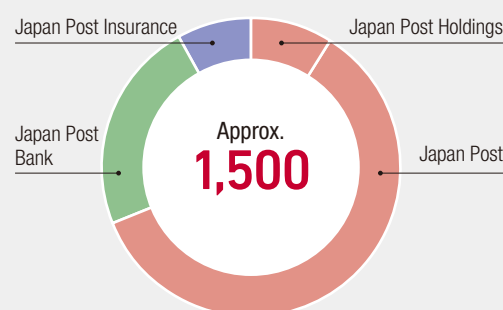
We will strive to recruit international human resources and appoint them to managerial positions as needed for business development, while also considering the introduction of Specified Skilled Worker System from the perspective of securing labor.

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

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.

Number of persons in exchanges between the four Group companies (including employees serving concurrently)



Number of seconded employees among the four major Group companies (Japan Post Holdings, Japan Post, Japan Post Bank, and Japan Post Insurance)

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)

Initiatives for Securing Diverse Human Resources

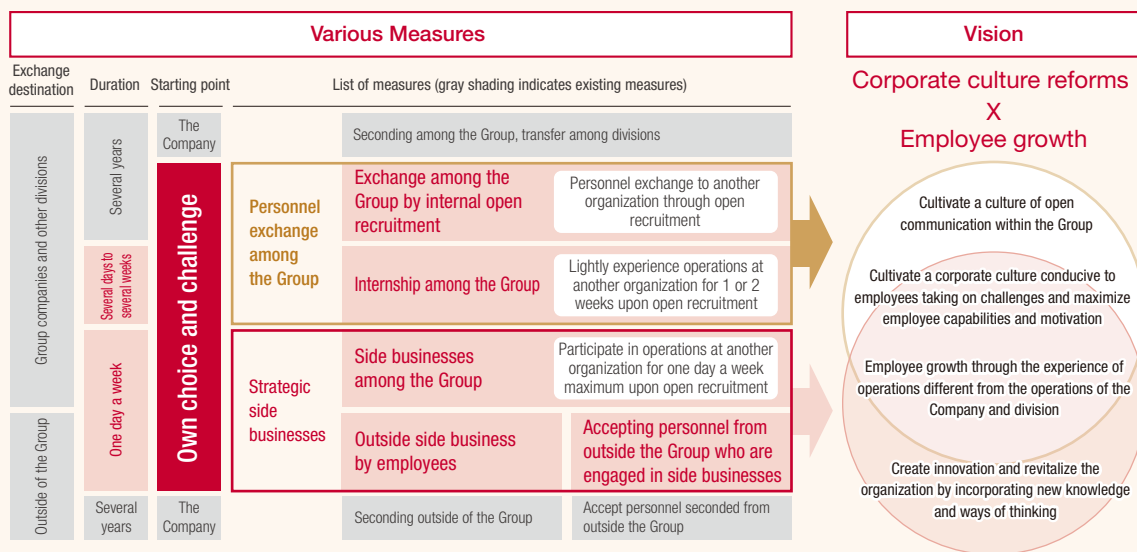
Alumni	<ul style="list-style-type: none"> • Establishment of the Alumni Network (September 2022) <ul style="list-style-type: none"> • We established the Alumni Network (target: headquarters) in September 2022 with the aim of enabling alumni—former employees who are familiar with the Japan Post Group and have gained new experiences and knowledge outside the Group—to return and contribute once again. We are building excellent medium- to long-term relationships with alumni through initiatives such as side jobs and mid-career recruitment. • Comeback Recruitment System (since October 2024) <ul style="list-style-type: none"> • The existing re-employment system, which previously applied only to specific reasons for resignation such as childcare or nursing care, has been significantly revised. The new Comeback Recruitment System (applicable to all Group organizations) enables re-employment regardless of the reason for leaving the Group. 	<p>Number of hires</p> <p>140 people</p>
Referral recruitment	<ul style="list-style-type: none"> • Referral Hiring System (since May 2024) <ul style="list-style-type: none"> • To secure a diverse range of talent by leveraging one of Japan's largest employee networks, we launched the Referral Hiring System. This system enables Group employees to refer both regular and non-regular personnel to the Company. <p><small>* Hiring figures represent cumulative totals since the launch of each system</small></p>	<p>Number of hires</p> <p>966 people</p>

Initiatives to Support Employee Challenges and External Talent Utilization

Strategic side business	<ul style="list-style-type: none"> • Promoting strategic side businesses <ul style="list-style-type: none"> • At the head offices of the four major Group companies <p>Three types of strategic side businesses have been simultaneously piloted at headquarters: Outside side business by employees, Accepting personnel from outside the Group who are engaged in side businesses, and Side businesses among the Group. These initiatives aim to leverage employees' professional experience and business skills to support future career development</p> • Outside side business by employees <p>In addition to engaging in side businesses outside regular working hours, employees may reduce their working hours by up to one day per week to pursue such activities, thereby supporting their efforts to take on new challenges</p> <p><small>* Participants figures represent cumulative totals since the launch of each system.</small></p>	<p>Number of participants</p> <p>120 people</p>
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Overview of proposed measures to promote personnel exchanges

Measures to promote internal and external Group personnel exchanges that aim for corporate culture reforms x employee growth



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.

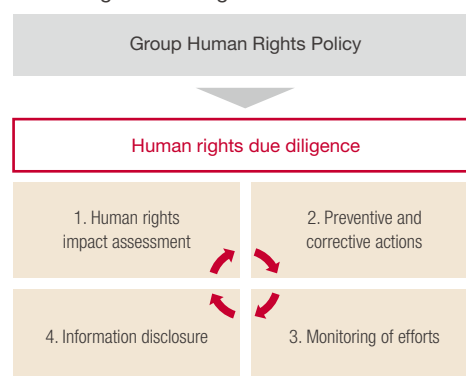
Implementation of human rights due diligence

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.

Human rights due diligence overview



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

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

Relief measures

For consultations on various types of harassment and human rights violations, we have established a system that enables employees to seek advice without concern, by establishing internal and external consultation channels.

In addition, we have a one-stop platform for consultation and reporting, which facilitates reporting and consultation. We are working to provide a system that ensures worry-free consultations for employees, maintains the confidentiality of reports and consultations, and helps us understand employee opinions regarding compliance in general.

Contractors also have access to the internal and external consultation channels, as well as the one-stop platform for consultation and reporting.

Harassment Incident Response Flow



Please refer to "Human Rights Due Diligence in the Supply Chain." **P. 103**

Group-wide initiatives to strengthen diversity

■ Group diversity promotion month

Since FY2022, we have designated a Group Diversity Promotion Month to deepen understanding and awareness of diversity, equity, and inclusion (DE&I), and to foster a workplace culture that encourages the confident and accessible use of various human resource systems.

To promote deeper understanding across our 360,000 Japan Post Group employees, we conduct annual workplace study sessions and comprehension assessments aligned with different themes. We also organize diversity seminars for managers, led by external experts.

	Fiscal 2022	Fiscal 2023	Fiscal 2024
Themes	<ul style="list-style-type: none"> Promote diversity Promoting childcare leave for male employees Balancing Work and Fertility Treatment Gender diversity 	<ul style="list-style-type: none"> Importance of diversity Promoting childcare leave for male employees Menopausal Health and Women's Well-being Gender diversity 	<ul style="list-style-type: none"> Importance of diversity Promoting long-term childcare leave for male employees Balancing Work and Nursing Care Gender diversity
Initiatives targeting all employees	<ul style="list-style-type: none"> Workplace study sessions To promote deeper understanding, each annual theme is explored through overviews, introductions to relevant internal systems, and case studies. Comprehension assessments (since FY2023) Following each study session, self-assessments are conducted to reinforce learning and ensure retention. Distribution of awareness posters and desktop wallpaper (since FY2023) 		
Initiatives targeting managers	<ul style="list-style-type: none"> Seminar for managers (since FY2023) To promote diversity and strengthen diversity management, we conduct online seminars for all managers, featuring guest speakers from outside the organization. Recent seminar topics include: <div style="background-color: #f0f0f0; padding: 5px;"> FY2023: Managing to Maximize the Potential of Employees Balancing Work and Life Events FY2024: What is diversity, equity, and inclusion (DE&I)? </div> Self-assessment of managerial understanding Conducted to reinforce learning and retention following workplace study sessions and seminars for managers. 		

■ Collaborative Seminars with Aflac*

In fiscal 2021, Aflac, Japan Post Holdings Co., Ltd., Japan Post Co., Ltd., and Japan Post Insurance Co., Ltd. agreed to further develop their Strategic Alliance Based on a Capital Relationship in order to realize the Co-creation Platform supporting customers and local communities.

As part of this initiative, Aflac and the four Japan Post Group companies have jointly conducted collaborative seminars to promote diversity. Each year, two themes are selected to promote understanding, and a variety of activities—such as seminars, panel discussions involving employees, and group work—are conducted.

In addition, we regularly hold discussions with diversity coordinators from the four Japan Post Group companies and labor union staff to share progress and continuously improve our initiatives.

* Aflac Incorporated (the U.S.-based holding company for the Aflac Group) and Aflac Life Insurance Japan Ltd.

Fiscal 2021 themes
<ul style="list-style-type: none"> Respect for gender diversity Childcare leave for male employees
Fiscal 2022 themes
<ul style="list-style-type: none"> Career development Balancing Work and Cancer Treatment
Fiscal 2023 themes
<ul style="list-style-type: none"> Respect for gender diversity Supporting Women's Career Development
Fiscal 2024 themes
<ul style="list-style-type: none"> Respect for gender diversity Balancing Work and Nursing Care

Sophistication of the Group Crisis Management Framework

In FY2024, we integrated our risk management and crisis management functions. Currently, we are implementing a three-pronged approach that adds crisis prevention and early detection of risk manifestations to the minimization of impact, so as to strengthen our organizational structure.

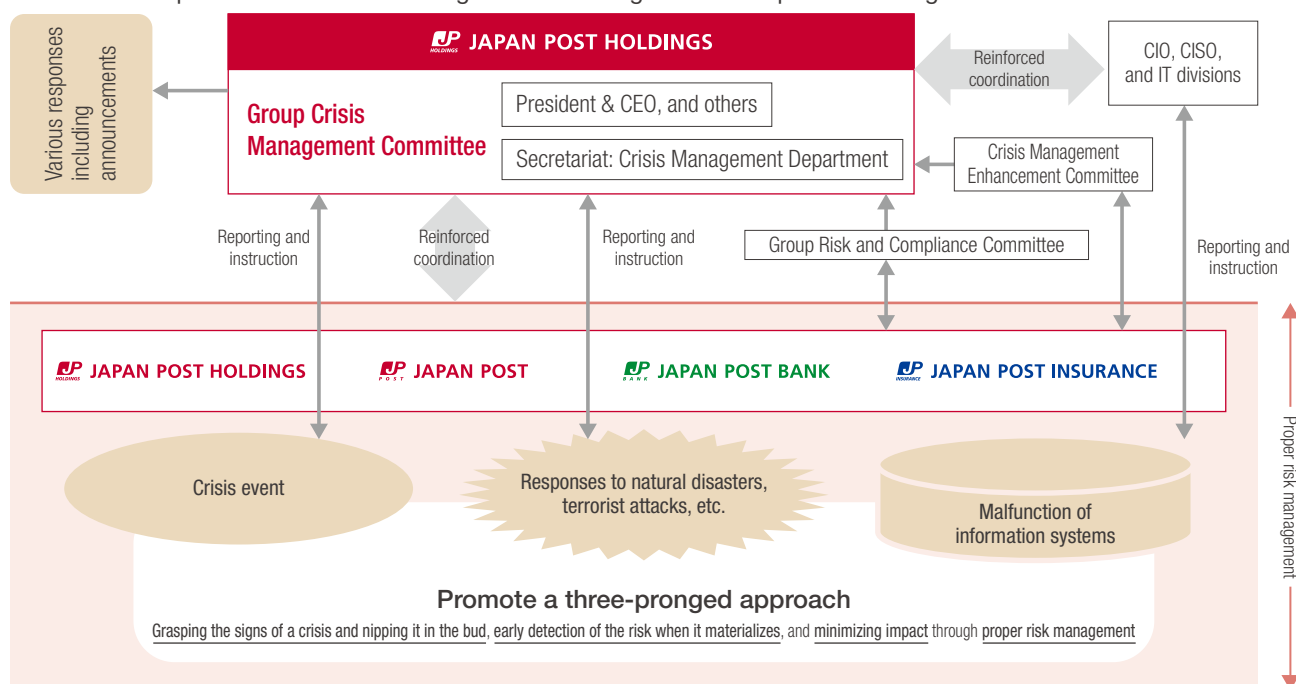
The specific initiatives include: (1) development of a response framework in the event that a major natural disaster occurs; (2) development of a framework to ascertain and report crisis events; (3) strengthened coordination with the chief information officer and chief information security officer; (4) enhanced sophistication of risk management; and (5) enhanced sophistication of crisis management, primarily through the Group Crisis Management Committee.

We aim to independently detect cases where there has been misconduct and there is the potential for risks. At the same time, we are promoting compliance, conducting risk management operations, and improving CS and ES, through the AI-driven analysis of customer and employee feedback gathered by the Japan Post Group.

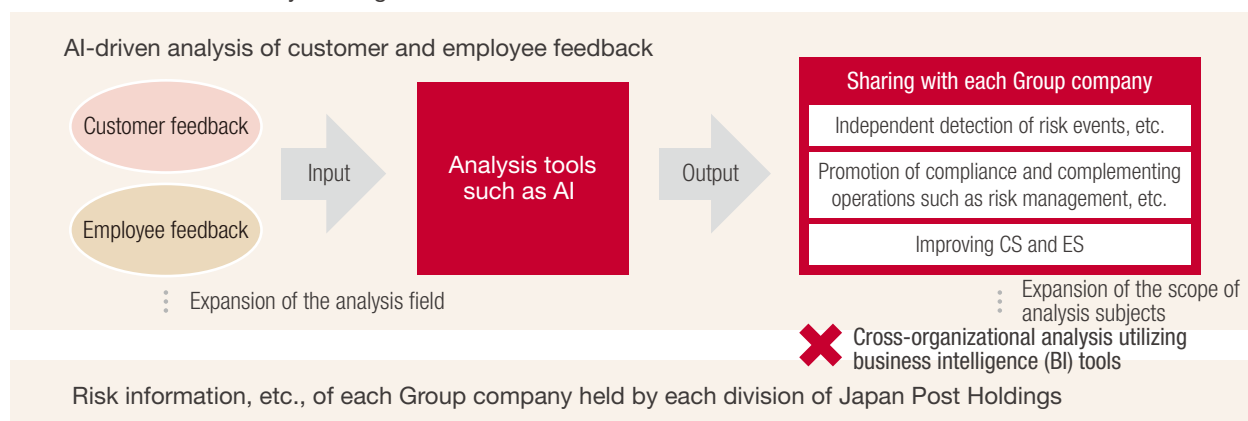
By reporting regularly to management and the various liaison committees, the results of these analyses will be used to improve operations and more at our subsidiaries.

We plan to analyze the positive feedback from our customers and share it within the Group as examples of good practice. The feedback will also be used to improve employee conduct. Furthermore, we will expand the scope of our analyses by studying customer inquiries, using them to enhance customer-oriented services. We also hope to expand our field of analysis beyond customer and employee feedback, thereby helping us improve management.

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



Visualization in real time by utilizing AI



Advanced Risk Management

As part of our risk management efforts, we are promoting a three-pronged approach to minimize the impact of risks, prevent crises, and identify any manifestations of risk. This we will do by strengthening our control of risks that could have a significant impact on the Japan Post Group's business. These risks include emerging (unknown) risks, such as those related to conduct. Furthermore, we will set up a system to prevent risks that could have a significant impact on the Group from materializing, and speed up reporting to management when risks do occur.

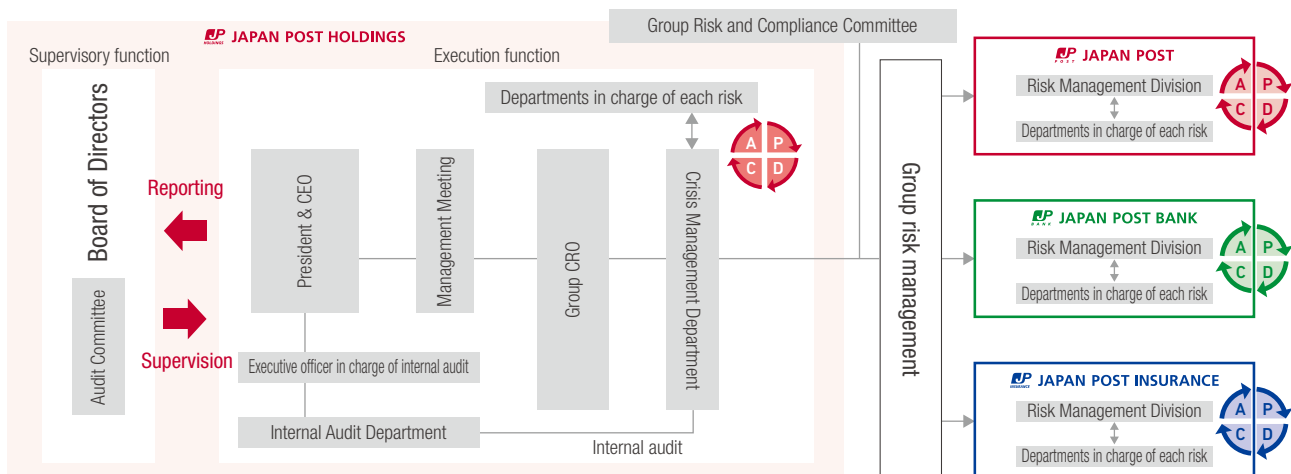
In addition, by integrating risk management and crisis management functions, a smooth transition to crisis management can be achieved whenever risks materialize.

To strengthen Group governance, Japan Post Holdings has appointed a Group chief risk officer from among its executive officers. This individual reports to, and is supervised by, directors and others regarding the Group's risk management and its initiatives. The Group Risk and Compliance Committee, which comprises executives in charge of risk management at each Group company, shares information and discusses risk management to improve the risk management of each Group company.

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

Through the implementation of the above initiatives, we will improve risk management and ensure the Group's sustainable and sound management.

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



Approach to risk by area of business

Financial business

(Japan Post Bank, 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 business

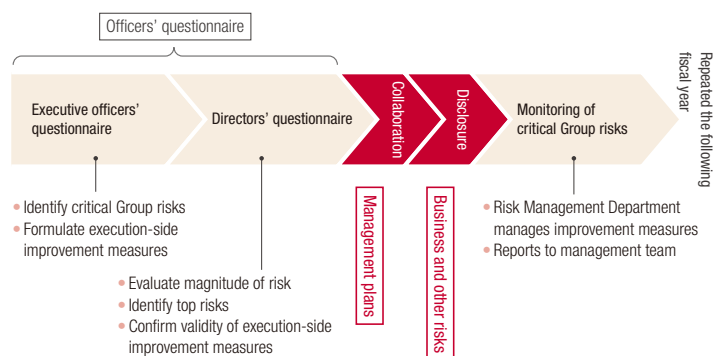
(Japan Post Holdings, Japan Post)

In the areas of postal and domestic logistics, real estate, and new businesses, we seek to secure new earnings. At the same time, we will consciously remain financially sound by making sure we take only appropriate risks and make sure they remain within the scope of defined capital projects, to the exclusion of financial and existing areas of business.

Management of critical risks

Every year, Japan Post Holdings reviews risks that may be critical, meaning they would have a significant impact on areas of the Group's business. Such impact would derive from factors including changes in the external environment and in business strategies.

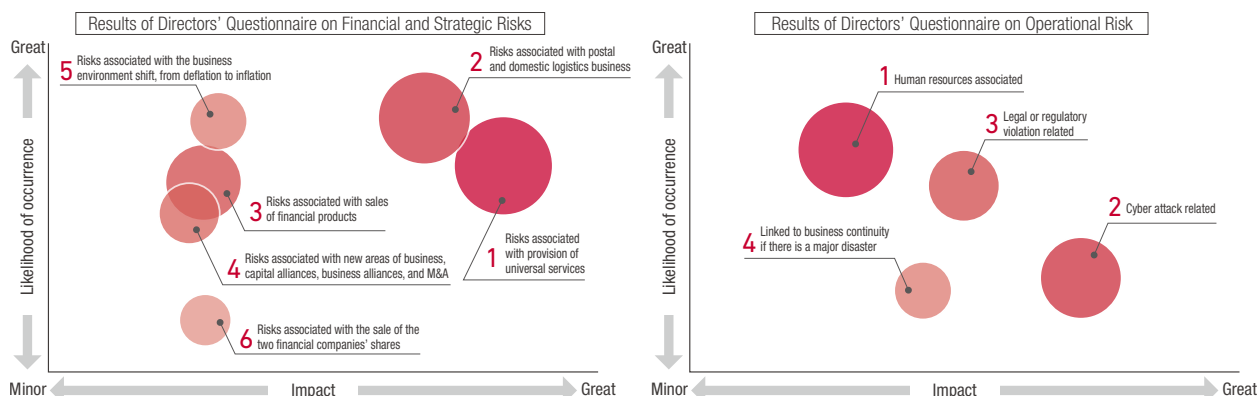
After identifying and evaluating specific risks, we formulate measures to prevent or remedy said risks. They are based on the results of the Executives Questionnaire, distributed to directors and executive officers. Based on the improvements indicated, the management team sets in motion the four-step, Plan-Do-Check-Act management cycle to ensure continuous improvement in the Group's processes and products.



Top risks*

Based on the Executives' questionnaire, Japan Post Holdings discloses risks that are considered to be of particularly high priority in terms of the likelihood of occurrence and impact on Group performance.

The risks, noted in the Business and Other Risks section of our securities report are described as top risks. In other words, they are considered risks to the Group's business and other activities that are of particular importance to management.



* Risks facing the Group are not limited to the above; please refer to our securities report for further details.
<https://www.japanpost.jp/ir/library/security/> (in Japanese only)

Note. The size of the circle indicates the magnitude of priority.

FY2025 Top Risks, Main Scenarios

	Top Risks	Main Scenarios
Financial and strategic risks		
1	Universal services	Despite efforts to improve profitability and operational efficiency, costs associated with maintaining universal services are rising, due to inflation and other changes in the business environment.
2	Postal and domestic logistics	A significant decrease in the Group's earnings has resulted from a decrease in mail volume. This follows advances in digitization; weakness in revenues from parcel-post and other areas, in the wake of intensified competition and the expansion of the e-commerce market. An additional cause is the failure of initiatives to strengthen the competitiveness of Japan Post.
3	Sales of financial products	Success has been lacking in the areas of insurance products and investment trusts handled by the Group, as well as for new-product development and sales activities focused on customer convenience. With sales performance slack, the Group's earnings have seen a significant decrease.
4	New business areas, capital alliances, business alliances, M&A	There has been a significant decrease in the Group's earnings due to its inability to grow in new areas of business and obtain benefits from capital and business alliances, and realize impairment losses related to investment businesses.
5	Business environment shifts from deflation to inflation	The Group operates numerous post offices and employs a large number of people. Related expenses rise when international conflicts cause a sudden increase in fuel prices, and the ongoing depreciation of the yen results in rising domestic prices.
6	Sale of Japan Post Bank, Japan Post Insurance shares	Customer attrition has become evident. This has resulted from such factors as losses from the sale of shares of the two financial companies; an inability to secure alternative revenue sources; and/or the difficulty in conducting integrated, Group-wide business operations following a declining equity stake in the subsidiaries. At the same time, there has been a weakening of brand power, causing a significant decrease in the Group's earnings.
Operational Risks		
1	Human resources	It can be hard to retain talented human resources in various business roles, as well as talent specializing in IT. Personnel and labor issues can render the Group unable to provide rewarding work, as human resources become adversely affected by losses or shortages, while personnel costs spiral ever higher. This may be compounded by a loss of competitiveness.
2	Cyber attacks (security vulnerabilities)	It is possible that attacks on Group systems or unauthorized use of services result in a broad, prolonged suspension of business. Yet, if customer service is inadequate, the Group's social credibility will be damaged.
3	Legal and regulatory violations	Compliance with laws and regulations, as well as preventive measures may be ineffective. This can result in legal and regulatory violations that affect the Group's business operations, damaging its social credibility.
4	Business continuity in the event of a major disaster	Wide-ranging natural disasters, epidemics, and other serious disruptions of the social infrastructure can result in damage to stores and other facilities. Such a situation would require that compensation be paid for customer losses, and lead to circumstances requiring significant amounts of time and financial outlays.

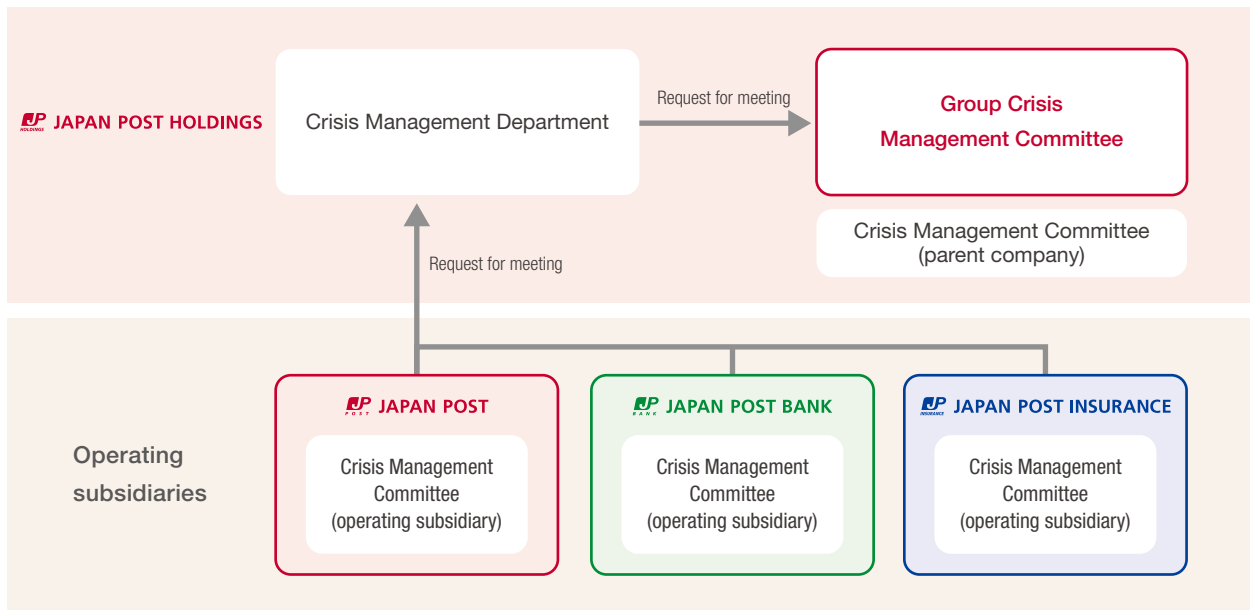
Japan Post Group Disaster Prevention

The Group is improving its crisis management framework so that it can better handle the risks posed by the ever more severe and frequent natural disasters.

Crisis Management Framework

In the event of a crisis that would be too much for any single company in the Group to handle on its own, our Group Crisis Management Committee would convene to respond.

Moreover, to improve the Group's crisis management framework, the Group Crisis Management Committee meets regularly in a bid to strengthen Group-wide cooperation. We also conduct Group disaster drills to verify our response framework.



Preparing for Regularly Occurring Disasters

Group training for major disasters

We have devised a business continuity plan (BCP), so that we might be ready should there be an increasingly likely, large-scale natural disaster. This could be, for example, an earthquake directly beneath Tokyo or along the Nankai Trough, the undersea geological feature off Japan's southwest coast. We also are conducting Group training sessions to verify our BCP-stipulated response framework, from initial to emergency responses.

Cooperation with non-Group companies

Drills with companies that have signed disaster prevention agreements

Drills with Lawson, Inc. for transportation of relief supplies (October 2024)

In a drill simulating an earthquake directly beneath the capital, Japan Post held training sessions explaining how to replenish food supplies and daily necessities were the stockpiles at the Group's operating bases to become depleted.

Drill with NTT Docomo, Inc. on installing mobile communication base stations (October 2024)

In a drill simulating an earthquake directly beneath the capital, NTT Docomo, in response to requests from local governments and other organizations, ran through the steps necessary to install mobile base stations at Japan Post's operational bases.



Joint drill on the transportation of relief supplies.



Joint drill to practice installing mobile communications base stations.

Newly signed agreements

In FY2024, we signed new disaster prevention agreements with three entities: the Japan Meteorological Agency, the Japan Housing Finance Agency, and the National Research Institute for Earth Science and Disaster Resilience.

We are working on a framework for sharing information in peacetime, and for cooperation in the event of a disaster.

Emergency Disaster Response Initiatives

In the event that a disaster occurs, the Japan Post Group will continue providing services to the extent possible. Based on its BCP, moreover, it will also implement emergency measures to support those affected.

Support for those affected by 2024 Noto Earthquake and rains

Postal services

Postal deliveries resumed

We resumed mail and parcel deliveries to homes and businesses, once delivery preparations had been completed. Our services continued to expand, reflecting road conditions and other factors.

Handling of mail and parcels

Soon, mail and parcels could be sent from, and received at, post office counters, ahead of the gradual resumption of normal services.

Financial services

Savings accounts

At the time of the earthquake, Japan Post Bank allowed individuals who could not find their passbooks, identification cards, or seals to withdraw a maximum of ¥200,000 from their regular savings accounts.

Insurance

We are paying insurance claims related to the insurance policies and postal life insurance policies of Japan Post Insurance.

Counter-related services

Mobile post offices

We continued to dispatch mobile post offices to affected areas for some time. They accepted mail and Yu-Pack parcels, and made possible ATM deposits and withdrawals.

Disaster relief efforts in FY2024

Emergency Measures Implemented under Disaster Relief Act

No.	Disaster Name	Emergency Measures Implemented in Accordance with the Disaster Relief Act	
		Duration	Number of Affected Areas
1	Disasters caused by heavy rains on July 9, 2024	7/11–8/3	1 prefecture, 1 city
2	Disasters caused by heavy rain and Typhoon No. 3 on July 25, 2024	7/26–8/26	2 prefectures, 12 cities, 4 towns, and 4 villages
3	Disaster caused by Typhoon No. 10 in 2024	8/29–9/30	7 prefectures, 14 cities, and 8 towns
4	Disasters caused by heavy rains on September 21, 2024	9/24–10/23	1 prefecture, 3 cities, and 3 towns
5	Disasters caused by heavy rains on November 8, 2024	11/11–12/10	1 prefecture, 1 town
6	Disasters caused by heavy snowfall on December 28, 2024	1/8–2/7	1 prefecture, 5 cities, 4 towns, and 1 village
7	Disasters caused by heavy snowfall on February 4, 2025	2/10–3/11	2 prefectures, 5 cities, 13 towns, and 5 villages
8	Major fire in Ofunato City, Iwate Prefecture in 2025	2/27–3/26	1 prefecture, 1 city
9	Forest fires that occurred on March 23, 2025	3/27–4/28	1 prefecture, 2 cities

Note. In addition to natural disasters, we also handled emergency responses to road collapses in Yashio City, Saitama Prefecture.

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.

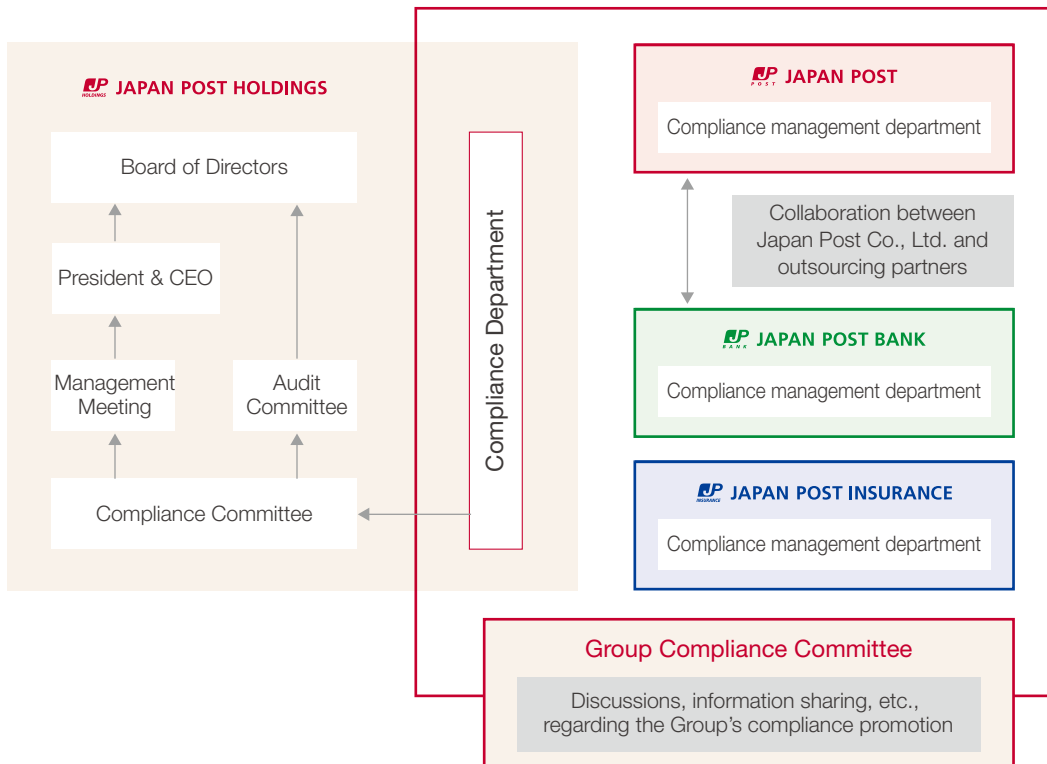
Japan Post Group compliance framework

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 and risks

Investigations are conducted promptly, mainly by the Compliance Department, when information concerning compliance violations or compliance risks is identified at any Group company. During such investigations, we clarify the facts and identify the root causes, so as to prevent a recurrence. We evaluate the compliance risks involved and take the necessary preventive measures. In this way, we display the organization's self-correcting function and ensure that business operations place the customer first.

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.

Based on the recognition that employee feedback is an asset, and that the employees who provide the feedback are of value, our internal reporting system maintains confidentiality while investigating individual cases prior to initiating corrective measures. The reporting system is used for the early detection of potential risks and to improve operations, procedures, and the working environment.

In addition, an appeals board—a fair and neutral third-party organization—reviews appeals regarding the handling of reports and consultations. It makes recommendations for improving practices, thereby ensuring the proper operation of internal reporting and other such systems.

Compliance and related initiatives

Group companies each formulate an annual compliance program, specifying priority compliance items to be promoted, and designating a department responsible for each item.

The Compliance Management Department oversees and integrates compliance-related activities.

Compliance manual and related training

Each Group company prepares and distributes compliance manuals and compliance handbooks for use in training executives and employees. It also conducts various compliance-related training activities, in order for there to be a better understanding of legal and other matters, and to raise awareness of compliance.

Curbing money laundering, terrorism support, and proliferation financing

The Japan Post Group has formulated and implements a Group policy to halt corruption by preventing money laundering, the financing of terrorism, and proliferation financing. This it does in line with international demands as a priority issue. The Group is, thus, strengthening its promotion framework through a risk-based approach.

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.

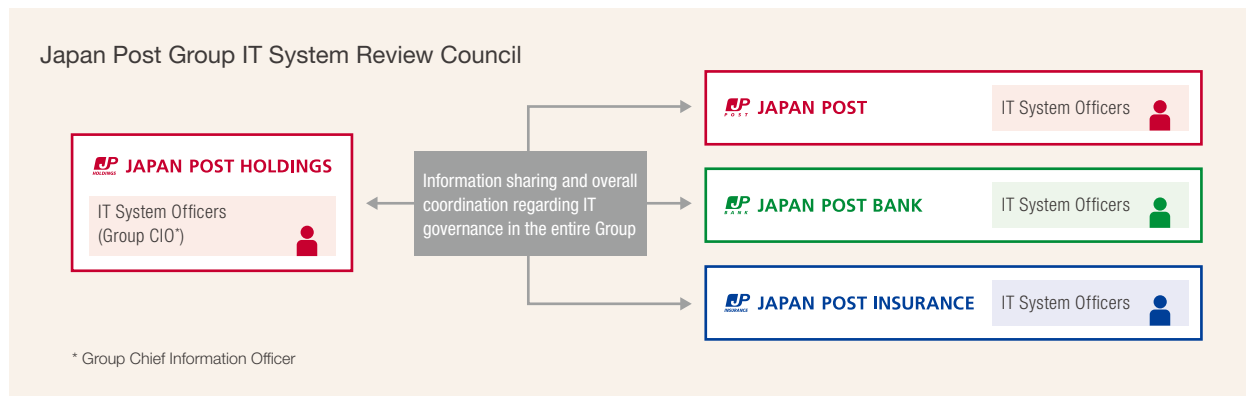
Based on these agreements, through the development and execution of an IT strategy, Group companies improve productivity, streamline management, minimize the risk arising from using IT, and ensure the soundness of Group management. In doing so, they realize the IT governance necessary to maximize corporate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

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

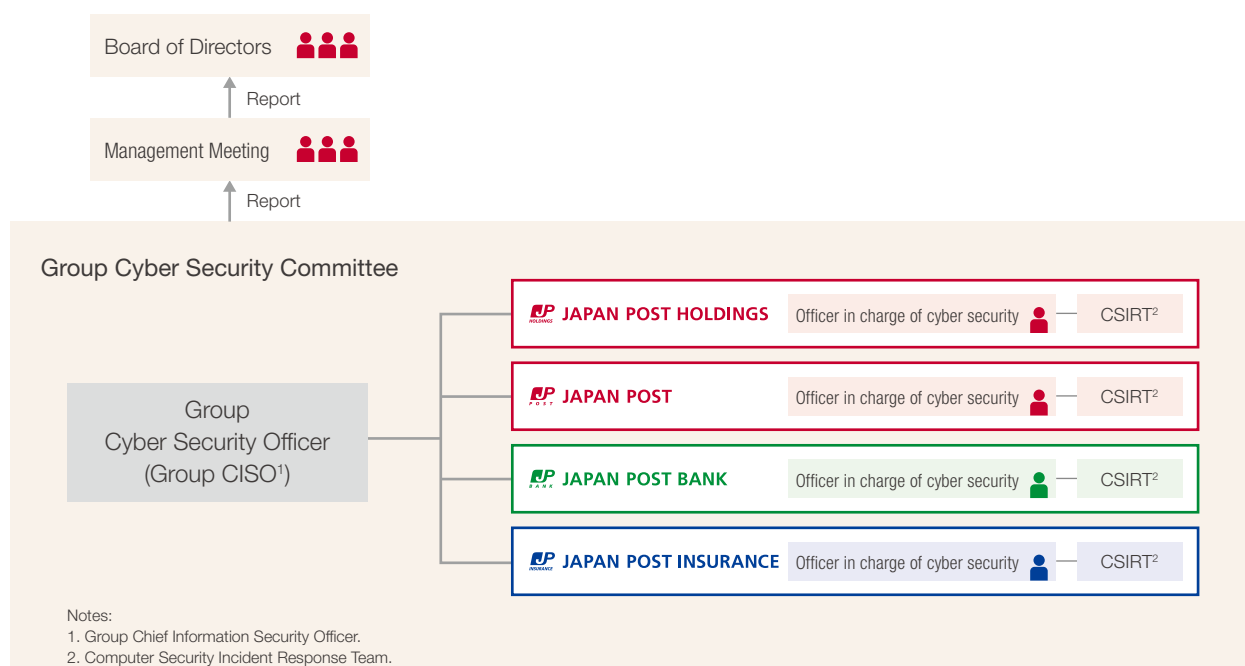
Under governance of the holding company Japan Post Holdings Co., Ltd., we have developed a cyber security management system for the Japan Post Group.

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. We are particularly focused on ascertaining the challenges identified by frontline employees at post offices and other such locations, as well as enhancing coordination among the Group's internal audit departments.

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, in addition to its own audit work, the Internal Audit Department of the holding company, Japan Post Holdings makes recommendations for improvement to the internal audit departments of Japan Post, Japan Post Bank, and Japan Post Insurance as necessary, and also conducts direct audits of those three companies.

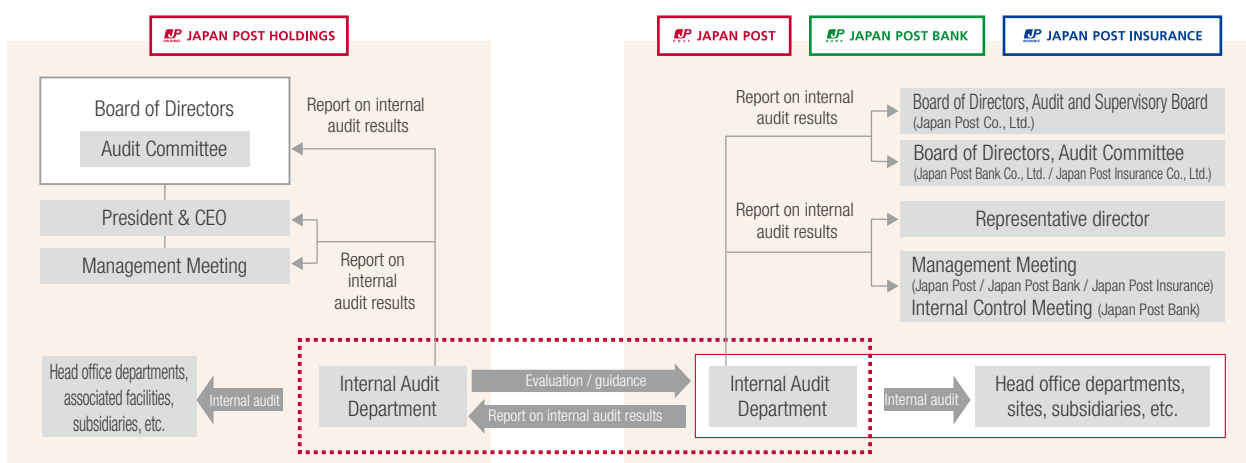
Internal audit activities that contribute to management

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. These results of this verification and the status of any subsequent improvements are compiled and reported to the Board of Directors, representative executive officers, Audit Committee, and Audit and Supervisory Board, among others, to ensure that business improvements are made at each company.

In addition to individual verifications, we also work to conduct effective and convincing internal audits by

attending various meetings, collecting internal management materials, and conducting interviews with individual departments to ascertain and deepen our understanding of individual operations and initiatives on a daily basis.

Furthermore, to ensure that the PDCA cycle for improving the quality of internal audits is functioning properly, the Audit Committee and Audit and Supervisory Board evaluate the development and operation of internal audit functions, and we work to make continuous improvements.



- 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