

A Look Back at Our Progress to Date and Key Points in the Formula

**IIZUKA Atsushi**

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Senior Executive Vice President,
Group COO, Group CFO,
Japan Post Holdings Co., Ltd.

Message from the Executive in Charge

As the social mission of the Japan Post Group, we will simultaneously ensure the sustainability of universal service, which serve as social infrastructure, and achieve growth in new business areas and other fields

For FY2025, ROE (based on shareholders' equity) was 4.5%, and consolidated net income attributable to Japan Post Holdings was ¥374.5 billion, thereby achieving the key financial targets set forth in the previous Medium-term Management Plan, JP Vision 2025+.

Under JP Plan 2028, our new Medium-term Management Plan announced in May of this year, we aim to achieve a ROE of 5% to over 7% and consolidated net income attributable to Japan Post Holdings of ¥500 billion to over ¥700 billion in FY2028. Capitalizing on the improved investment environment driven by rising domestic interest rates and other factors, we anticipate an increase in profits for the Group as a whole due to higher investment income at Japan Post Bank and Japan Post Insurance. On the other hand, while we believe that postal charge revisions are necessary to maintain universal postal service, assuming Japan Post achieves greater efficiency, we recognize that this cannot be achieved by our Company's efforts alone.

A Review of Previous Medium-term Management Plans

2021

2024

JP Vision 2025+**JP Vision 2025**

We have been working to implement measures aimed at restoring trust in and fostering new growth for the Japan Post Group.

Regarding our efforts to restore trust, over the past three years we have focused on thoroughly implementing customer-centric business operations and strengthening Group governance.

In light of recent rapid changes in the business environment and other factors, we have formulated JP Vision 2025+, a revised version of JP Vision 2025, to serve as a roadmap for overcoming the challenges facing the entire Group and achieving a transition to a growth phase.

Under JP Vision 2025+, we aim to become a co-creation platform that supports our customers and local communities, and we will vigorously promote the shift of resources toward growth areas to enhance and strengthen our core businesses. Furthermore, to respond to major changes in the economy and society such as population decline, shifts in lifestyles and work styles, and the rapid advancement of digitalization, we are vigorously promoting DX initiatives that enhance customer experience and employee convenience, while also embarking on efforts to transform the Group's workforce and organizational structure into more diverse ones.

	Target	FY2021	FY2022	FY2023	Target	FY2024	FY2025
Consolidated net income (billions of yen)	510.0	618.5	520.6	447.4	570.0	599.4	743.4
Consolidated net income attributable to Japan Post Holdings (billions of yen)	280.0	501.6	431.0	268.6 ²	360.0	370.5	374.5
ROE (based on shareholders' equity)	Approx. 4.0%	4.7%	4.4%	3.0% ²	4.0% or more	4.4%	4.5%

¹ ROE on a shareholders' equity basis not affected by net unrealized gains (losses) on available-for-sale securities, taking into consideration our banking business characteristics. Calculated by dividing consolidated net income attributable to Japan Post Holdings by the average shareholders' equity during the period (excluding non-controlling interests and net unrealized gains (losses) on available-for-sale securities from net assets) and rounding to the first decimal place.

tion of the JP Plan 2028

Therefore, we have set a management target with a range: ¥500 billion if revisions are not implemented, and ¥700 billion if they are implemented in FY2027. Furthermore, we will strive to strengthen shareholder returns by implementing progressive dividends starting at ¥60 based on business performance and aiming for a cumulative total shareholder return ratio of 50% or more over the three years of the Medium-term Management Plan period.

In response to calls from investors and the market for greater managerial transparency and disclosure of the potential value of held assets, JP Plan 2028 featured proactive disclosures, including cash allocation, ROA by segment, a consolidated balance sheet excluding the two financial subsidiaries, and the status of held assets. For example, regarding cash allocation, we utilized operating cash flow and dividends received from the two financial subsidiaries, while also implementing balance sheet controls, to indicate that we would allocate ¥1.2 trillion for investments, including strategic investments such as M&A, and ¥650 billion to ¥800 billion for shareholder returns,

depending on whether postal charge revisions are implemented. Furthermore, to improve capital efficiency, we promoted management based on ROA and introduced ROA targets for the real estate and international logistics segments. Additionally, the Company's land holdings have a book value of approximately ¥1.4 trillion; the Company classified these into categories for business use, rental use, and properties under development or under consideration for development to realize their development potential, and disclosed the book values and fair values of real estate in operation, as well as a more detailed list than ever before of properties under development or under consideration for development.

Going forward, we will continue to enhance corporate value by further advancing our key strategies and improving capital efficiency.

Major achievements and progress

Postal and domestic logistics	• Tonami Holdings Co., Ltd. was made a wholly owned subsidiary through a tender offer, toward the realization of our co-creation platform • Entered a capital and business alliance agreement with LOGISTEED Holdings, Ltd. and LOGISTEED, Ltd. • Mainly due to the change in the acceptance plan for Kuroneko Yu-Packet and the unperformed roll calls incident, the expansion of parcel income to fall short of the target • Started digital address service
Post office	• Initiated suspension of counter services during daytime hours and flexibly reassigned employees according to regional conditions • Established a training system for counter sales personnel • Strengthened collaboration with municipalities by handling administrative work for local governments, such as the issuance of public certificates, at approximately 5,000 offices • Introduced the Kampo Digital Procedure System, which enables paperless processing of maintenance, payments, etc. for Japan Post Insurance products
International logistics	• Secured new large-scale contracts in the government and defense sectors
Banking business	• Simultaneously shifted to investment in Japanese government bonds and improved the quality of risk assets, etc. • The number of users of the Yucho Bankbook App exceeded 16 million accounts, growing to the largest scale among Japanese banks
Life insurance business	• Made progress in preparing foundations for growth through means such as introducing new products and strengthening the recruitment of sales employees • Sales performance, improvements in customer satisfaction and NPS² are still underway
Real estate business	• Accumulated revenue through the completion and operation of large-scale development properties such as JP Tower Osaka utilizing Group-owned real estate and the development promotion of rental and for-sale housing business on former company housing sites, etc. • Expanded revenue sources through investment and business participation outside the Group, such as the Landmark Nagoya Sakae and Osaka Sakurajima Resort Project
Group governance	• In 2024, an issue concerning the inappropriate use of private financial information was discovered, and in 2025 an unperformed roll calls incident was discovered • The eradication of inappropriate incidents has been positioned as the most important issue for the Group, and recurrence prevention measures are being implemented
Group DX	• Initiatives such as Yu ID, Yu-Yu Point program, and the Group customer management platform were implemented as Group-wide DX measures • Steady progress was made in preparing foundations, including the deployment of generative AI and training programs
Disposal of subsidiaries' shares	• The disposal of shares in Japan Post Bank and Japan Post Insurance was executed in light of the purpose of the Postal Service Privatization Act - Japan Post Bank shares Holding ratio: 89.0% → 49.9% - Japan Post Insurance shares Holding ratio: 64.5% → 49.8%

2026-

New Medium-term Management Plan

JP Plan 2028

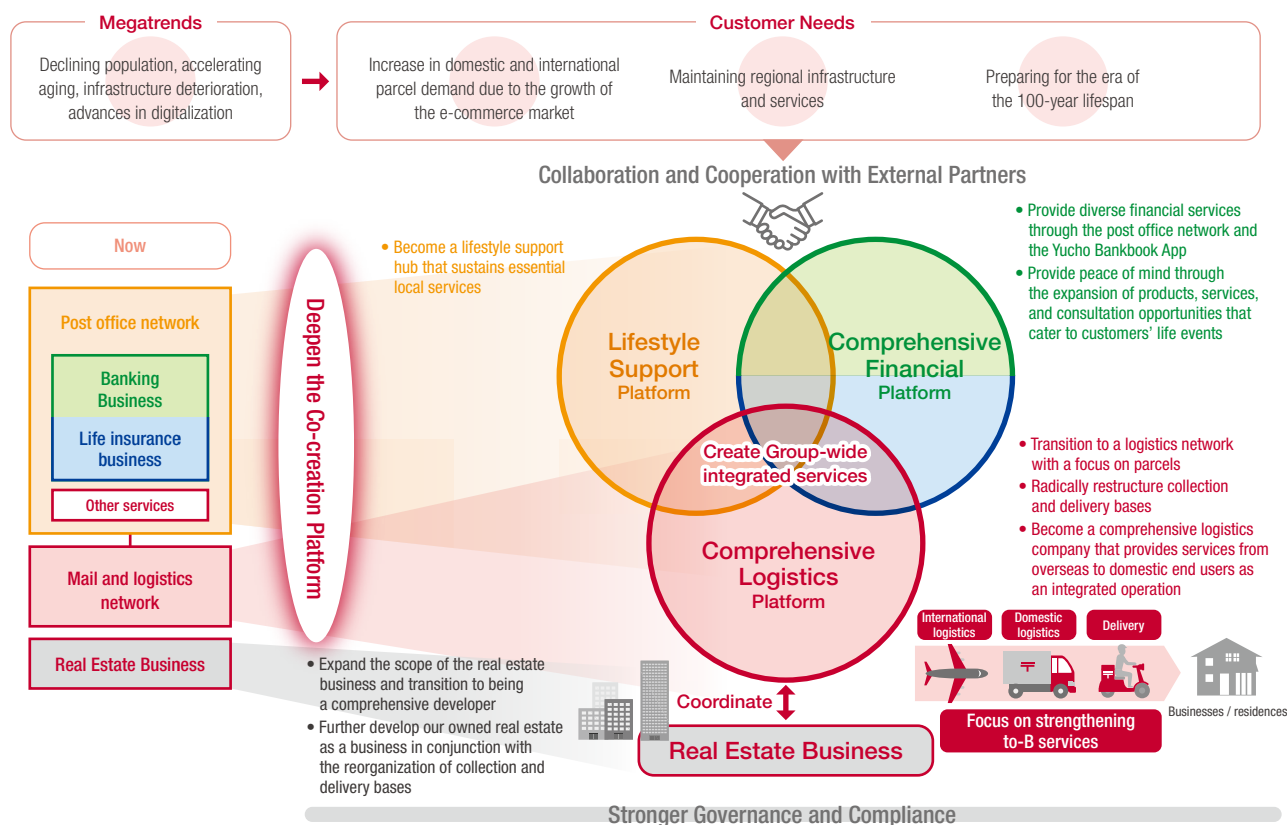
2 The decrease in the shareholding ratio of Japan Post Bank shares (from approx. 89% to approx. 60%) has led to lower consolidated profits compared with the previous year and a decline in ROE.

3 NPS[®] is an abbreviation for Net Promoter Score and a registered trademark of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc.

Overview of the New Medium-term Management Plan, JP Plan 2028

Japan Post Group's long-term vision

Given long-term environmental changes (megatrends), in addition to dividing our co-creation platform into three functions and deepening them, we aim to create greater appeal and value as the Japan Post Group than ever before by providing Group-wide services combining the real estate business and these three platforms.



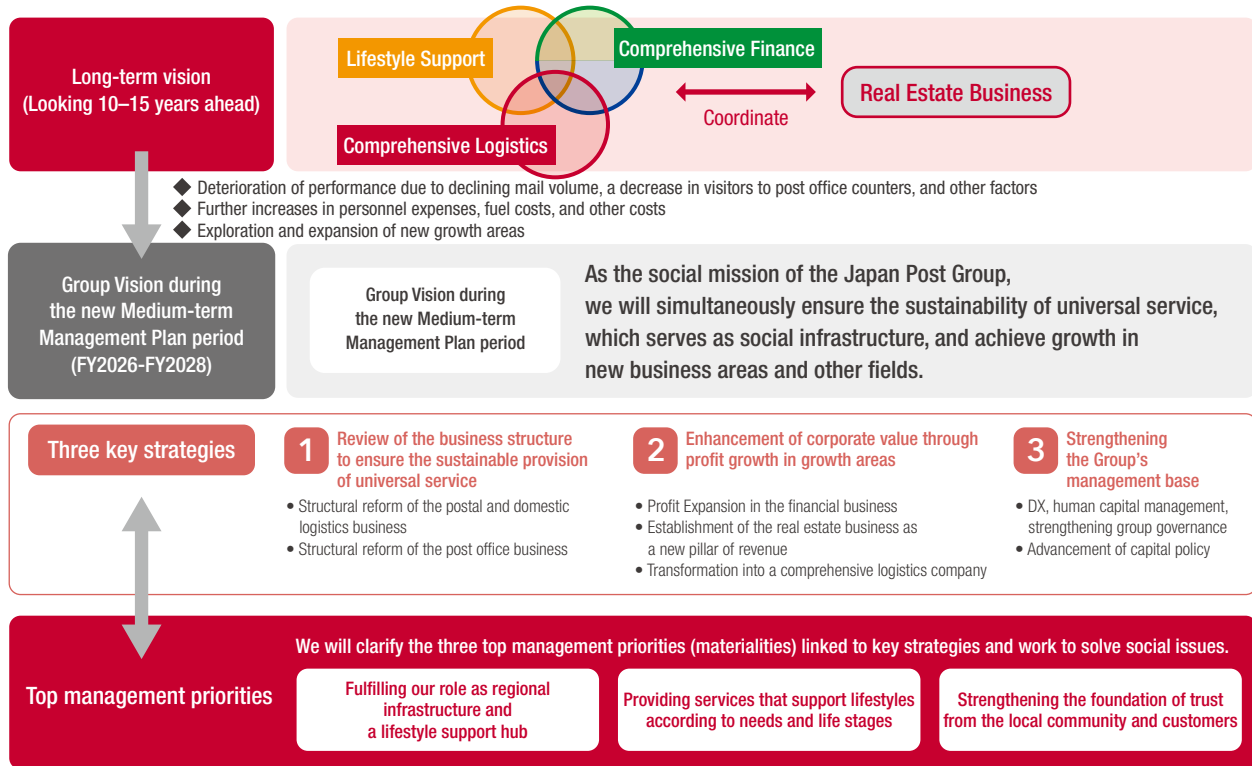
Management goals (FY2028)¹

We aim for ROE (based on shareholders' equity) exceeding 7% if postal charge revisions are implemented. We aim for a cumulative total shareholder return ratio of 50% or more over the three years of the Medium-term Management Plan period, thereby strengthening shareholder returns.

Financial targets			
ROE (based on shareholders' equity) 5% to more than 7% ^{2,3}	Net income attributable to Japan Post Holdings ¥500.0 billion² to more than ¥700.0 billion	Cumulative total shareholder return ratio 50% or more over the three years	Lower limit of dividend per share ¥60 Introduce a progressive dividend policy
Targets by segment			
Postal and domestic logistics business Net operating income: ¥173.0 billion to ¥23.0 billion²	Banking business (Japan Post Bank) Net income: more than ¥1,000.0 billion ROE (based on shareholders' equity): Approx 10%		
Post office business Net operating income: ¥2.0 billion	Life insurance business⁵ (Japan Post Insurance) Adjusted profit: ¥190.0 billion Adjusted ROE: Approx 10%		
International logistics business Net operating income: ¥16.0 billion ROA: 3.5%	Reference: Japan Post (consolidated) Net income: ¥161.0 billion to ¥37.0 billion²		
Real estate business⁴ Business income: ¥28.0 billion ROA: 2.6%			

The positioning and key strategies of the new Medium-term Management Plan JP Plan 2028

Given the current situation in which the postal service and post office network, which is the foundation supporting our three platforms, face challenges in providing sustainable universal service due to a significant decline in mail volume and fewer visitors to post office counters, the vision of this new Medium-term Management Plan as the first step toward our desired state is to simultaneously ensure the sustainability of universal service, and aim to achieve growth in new business areas and other fields.



Non-financial targets			
■ Support childcare for a balance with work Childcare leave acquisition rate for both men and women: 100% Average days of childcare leave acquired by men: 1 month or more	■ Employee engagement score Group-wide targets B⁶	■ Ratio of women in management positions (entire company⁷, as of April 1, 2031) ■ Japan Post Holdings/ Japan Post 14.0% ■ Japan Post Bank 25.0% ■ Japan Post Insurance 16.5%	■ Greenhouse gas (GHG) emissions Reduce 46% by FY2030 (compared to FY2019) Become carbon neutral by FY2050

1 The interest rate, exchange rate, and stock price assumptions for the targets are based on the situation as of March 31, 2026 for the banking and insurance businesses and as of December 31, 2025 for the other businesses.

2 Targets are set within a certain range that includes the case where a postal charge revision is not implemented in FY2027; even in that case, we will aim to improve our profit level through further cost reductions and other measures.

3 The figure is represented by ROE on a shareholders' equity basis not affected by net unrealized gains (losses) on available-for-sale securities, taking into consideration our banking business characteristics. Calculated on the assumption of a 49.9% stake in Japan Post Bank and a 49.8% stake in Japan Post Insurance. Calculated by dividing net income attributable to Japan Post Holdings by the average shareholders' equity during the period (excluding non-controlling interests and net unrealized gains (losses) on available-for-sale securities from net assets) and rounding to the first decimal place.

4 The definition in the real estate business is as follows. Business income: Net operating income + equity in earnings or losses of affiliates + gain or loss on sale of tangible fixed assets; ROA: Business income / (total assets averaged between the beginning and end of the fiscal year (excluding those equivalent to cash and deposits))

5 In life insurance business, considering characteristics of a life insurance company whose net income may be adversely affected in a short term by business recovery, an adjusted ROE and an adjusted profit are presented after partially adjusting such negative impacts.

6 Score based on survey results provided by Link and Motivation, Inc. Out of all 11 levels, B represents the 6th level evaluation from the top.

7 While the previous Medium-term Management Plan, JP Vision 2025+, applied only to the headquarters of the Group's four major companies, the new Medium-term Management Plan, JP Plan 2028, applies to the entire Company. Note that for Japan Post Holdings and Japan Post, the metrics are set based on the combined figures for both companies.

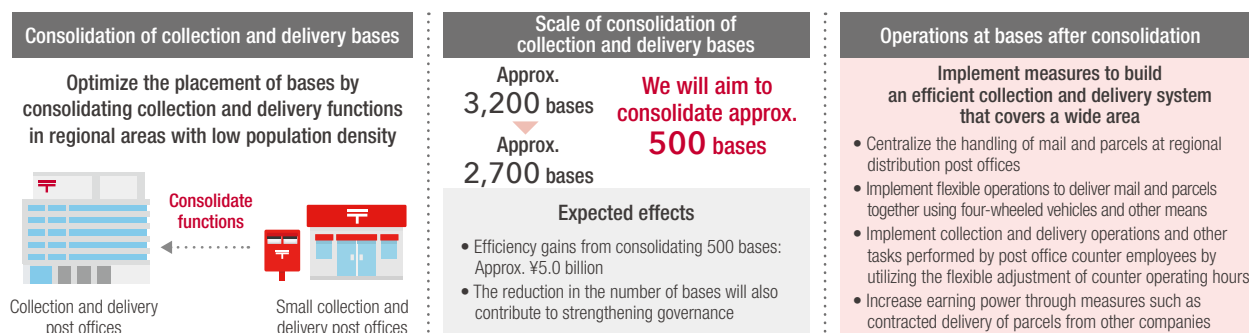
Key Strategies Under the New Medium-term Management Plan, JP

Review of the Business Structure to Ensure the Sustainable Provision of Universal Service

Structural reform of the postal and domestic logistics business

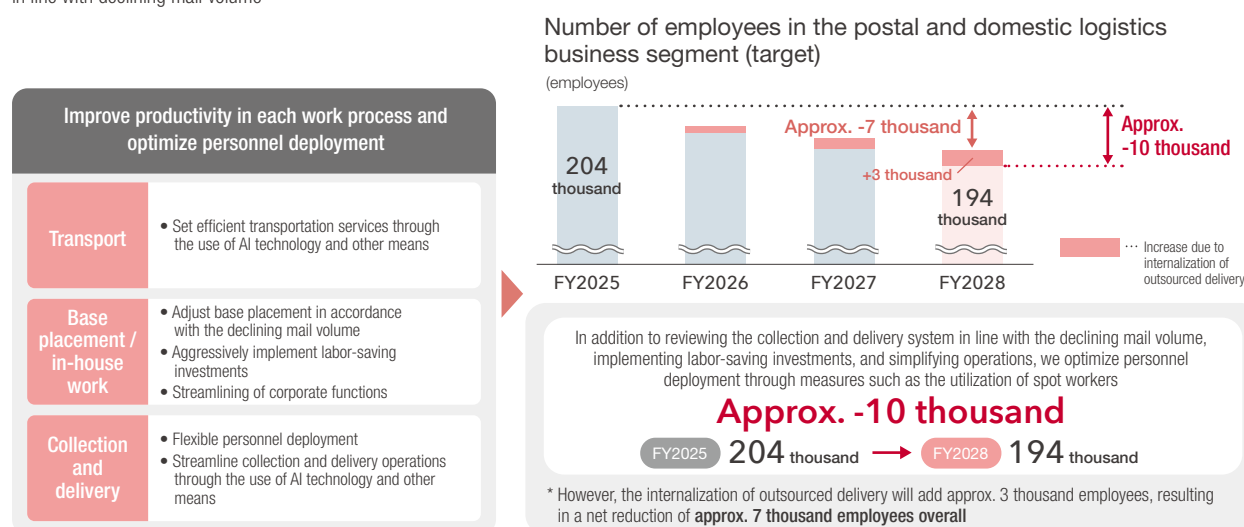
(1) Streamline operations through consolidation of collection and delivery bases

We will streamline operations by consolidating bases and other measures to establish a sustainable collection and delivery system in the face of declining mail volume. Additionally, we aim to expand revenues by converting some post offices in urban areas to real estate development and other uses.



(2) Optimize deployment of personnel by improving productivity

We will strategically optimize the deployment of personnel by improving productivity and upgrading personnel management, while assuming a reduction in personnel in line with declining mail volume



(3) Review of postal services to ensure their sustainable provision in the future

The mail volume is declining at an accelerated pace due to advances in digitalization and other factors, which realizes challenges in providing sustainable universal service in postal business. To ensure the sustainable provision of postal services, which is the Group's mission, we will improve profitability through improvements in productivity, thorough cost reduction, and initiatives to increase revenues. Postal services are an essential foundation for the socio-economy, and the sustainable provision of these services is the mission of the Group. As such, we aim to improve profit and loss through initiatives such as productivity improvements that leverage digital technologies, etc., thorough cost reductions through personnel management, etc., and expansion of revenues. On this basis, we will consider reviewing various postal service fees mainly in light of user needs and costs, and request a review of service levels currently required by law, with the aim of achieving a stable balance between revenues and expenditures.

In addition, we will implement a review of business segments to enhance management in accordance with the business characteristics of the postal and parcel businesses.



To ensure the sustainable provision of postal services, we will promote initiatives of thorough cost reductions and expansion of revenues. We will then consider reviewing various postal service fees mainly in light of needs and costs and request a review of service levels.

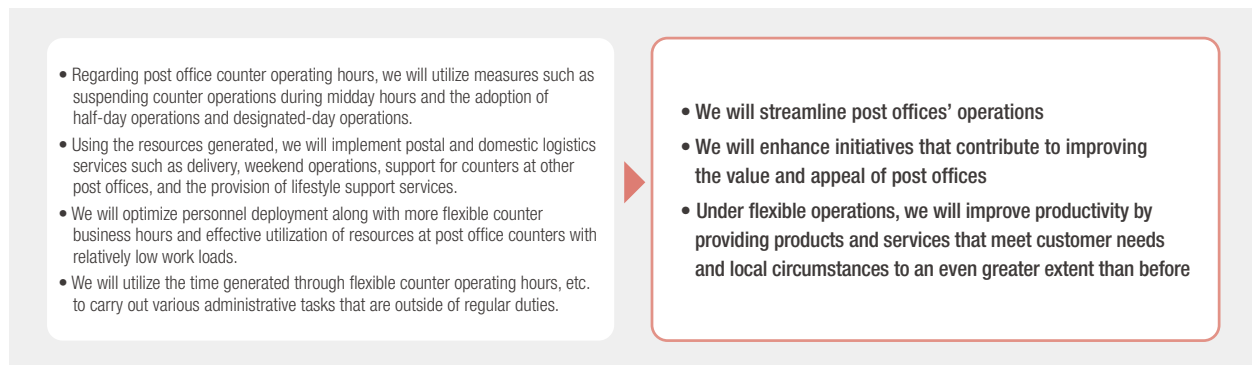
Plan 2028

Structural reform of post office business

(1) Establishment of a flexible operation system through flexible counter operating hours

Even as local circumstances are becoming more diverse due to population decline and depopulation, and the number of post office counter staff is expected to decrease due to the decline in the working-age population, we will improve productivity by establishing flexible operations adapted to local circumstances through measures such as flexible adjustment of counter operating hours. We will also implement the optimization of personnel deployment, as well as optimal placement of post offices and other measures to solve issues such as declining demand and aging post office buildings.

Establishment of flexible operations adapted to local circumstances (Flexible counter operating hours, etc.)



Number of offices implemented flexible counter operating hours

Expand gradually according to local circumstances

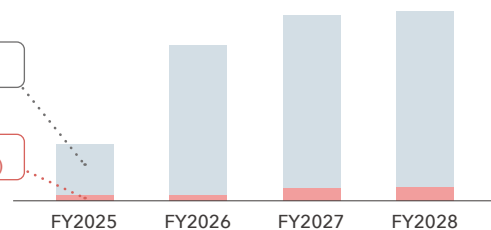
- | | |
|----------------------------------|--|
| Noon service suspension | We aim to implement these measures at approx. 10,000 post offices. |
| Half-day operations, etc. | We aim to implement these measures at approx. 150 post offices. |

Noon service suspension

Implemented at approx. 2,400 post offices, including trials

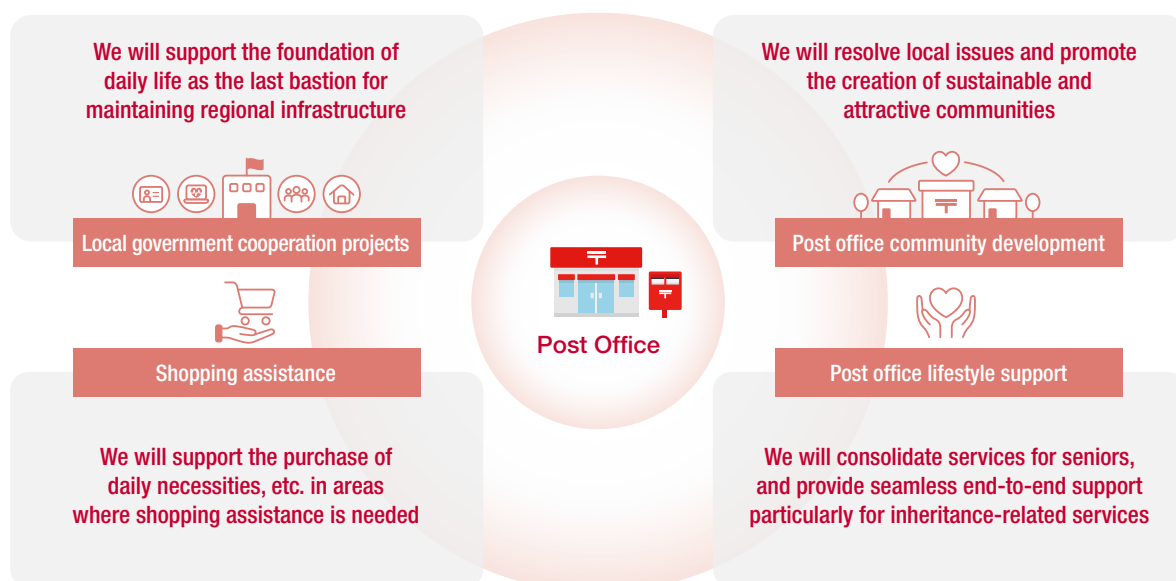
Half-day operations, etc.

Trial implementation at 2 locations (total of 4 post offices)



(2) Development of lifestyle support services

We will fulfill our role as a lifestyle support hub for local communities by providing local infrastructure maintenance functions that meet local needs and services that support customers' lifestyles according to their needs and life stages.

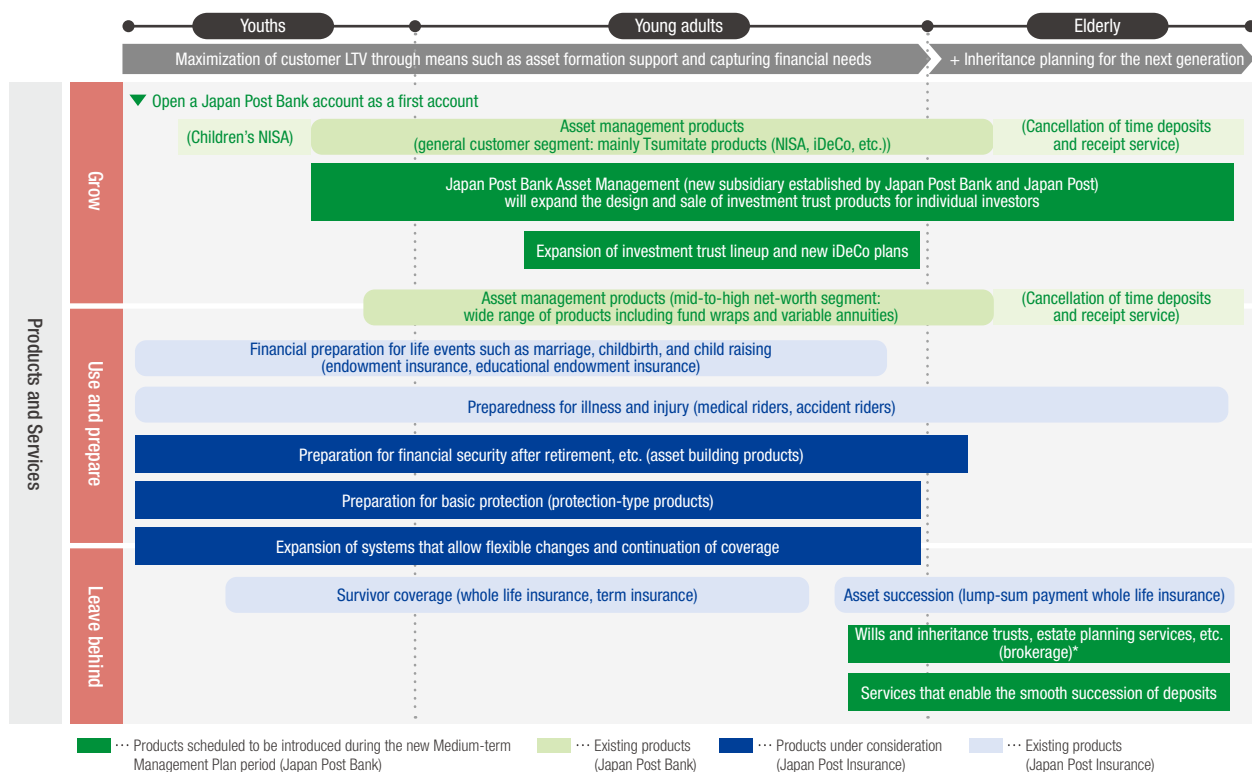


Enhancement of Corporate Value through Profit Growth in Growth Areas

Profit expansion in the financial business

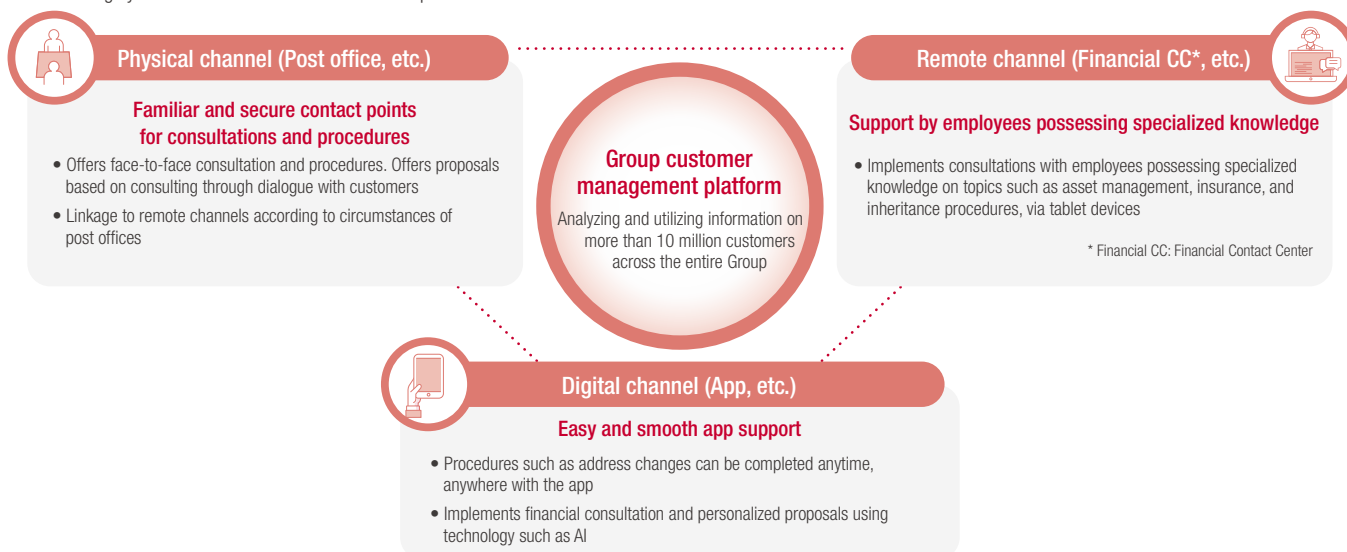
(1) Enhancement of products and services to address needs

By expanding the product lineup for young to middle-aged and elderly customers, we will support the needs of customers across a wide range of generations.



(2) Enhancement of points of contact for customers

We will enhance points of contact for customers through the synergies from physical, digital, and remote approaches, by utilizing digital channels such as apps and remote channels that enable consultations with employees who possess specialized knowledge, in addition to the physical channels that are a strength of the Group. From May 15, 2026, we will also resume inviting customers to visit post offices to provide information on financial products and handle related procedures, and thoroughly ensure customer-oriented business operations.

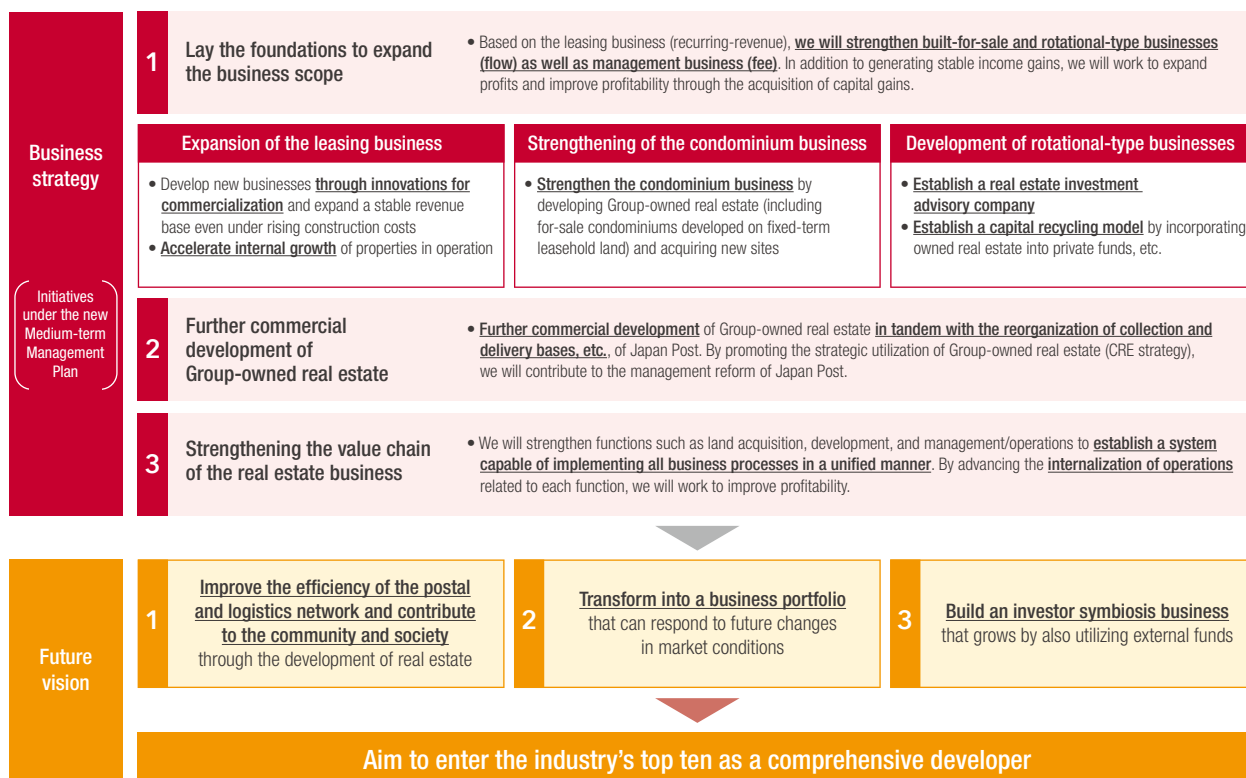


While expanding diverse points of contact with customers and service opportunities through the collaboration of each channel, we will realize more finely tuned service provision by utilizing customer information through inter-channel collaboration

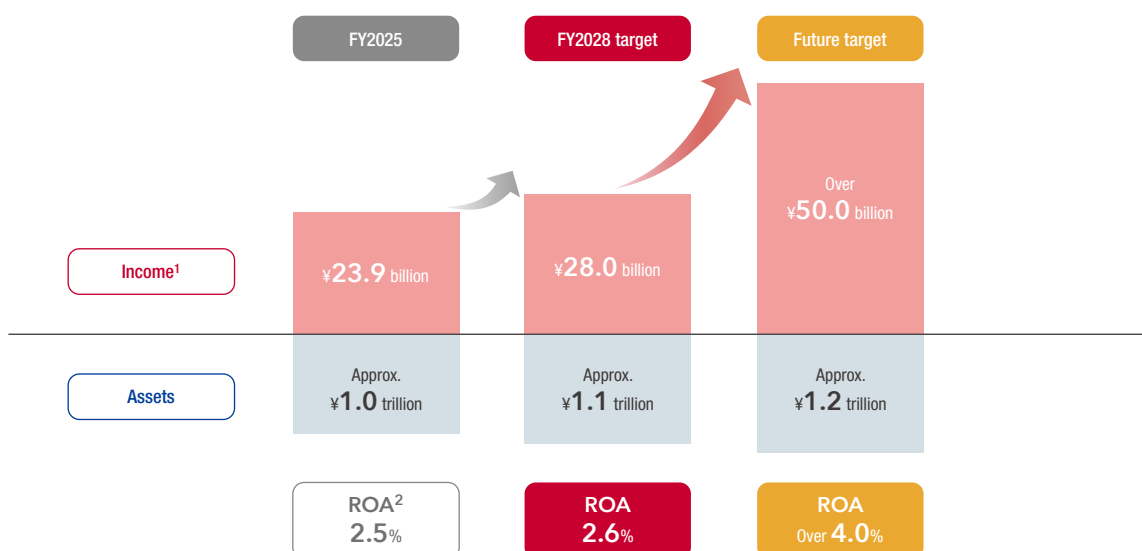
Establishment of the real estate business as a new pillar of revenue

(1) Future vision and business strategies in the Medium-term Management Plan

Based on the leasing business, we will expand our business scope to include built-for-sale and rotational-type businesses. In the future, we will aim to enter the industry's top ten as a comprehensive developer. We will lay the foundations to expand the business scope, work to further commercially develop Group-owned real estate, and strengthen the value chain of the real estate business.



(2) Real estate business performance



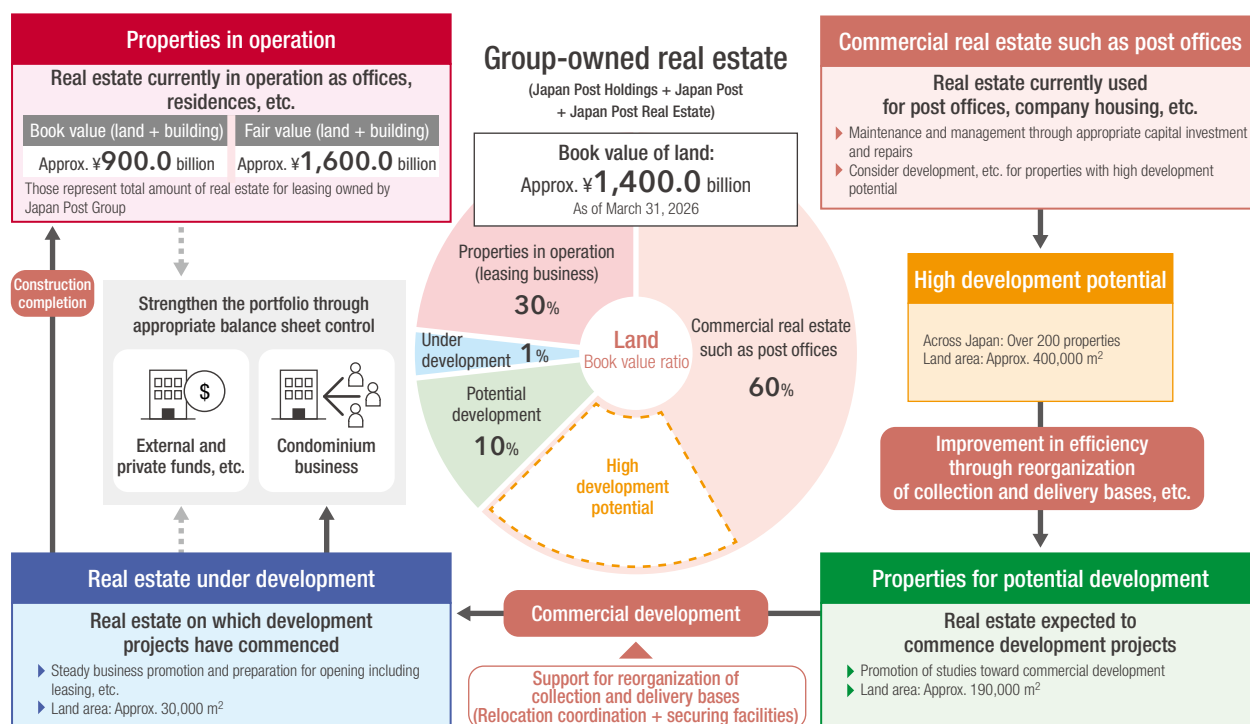
¹ Adopted net operating income until FY2025 and business interests on and after FY2026

Business income: Net operating income + equity in earnings or losses of affiliates + gain or loss on sale of tangible fixed assets

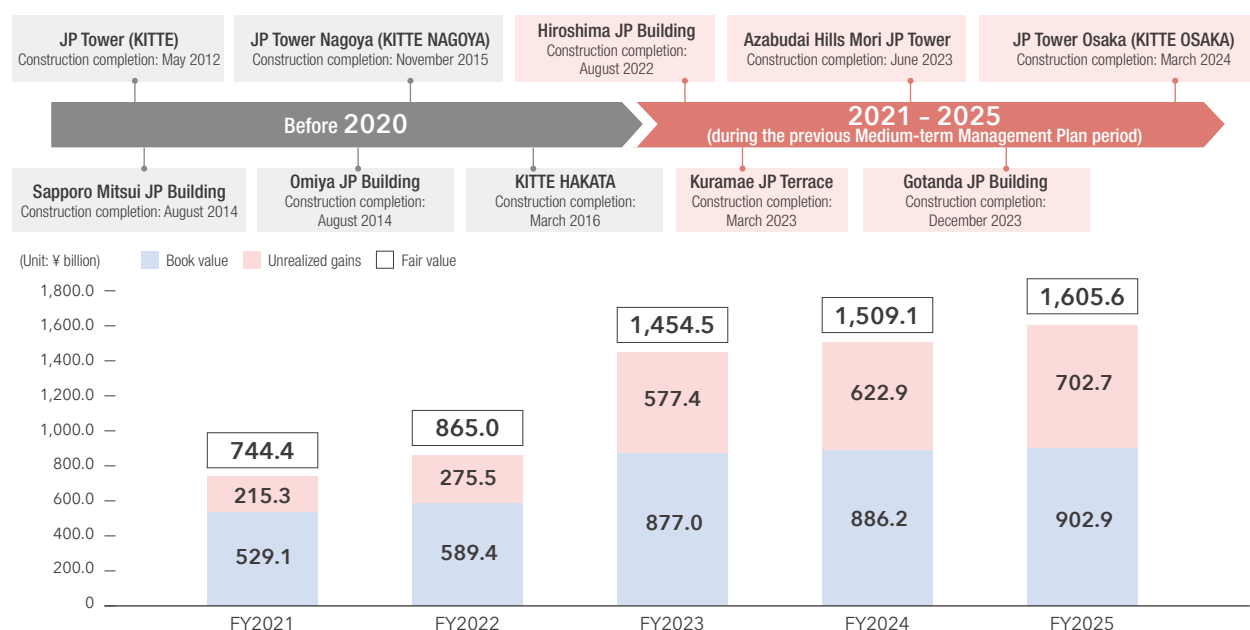
² ROA: Business income / Average between the beginning and the end of the fiscal year of total assets (excluding those equivalent to cash and deposits)

(3) Further commercial development of Group-owned real estate (promotion of CRE strategy)

We will strongly promote the commercial development of the Group-owned real estate (post offices, company housing, etc.) to realize its potential.



(4) Fair value of real estate for rental business owned by Japan Post Group



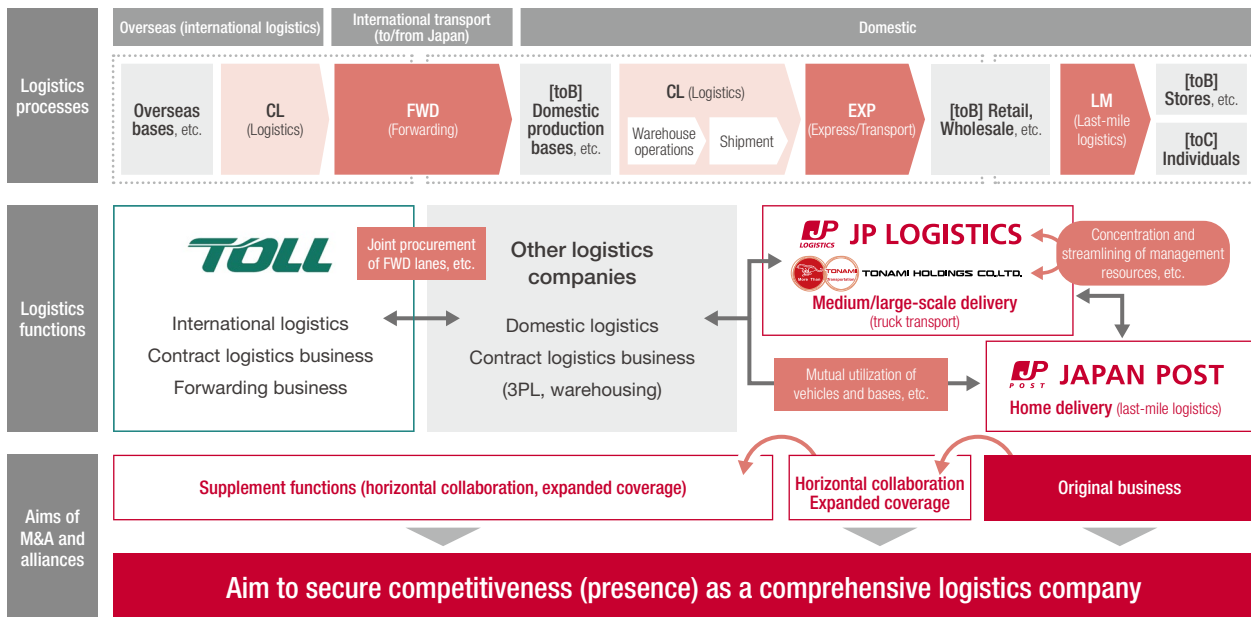
Major acquisitions and development properties

FY2021	FY2022	FY2023	FY2024	FY2025
- JP noie Waseda - JP noie Koishikawa Tomisaka - Sonare Hamadayama	- Hiroshima JP Building - Kuramae JP Terrace - JP noie Kameido	- JP Tower Osaka (KITTE Osaka) - Azabudai Hills Mori JP Tower - Gotanda JP Building	- JP noie Todoroki - JP noie Yokohama Hiranuma - Wellcare Garden Bajikouen	- JP noie Nishikamata - JP noie Tenjin-minami - Uemachidai Ryuzoji

Transformation into a comprehensive logistics company

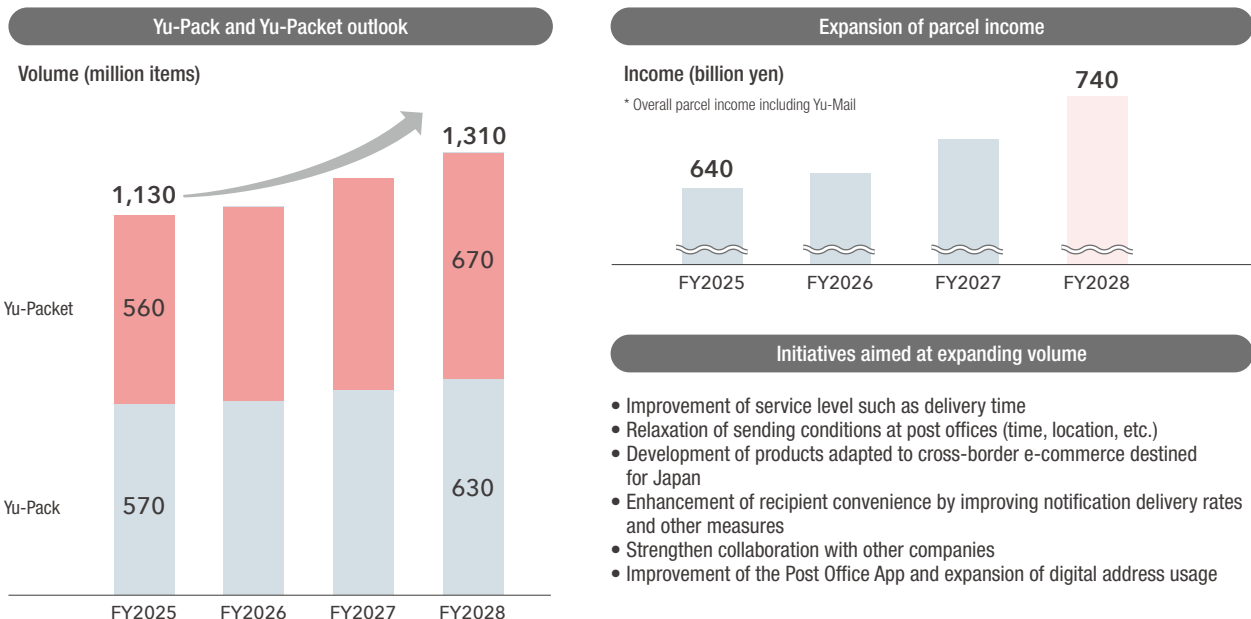
(1) Strengthening B-to-B logistics in Japan and overseas

In addition to last-mile delivery, we are strengthening B-to-B logistics in Japan and overseas. We aim to become a comprehensive logistics company capable of operating all aspects of international and domestic logistics (contract logistics business, truck delivery, and home delivery) as an integrated operation, and we provide highly convenient logistics services that respond to every customer's needs by adding B-to-B logistics in Japan and overseas to last-mile delivery. We will utilize M&A (e.g., Tonami Holdings Co., Ltd.) and capital and business alliances (e.g., LOGISTEED Holdings, Ltd.) as ways to accomplish this. We will promote the mutual utilization of vehicles and bases, as well as the concentration and streamlining of management resources.



(2) Expansion of revenues from Yu-Pack, Yu-Packet

Although overall growth in Japan's parcel delivery market is expected to remain limited, we will expand parcel income by establishing a flexible pricing system aimed at increasing convenience in sending/receiving of parcels and enhancing customer value while simultaneously pursuing a volume strategy centered on customer needs.



Strengthening the Group Management Base

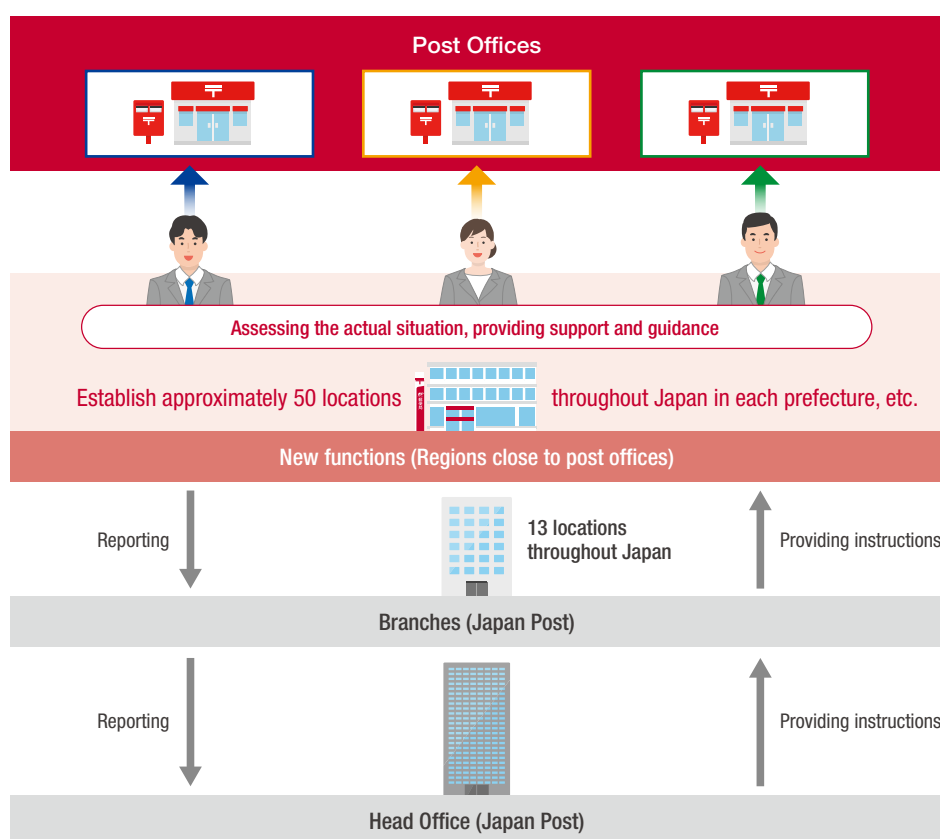
Strengthening governance structure

We will fundamentally strengthen governance by establishing a new organization that accurately understands the actual situation at each post office and provides support for the permeation of legal and regulatory rules while working closely with each post office. We will build an environment where customers can use post offices with confidence and peace of mind through the permeation of this structural reform and recurrence prevention measures. In the new organization, personnel will be assigned at the regional level close to post offices, and we will provide detailed guidance and support to each post office employee to ensure compliance and business quality. We will also continue efforts to create an open organization through measures such as reducing burdens and errors by revising or abolishing operations and developing systems, and by strengthening management capabilities.

(1) Organizational and structural reforms to strengthen governance

We established a new organization (Financial Operations Support Division) that is responsible for post offices on a prefectural basis, etc., and provides fine-tuned support for the permeation of legal and regulatory rules in close proximity to the post offices. We will also strengthen systems in second-line-of-defense divisions (risk management, compliance, etc.)

Organizational Structure



(2) Review of workflow and development of systems aimed at ensuring legal, regulatory, and general compliance

In order to create an environment aimed at ensuring legal, regulatory, and general compliance, we will conduct a comprehensive review of post office operations and aim to reduce burdens through the revision or abolition of operations. In particular, we will establish efficient business processes through measures such as the adoption of paperless operations and a review of seal requirements. By reducing manual work areas in the workflow and promoting systemization, we will create an environment that effectively and efficiently prevents legal and regulatory violations in advance and enables safe operations (digital roll calls, etc.).

(3) Initiatives to reform the organizational culture, develop human resources, and instill awareness

We hold company-wide participatory meetings so that each employee can think and act toward realizing the Company's intended direction. We will also continue to develop human resources to thoroughly implement customer-oriented operations and legal compliance. We are also working to enhance the management capabilities of management personnel through enriched training at the time of promotion and other measures.

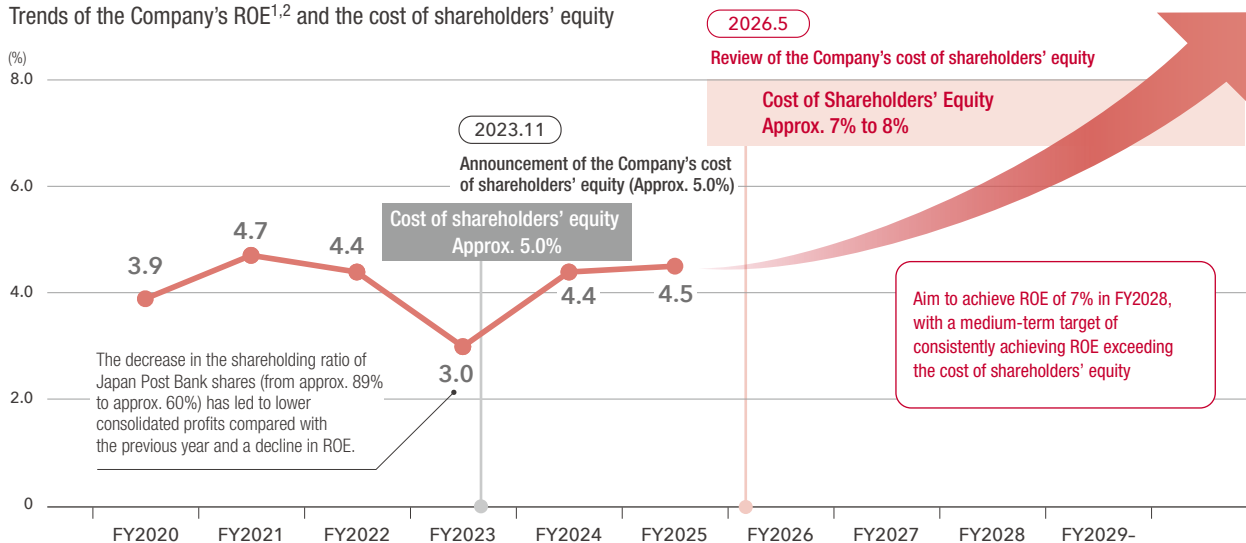
Advancement of capital policy

(1) Review of the cost of shareholders' equity recognized by the Company

We have reconsidered the cost of shareholders' equity announced in November 2023 in conjunction with the formulation of JP Plan 2028. Based comprehensively on CAPM and earnings yield and the perspective of the capital market, the Company's cost of shareholders' equity is considered to be in the range of approximately 7% to 8%.

The Company's ROE for the fiscal year ended March 31, 2026 is 4.5%, which is below the cost of shareholders' equity we recognize. By mainly working on our key strategies in the JP Plan 2028 period, we aim to achieve ROE of 7% in FY2028, with a medium-term target of consistently achieving ROE exceeding the cost of shareholders' equity.

Trends of the Company's ROE^{1,2} and the cost of shareholders' equity



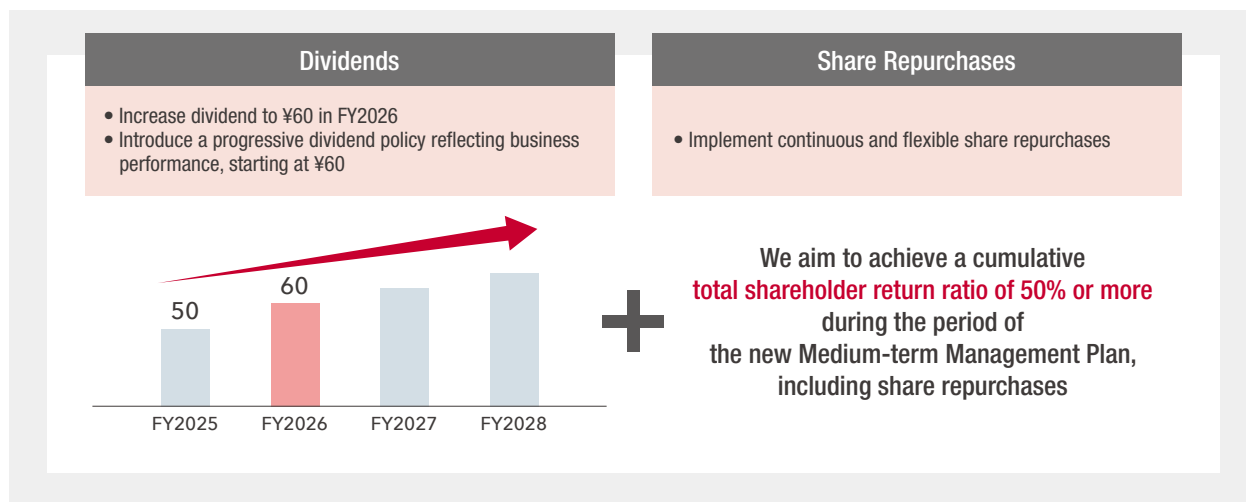
¹ ROE on a shareholders' equity basis not affected by net unrealized gains (losses) on available-for-sale securities, taking into consideration our banking business characteristics.

² Calculated by dividing consolidated net income attributable to Japan Post Holdings by the average shareholders' equity during the period (excluding non-controlling interests and net unrealized gains (losses) on available-for-sale securities from net assets) and rounding to the first decimal place.

(2) Shareholder return policy

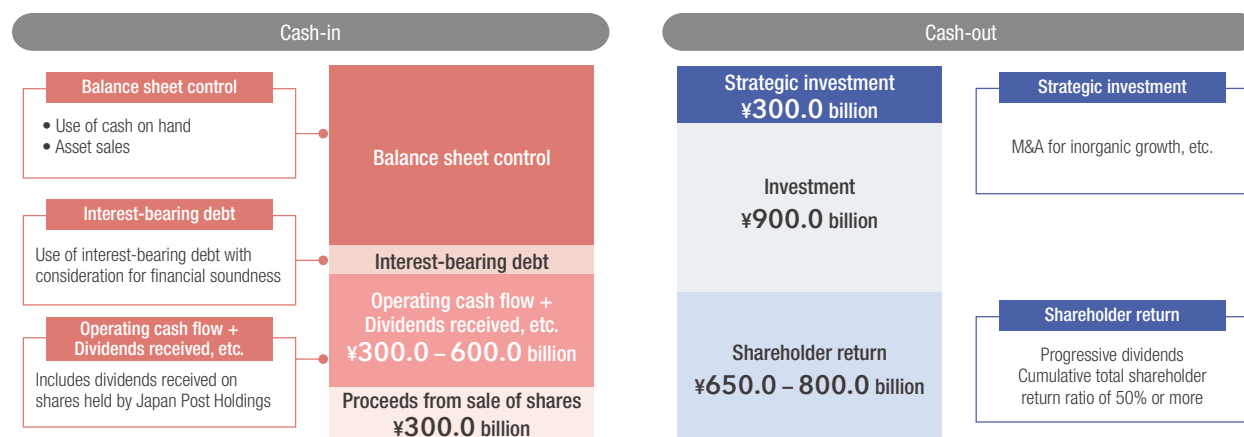
Taking into account factors including projected profits and financial soundness, we aim for a cumulative total shareholder return ratio of 50% or more during the JP Plan 2028 period in order to strengthen shareholder returns.

For dividends, we have introduced progressive dividends starting at ¥60, based on performance. We will also implement continuous and flexible share repurchases to improve capital efficiency.



(3) Cash allocation excluding the two financial subsidiaries (FY2026–FY2028)

In addition to operating cash flow from business activities, dividends from equity holdings, and proceeds from past share sales, we will allocate excess net cash and funds procured through interest-bearing debt to investments, including M&A for inorganic growth, and shareholder returns, to promote our key strategies and improve capital efficiency. Through these initiatives, we aim to achieve corporate value enhancement and secure an appropriate market valuation.

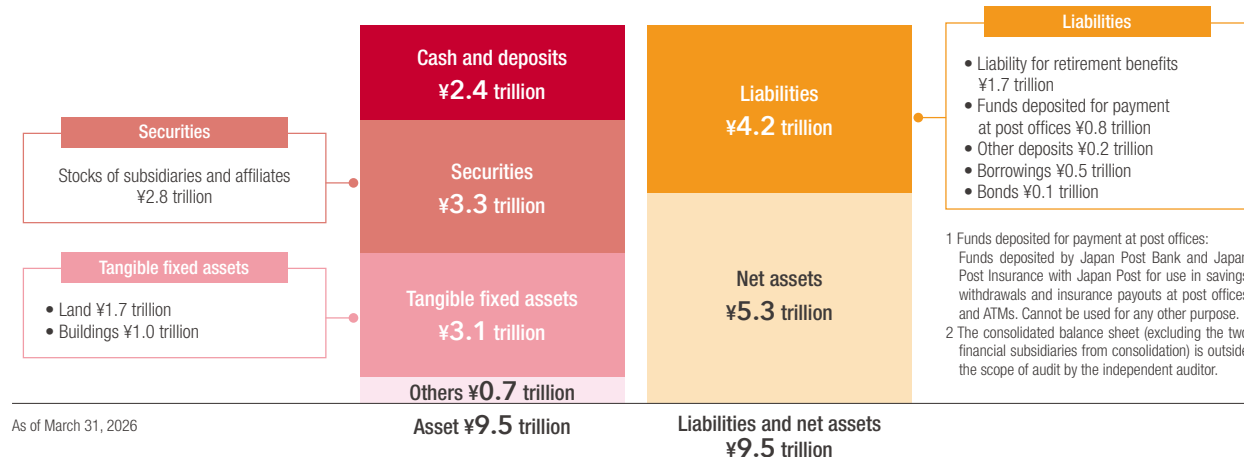


1 Operating cash flow is calculated with a certain range, being implemented the possibility of postal charge revisions to be implemented in FY2027.

2 Proceeds from sale of shares are the remaining amount from the sale of shares in the two financial subsidiaries (Japan Post Bank and Japan Post Insurance (collectively, the two financial subsidiaries)) under the previous Medium-term Management Plan.

(4) Consolidated balance sheet (excluding the two financial subsidiaries from consolidation)

The consolidated balance sheet assuming Japan Post Bank and Japan Post Insurance (including their subsidiaries) are excluded from consolidation is as follows.



(5) Capital profitability of each segment (excluding financial segments)

- Improving the capital efficiency of each segment is important for enhancing the Group's overall ROE.
- Taking into account primarily the business characteristics of each segment and the need to focus on the efficient utilization of cash, we will promote ROA-based management for each segment excluding the two financial subsidiaries.

Capital Profitability				
	Postal and domestic logistics	Post office	Real estate	International logistics
(1) Total assets by segment ¹	2,161.3	1,938.6	1,175.3	425.0
(2) Net operating income by segment ²	-11.8	6.9	23.9	13.8
(3) ROA ((2)/(1))	—	0.4%	2.0%	3.3%

(Unit: billion yen)

We will promote improvement of the capital efficiency of each segment to enhance the Group's overall ROE.

1 Total assets by segment as of March 31, 2025 + Total assets by segment as of March 31, 2026) ÷ 2 The above total assets include amounts equivalent to cash and deposits.

2 Net operating income by segment for FY2025.

(6) Investment plans

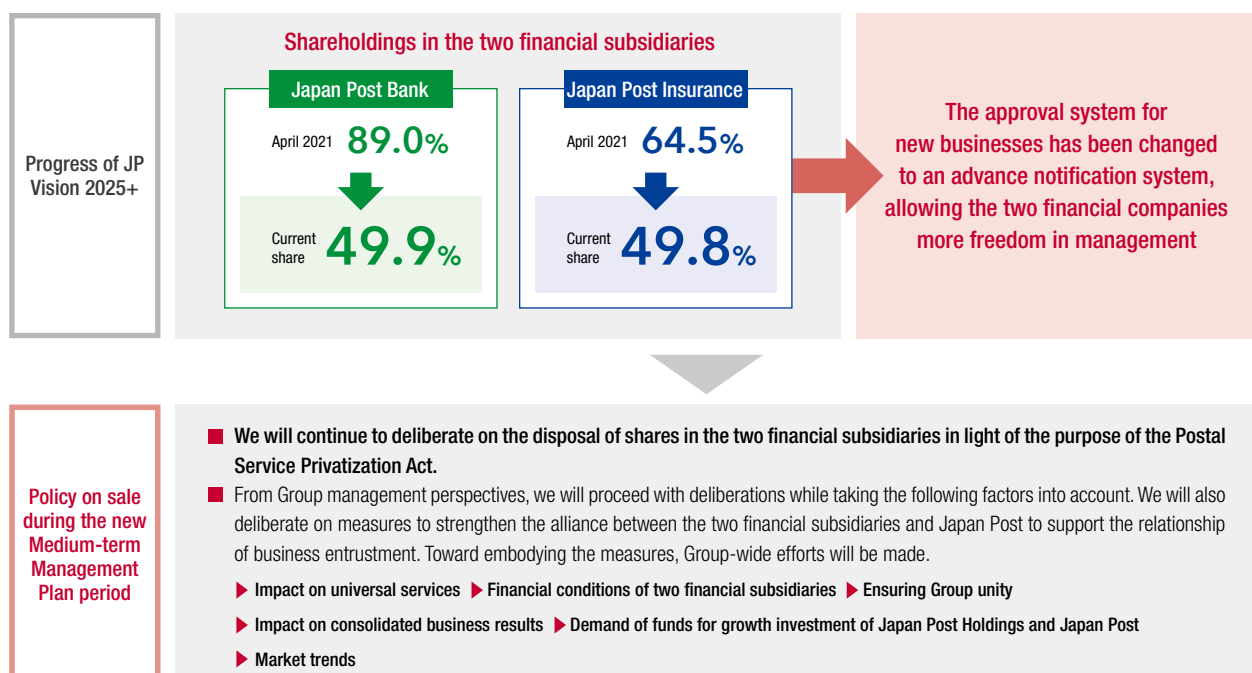
During the period of the JP Plan 2028, we plan to invest ¥900.0 billion across all segments excluding the two financial subsidiaries. In addition to the above, a strategic investment framework of ¥300.0 billion has been established.

Segments	Total amounts of investment in the three years	Main investments
Postal and domestic logistics business	¥390.0 billion	- Facility repairs, deployment of electric vehicles, etc. (¥245.0 billion) - Investments in infrastructure development and operational reforms at logistics bases (¥100.0 billion) - System investments (¥45.0 billion)
Post office business	¥115.0 billion	- Facility and equipment investment (¥95.0 billion) - System investments (¥20.0 billion)
International logistics business	¥100.0 billion	- Facility and equipment investment (¥90.0 billion) - System investments (¥10.0 billion)
Real estate business	¥260.0 billion	- Investments for the leasing business (¥180.0 billion) - Investments for the rotational-type businesses (¥50.0 billion) - Investments for the built-for-sale business (¥30.0 billion)

Reference	Main investment plans of the two financial subsidiaries*	
	* Cash flow basis of capital investment + expenses	
Japan Post Bank (Banking business)	¥500.0 billion	- Strategic IT investments, including investments in AI (Approx. ¥125.0 billion) - IT investments for stable business operations, including renewal of core systems (Approx. ¥375.0 billion)
Japan Post Insurance (Life insurance business)	¥240.0 billion	- Investments in business growth strategies, including AI and digital utilization (Approx. ¥90.0 billion) - IT investments for stable business operations, including renewal of system infrastructure (Approx. ¥150.0 billion)

(7) Policy on sale of shares in the two financial subsidiaries

Our holding ratio in Japan Post Bank and Japan Post Insurance shares had already fallen to 50% or less by FY2025. During JP Plan 2028 period, we will continue to deliberate on the disposal of shares in the two financial subsidiaries, while taking into account the purpose of the Postal Service Privatization Act and the perspective of Group management.



Establishing the real estate business as a new pillar of revenue

Message from the Executive in Charge



IKEDA Akira

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

Achieve dramatic growth by transitioning to being a comprehensive developer at an early stage and expanding our business scope

The Japan Post Group's real estate business began to earnestly follow the privatization of the postal service in 2007 and has expanded its operations, focusing primarily on the leasing business through the development of its real estate portfolio. During the 2021-2025 Medium-term Management Plan period, we established a stable revenue base through the completion of large-scale development projects, with net operating income reaching over ¥20 billion. Building on this growth, the Group established a dedicated real estate business segment in 2024, further clarifying its position as a new pillar of revenue within the Japan Post Group.

On the other hand, looking at the macro environment, the business landscape is undergoing significant changes due to factors such as population decline and rising construction costs, labor costs, and interest rates. Against this backdrop, the Japan Post Group also has to transform its overall business structure in response to the decline in mail volume and other factors. In light of these circumstances, the real estate business segment aims to transition to being a comprehensive developer at an early stage and achieve sustainable growth while expanding its business scope. The goal is to enter the industry's top ten in the future and become a solid new pillar of revenue that drives the Japan Post Group forward.

The business strategies outlined in this Medium-term Management Plan were formulated using a backcasting method based on this vision of the future. Therefore, we view the next three years as a critical period for us to make a significant leap forward as a comprehensive developer. Specifically, we will focus on: (1) laying the foundations to expand the business scope; (2) furthering commercial development of Group-owned real estate; and (3) strengthening the value chain of the real estate business.

Furthermore, the real estate business has significant ties to society. We are committed not only to pursuing financial returns but also to development that enhances social value, including regional community development, improving the efficiency of nationwide logistics networks, and consideration for the local environment. Through these efforts, we will leverage synergies with other Group businesses, become the partner of choice for our shareholders, investors, business partners, and local communities, and work to enhance the Group's overall corporate value over the medium to long term.

Future vision and business strategy under the JP Plan 2028

Future vision for the real estate business segment

Aim to enter the industry's top ten as a comprehensive developer

1

Improve the efficiency of the postal and logistics network and contribute to the community and society through the development of real estate

2

Transform into a business portfolio that can respond to future changes in market conditions

3

Build an investor symbiosis business that grows by also utilizing external funds

Business strategies in the Medium-term Management Plan

1

Lay the foundations to expand the business scope

- Based on the leasing business, we will strengthen built-for-sale and rotational-type businesses as well as management business
- In addition to generating stable income gains, we will work to expand profits and improve profitability through the acquisition of capital gains

2

Further commercial development of Group-owned real estate

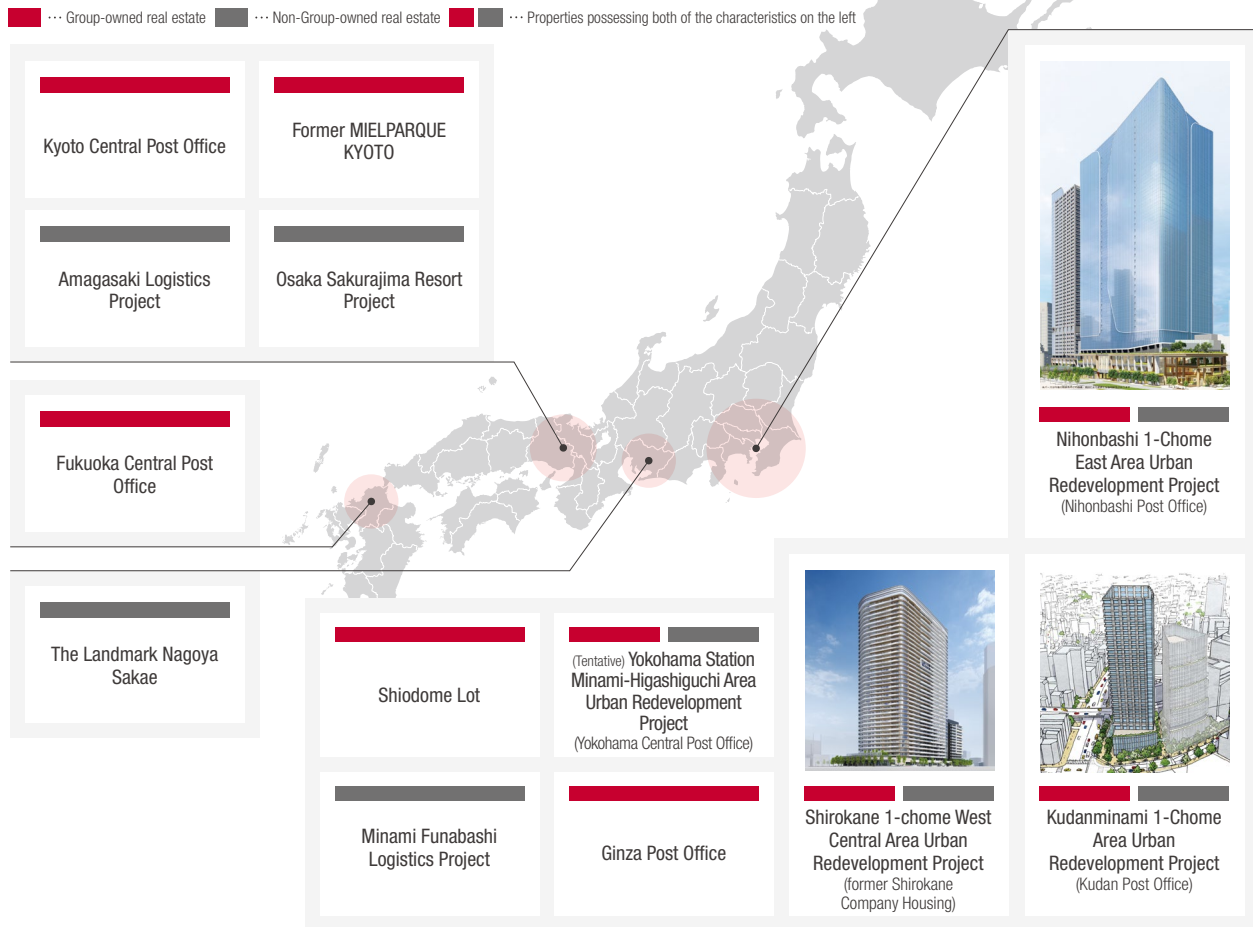
- Further commercial development of Group-owned real estate in tandem with the reorganization of collection and delivery bases, etc., of Japan Post
- By promoting the strategic utilization of Group-owned real estate (CRE strategy), we will contribute to the management reform of Japan Post

3

Strengthening the value chain of the real estate business

- We will strengthen functions such as land acquisition, development, and management/operations to establish a system capable of implementing all business processes in a unified manner
- By advancing the internalization of operations related to each function, we will work to improve profitability

Major properties under development or those for potential development



List of properties under development

1 This information covers the entire project and includes other companies' equity interests 2 As of July 1, 2026

	Name	Group-owned real estate	Location	Site area (m ²)	Total floor area (m ²)	Principal use	Level	Scheduled construction completion and acquisition
1	The Landmark Nagoya Sakae		Nagoya-shi, Aichi	4,800	109,700	Offices, hotel, commercial facilities, etc.	41 floors above the ground level, 4 floors below	2026
2	Former Takami Dormitory (Proud Ikeshita Takami)	○	Nagoya-shi, Aichi	2,100	4,600	Housing (for sale)	7 floors above the ground level	2026
3	Former Okurayama Company Housing (Park Homes Okurayama The Terrace)	○	Yokohama-shi, Kanagawa	2,300	6,900	Housing (for sale)	7 floors above the ground level	2026
4	JR Kyushu site (MJR Kagoshima Chuo Station Front The Garden)		Kagoshima-shi, Kagoshima	2,900	15,100	Housing (for sale)	14 floors above the ground level	2026
5	Former Kagoshima Office, Kyushu Regional Office (MJR Kagoshima Chuo Station Front The Residence)	○	Kagoshima-shi, Kagoshima	5,000	28,100	Housing (for sale)	14 floors above the ground level	2027
6	Amagasaki Logistics Project		Amagasaki-shi, Hyogo	16,700	35,800	Logistics facility	4 floors above the ground level	FY2026
7	Minami Funabashi Logistics Project		Narashino-shi, Chiba	38,100	102,700	Logistics facility	5 floors above the ground level	FY2026
8	Osaka-shi Nishi-ku Kawaguchi 1-Chome Project		Osaka-shi, Osaka	1,600	9,100	Housing (rental)	13 floors above the ground level, 1 floor below	FY2026
9	Former MIELPARQUE KYOTO	○	Kyoto-shi, Kyoto	2,200	14,000	Office (renovation)	9 floors above the ground level, 2 floors below	FY2027
10	Former Nakagyo Oike Company Housing	○	Kyoto-shi, Kyoto	700	5,500	Housing (for sale)	11 floors above the ground level	FY2027
11	Former Tennoji Ueshio Company Housing	○	Osaka-shi, Osaka	400	2,200	Housing (for sale)	13 floors above the ground level	FY2027
12	Former Tennoji Rokumantai Company Housing	○	Osaka-shi, Osaka	1,300	7,600	Housing (for sale)	24 floors above the ground level	FY2028
13	Ota-ku Kamata 3-Chome Project		Ota-ku, Tokyo	800	3,600	Housing (rental)	14 floors above the ground level	FY2028
14	Osaka Sakurajima Resort Project		Osaka-shi, Osaka	17,200	100,400	Hotel	14 floors above the ground level, 1 floor below	FY2028
15	Former Shirokane Company Housing (Shirokane 1-chome West Central Area Urban Redevelopment Project)	○	Minato-ku, Tokyo	12,200	99,000	Housing (rental/for sale), etc.	39 floors above the ground level	FY2029
16	Osaka-shi Tennoji-ku Project	○	Osaka-shi, Osaka	1,200	Under consideration	Housing (for sale)	under review	FY2030

List of main properties for potential development¹

1 All Group-owned properties 2 As of July 1, 2026 3 (Tentative) Yokohama Station Minami-Higashiguchi Area Urban Redevelopment Project

	Name	Location	Site area (m ²)	Current status ²		Name	Location	Site area (m ²)	Current status ²
1	Kudan Post Office (Kudanminami 1-Chome Area Urban Redevelopment Project)	Chiyoda-ku, Tokyo	1,300	In-use	13	Former Takanawa 3-Chome Company Housing	Minato-ku, Tokyo	1,500	Already moved-out
2	Kojimachi Post Office	Chiyoda-ku, Tokyo	2,400	In-use	14	Former Shinjuku Nijukimachi Company Housing	Shinjuku-ku, Tokyo	1,100	Already moved-out
3	Former Kudankita Company Housing	Chiyoda-ku, Tokyo	2,800	Already moved-out	15	Former Nakaohai Company Housing	Shinjuku-ku, Tokyo	3,000	Already moved-out
4	Nihonbashi Post Office (Nihonbashi 1-Chome East Area Urban Redevelopment Project)	Chuo-ku, Tokyo	2,900	Already temporarily relocated	16	Nakano Post Office	Nakano-ku, Tokyo	6,500	In-use
5	Ginza Post Office	Chuo-ku, Tokyo	12,700	In-use	17	Former Hokkaido Training Institute	Sapporo-shi, Hokkaido	14,900	Already demolished
6	Kyobashi Post Office	Chuo-ku, Tokyo	2,500	In-use	18	Yokohama Central Post Office ³	Yokohama-shi, Kanagawa	6,400	In-use
7	Shiodome Lot	Minato-ku, Tokyo	1,400	In provisional use	19	Former MIELPARQUE Yokohama	Yokohama-shi, Kanagawa	3,400	In provisional use
8	Gaienmae Post Office	Minato-ku, Tokyo	400	In-use	20	Kyoto Central Post Office	Kyoto-shi, Kyoto	7,500	In-use
9	Former MIELPARQUE TOKYO	Minato-ku, Tokyo	7,500	In provisional use	21	Former MIELPARQUE Osaka	Osaka-shi, Osaka	6,800	In provisional use
10	Akasaka Post Office	Minato-ku, Tokyo	2,700	In-use	22	Kobe lot	Kobe-shi, Hyogo	2,500	In provisional use
11	Shiba Post Office	Minato-ku, Tokyo	2,100	In-use	23	Fukuoka Central Post Office	Fukuoka-shi, Fukuoka	4,700	In-use
12	Takanawa Post Office	Minato-ku, Tokyo	3,900	In-use	24	Nagasaki Central Post Office	Nagasaki-shi, Nagasaki	3,000	In-use

Enhancing CX/EX through stronger digital infrastructure

Message from the Executive in Charge



IIDA Yasuhisa

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

Create greater value for the Group through digital technologies and our data assets

Under JP Vision 2025+, the Japan Post Group has positioned the promotion of digital transformation (DX) as a measure to strengthen its management foundation. In addition to Group-wide DX initiatives such as Yu ID, Yu-Yu Points, and the Group customer management platform, we are making steady progress in implementing various measures that form the foundation for advancing DX, including the utilization of generative AI and the promotion of the JP Employees' My Page.

At the same time, we recognize that we still have a long way to go when it comes to fully leveraging these foundations to achieve concrete business results, such as improving profitability and driving operational reforms across our Group companies and business units.

Under the JP Plan 2028, we view this as a phase in which we will translate DX into tangible business contributions across all Group companies and businesses, and we will strive to enhance both the customer experience (CX) and the employee experience (EX).

Through Group-wide digital transformation, we will fulfill our responsibility as social infrastructure that supports local communities while achieving sustainable growth and enhancing corporate value.

The Vision of the JP Plan 2028

The Japan Post Group will continue to promote DX initiatives across all areas to further enhance customer experience (CX) and employee experience (EX) and increase the Group's value.

While ensuring the proper management of data, such as customer information, we will promote the use of AI and digital technologies to develop new services and improve operational productivity and quality.

Improving the customer experience (CX)

In a society where digital transformation is advancing, the value of the customer experience across both physical and digital channels is becoming increasingly important.

One of Japan Post Group's greatest strengths is the warm, personalized service provided by employees who are familiar with their local communities, and to further enhance this, we will focus on leveraging digital technology across all channels.

For example, at post office counters, we will expand remote customer service provided by highly specialized staff to assist with inquiries regarding complex products and services. In addition, through Yu ID, which integrates the Group's services, we will provide one-stop access to a range of procedures. Furthermore, with customers' consent, we will share information across Group companies to provide timely recommendations, benefits, and campaign information tailored to each customer's life events and usage patterns, thereby expanding services that make customers' daily lives more convenient and rewarding.

Furthermore, we will enhance the convenience of our digital channels, including various apps (such as the Post Office App, Yucho Bankbook App, Yucho Procedures App, and Japan Post Insurance App, etc.) to enable customers to complete various transactions easily and smoothly anytime, anywhere, and AI will automatically respond to simple inquiries, thereby improving overall convenience.

Launched in May 2025, the digital address service combines Japan Post's expertise and understanding of related challenges regarding addresses with digital technology, and it aims to broadly address the challenges related to addresses in Japanese society.

We will continue to develop and roll out new services like these, which are driven by digital technology, to further enhance the value of our customers' experiences.

A smarter way to use addresses
Your address, now in just 7 alphanumeric characters.



Improving the employee experience (EX)

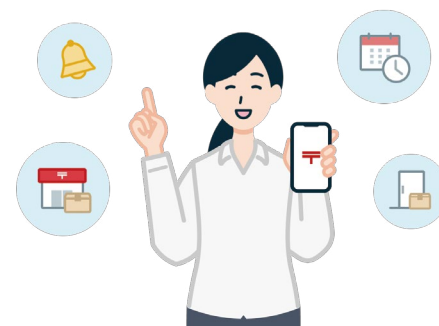
To further enhance CX, we will work to improve the employee experience for those who provide warm, personalized service rooted in local knowledge.

Specifically, regarding employees' sales and proposal activities at post office counters and other locations, we will establish a system in which AI references information such as customers' contract status and life events to recommend appropriate ways to present information and support employees. Similarly, for inquiries received at call centers, we will implement a system where AI automatically records the content of interactions so that operators can focus on customer service.

Furthermore, in our postal and domestic logistics business, given the need to deliver mail and packages reliably and with high quality while also taking into account the workload on our employees amid a shrinking labor force, we will establish a system to support our employees by introducing technologies such as AI and robotics into various operational processes including the acceptance, sorting, and delivery of mail and packages.

Provision of Group-wide integrated services

As the foundation for improving CX and EX, we will use Yu ID as the central pillar to accumulate and utilize the consent information provided by our customers within the Group customer management platform. We are currently establishing a data governance framework across the entire Group to ensure that customer information is used appropriately and securely.



Improving the customer experience (CX)

- Expansion of remote customer service by specialized consultants
 - Expansion of remote customer service at face-to-face counters where specialist employees handle financial consultations
 - There are also plans to support fully remote consultations
- Expansion of easy and smooth procedures
 - Expanded introduction of self-service terminals for customers
 - Promotion of procedures through apps
 - Expansion of services such as advance delivery notifications
 - Improvement and wider adoption of digital address services

And more



Improving the employee experience (EX)

- AI functions to support sales activities
 - AI supports preparation for customer consultations and follow-up documentation
- Streamlining of call center operations using AI
 - Utilizing AI-powered speech-to-text technology to improve operational efficiency through measures such as automated record-keeping
- Automation of operations through the introduction of robotics and AI
 - Space-saving parcel sorting machines
 - Advanced technologies such as robot arms

And more



Analyze and utilize data and other information accumulated in the Group customer management platform, with Yu ID as the central focus



Proposals tailored to each customer, Yu-Yu Points
Consent information, use of services



Analysis and utilization
Accumulation



Group customer management platform

Provision of Group-wide integrated services

Promoting and deepening human capital management

Message from the Executive in Charge



HAYASHI Toshiyuki

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

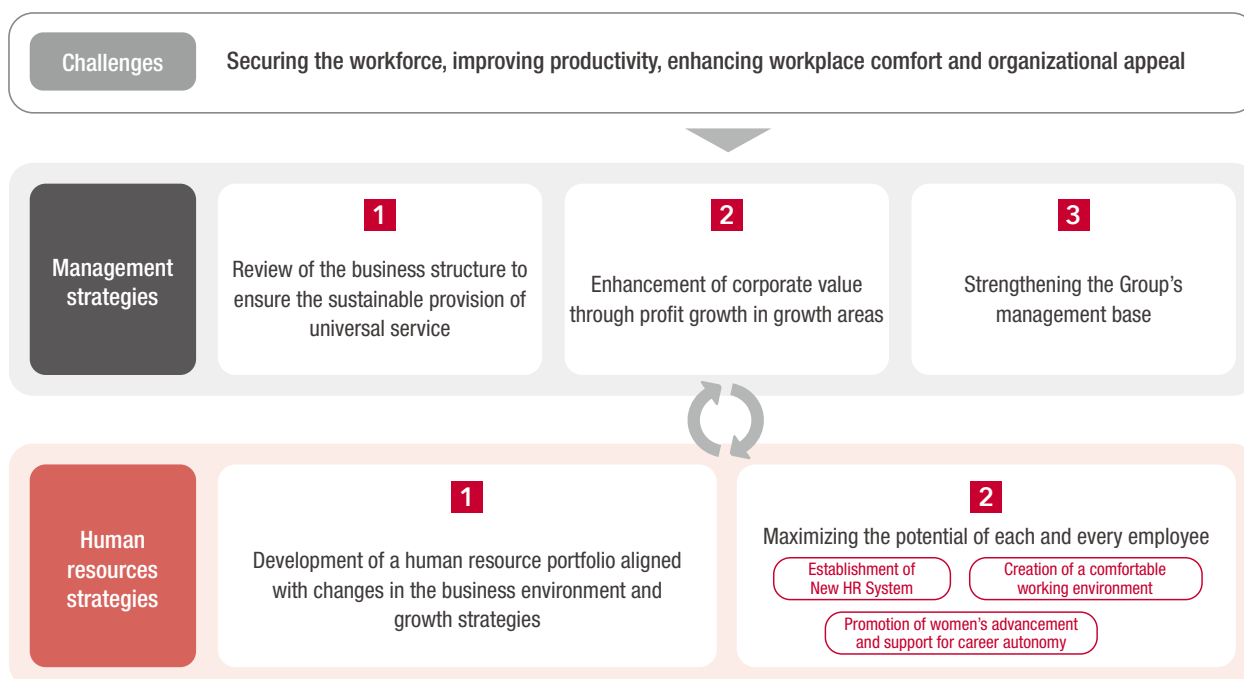
Realizing workplaces that instill pride and fulfillment, and improve EX among all employees

Initiatives under the JP Plan 2028

Precisely because the Japan Post Group operates a business structure that relies heavily on its workforce, it views investment in human resources as the source of sustainable growth. At the same time, the external environment is undergoing significant changes such as labor shortages resulting from a shrinking workforce and the diversification of values and lifestyles. The Group recognizes that responding to these changes swiftly and flexibly is more important than ever. Based on this understanding, JP Plan 2028 identifies securing the workforce, improving productivity, and enhancing workplace comfort and organizational appeal as key HR challenges. We have formulated an HR strategy centered on development of a human resource portfolio aligned with changes in the business environment and growth strategies and maximizing the potential of each and every employee.

As for the development of a human resource portfolio aligned with changes in the business environment and growth strategies, we will establish a framework that enables us to create maximum value even with limited personnel by optimizing the allocation of internal talent while flexibly leveraging external talent. Furthermore, to maximize the potential of each and every employee, we will steadily implement foundational measures such as systematic employee development training, support for balancing work and childcare, and initiatives to promote women's advancement, while also considering the introduction of a new human resources system that takes into account changes in the external environment. Under the new human resources system, we aim to transition to a simple compensation framework based on job content, responsibilities, and results, thereby increasing employees' engagement in the Company's medium- to long-term growth and the enhancement of corporate value. At the same time, through new HR initiatives, such

Aligning business strategy and human resources strategy



as reducing the management workload of supervisors and further expanding diverse and flexible work styles, we will continue to enhance the working environment.

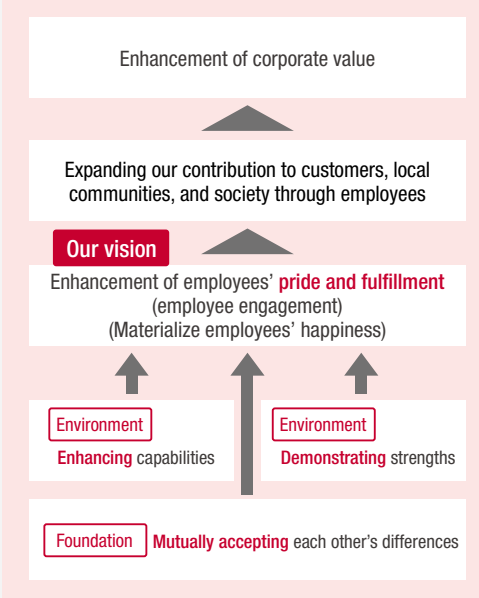
Through these initiatives, we will maximize the value of our human resources and achieve sustainable growth and an enhancement of corporate value.

Group Human Resources Policy

Seeking to put human capital management into practice within the Japan Post Group, we have formulated the Group Human Resources Policy as a basic direction to realize the HR strategy linked to the management strategy. Based on the belief that the positive stance and actions of our employees toward their work will contribute to customers, local communities, and society, and enhance corporate value in a broader sense. Thus, we will provide to 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.

To achieve this, we will plan and implement human resources initiatives centered on employee pride and fulfillment, with three key pillars: mutually accepting each other's differences, enhancing capabilities, and demonstrating strengths. Under these guidelines, we will promote talent development and foster an environment that supports the growth and challenges of each individual employee, thereby expanding our contributions to our customers, the local community, and society, and leading to the sustainable enhancement of corporate value.

Overall picture of the Group Human Resources Policy



1 Development of a human resource portfolio aligned with changes in the business environment and growth strategies

- Achievement of flexible personnel deployment in response to changes in the business environment and growth strategies
- Establishment of a framework to utilize dispatched employees, spot workers, and others to flexibly secure labor in response to fluctuations in the workload at post offices
- Establishment of a system to utilize foreign workers (specified skilled workers) in motor vehicle transportation services such as long-distance truck transportation
- Establishment of a system to utilize the time generated through flexible counter operating hours, etc. to carry out various internal and external administrative tasks that are outside of regular duties

2 Maximizing the potential of each and every employee

Establishment of New HR System

Introduction of a compensation system based on duties and roles, abolishing promotion by seniority

- Abolish promotion by seniority and introduce a simplified compensation system based on the content and responsibility of the work and the results achieved
- Introduction of an employee stock compensation system
- Appropriate evaluation of the results achieved and challenges

Review of the entire HR system

- Redesign compensation levels including those for employees aged 60 and over
- Realization of measures to secure employment beyond age 65
- Optimization of the entire system, including various allowances and retirement benefits
- Further use of 360-degree evaluations (multifaceted observation) on employees in the management positions

Promotion of women's advancement and support for career autonomy

- Active promotion of women to management positions
- Develop an environment that supports emergence of more women in management positions
- Strengthening of individual career support functions

Creation of a comfortable working environment

- Realization of an environment that encourages employees to take on managerial positions
- Review the approach to relocation and transfer assignments so that employees facing various circumstances can exercise their abilities with peace of mind
- Expansion of workstyle options (such as greater flexibility in working days, time, etc.)