

Business Overview

Messages from Group Company Presidents



KOIKE Shinya

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

Through strengthened governance and fundamental reforms to our business structure, we will ensure the sustainability of universal service and achieve growth in new areas

We take serious incidents, such as the inappropriate use of non-public financial information and deficiencies in our roll calls, very seriously, and the entire Company is working together to thoroughly implement measures to prevent recurrence and strengthen corporate governance. Based on these lessons, as we enter the first year of our Medium-term Management Plan, we will further reinforce our commitment to compliance with laws and regulations and customer-centricity.

Furthermore, the business environment is becoming increasingly challenging due to a decline in the volume of mail, a decrease in remittances, payments, and the number of active contracts, as well as rising prices. It is precisely because of these circumstances that we aim to achieve sustained profitability within the term of our Medium-term Management Plan by fundamentally reviewing our business structure and rigorously pursuing revenue growth and cost reductions.

In our postal and domestic logistics business, we will strive to improve efficiency through measures such as staffing optimization and consolidating collection and delivery bases, while deepening our relationships of trust with customers, reliably handling mail and packages, and increasing profitability. In our post office business, we will operate in a way that meets customer needs (for example, by making counter hours more flexible) while supporting local communities through collaboration with local governments and shopping support. Moreover, as a comprehensive logistics company that integrates operations ranging from domestic logistics (including B-to-B logistics) to international logistics, we will continue to meet a wide range of customer needs.

The capabilities and growth of each and every employee are the driving force behind our Company, and we are committed to providing safe, reliable, and high-quality services.

Postal and Domestic Logistics Business

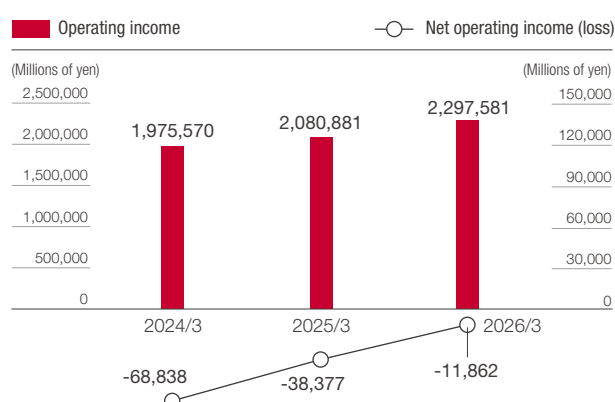
Business overview

In addition to providing postal services at the fairest possible rates across Japan, Japan Post is commissioned by the Japanese government to sell documentary stamps and issue donation-type illustrated New Year's postcards. Japan Post provides Yu-Pack, Yu-Mail, and other parcel delivery services as well as logistics services from the design, proposal, and formation to operation of an optimal logistics strategy for customers in order to meet diverse customer needs in line with growth in the e-commerce market.

Financial results for the fiscal year ended March 31, 2026

In the postal and domestic logistics business, although the amount of mail and Yu-Mail decreased, ordinary income increased to ¥2,308,351 million (up ¥219,869 million year on year) due to higher handling volumes of Yu-Pack and Yu-Packet, improved unit prices resulting from the revision of postal rates and the inclusion of JP Tonami Group as a consolidated subsidiary, among other factors. Although we continued to implement cost-control measures, ordinary expenses increased due to higher personnel expenses and collection, transport and delivery, and transportation outsourcing costs, resulting in a net ordinary loss of ¥5,494 million (compared to an ordinary loss of ¥32,220 million in the previous fiscal year). In addition, operating income amounted to ¥2,297,581 million (up ¥216,700 million year on year), and net operating loss amounted to ¥11,862 million (compared to an operating loss of ¥38,377 million in the previous fiscal year) in the postal and domestic logistics business of Japan Post for the fiscal year ended March 31, 2026.

Operating Income / Net Operating Income (Loss)



Strengths, Challenges, and Future Policy

Strengths

- Nationwide transport network capable of delivering to 30 million locations daily
- Efficient delivery of small parcels utilizing motorcycle mobility for the last one mile of logistics
- Consistently providing high-quality delivery service to our customers

Challenges

- A decline in the volume of mail due to the advancement of digitalization
- Fierce competition with rivals in the parcel sector
- Response to rising labor unit costs and escalating prices

Future Policy

- Streamline operations through consolidation of collection and delivery bases
- Optimize deployment of personnel by improving productivity
- Strengthen domestic and international B-to-B logistics by transforming into a comprehensive logistics company

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.

Specifically, in rural areas with low population density, we will optimize the placement of our bases by consolidating collection and delivery functions. We aim to reduce the number of bases from the current approximately 3,200 to approximately 2,700, a consolidation of about 500 bases, in order to improve efficiency and strengthen governance.

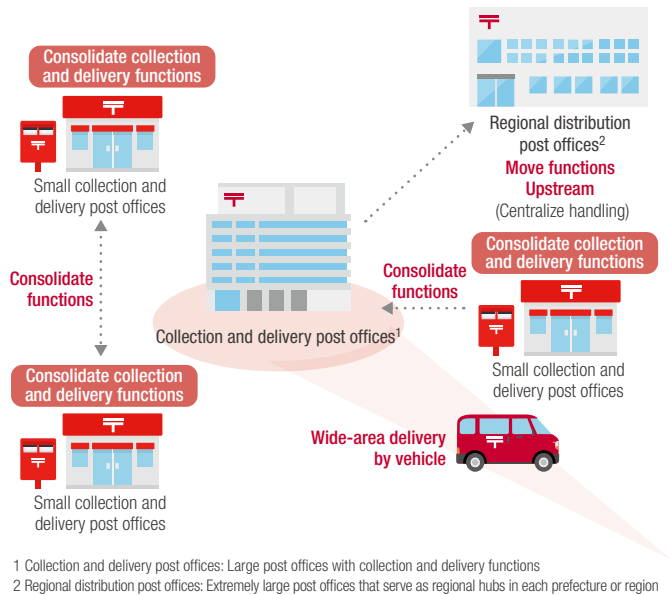
In addition, to establish a sustainable collection and delivery system, we will work to centralize the processing of mail and packages at regional distribution post offices, conduct wide-area deliveries using four-wheeled vehicles and other means, have counter staff perform collection and delivery duties by adjusting counter operating hours, and accept packages from other companies for delivery.

Aim to expand revenues by converting some post offices in urban areas to real estate development and other uses.

Optimize deployment of personnel by improving productivity

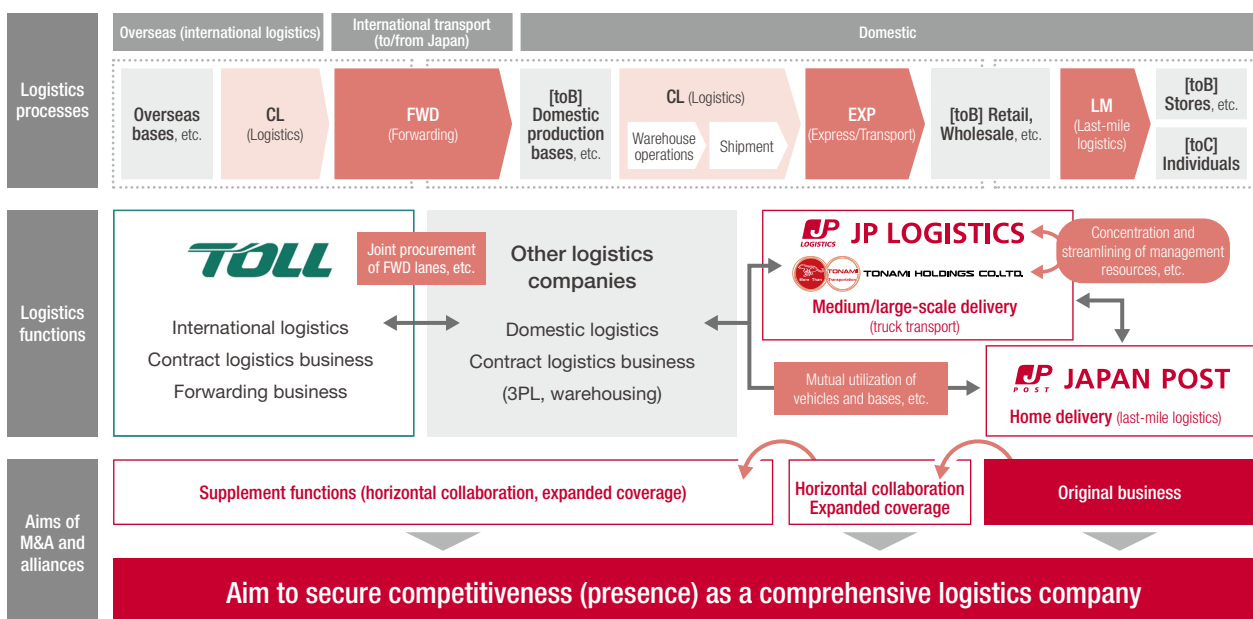
We will strategically optimize the deployment of personnel by improving productivity and upgrading personnel management, while assuming a reduction in personnel in line with declining mail volume.

Specifically, we will work to achieve flexible staffing by utilizing AI technology to optimize delivery routes and streamline collection and delivery operations, as well as by actively investing in labor-saving measures and streamlining indirect departments, such as headquarters.



Transformation into a comprehensive logistics company (strengthening B-to-B logistics in Japan and overseas)

As a comprehensive logistics company, we aim to build a management foundation that enables us to provide integrated services ranging from domestic B-to-B logistics to international logistics, going beyond our original core business of last mile delivery. In addition to Japan Post's traditional small-package delivery and home-delivery services, we will provide highly convenient logistics services capable of meeting the needs of all our customers through collaboration with Tonami Holdings and JP Logistics for domestic B-to-B logistics, with Toll Holdings for international logistics, and with JP Rakuten Logistics for e-commerce logistics. Furthermore, through a capital and business alliance with LOGISTEED Holdings, Ltd., we will not only further expand our international logistics business but also grow our domestic B-to-B logistics operations, which we have identified as a key focus area, to deliver comprehensive logistics services of even higher quality and convenience.



COLUMN | Japan Post: Initiatives for the Future

Japan Post is incorporating digital technology to provide better products and services to our customers. For details on each initiative, please visit JP CAST and our various websites.

JP CAST
(in Japanese only)



Ichikawa-Minami Post Office, now fully operational with digital transformation (DX)
<https://www.jpcast.japanpost.jp/2025/02/500.html> (in Japanese only)



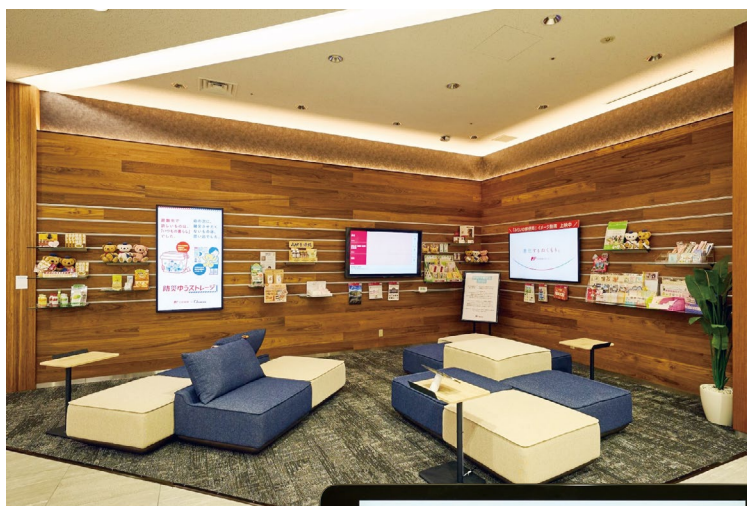
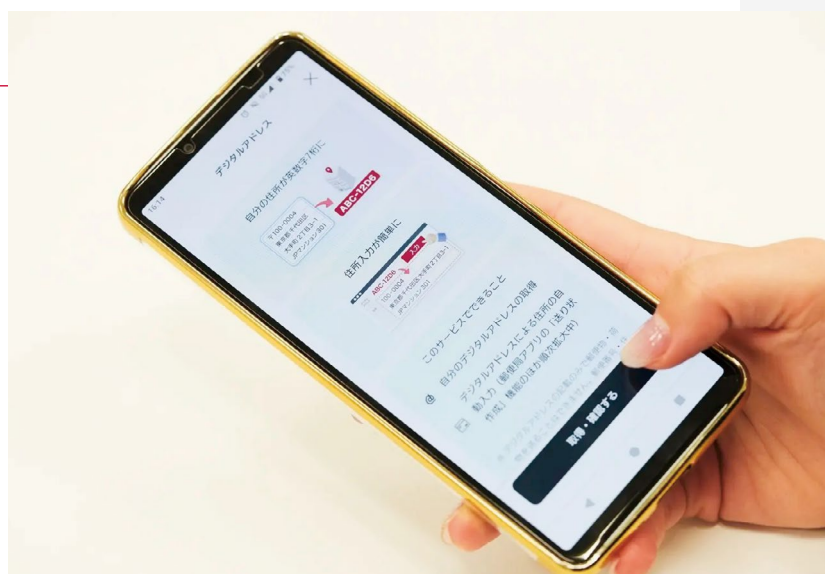
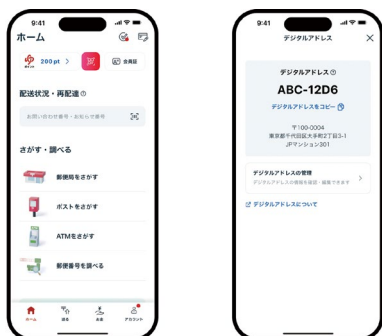
New regular solo runs of autonomous trucks on the main logistics route between Kanagawa and Osaka have begun

https://www.post.japanpost.jp/notification/pressrelease/2026/00_honsha/0126_02_01.pdf (in Japanese only)

The birth of the digital address: aiming for a new form of social infrastructure



<https://lp.da.pf.japanpost.jp/> (in Japanese only)



The post office of the future, where the real-world post office network melds with digital technology



<https://www.jpcast.japanpost.jp/2022/07/282.html> (in Japanese only)



JP2, a new drone designed specifically for logistics



<https://www.jpcast.japanpost.jp/2024/08/450.html> (in Japanese only)

Post Office Business

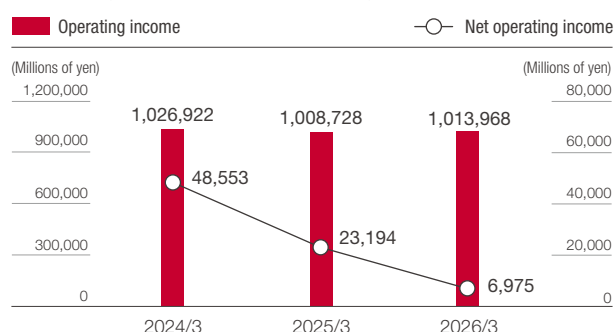
Business overview

In addition to counter operations related to the postal and logistics business, we provide banking counter operations commissioned from Japan Post Bank Co., Ltd. and insurance counter operations commissioned from Japan Post Insurance Co., Ltd. as well as merchandise business, affiliated financial services, and administrative work commissioned from local governments at post offices nationwide, which serve as sales hubs for providing services to customers.

Financial results for the fiscal year ended March 31, 2026

In the post office business, although banking commissions and insurance commissions continued to decline, ordinary income amounted to ¥1,017,174 million (up ¥6,977 million year on year) due to an increase in funds to maintain post office network and other factors. Ordinary expenses rose due to an increase in expenses, despite a decrease in personnel expenses, resulting in a net ordinary income of ¥9,095 million (down ¥15,060 million year on year). In addition, operating income amounted to ¥1,013,968 million (up ¥5,239 million year on year), and net operating income amounted to ¥6,975 million (down ¥16,218 million year on year) in the post office business of Japan Post for the fiscal year ended March 31, 2026.

Operating Income / Net Operating Income



Strengths, Challenges, and Future Policy

Strengths

- A post office network of around 24,000 locations throughout Japan
- Provision of diverse products and services inside and outside the Group
- Customer base based on which our services are used by many customers in their daily lives

Challenges

- Growing into a business of choice for customers
- Response to a decrease in handling volume due to population decline and the switch to digital channels
- Enhance the value of our post office network

Future Policy

- Optimize deployment of personnel by improving productivity
- Development of Lifestyle Support Services

Establishment of a flexible operations through flexible counter operating hours

Even as local circumstances are becoming more diverse due to population decline and depopulation, 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.

Specifically, regarding post office counter operating hours, we will suspend counter services during midday hours and utilize measures such as half-day operations and operations on designated days. Using the resources freed up by these measures, we will focus on postal and domestic logistics operations, such as mail delivery, as well as weekend operations, providing support for other post offices' counter operations, and offering daily living support services. At the same time, we will optimize staffing by making counter operating hours more flexible and effectively utilizing resources at post offices with relatively low workloads.

We will also implement the optimization of personnel deployment and other measures to solve issues such as declining regional demand and aging post office buildings.

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.

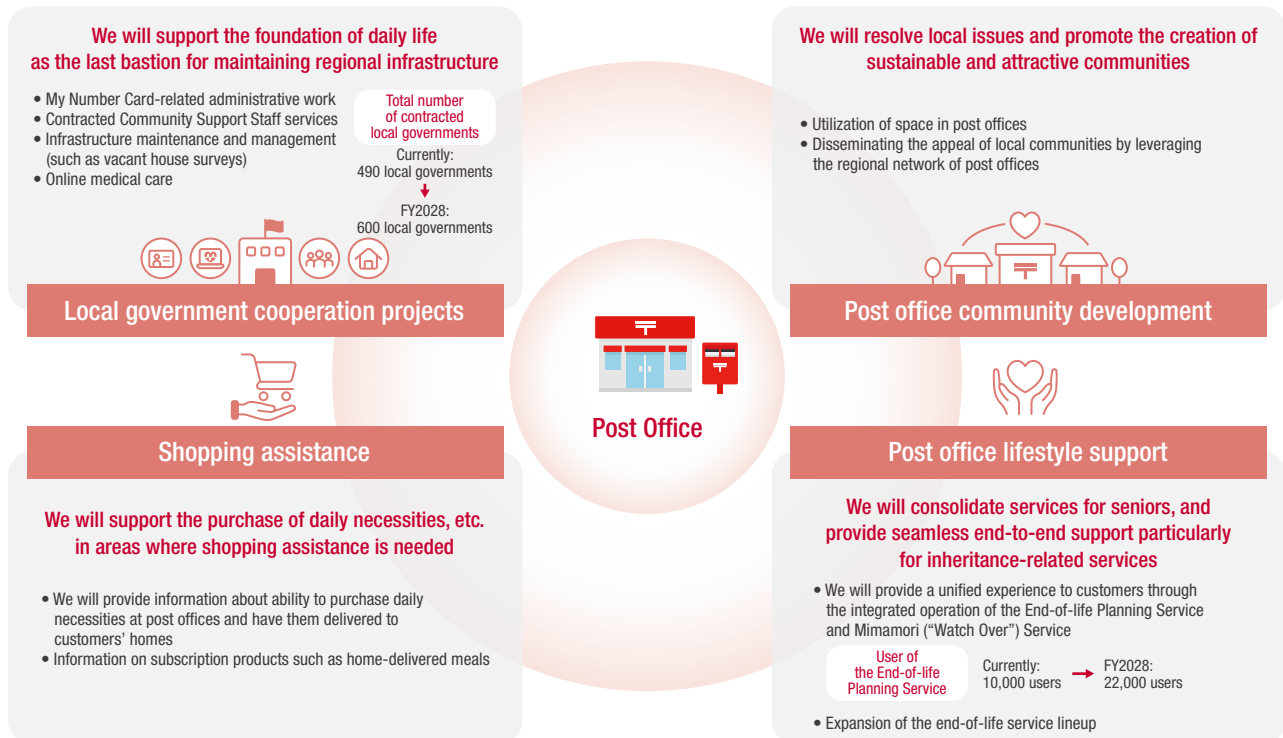
Specifically, we will work to build our communities through initiatives such as local government collaboration on administrative work related to My Number Cards, shopping assistance for daily necessities, lifestyle support services such as End-of-life Planning Service and Mimamori ("Watch Over") Service, and the utilization of space in post offices.

Local government cooperation projects

Japan Post has entered into comprehensive agreements with 45 prefectures and 1,617 municipalities. (As of the end of March 2026)

Building on these agreements, we have further strengthened our relationship with local governments. While we have long handled the issuance of official certificates, the processing of various applications, and the sale of premium-added gift certificates at post office counters, in recent years we have seen an increase in the number of My Number Card-related work entrusted to us, such as the renewal of digital certificates. In addition, we have been entrusted by local governments with a wide range of tasks, including vacant house surveys conducted by mail delivery staff; village patrols by Contracted Community Support Staff who assess conditions and facilitate discussions among residents; and support services which utilize post offices as venues for online medical care. As of FY2025, the number of local governments that have contracted with us for these services has exceeded 490.

Going forward, Japan Post will continue to make the most of the resources centered on the post office network it has cultivated over many years to provide a variety of services. As the last bastion for maintaining regional infrastructure, we will fulfill our role in sustaining the foundations of daily life and contribute to enhancing convenience for local residents.



Shopping assistance

We will continue to work to enhance our shopping assistance services by leveraging our nationwide network of post offices to help customers in areas where such support is needed purchase, such as with purchasing daily necessities and other items, thereby providing ongoing support for their daily lives.

Post office community development

We aim to improve convenience in the community by, for example, repurposing space in post offices that has become available due to the consolidation of collection and delivery bases and other residents, converting the space into storage units for rent to help enhance the living environment for local residents and collaborating with local financial institutions to install ATMs and other facilities, thereby contributing to the maintenance of local financial services.

In addition, by leveraging the local insights that only postal offices can provide, we aim to create new businesses by promoting the attractions of various regions, starting with POSTUDIO at TAKANAWA GATEWAY CITY.

Post office lifestyle support

We offer services such as Japan Post end-of-life planning, a need that has been growing in recent years; Japan Post Mimamori ("Watch Over") Service, which keeps distant family members informed about the well-being of elderly individuals living alone; and Japan Post Vacant House Monitoring, which provides updates on the condition of vacant houses to owners living far away. Going forward, we will integrate these lifestyle support services organically and work to develop them into comprehensive end-of-life services, ranging from planning during one's lifetime to inheritance support for the next generation.



A look inside POSTUDIO at TAKANAWA GATEWAY CITY

International Logistics Business

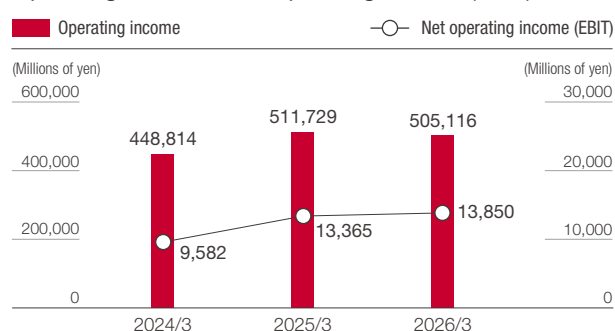
Business overview

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

Financial results for the fiscal year ended March 31, 2026

In the international logistics business, ordinary income amounted to ¥505,805 million (down ¥7,041 million year on year) due to a decline in ocean freight rates and a decrease in handling volume in the Global Forwarding business. Net ordinary income amounted to ¥4,371 million (down ¥328 million year on year) as ordinary expenses decreased due to lower costs in the Global Forwarding business. In addition, operating income amounted to ¥505,116 million (down ¥6,612 million year on year), and net operating income (EBIT) amounted to ¥13,850 million (up ¥485 million year on year) in the international logistics business of Japan Post for the fiscal year ended March 31, 2026.

Operating Income / Net Operating Income (EBIT)



Strengths, Challenges, and Future Policy

Strengths

- With its international logistics network spanning around 140 countries worldwide, it is unique among Japanese logistics companies
- Toll City is a logistics facility with state-of-the-art technology including precision temperature control and smart logistics control systems

Challenges

- Overcoming Australia-dependent management structure
- Further improvement of profitability
- Exercise of the synergy between Japan Post and Toll Holdings

Future Policy

- Improve profitability by allocating management resources to growth areas and divesting non-core businesses
- Ongoing initiatives to improve the profit margin and cut costs
- Further improve business performance through the creation of synergies resulting from collaboration and cooperation with Japan Post, its Group subsidiaries, and business partners such as LOGISTEED Holdings, Ltd.

Improving profitability by focusing on growth areas

Through Toll Holdings Pty Limited, we are working to strengthen our revenue base and improve profitability by focusing on growth markets such as the government and defense sectors, as well as the retail and consumer goods sectors. In FY2025, we secured a major 10-year contract with the Australian Department of Defense in the government and defense sector and launched a large-scale automated warehouse in Australia.

In addition, we have been expanding our business scale by establishing and expanding more than 10 warehouse facilities in FY2025, focusing primarily on countries and regions in Asia where growth is expected. Furthermore, we are honing in on environmentally conscious initiatives, including the proactive introduction of electric vehicles (EVs). Going forward, we will continue to invest management resources in growth areas to improve profitability, while contributing to the resolution of social issues, such as environmental challenges, and striving to provide services with even higher added value.



Real Estate Business

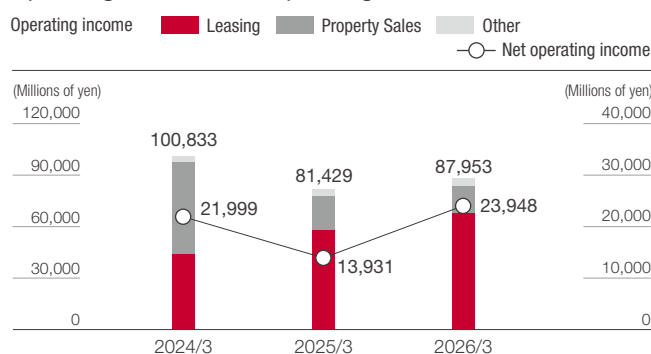
Business overview

Following the privatization of the postal service in October 2007, one of the assets we inherited from Japan Post is the former Tokyo Central Post Office site (where JP Tower stands today), which is located in a highly commercial area. We develop such real estate owned by the Group by identifying markets for each property's usage and area, and engage in real estate operations such as leasing and management of office buildings commercial facilities, and housing, as well as condominium sales. We also work to carefully acquire various income-generating properties from outside the Group, and participate in urban redevelopment projects.

Financial results for the fiscal year ended March 31, 2026

Due to higher rental income, the real estate business recorded ordinary income of ¥89,008 million (up ¥7,337 million year on year). Expenses decreased as a result of lower cost of sales linked to revenue from property sales, and net ordinary income was ¥20,092 million (up ¥7,725 million year on year). In addition, operating income was ¥87,953 million (up ¥6,523 million year on year), and net operating income was ¥23,948 million (up ¥10,016 million year on year).

Operating Income / Net Operating Income



Note: The graph shows operating income and net operating income of the real estate business segment of the Japan Post Group.

Strengths, Challenges, and Future Policy

Strengths

- Development potential of existing business assets, in conjunction with the reorganization of Japan Post's collection and delivery bases
- A large number of group-owned properties in Japan with high development potential

Challenges

- Promoting the establishment of a foundation for expanding our business scope
- Accelerating the commercialization of development projects involving Group-owned real estate

Future Policy

- Building on our rental business as a foundation, expand into new business areas such as condominium sales and turnaround projects to generate stable income and increase profits and improve profitability through capital gains and other sources
- In conjunction with Japan Post's reorganization of its collection and delivery bases and other initiatives, further develop and commercialize Group-owned real estate while promoting the strategic utilization of such properties (CRE strategy) to contribute to Japan Post's management reform

Major real estate under development (construction commenced)

Osaka Sakurajima Resort

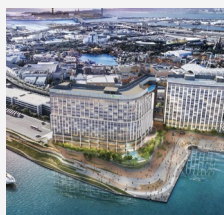


Image Courtesy of Sakurajima Kaihatsu LLC

Location: Konohana-ku, Osaka City
Site area: 17,250 m²
Total floor area: Approx. 100,400 m² (planned)
Floors: 14 floors above the ground level, 1 floor below
Primary use: Hotel
Construction completion: FY2028 (planned)

MJR Kagoshima Chuo Station Front The Residence (Former Kagoshima Office, Kyushu Regional Office)



Location: Kagoshima City
Site area: 5,080 m²
Total floor area: 28,100 m²
Floors: 14 floors above the ground level
Primary use: Residential (for sale)
Construction completion: FY2026 (planned)

Other properties under development or being considered for development

* Lists the main items

Name	Location	Site Area (m ²)	Total floor area (m ²) (planned)	Floors*	Primary use*	Scheduled completion*
Former Tennoji Ueshio Company Housing (built-for-sale business)	Tennoji-ku, Osaka City	440	2,230	13 floors above the ground level	Residential (for sale)	FY2027
Former Nakagyo Oike Company Housing (built-for-sale business)	Nakagyo-ku, Kyoto City	800	5,650	11 floors above the ground level	Residential (for sale)	FY2027
Former Shirokane Company Housing (urban redevelopment project)	Minato-ku, Tokyo	12,200	99,860	39 floors above the ground level	Residential	FY2029
Kudan Post Office (urban redevelopment project)	Chiyoda-ku, Tokyo	5,410	81,260	32 floors above the ground level	Offices, etc.	FY2032
Nihonbashi Post Office (urban redevelopment project)	Chuo-ku, Tokyo	19,210	384,450	40 floors above the ground level	Offices, etc.	FY2034

Messages from Group Company Presidents



KASAMA Takayuki

President & CEO,
Representative Executive Officer
Member of the Board of Directors
Japan Post Bank Co., Ltd.

Creating the next Japan Post Bank through the steady execution of our new Medium-term Management Plan

In FY2025, business opportunities expanded significantly, as domestic interest rates continued to rise in line with the transition toward a “world with positive interest rates,” and Japan Post Holding Co., Ltd.’s shareholding in Japan Post Bank fell below 50%, resulting in an easing of new business regulations. At the same time, toward the end of the fiscal year, tensions in the Middle East heightened, increasing uncertainty in the business environment.

In this environment, Japan Post Bank’s net income for FY2025 was ¥525.5 billion, exceeding our earnings forecast and marking a record high for the third consecutive fiscal year since our listing. Our share price also rose, with its market capitalization surpassing ¥10 trillion for a period during the fiscal year. The dividend per share increased by ¥16 to ¥74, achieving a dividend growth for three straight years.

In May 2026, we clarified our two medium- to long-term visions of becoming “Japan’s leading comprehensive financial platform” and “a leading global market player,” and announced a new Medium-term Management Plan setting out the path to realizing these visions. Going forward, we will be diligently executing the four business strategies outlined in our new Medium-term Management Plan: “the Digital Payment Business Strategy,” “the Consulting Business Strategy,” “the Market Operations and Asset Management Business Strategy,” and “the Regional and Corporate Solutions Business Strategy.” We aim for non-linear growth that marks a departure from our historical trend, with a view to achieving net income of over ¥1 trillion in the final year of the plan.

Based on our unwavering purpose and management philosophy, we will steadily implement the new Medium-term Management Plan and work to increase corporate value and enhance shareholder returns. I would like to humbly ask for your continued understanding and support as Japan Post Bank enters a new stage.

Banking Business

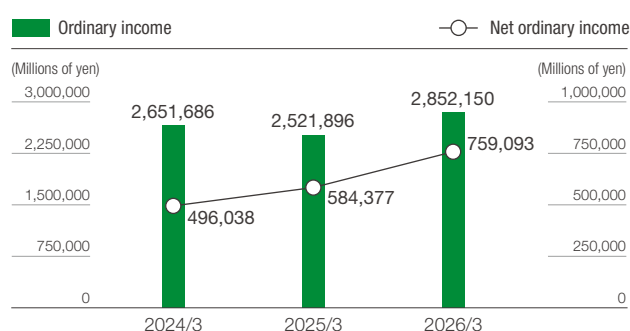
Business overview

Under the Banking Act, Japan Post Bank and its subsidiaries engage in the deposits, securities investment, remittances, sales of JGBs, investment trusts, and insurance products, syndicated loan, credit cards, mortgage intermediary services, and more.

Financial results for the fiscal year ended March 31, 2026 (consolidated)

In the banking business, ordinary income amounted to ¥2,852,150 million (up ¥330,254 million year on year) due to an increase in net interest income from an increase in income from foreign bond investment trusts, as well as higher interest on government bonds and deposits with the Bank of Japan. Ordinary expenses increased due to higher interest expenses and other factors, and net ordinary income amounted to ¥759,093 million (up ¥174,715 million year on year).

Ordinary Income / Net Ordinary Income



Note: The graph shows ordinary income and net ordinary income of the banking business of the Japan Post Group.

Strengths, Challenges, and Future Policy

Strengths

- Japan’s largest customer base
- Most extensive and stable deposit base in Japan
- Nationwide network
- Diverse specialized human resources

Challenges

- Strengthen customer base through expansion of products and services and establishment of sales channels in response to diversification of lifestyles and needs
- Secure stable income and tackle initiatives beyond the existing market operations business
- Increase presence in the domestic PE (Private Equity) market and enhance comprehensive capabilities for regional solutions

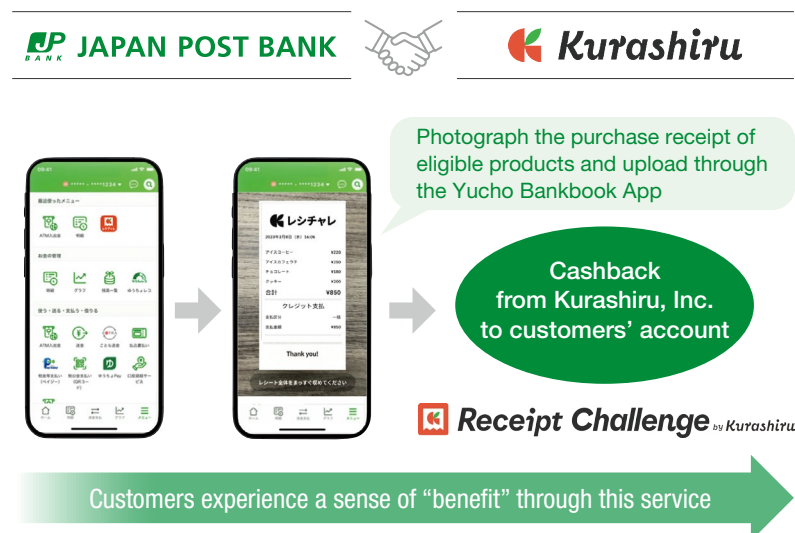
Future Policy

- Realize “safe, secure, and easy-to-use” + “beneficial” services centered on the Yucho Bankbook App
- Diversify financial consulting through expansion of new services and strengthening our channels
- Optimize investment portfolio and take on the challenge of an asset management business
- Deepen regional PE investments, while promoting collaboration with regional financial institutions and expanding corporate solution business

Digital payment business strategy

Using the Yucho Bankbook App as a starting point, we aim to promote the everyday use of our bank accounts and strengthen our customer and savings base by providing services that are “safe, secure, and easy-to-use” as well as “beneficial rewards.” For example, we will accelerate this initiative through alliances with various partner companies, such as introducing reward programs to the Yucho Bankbook App and collaboration with the “Receipt Challenge”¹ service of Kurashiru, Inc. We will also conduct customer-centric marketing based on financial transaction data, etc. collected through the Bankbook App and other channels to improve customer experience and LTV². We will also work to create new financial services, such as enabling safe and instant fund settlement thought Yucho DCJPY tokenized deposits³.

Link with “Receipt Challenge” service of Kurashiru, Inc.
(Planned to launch from September 2026)



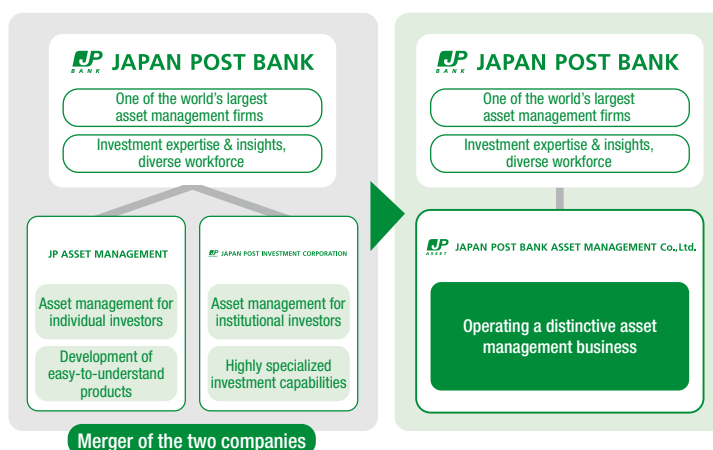
1 Kurashiru, Inc. transfers the equivalent number of in-app points calculated on purchase history to the user's JPB account as cash
2 Life Time Value: Profit and value contributed to a company by a customer over their lifetime
3 Utilization of block chain and other technologies for bank deposits to enable digital handling of deposits

Consulting business strategy

As a comprehensive financial platform, Japan Post Bank will promote financial consulting services that support customers across all generations. Specifically, we will expand our lineup of products and services to meet the diverse financial needs of customers through alliances with partner companies. These offerings will be delivered to customers nationwide and across all generations through the optimal channel for each customer that combines physical, digital, and remote options. In the digital channel in particular, we will introduce “Yucho AI Concierge (provisional name),” a chat-based AI service that allows customers to easily consult on asset formation and other topics at any time via smartphone, etc. Through personalized proposals tailored to each customer's needs, we aim to enhance customer experience.

Market operations and asset management business strategy

Capitalizing on rising domestic interest rates, we will restructure our yen interest rate assets, including Japanese government bonds. We will also aim for further improvement in risk/return, pursuing optimization of the overall investment portfolio combined with risk assets such as foreign securities. In addition, we will pursue a distinctive asset management business centered on Japan Post Bank Asset Management Co., Ltd. We also aim to deepen alliances with new partner companies, including overseas asset management firms.



Regional and corporate solutions business strategy

Regarding the investment business for mid-sized and small-to-medium-sized enterprises in Japan, which was launched as the Σ Business under our previous Medium-term Management Plan, we will deepen our regional private equity investments in Japan through GP* operations centered on our subsidiary, Japan Post Bank Capital Partners Co., Ltd. (JPCP). We will also strengthen relationship management with regional financial institutions and other entities, and promote the provision of payment solutions to regional businesses as well as workplace-based sales initiatives.

* Abbreviation for General Partner, the entity that manages the fund and makes investment decisions, etc.

Messages from Group Company Presidents



ONISHI Toru

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

We aim to become an Essential Company that continuously creates new value and delivers peace of mind nationwide

I was recently appointed as President, CEO, and Representative Executive Officer of Japan Post Insurance Co., Ltd.

Since our founding in 1916, we have continuously provided customers throughout Japan with peace of mind through simple and easy-to-understand products with smaller coverage amounts, guided by our social mission of "protecting the means of fundamental livelihood of the public through simple procedures."

As we approach the significant milestone of our 110th anniversary in 2026, the environment surrounding the Company is changing dramatically, with rising interest rates, advancements in new technologies such as AI, and increasing diversification of our customers' lifestyles and values. In order to remain indispensable to customers and society in this rapidly changing era, we must continuously grow and take on challenges as a company, while leveraging the strengths: the trust we have earned from approximately 16 million customers nationwide and the familiar, reliable nationwide post office network.

In this environment, we launched a new Medium-Term Management Plan in 2026, embodying our desire to continuously create new value and provide unwavering peace of mind to customers nationwide. By further enhancing the value of physical channels such as consultants and post offices through integration with remote and digital technologies, we will pursue three key strategies: establishing the "JPI Value Delivery Model," which provides "easy-to-understand products" and "convenient, attentive services;" "asset management that responds to changes in the investment environment and resolution of social issues;" and "take on the future."

Our vision for 2040 is to become "an essential company that continuously creates new value and delivers peace of mind nationwide." Going forward, all employees will work to protect the lives of each customer through the power of insurance, based on our management philosophy of "Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being."

We look forward to the ongoing support of our shareholders and other stakeholders.

Life Insurance Business

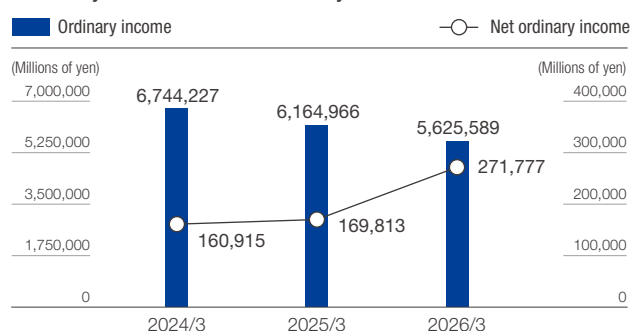
Business overview

Licensed and approved under the Insurance Business Act, Japan Post Insurance Co., Ltd. engages in the underwriting of life insurance and asset management business, including securities investment and loans. In addition to our own products, Japan Post Insurance branches also handle commissioned sale of other life insurance companies' products on commission. We have also entered into an operations consignment agreement with Japan Post to solicit our insurance products through its post offices.

Financial results for the fiscal year ended March 31, 2026 (consolidated)

In the life insurance business, ordinary income amounted to ¥5,625,589 million (down ¥539,377 million year on year), primarily due to a decline in insurance premiums following a reduction in sales of single-premium whole life insurance. However, net ordinary income amounted to ¥271,777 million (up ¥101,964 million year on year), thanks to a decrease in insurance claims and other payments, including maturity benefits, as well as a reduction in reinsurance premiums paid.

Ordinary Income / Net Ordinary Income



Note: The graph shows ordinary income and net ordinary income of the life insurance business of the Japan Post Group.

Strengths, Challenges, and Future Policy

Strengths

- The Post Office brand
- The Post Office network and human resources
- Customer base
- The power of our assets

Challenges

- Addressing the insurance needs latent within our massive and unique customer base
- Enhancing and expanding the appeal of insurance products and securing and growing stable investment returns in light of the transition to a world with interest rates
- Transforming the business model in anticipation of future changes in the business environment and other factors

Future Policy

"Establishing the JPI Value Delivery Model" to Address Latent Insurance Needs

Asset Management that Responds to Changes in the Investment Environment and Resolution of Social Issues

Take on the Future

By leveraging AI, digital technologies, and marketing strategies based on our massive and unique customer base, we will:

- Enhance the value of physical channels through collaboration with remote (new) and digital channels (strengthening)
- Provide "easy-to-understand products" tailored to customers and "convenient and attentive services"
- Achieving sustainable growth in an adjusted spread (the active management of yen-denominated bonds and the rebalancing of return-seeking assets)
- Contributing to solving social issues and identifying core companies in next-generation industries through asset management, through the promotion of impact investments and industry-academia collaborations
- Taking on the challenge of expanding the value proposition, such as inorganic growth via investments and partnerships and other initiatives
- Taking on the challenge of business transformation through AI and digital technologies

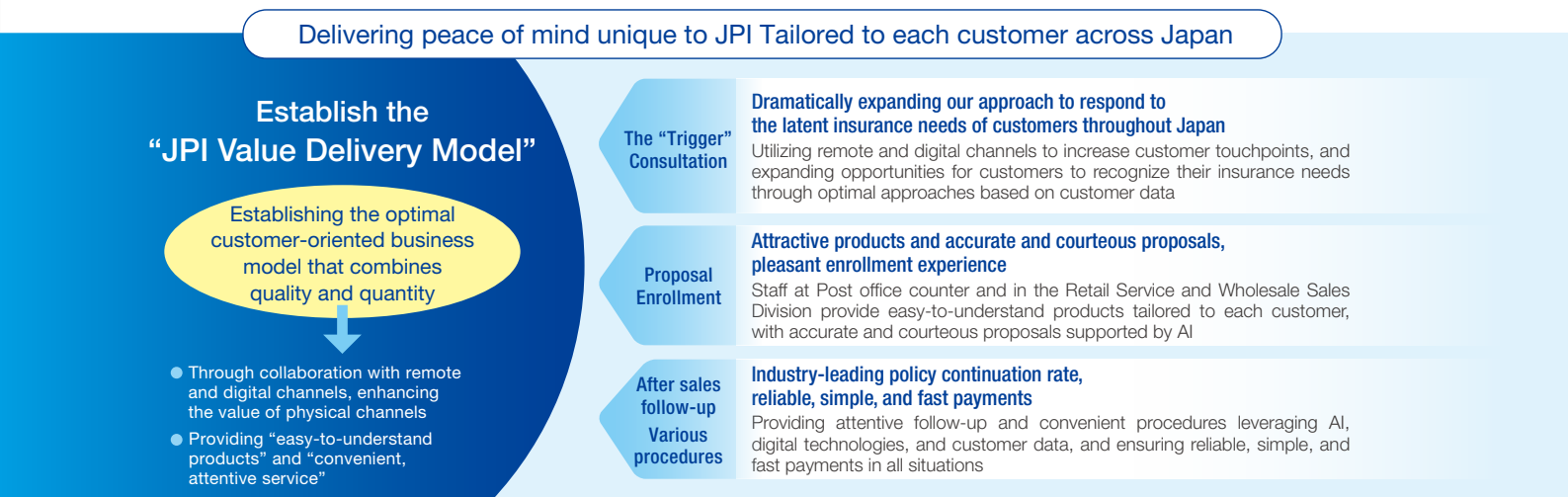
In its new Medium-term Management Plan, Japan Post Insurance has identified the following items (1) through (3) as key growth strategies.

(1) Establishment of the “JPI Value Delivery Model”

In addition to its massive customer base of approximately 15.77 million people, Japan Post Insurance also has touchpoints with the many customers who use the services of Japan Post Group companies. Possessing such a massive and unique customer base is a major strength for our Company, and we recognize that there are still significant latent insurance needs that we have yet to fully address.

To meet these potential insurance needs, we will establish the “JPI Value Delivery Model,” an optimal customer-oriented business model that combines both quality and quantity, by leveraging AI, digital technologies, and marketing strategies based on customer data.

We are committed to enhancing the value of our physical channels through collaboration with remote and digital channels, as well as providing “easy-to-understand products” and “convenient, attentive services” tailored to each individual customer. We will achieve a reversal in the number of policies in force after privatization and a bottoming out of the total number of policies in force during the period of the new Medium-Term Management Plan.



(2) Asset management that responds to changes in the investment environment and resolution of social issues

As a universal owner that manages a wide range of assets over the long term, after further strengthening our investment foundation, we will capture the improvement in the investment environment such as the rise in interest rates in Japan and pursue the sustained achievement of record-high adjusted spread through the reconstruction of our portfolio. Furthermore, through the promotion of impact investments and academic-industrial collaborations, we will contribute to the resolution of social issues through asset management and to the discovery of companies that will become pillars of the next generation industrial structure, thereby aiming to become one of the world’s leading institutional investors.



(3) Take on the future

With the aim of stabilizing and strengthening its business and achieving further profit growth, Japan Post Insurance will, during the term of its new Medium-term Management Plan, focus on: (1) expanding the value it provides through initiatives such as inorganic growth, and (2) driving business transformation by leveraging AI, digital technologies, and other tools. Through these initiatives, the Company aims to expand the value it provides to customers, embody its identity as a company that “delivers peace of mind,” and further enhance its profitability.