

Sustainability

Message from the Executive in Charge

Sustainability initiatives integrated with the JP Plan 2028 strategy

Key achievements of JP Vision 2025+

FY2025 marks the final year of our Medium-term Management Plan, JP Vision 2025+. With the goal of realizing value creation through improving community and individual well-being and contributing to a low environmental impact society, we have been promoting initiatives in six key areas of sustainability (local communities and economies, responding to the aging society, access to services, environment, human resources and human capital, and management foundation).

In particular, in the areas of local communities and economies, responding to the aging society, and access to services, we have been advancing initiatives that are closely attuned to the needs of local communities and their residents. We have done this by collaborating with numerous local governments, providing solutions tailored to regional challenges such as local logistics, and leveraging digital tools, including the Post Office App. We recognize these efforts as tangible results toward improving community and individual well-being.

Furthermore, in the area of environment, to reduce greenhouse gas emissions and conserve biodiversity (challenges that would be difficult for the Japan Post Group to address on its own) we have been tackling these issues through our business operations in collaboration with various partner companies. These efforts include the introduction of solar power generation and energy storage systems, joint operations for trunk transportation, and the sale of products that help reduce food waste. We view these initiatives, which are driving transformation in our supply chain and society as a whole, as achievements that contribute to the creation of value under the theme of contributing to a low environmental impact society.

Integrating sustainability into business operations

Meanwhile, in FY2025, as we moved forward with the formulation of our new Medium-term Management Plan, JP Plan 2028, we assessed the risks and opportunities related to sustainability and determined their materiality. Through this process, we consolidated the key sustainability issues across the six areas of JP Vision 2025+ into three top management priorities (materiality): local community, people, and trust.



ASAI Tomonori

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

Sustainability promotion framework

Japan Post Holdings has established the Basic Policy on Corporate Governance, and based on the Basic Policy, the Board of Directors is responsible for overseeing sustainability-related risks and opportunities. The Audit Committee audits the execution of duties and operations by the directors and the executive officers with regard to the sustainability-related risks and opportunities.

To properly promote sustainability management, we have established the Regulations on Sustainability Promotion, which defines the functions and responsibilities pertaining to sustainability management, and have designated our CEO as the Chief Officer responsible for promoting sustainability management. In order to assess and manage sustainability-related risks and opportunities, we have established the Sustainability Committee, chaired by the executive officer in charge of the Sustainability Management Department, with the CEO participating as a special committee member as appropriate.

As an advisory body to the Management Meeting, the Sustainability Committee discusses the identification and assessment of sustainability-related risks and opportunities, as well as group policies, indicators, and targets for addressing such issues. Discussions are reported each time to the Management Meeting and the Board of Directors, and are also reported to the Audit Committee on a regular basis.

In addition, the Group has established the Japan Post Group Sustainability Liaison Conference, attended by the executive officers in charge of sustainability at each group company. In response to consultations from the chair of the Sustainability Committee, the Liaison Conference discusses the matters necessary for ensuring coordination in planning and promoting sustainability management for the whole group, and reports the results to the chair.

Furthermore, we have appointed Sustainability Promotion Leaders in each department and section to facilitate cooperation with the Sustainability Management Department. The Sustainability Promotion Leaders are responsible for information dissemination, awareness raising, information disclosure, coordination, and the promotion of initiatives.

Sustainability Promotion Organizational Chart





Sustainability Concept Movie



Through a series of dialogues, we examined the importance of this initiative from both a financial and societal perspective, taking into account the opinions of external experts and the role of the nationwide post office network as a social infrastructure that supports the foundations of daily life (see P. 23).

We will address the materiality issues identified through this process by implementing the three key strategies of the JP Plan 2028, and aim to realize our Group management philosophy by creating two values: development of society and the region and realization of happiness for stakeholders (see P. 18–22).

Promoting proactive information sharing

The assessment of risks and opportunities serves as the foundation for our efforts to comply with the disclosure standards established by the Sustainability Standards Board of Japan (SSBJ), which will take effect starting with the fiscal year ending March 2027. Furthermore, regarding the disclosure of climate-related information, we have begun developing a Group-wide framework for visualizing and managing environmental data, and are working to calculate greenhouse gas emissions and obtain third-party assurance, thereby striving to enhance the reliability of our disclosures.

While accelerating our efforts to comply with these new disclosure standards, we have also expanded the information we provide on areas such as human capital and the supply chain, and strengthened our disclosures through our corporate website. As we have advanced these initiatives, our ratings from several international rating agencies have improved.

Furthermore, in April of this year, we released a sustainability concept video (<https://www.japanpost.jp/en/sustainability/index.html>) to convey our approach

to sustainability in a more tangible way not only to investors but also to a wide range of stakeholders, including our customers, employees, and young people who will shape future generations.

In this video, we highlight our Group's commitment to sustainability and explain how each employee's daily work is connected to sustainability, with the aim of helping viewers feel more personally connected to these initiatives.

While making effective use of communications that include such videos, we will strive to further enhance our ability to explain and engage in dialogue so that we can convey the value created by our Group in a comprehensive and easy-to-understand manner, alongside our financial information.

Enabling each employee to create value through internalization

This fiscal year is a crucial one for the steady implementation of JP Plan 2028, our Medium-term Management Plan that more closely integrates sustainability with business operations. In my role as the driving force behind sustainability at the Japan Post Group, I will further energize the activities of the sustainability promotion leaders appointed to every department within the Company, as well as foster a sense of personal ownership among every Group employee, encouraging them to link sustainability to their individual roles and responsibilities and take proactive action.

Furthermore, using this sense of internalization as our driving force, we aim to create two values (the development of society and the region and the realization of happiness for stakeholders) through business initiatives aligned with the three key strategies of the JP Plan 2028.

Deliberations by the Sustainability Committee and reports to the Board of Directors for FY2025

Committee Meeting	Major Topic of Deliberation/Reporting Matters
1st July 2025	- Progress report on non-financial targets under JP Vision 2025+ (human capital, reduction of greenhouse gas emissions) - Deliberations on identifying issues based on a disclosure gap analysis against the SSBJ Standards - Report on sustainability training and initiatives to promote awareness within the Company
2nd Oct. 2025	- Deliberations on the review of top management issues (materiality) - Report on the status of measures taken to address issues arising from discrepancies in disclosure compared to SSBJ Standards - Deliberations on accelerating the calculation of greenhouse gas emissions - Reporting on the status of responses to climate change-related risks and opportunities
3rd Dec. 2025	- Deliberation on the most critical management issues (materiality) and the key strategies, indicators, and targets outlined in the Medium-term Management Plan* - Deliberations on the process for identifying sustainability-related risks and opportunities and assessing their materiality - Report on the results of the preliminary verification of greenhouse gas emissions calculations - Reports on evaluation results from ESG rating agencies and other entities
4th Mar. 2026	- Report on the identification of top management priorities (materiality)* - Report on the identification and materiality assessment of sustainability-related risks and opportunities, and related evaluation metrics* - Deliberations on greenhouse gas emission reduction targets* - Report on the establishment of indicators and targets based on biodiversity-related risks and opportunities - Report on the status of human rights due diligence initiatives

* Matters reported to the Audit Committee

Key strategies, goals, and KPIs of the JP Plan 2028 aligned with materiality

Strategies and Countermeasures	
- Review of the business structure to ensure the sustainable provision of universal service - Enhancement of corporate value through profit growth in growth areas - Strengthening the Group's management base	- Strengthening and ensuring compliance and governance - Customer-oriented business operations - Deepening human capital management - Strengthening digital infrastructure - Contribution to the realization of a decarbonized, recycling-oriented society
Targets / KPIs	
Financial	Non-financial
Overall - ROE - Net income attributable to Japan Post Holdings	Supporting lifestyles P. 52-53 Total number of contracted local governments
Targets by segment - Postal and domestic logistics - Post office - International logistics - Real estate - Banking - Life insurance	Improving accessibility P. 44-45 - Yu ID - Post Office App
..... P. 30	Solving social issues through investment and financing P. 63 - Sustainable finance - Impact investment
	Contribution to the realization of a decarbonized, recycling-oriented society P. 64-67 Greenhouse gas (GHG) emission reductions
	Deepening human capital management P. 68-73 - Support childcare for a balance with work - Employee engagement score - Ratio of women in management positions

As a Hub Supporting Daily Life in the Community

The Japan Post Group has identified Local community and People as two of its most important management priorities (materiality). Regarding Local Community, even amid declining populations and an aging society, the Group will leverage its nationwide network of post offices to fulfill its role as a pillar of local infrastructure and a hub for daily life through financial, logistics, and counter services, thereby working to address these challenges. Regarding People, we will provide attentive support tailored to diversifying values and life stages, and support secure and fulfilling lifestyles by offering optimal solutions that combine our postal, logistics, banking, and insurance services. These initiatives leverage the unique strengths of our Group, which has a nationwide network of locations.

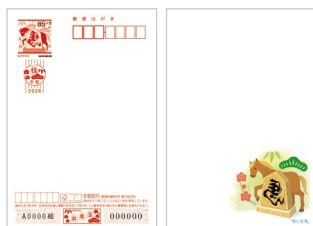
Under our Medium-term Management Plan, JP Plan 2028, we will create value in both financial and non-financial terms, aligned with the strategies of reviewing our business structure to ensure the sustainable provision of universal service and enhancing corporate value through profit growth in growth areas. Specifically, in addition to financial targets such as ROE and segment-specific financial goals, we have established non-financial targets such as supporting lifestyles, improving accessibility, and solving social issues through investment and financing, and will implement measures aligned with each of these themes.

For example, the outsourcing of local government services to post offices not only helps maintain resident services and improve convenience in the community (P. 52–53), but also serves as an opportunity for communication with customers who visit the post office. Furthermore, by improving accessibility through digital tools such as Yu ID and the Post Office App (P. 44–45) which allow customers to access various services regardless of post office hours, we create more touchpoints with customers across both physical and digital channels. Through services tailored to diverse generations and lifestyles, this leads to the creation of two key values: the development of society and the region and the realization of happiness for stakeholders.



COLUMN | New year's greetings for a prosperous future in our community

Through New Year's postcards and stamps with donation components, Japan Post is engaged in initiatives that support daily life in local communities. The donations collected through these efforts are used to support the activities of organizations working to address local and social issues, and approximately ¥110 million in donations from the 2026 New Year's postcards with donation components will be distributed across the country. In addition to responding to infectious diseases and natural disasters, Japan Post supports a wide range of activities while addressing evolving societal challenges, such as support for the LGBTQ community and young caregivers. A single New Year's greeting contributes to a prosperous future for local communities where everyone can live with peace of mind.



2026 Charity New Year's Postcards



Suita Hands-On Activity Club (Osaka Prefecture)

Activities

Activities conducted in collaboration with local elementary schools to create opportunities for children to learn about the natural environment

We also support a variety of other activities.

- Support for single-parent families through children's cafeteria programs
- Support for art activities aimed at expanding opportunities for people with disabilities to participate in society
- Support for disaster preparedness education from a gender perspective

Solving Social Issues Through Investment and Lending (Sustainable Finance)

JAPAN POST BANK

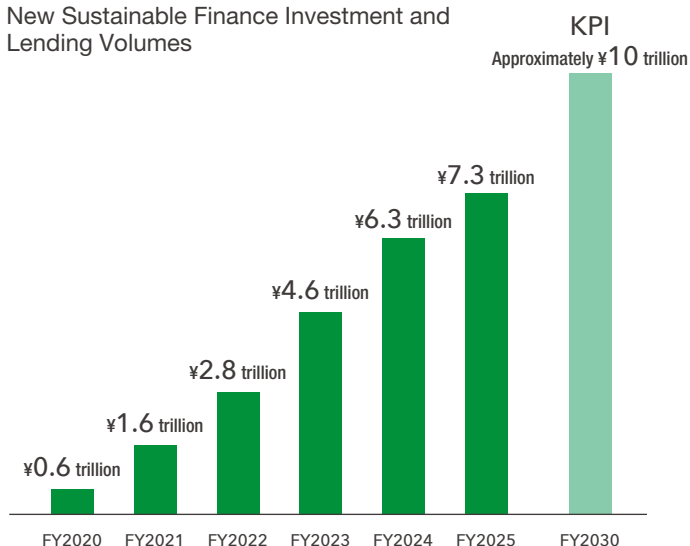
Promotion of sustainable finance

Japan Post Bank has set a new KPI to reach approximately ¥10 trillion in sustainable finance by FY2030 (cumulative total of new investments and loans starting from FY2020) in order to generate stable returns over the medium to long term while supporting the efforts of its investment and lending recipients to address social issues through finance. The bank is promoting investments and loans in green bonds and loans, transition bonds and loans, and other such instruments.

We believe that, as one of Japan's largest institutional investors, actively providing funding and making investments to meet the anticipated demand for capital aimed at achieving decarbonization and becoming nature-positive will contribute to both enhancing corporate value and addressing social challenges.

Furthermore, to realize a virtuous cycle in which the creation of impact leads to economic growth and sustainability, we will continue to strive to refine the measurement and utilization of impact.

New Sustainable Finance Investment and Lending Volumes

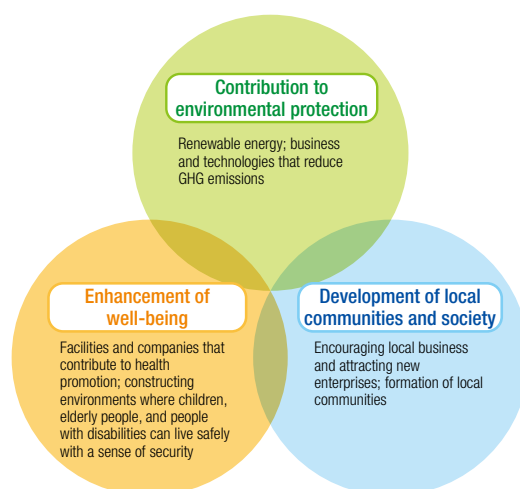


JAPAN POST INSURANCE

Sustainable investing

Guided by our management philosophy, "Be a trustworthy partner for people, always being close at hand and endeavoring to protect their well-being," we aim to realize a sustainable society and enhance medium-to long-term investment returns as a universal owner that manages a broad range of assets over the long term using the valuable insurance premiums entrusted to us by our customers.

With a focus on enhancement of well-being, development of local communities and society, and contributing to environmental protection, we are promoting investments that appropriately take sustainability into account.



TOPIC 1 The Expansion of Impact Investing

Alongside our pursuit of financial returns, we are expanding our impact investing to help solve social issues. Under our proprietary investment framework, the Impact "K" Project, we aim to generate impact based on our priority themes.

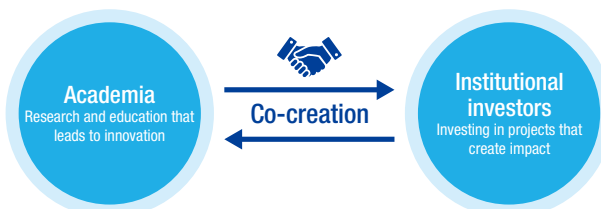
Medium-term Management Plan KPIs (Through the End of FY2028)

	Amount (Note)
Impact "K" Project Certification	¥100 billion

(Note) Cumulative investment amount by Japan Post Insurance since the start of certification in FY2022. (Depending on the type of fund, either the investment amount or the committed amount is recorded.)

TOPIC 2 Industry-academia Collaboration Through Asset Management

To promote industry-academia collaboration centered on investment in innovative technological development and business initiatives by academic institutions, we have signed memorandums of understanding and agreements with seven educational institutions and other organizations. Through diverse channels such as the establishment of impact funds, guest lectures, and joint research, we are deepening co-creation between academia and the financial sector.



Contribution to the Realization of a Decarbonized, Recycling-oriented Society

Japan Post Group recognizes the importance of protecting nature and the environment and passing on our irreplaceable global environment to future generations.

Based on this philosophy, we have identified contribution to the realization of a decarbonized, recycling-oriented society as a key element of trust, which is one of our most critical management priorities (materiality), and have incorporated it into the priority strategy “Strengthening the Group’s management base” under our Medium-term Management Plan, JP Plan 2028. We are committed to conducting business activities that minimize our environmental impact and to environmental conservation efforts.

Basic views

The Japan Post Group is working to build a foundation for a sustainable future and to preserve the environment, which serves as the basis for trust from local communities and customers. To address climate change, the Group is reducing greenhouse gas emissions, developing disaster prevention infrastructure, and adapting its business operations to the impacts of climate change, while also striving to achieve carbon neutrality.

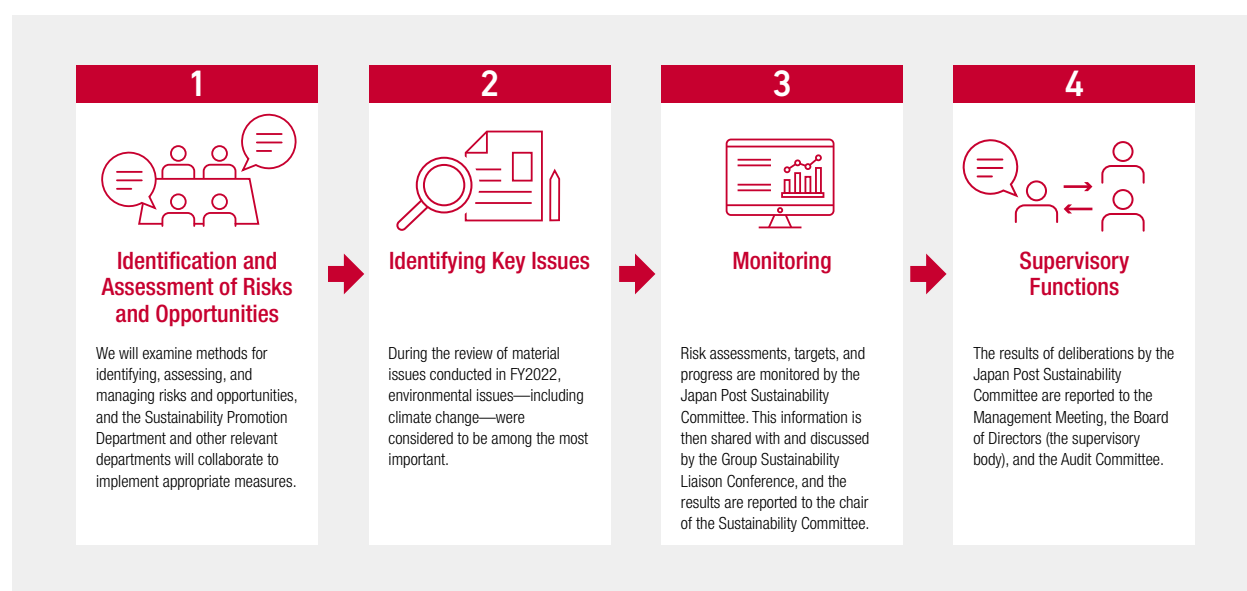
Furthermore, through our business activities, we are committed to realizing a resource-recycling economy and addressing the impacts on natural capital and biodiversity, as well as working to mitigate and restore those impacts, with the goal of becoming nature-positive.

Governance

- In accordance with the Japan Post Group Basic Sustainability Policy, the Japan Post Group is promoting business operations that adapt to the impacts of climate change, as well as business activities and environmental conservation activities aimed at reducing its impact on the global environment.
- Under the Medium-term Management Plan JP Plan 2028, we set the reduction of greenhouse gas emissions as one of our main targets for achieving carbon neutrality, and addressing climate change is positioned as part of our management strategy.
- With regard to climate change and nature-related issues, they are supervised by the Board of Directors, the highest officer of which is the Group CEO.
- The Sustainability Committee, established as an advisory body to the Management Meeting, deliberates on climate change, the identification of nature-related risks and opportunities, response policies, targets, and the progress of initiatives; it reports its findings to the Management Meeting and the Board of Directors, and also provides regular reports to the Audit Committee.

Risk and impact management

The Japan Post Group identifies and assesses risks and opportunities related to climate change and biodiversity through its Sustainability Committee. We identify transition risks, physical risks, and related opportunities across the Group’s business activities and the products and services we provide, and manage them under the following framework.



Strategy

Japan Post Group has set carbon neutrality by 2050 as its Group-wide ultra-long-term goal. From the perspectives of both climate change and biodiversity, the Group is evaluating the risks, opportunities, and financial impacts identified through scenario analysis for its core businesses—the postal and domestic logistics business and post office business—and formulating response strategies.



Response to TCFD and TNFD recommendations



Scenario Analysis

Climate change

We are considering two scenarios: one in which the rise in temperature by the end of this century is limited to 1.5°C or less compared to pre-Industrial Revolution levels, and another in which the temperature rise exceeds 4°C.

Impact analysis and response strategies for the postal and domestic logistics business and post office business

Classification		Time of Occurrence ¹	Financial impact ²	Details	Response Policy
Physical Risks	Acute	Short Term	Small to Large	Increase in restoration and operating costs, disruptions to business continuity, and a decline in revenue, among other issues, in the event of damage to post office buildings due to river flooding or high tides	Visualize the risks of torrential rains and floods and bolster resilience toward such risks
	Chronic	Short Term	Small to Medium	Reduced productivity of employees in outdoor work due to the increased number of extremely hot days	Maintaining the productivity of outdoor work
Transition Risks	Policy and Legal	Medium to Long Term	Small to Medium	Measures such as increasing the carbon tax based on fossil fuel consumption, etc.	Strengthen the decarbonization of facilities and vehicles
	Reputation	Short to Medium Term	Small to Large	Divestment by shareholders and investors if Japan Post is perceived as reluctant to address climate change	
Opportunities				Increased sales by responding to customer needs through the provision of environmentally friendly delivery services and other offerings	Create earnings opportunities that look toward a decarbonized society
Management					Decarbonized management

¹ Short term: up to about 1 year. Medium term: up to about 3 years. Long term: 3 years or longer.

² Large: ¥10 billion or more. Medium: ¥1billion to ¥10billion. Small: less than ¥1 billion.

Biodiversity

Japan Post Group and Japan Post conducted a pilot implementation of the LEAP approach proposed by the Taskforce on Nature-related Financial Disclosures (TNFD) in FY2024 and analyzed the dependence on and impact on nature of their activities across their core businesses postal and domestic logistics, post office, international logistics, and real estate.

Analysis and evaluation of main business areas in accordance with the LEAP approach

Category	Item	Qualitative Business Impact Assessment		Risks and Opportunities for Our Group	
		Time of occurrence ³	Impact	Major Risks	Major Opportunities
Biodiversity	Procurement of stamps and postcards	Short to long term	Large	Revenue decrease due to reduced use of paper-based postal services from the perspective of forest resource conservation.	Corporate reputation enhancement by promoting procurement of paper sourced from sustainably managed forests.
	Waste at post offices	Short to long term	Large	Decline in corporate reputation due to the large amount of waste generated by post offices.	Corporate reputation enhancement through proper waste disposal and recycling. Cost reduction through waste reduction.
	Post office construction	Medium to long term	Middle	Increased costs associated with responding to stricter development regulations and other measures related to ecosystem conservation.	Corporate reputation enhancement through early response to the need for architecture that takes natural capital and ecosystems into account, and the construction of environmentally friendly post offices.
	Product sales	Short to long term	Middle	Shortages of quality products for sale due to a decrease in agricultural and fishery production resulting from ecosystem degradation.	Corporate reputation enhancement and creation of business opportunities by expanding the lineup of ethical products through a merchandise sales strategy that takes biodiversity into account.
Trade-offs	Procurement of renewable energy	Long term	Small	Decline in corporate reputation due to adverse ecological impacts from land use at renewable energy procurement sites.	Corporate reputation enhancement through renewable energy procurement considerate of both decarbonization and natural capital.

³ Short term: up to about 1 year. Medium term: up to about 3 years. Long term: 3 years or longer.

Key Countermeasures

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

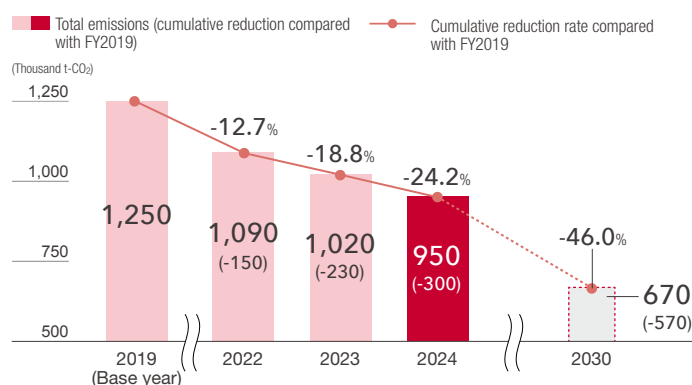
With the goal of reducing greenhouse gas emissions from Japan Post and its supply chain

To achieve the Company-wide goals set forth in our Medium-term Management Plan, JP Plan 2028—namely, carbon neutrality by 2050 and a 46% reduction in greenhouse gas emissions by FY2030 (compared to FY2019)—our Group is working to reduce emissions across all business activities through measures such as optimizing energy use, introducing vehicles with low environmental impact, and expanding the use of renewable energy.

In particular, Japan Post and its postal and domestic logistics subsidiaries, which account for over 90% of the Group's greenhouse gas emissions, are focusing their efforts on the electrification of transportation and delivery vehicles and on reducing electricity consumption at post offices.

Furthermore, the Japan Post Group is contributing to achieving carbon neutrality in local communities, and while post offices serve as local hubs, the Group is also working to reduce emissions across the entire supply chain.

Greenhouse Gas Emissions (Scopes 1 and 2) and Targets



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

2 This covers Scope 1 (emissions directly emitted by the Company) and Scope 2 (emissions associated with the use of electricity and other resources supplied by third parties).

3 Japan Post Holdings and Japan Post greenhouse gas emissions for FY2024 are disclosed with reasonable assurance.

4 We plan to disclose FY2025 performance on our website.

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

Scope 3 Performance by Category



Japan Post's initiatives to reduce greenhouse gas emissions

As part of its efforts to reduce greenhouse gas emissions, Japan Post has introduced electric vehicles (approximately 8,200 electric light-weight four-wheeled vehicles and approximately 28,200 electric two- and three-wheeled vehicles), and the installation of solar power generation facilities (at approximately 110 post offices nationwide). In addition, through strategic partnerships with electric power companies and other entities, the Company is working to optimize electricity usage using storage batteries (at two post offices nationwide) and to introduce air conditioning control systems (at approximately 40 post offices nationwide). (All figures are as of the end of March 2026.)

Furthermore, with the aim of reducing environmental impact and streamlining transportation, in addition to jointly operating long-distance trunk routes with partner companies, Japan Post Group, Japan Post, and East Japan Railway Company signed an agreement in February 2024 regarding strengthening collaboration to address social issues. Based on this agreement, starting in April 2026, we have been utilizing rail transport for mail and other items previously transported by Japan Post vehicles from the Tsuruoka Post Office to the Atsumi Post Office.

Going forward, we will continue to expand our efforts to address social issues such as environmental challenges and labor shortages in the logistics industry, and to contribute to the development of society and local communities.

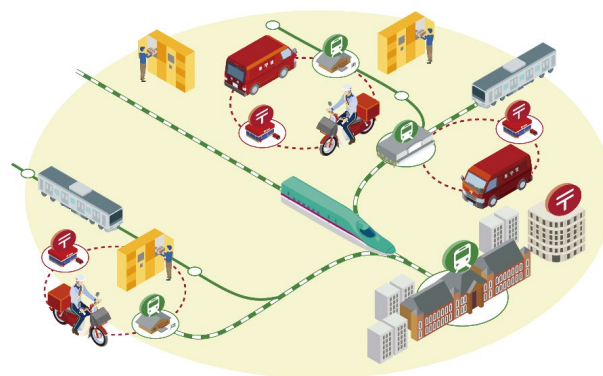
Reducing greenhouse gas throughout the supply chain

Japan Post aims to obtain SBT (Science Based Targets)* certification for its greenhouse gas (GHG) emission reduction targets for Scopes 1, 2, and 3 by FY2026.

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



Okayama Post Office (Okayama Prefecture) has introduced a power optimization service utilizing large-scale battery storage systems



Conceptual image of coordination between rail cars and mail cars

Contributions to the conservation of natural capital and biodiversity

The Japan Post Group is advancing initiatives that take into account the conservation of natural capital across its diverse businesses, including postal and logistics services, banking, life insurance, and real estate. To assess and manage its dependence on nature, as well as its impact on nature and the associated risks and opportunities, the Group has established indicators and targets related to natural capital and is actively promoting these initiatives.

Furthermore, by leveraging our network of post offices which serve as familiar community hubs and our daily interactions with customers, we are addressing issues such as resource recovery and food loss reduction through our retail and logistics operations. Through these initiatives, we are driving transformation in supply chains and society as a whole, contributing to the conservation of natural capital and biodiversity and the realization of a sustainable society.

Category	Our Group indicators	Targets (2026–2028)	Target companies
Climate change	Greenhouse gas (GHG) emissions	46% reduction by FY2030 (compared to FY2019)	Nine major companies ¹
	Number of violations of environmental laws and regulations	Compliance with environmental laws, regulations, and various agreements	
Contamination/decontamination	Amount of waste generated and amount recycled	Reducing waste and promoting the 3Rs, etc.	Japan Post Group, Japan Post, Japan Post Bank, and Japan Post Insurance
	Uniform reuse rate	Maintaining a 40% uniform reuse rate	
Use and replenishment of resources	Utilization rate of FSC®-certified paper ²	Maintaining a 100% utilization rate of FSC®-certified paper Applicable products: all postcards and standard letters issued by Japan Post	Japan Post
		Promoting the use of FSC®-certified paper Applicable products: Yu-Pack boxes ³ , Yu-Packet Plus dedicated boxes	
	Utilization rate of environmentally friendly materials	Continued use of eco-friendly materials Applicable products: Letter Pack Plus, Letter Pack Light, Smart Letter	



Yu-Pack Box

In addition to FSC certification, we have eliminated white coating and color printing to reduce our environmental impact.



Reuse of Uniforms

We collect uniforms that are no longer in use, clean and maintain them, and then reuse them at post offices that need them.

¹ Japan Post Group, Japan Post, Japan Post Bank, Japan Post Insurance, Japan Post Transport, JP Logistics Group, Toll Holdings, Tonami Holdings, Japan Post Real Estate

² FSC-certified paper is made from FSC-certified wood, recycled materials, or other controlled materials.

<https://fsc.org/en> (FSC®N003846)

³ Boxes in sizes 60, 80, 100, and 120; sake boxes; wine boxes; triangular boxes

As a local hub for resource recycling

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

PASSTO is a neologism combining the English-language words “pass” and “to,” as in “pass to the next person” or “pass on to the future.” By turning local post offices—a familiar presence in people’s lives—into touchpoints for civic environmental activities and gateways to resource circulation, we aim to build a circular economy.

The initiative, which began at the Shibuya Post Office (Tokyo) and Nagareyama Post Office (Chiba Prefecture) in April 2023, had expanded to 35 post offices as of March 2026.

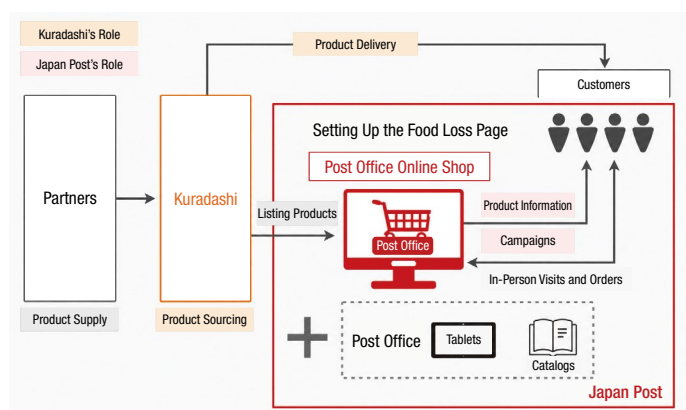
In August 2025, we added “toys and stuffed animals” to our list of accepted items to our list of accepted items as part of our ongoing efforts to further improve convenience for our customers.



Making food waste reduction more accessible through the post office

In August 2025, Japan Post and Kuradashi Co., Ltd. entered into a capital and business alliance agreement with the aim of realizing a sustainable society and enhancing corporate value over the medium to long term.

Kuradashi offers products that have lost their usual distribution channels due to factors such as approaching expiration dates, excess inventory, or packaging changes to customers nationwide through Japan Post’s e-commerce site, select post office locations, and tablet devices. By leveraging the reliability and community-focused nature of post offices, we aim to reach a wide range of consumers, including those who have had limited exposure to products designed to reduce food loss, and promote the reduction of food loss throughout society through a rewarding shopping experience.



Initiatives Relating to Human Capital

Seeking to put human capital management into practice in the Japan Post Group, we have formulated the Group Human Resources Policy as a basic direction to realize the human resources strategy linked to the management strategy. Through this policy, we will strive to broaden our contributions to customers, local communities, and society, while strengthening corporate value.

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

The Japan Post Group aims to become a company where all employees can work with **pride and fulfillment**. To achieve this, we will work toward human resources development and the improvement of the internal environment based on the focal points of **mutually accepting** each other's differences, **enhancing** capabilities, and **demonstrating** strengths, to support the development and challenges of employees.

By practicing this type of human capital management, we ensure the sustainable enhancement of corporate value and contribute to the happiness of our customers and the development of the local communities.

Details

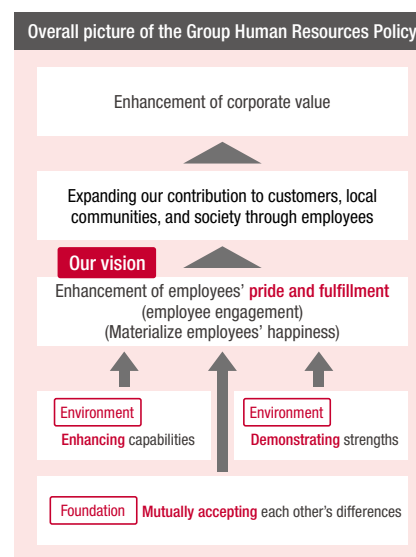
- The positive stance and actions of our employees toward their work will contribute to customers, local communities, and society, and in this way, we will ensure the enhancement of corporate value in a broader sense. Thus, we will provide all employees, who are working behind the scenes* for customers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

* The credo of MAEJIMA Hisoka, the founder of the postal business: "Don't be afraid to be a behind-the-scenes supporter. Always have the desire to do good for others."

- To make it possible for employees to find pride and fulfillment in their work, the Company will provide a workplace where employees can respect each other's differences, i.e., a foundation (mutually accepting each other's differences) and an environment that supports proactive efforts to enhance capabilities and motivation (enhancing capabilities and demonstrating strengths).

- To mutually accepting each other's differences, we will provide a workplace that encourages employees to maintain both a healthy mind and body, without harassment, to mutually respect and accept the diverse lifestyles and individual circumstances of each employee regardless of gender or age and fosters a sense of security
- To enhancing capabilities, we will provide opportunities for employees to acquire skills, knowledge, and technology so that they can adapt to the changes in services and ways of offering services brought on by the changing business environment, and so that they can proactively choose their work styles
- To demonstrating strengths, we will provide employees with opportunities to take on challenges while reinforcing the systems for evaluating such endeavors and establish an organization and culture that encourages employees to demonstrate their strengths and creativity and take on challenges for customers
- Through these initiatives, we will nurture human resources capable of mutually accepting each other's differences, enhancing capabilities, and demonstrating strengths

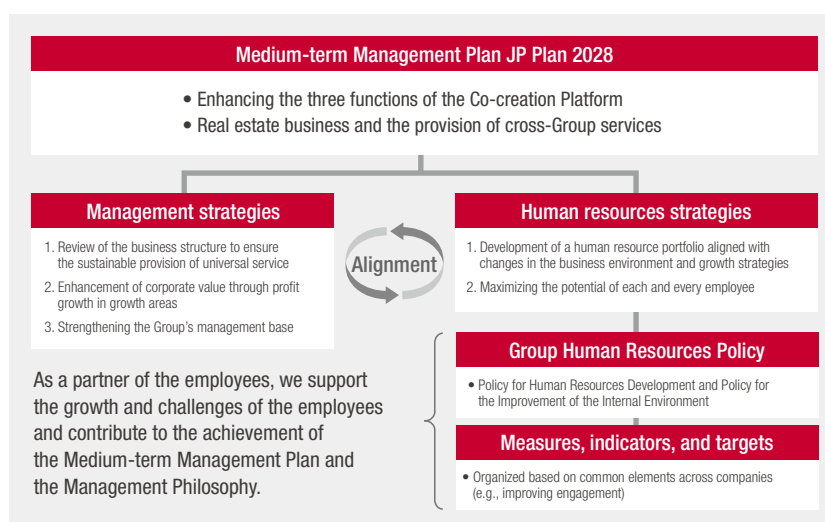
- In recognition of the fact that the demonstration of the employees' capabilities and enhanced motivation will lead to the expansion of business, we are planning and implementing human resources measures and promoting the expansion of businesses together with our employees.



Background of the Group Human Resources Policy

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

The majority of our 370,000 employees who are on the front lines responding to customers make up the foundation of the Group's businesses. So, special emphasis was placed on those on the front lines. We place a premium on their mutual acceptance and the enhancement of their motivation and capabilities. We also recognize that the series of recent scandals have impacted the pride and fulfillment of those on the front lines and have lowered their motivation and engagement. We believe that restoring and improving them is essential for our business.



Improvement of Pride and Fulfillment, the Core of the Human Resources Policy

Our vision and human resources measures

We will achieve employee happiness and improved productivity by enhancing employees' pride and fulfillment (engagement).

To enhance their pride and fulfillment, we believe that providing an environment of mutually accepting each other's differences as a foundation, enhancing capabilities of individual employees, and individual employees demonstrating strengths are indispensable, and we will set indicators and targets and strive to achieve them.

At the same time, we will periodically monitor to what extent the employees are finding pride and fulfillment, analyze and share the results with the employees, and identify any issues and formulate countermeasures.

Measures, indicators, and targets

Applicable Companies	Measures, Indicators, and Targets	FY2028 Target
The Company and its operating subsidiaries ²	Employee Engagement Score	B* in the entire Group

* 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.

Aligning Business Strategy and Human Resources Strategy

We will continue to promote the implementation of a human resources strategy aligned with the three main strategies outlined in our Medium-term Management Plan.

Under this plan, the Company has identified the following as main strategies: review of the business structure to ensure the sustainable provision of universal service; enhancement of corporate value through profit growth in growth areas; and strengthening the Group's management base. Our human resources are the foundation that supports all of these initiatives.

For this reason, we will steadily work to secure the human resources necessary to execute our strategy, while also striving to improve productivity and create a supportive work environment that maximizes the abilities and potential of each and every employee.



Development of a Human Resource Portfolio Aligned with Changes in the Business Environment and Growth Strategies



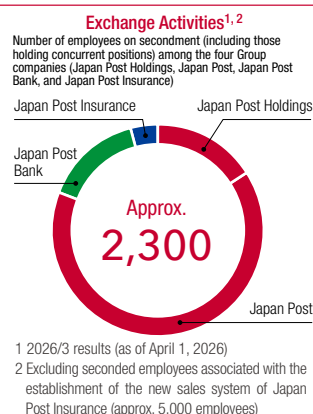
Measures to promote the utilization of internal human resources and the recruitment of external human resources

* Figures represent cumulative totals since the program was introduced

Utilization of Internal Human Resources

■ Personnel Exchanged within the Group

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



■ Internships Among the Group (since April 2022)

We offer internships at our Group headquarters to allow employees to gain hands-on experience with work in other departments that interest them based on their own choices and willingness to take on new challenges, thereby deepening their understanding and fostering their future career development.

Participant results*
154 people

■ Internal Open Recruitment Among the Group (since April 2022)

As part of our efforts to support employees in shaping their own careers, we conduct a Group-wide internal open recruitment program that allows employees to volunteer for transfers to their preferred Group companies or departments.

Assignee results*
261 people

■ Effective Use of Human Resources at Service Counters

For those tasks currently outsourced that can be handled by customer service staff, we will effectively utilize internal resources to improve profitability, boost employee engagement, and enhance customer service.

■ Promoting Strategic Side Businesses (since October 2022)

At the head offices of the four major Group companies, we have simultaneously launched a pilot program for three types of side businesses: outside side business by employees; accepting personnel from outside the Group who are engaged in side businesses; and side businesses among the Group. By leveraging each employee's career background, including professional experience and business skills, we are promoting their future career development. As for "outside side business by employees," employees can pursue side businesses not only outside of regular working hours but also by reducing their work hours by up to one day per week, thereby encouraging them to take on new challenges.

Number of participants*
174 people

Utilization of External Human Resources

■ Alumni (since September 2022)

We established the Alumni Network (target: headquarters) in September 2022 with the aim of enabling alumni—former employees who are familiar with the Japan Post Group and have gained new experiences and knowledge outside the Group—to return and contribute once again.

Number of hires*
297 people

■ Comeback Recruitment System (since October 2024)

The existing re-employment system, which previously applied only to specific reasons for resignation such as childcare or nursing care, has been significantly revised. The new Comeback Recruitment System (applicable to all Group organizations) enables re-employment regardless of the reason for leaving the Group as a general rule.

■ Referral Recruitment (since May 2024)

To secure a diverse range of talent by leveraging one of Japan's largest employee networks, we launched the Referral Hiring System. This system enables Group employees to refer both regular and non-regular personnel to the Company.

Number of hires*
1,735 people

■ Hiring and Promotion of International Human Resources

We will strive to recruit international human resources and appoint them to managerial positions as needed for business development, while also considering hiring foreign nationals eligible for Specified Skilled Worker status to help secure a stable workforce. It should be noted that we do not differentiate candidates based on nationality when hiring foreign nationals or appointing them for managerial positions.

■ Utilization of Dispatched Employees and Spot Workers

Even as the working-age population declines due to the falling birthrate and work styles continue to diversify, we are still required to respond to fluctuations in workload. Therefore, we will actively utilize external personnel, such as dispatched employees and spot workers, to restructure our workforce.

2 Maximizing the Potential of Each and Every Employee

Measures, indicators, and targets

Applicable Companies	Measures, Indicators, and Targets	FY 2025 Results
The Company and its operating subsidiaries	Ratio of women in management positions as of April 1, 2031 (entire company) (1) Japan Post Holdings and Japan Post 14.0% (2) Japan Post Bank 25.0% (3) Japan Post Insurance 16.5%	(1) 9.6% (2) 20.8% (3) 10.6%
	Childcare leave acquisition rate for both men and women: 100%	100%
	Average period of childcare leave acquired by men: 1 month or more	53.5 days
	Absenteeism¹: Less than 100% compared to the previous fiscal year	107% compared to the previous year (4.36 days)
	Presenteeism²: Less than 100% compared to the previous fiscal year	91% (9.1%) compared to the previous year

¹ Annual number of sick leave and leave of absence days per employee ² Percentage of people who feel that their work efficiency and productivity have declined (to less than 90%)

Introduction of a new HR system

To adapt to changes in the external environment, achieve sustainable growth and enhance corporate value, and encourage employees to grow and take on new challenges independently, we will consider a comprehensive review of our HR system with a focus on the management and business strategies of each company and business unit.

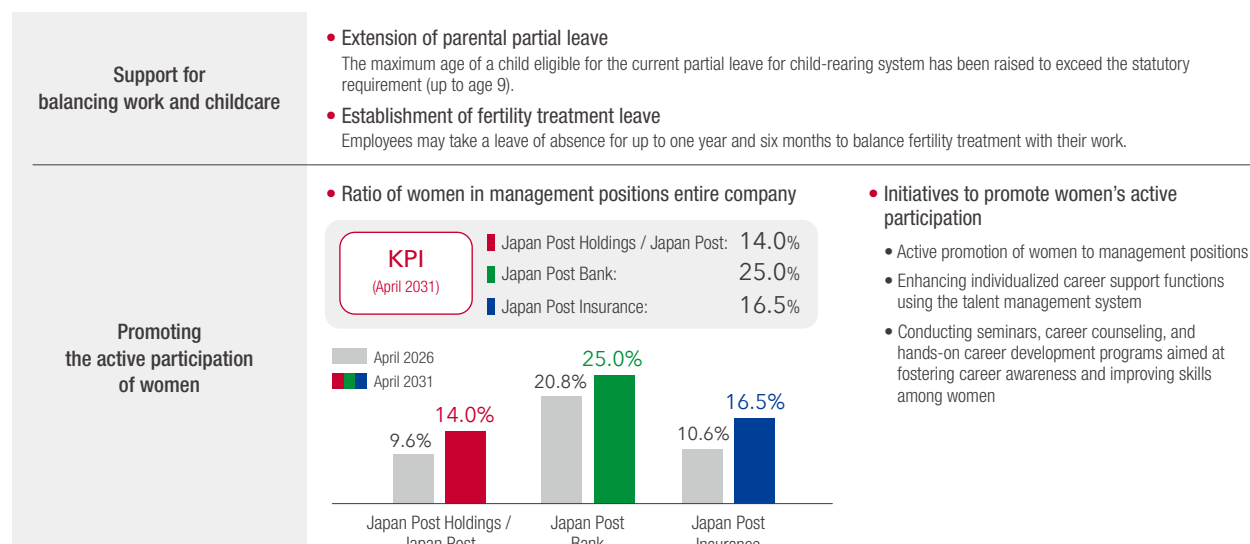
Introduction of the simplified compensation system	- We will increase the weight of performance-based pay and introduce a compensation system based on job content and performance. - We will implement a system that is centered on job duties and more clearly reflects differences in job titles in base pay.
Redesigning compensation levels	- We will revise the current performance evaluation system to adopt a points-based system that awards additional points based on performance, and will refine the evaluation criteria, including by subdividing the evaluation levels, to ensure that employees' willingness to take on challenges is reflected in their evaluations in a more nuanced manner. - We will also ensure fair treatment commensurate with one's position and duties for employees aged 60 and older.
Measures to secure employment beyond age 65	We will establish new work arrangements to enable employees over the age of 65 to continue working.
Optimization of the entire system, including various allowances and retirement benefits	- We will review the structure of various allowances, taking into comprehensive consideration current perspectives and the challenges posed by future diverse work styles. - In addition, with regard to retirement benefits, we will consider revising the eligibility requirements and transferring the funding source to base pay, among other measures.
Introduction of an employee stock compensation system	We are considering introducing this system as a way to raise employee interest in the Company's medium- to long-term growth and the enhancement of corporate value, and to provide incentives.

Systematic human resources development training

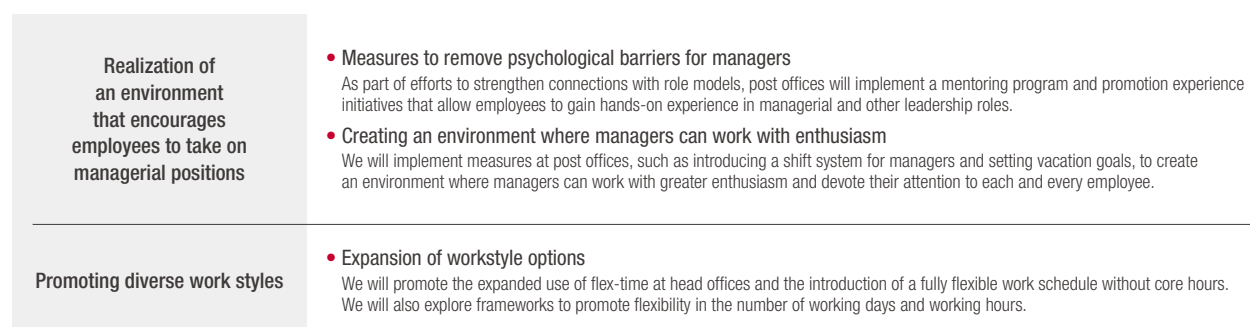
The Japan Post Group systematically conducts various training programs to develop employees who can fulfill the roles expected of them based on their career paths.

1	Training to strengthen management skills Frontline training for new managers at post offices We will conduct a centralized training program aimed at improving the management skills of newly appointed post office managers.
2	Training to enhance Group synergy To provide opportunities that align with employees' spirit of challenge and aspirations for growth, and to support their career development, while also strengthening Group synergy, we conduct the following training programs and other initiatives jointly across the Group. Development of career-track employees through joint Group training We conduct joint training sessions for career-track employees in their first year at Group companies, with the aim of providing them with opportunities to deepen their understanding of the various Group companies and to build connections with their peers through group work. We also conduct similar joint training sessions for career-track employees in their third year, as a step toward helping them identify the fields in which they wish to excel in the future. Next-generation leader training In order to cultivate the next generation of leaders responsible for the management of the Group, we conduct training according to the stage of each target group by cultivating awareness as a Group executive, giving necessary knowledge and skills, and conducting assessments in order to systematically select and develop candidates for senior management.

Promotion of women's advancement and support for career autonomy



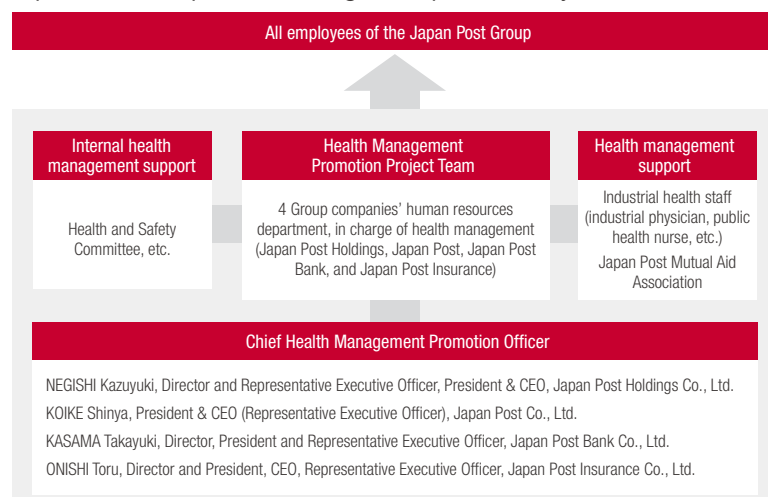
Creation of a comfortable working environment



Promoting health management

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

Japan Post Group health management promotion system



Japan Post Group Declaration on Health

The Japan Post Group believes that the foundation of our management lies first and foremost in the physical and mental well-being of our employees in order to realize our Management Philosophy, which aims for the happiness of our customers and employees.

The employees will personally maintain and enhance their healthy minds and bodies and we will work to build work environments that support such endeavors.

Furthermore, each individual employee will take full advantage of their skills and work energetically and, in turn, aim to realize the happiness of the customers.

Enacted in May 2022.

Initiatives Related to Respecting Human Rights

Formulation of a human rights policy

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

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

Implementation of human rights due diligence

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

Human rights impact assessment and preventive and remedial measures

We have grasped the overall picture of the risks posed by each business, and as a Group, we have selected priority issues for special attention.

Going forward, we will take actions such as implementing monitoring to manage and review the priority issues, and will also implement efforts to reduce risks for other human rights issues.

Furthermore, with regard to key issues requiring particular attention, we are implementing preventive and corrective measures by providing education and training to employees and improving our internal environment and systems.

Human rights due diligence overview



Stakeholders	Priority issues for special attention	Implementation of education and training for employees	Development of internal environment/systems
Employees	- Insufficient wages, unpaid wages, living wages - Power harassment and sexual harassment - Discrimination (including gender-related human rights issues) - Excessive and unfair working hours - Industrial safety and health	- Training on working hours - Harassment prevention training - Mental health training - Transportation safety education and training - Implementation of self-examination on working hours management - Establishment of diversity enhancement month - Holding of diversity-related seminars	- Ensuring adequate working conditions - Efforts to create comfortable workplaces to expand the system and promote its use - Efforts to eradicate harassment through President's messages and training for all employees - Promotion of health management and establishment of a health consultation desk - Prevention of work accidents and promotion of a comfortable working environment - Promotion of the active participation of women through enhancement of the system and environment, training, etc. - Response to gender diversity - Promotion of hiring people with disabilities
Customers	- Right to privacy - Consumer safety and the right to know	- Cybersecurity education and training - Employee training for customer-oriented business operations	- Establishment of the Japan Post Group Information Security Declaration - Establishment of the Japan Post Group Basic Policy on Customer-Oriented Business Operations - Establishment of the Japan Post Group Customer Satisfaction Promotion Liaison Committee
Suppliers and Investee Companies	- Forced labor - Rights of indigenous peoples and local populations - Child labor	- Establishment of the Japan Post Group's Approach to Procurement Activity - Establishment of the Japan Post Group CSR Procurement Guidelines - Disclosure of information on the ESG Investment and Financing Policy (Japan Post Bank, Japan Post Insurance)	

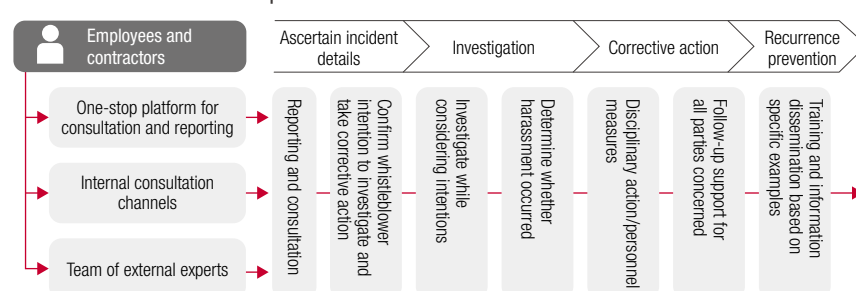
Relief measures

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

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

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

Harassment incident response flow



Sophistication of the Group Crisis Management Framework

In response to changes in the environment surrounding the Japan Post Group such as the increasing severity and frequency of natural disasters and the rising likelihood of an earthquake directly beneath the capital or a Nankai Trough earthquake, the Group is working to enhance its crisis management framework, led by the Group Crisis Management Committee. Specifically, with the aim of ensuring the stable provision of services to our customers and local communities through rapid decision-making and business continuity efforts in the event of a disaster, we are promoting the strengthening of our resilience and are primarily focusing on the following priority measures.

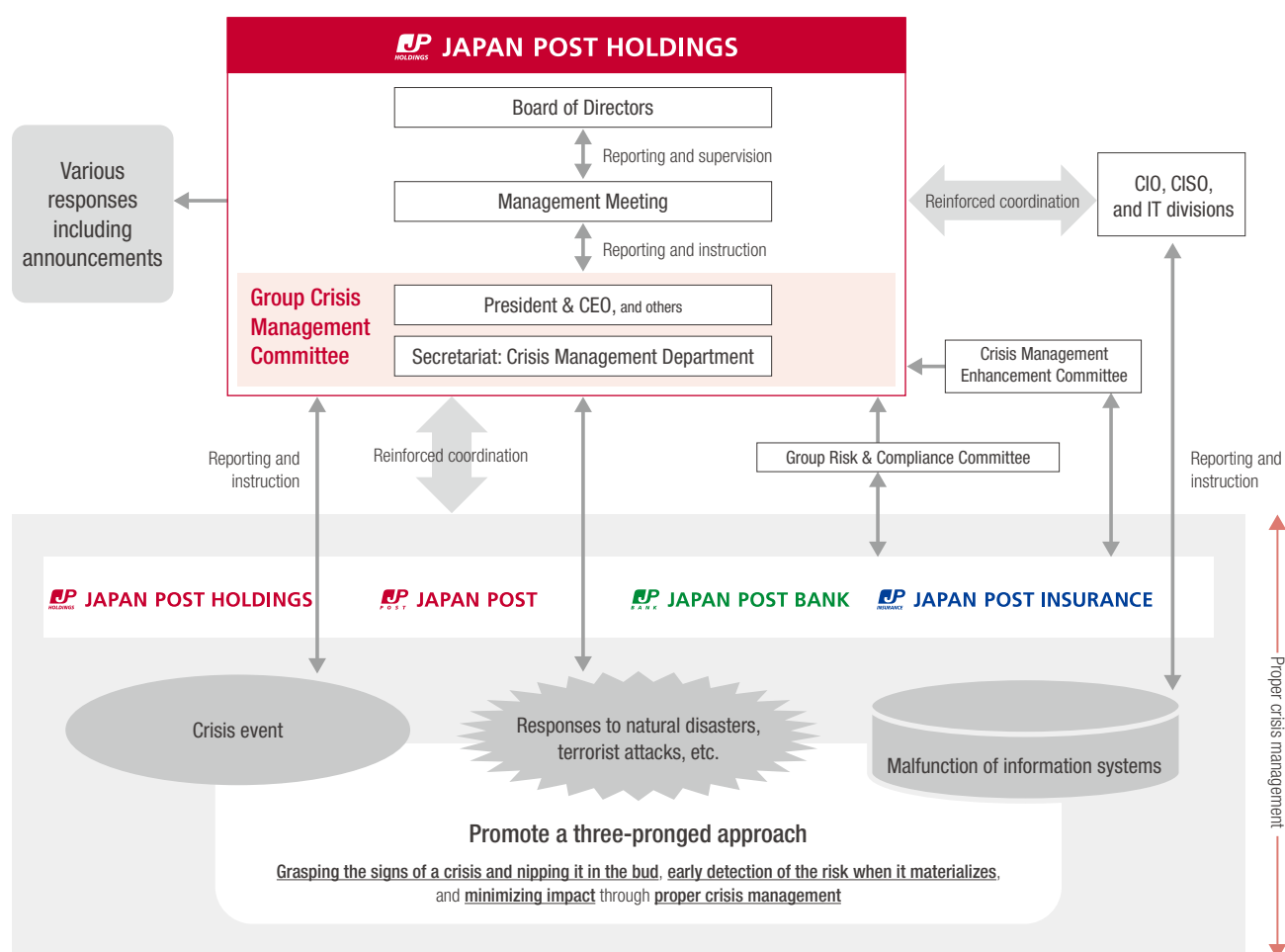
First, we are establishing a system for gathering and sharing information that enables the early detection and prompt reporting of crisis events, and we are working to build a framework that facilitates smooth decision-making across the entire Group.

Furthermore, in the event of a large-scale natural disaster, we will promptly convene the Group Crisis Management Committee. To ensure that we can swiftly discuss and decide on policies and response measures aimed at the early restoration and resumption of critical operations and the provision of ongoing support to affected areas, we conduct regular Group drills to test our readiness. Through these drills, we hold discussions to identify and resolve issues and explore specific response measures, thereby enhancing the effectiveness of our business continuity plan.

In addition, we are strengthening our collaboration with the Chief Information Officer (CIO) and the Chief Information Security Officer (CISO) to improve our ability to respond to risks such as cyberattacks and system failures.

Through these initiatives, we are striving to strengthen our governance and enhance our corporate value so that our customers and other stakeholders can use the Group's services with confidence under any circumstances.

Enhance the Sophistication of Crisis Management Centering on the Group Crisis Management Committee

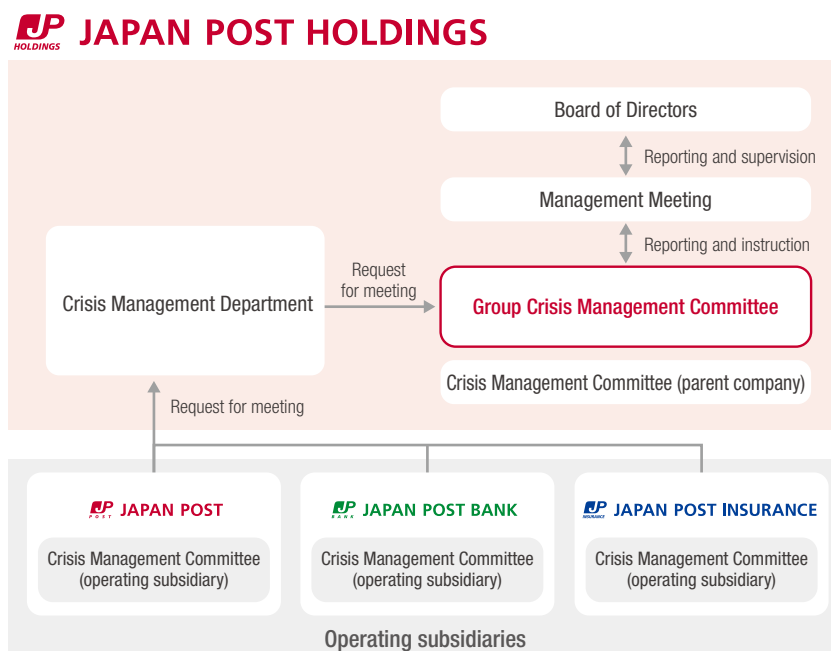


Japan Post Group Disaster Prevention

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

Crisis management framework

To respond swiftly and appropriately to major crises such as large-scale disasters, the Japan Post Group has established a cross-organizational crisis management framework centered on the Group Crisis Management Committee. Even during normal times, the Group continuously conducts cross-organizational crisis management drills simulating large-scale disasters, striving to enhance the Group's overall crisis response capabilities.



Disaster preparation measures

Group-wide initiatives to prepare for large-scale natural disasters

As a corporate group responsible for social infrastructure, Japan Post Group is promoting efforts to strengthen resilience in accordance with its business continuity plan (BCP) in preparation for large-scale natural disasters, which are becoming increasingly likely to occur.

On a regular basis, we conduct Group-wide crisis management drills to verify the effectiveness of our initial and emergency response measures, and we are working to establish systems to ensure the continuity of service delivery in the event of a disaster.

Issues identified during training are addressed through cross-Group collaboration, leading to improved crisis response capabilities.

Emergency disaster response initiatives

Implementation of emergency measures to support disaster victims

The Japan Post Group implements emergency measures based on the Disaster Relief Act when disasters occur, takes flexible measures tailored to the situation in the affected areas, and supports the early reconstruction of people's lives.

In FY2025, we implemented 13 emergency measures in response to various disasters that occurred nationwide.

Breakdown: 4 typhoons, 4 heavy rain events, 2 earthquakes, 1 tsunami, 1 major fire, 1 heavy snowfall

Strengthening measures to address the risk of wildlife (bear) sightings

In light of the increasing number of bear sightings nationwide, the Japan Post Group is implementing new measures to address this problem, with the aim of ensuring local safety and providing stable services.

We monitor bear sighting reports issued by local governments, and if we determine that safety cannot be ensured in the surrounding areas, we implement measures such as temporarily suspending or closing post office counters, stores, and branches to minimize the impact on our customers.

In addition, we have established a flexible delivery and collection system tailored to the situation, such as suspending motorcycle deliveries and nighttime deliveries in areas where bears have been sighted, to ensure the continuity of our services. At the same time, we strictly enforce measures to keep bears away from our postal facilities (such as not leaving food waste unattended and mowing the grass on our premises), thereby contributing to improved safety in the community.

Risk Management at the Japan Post Group

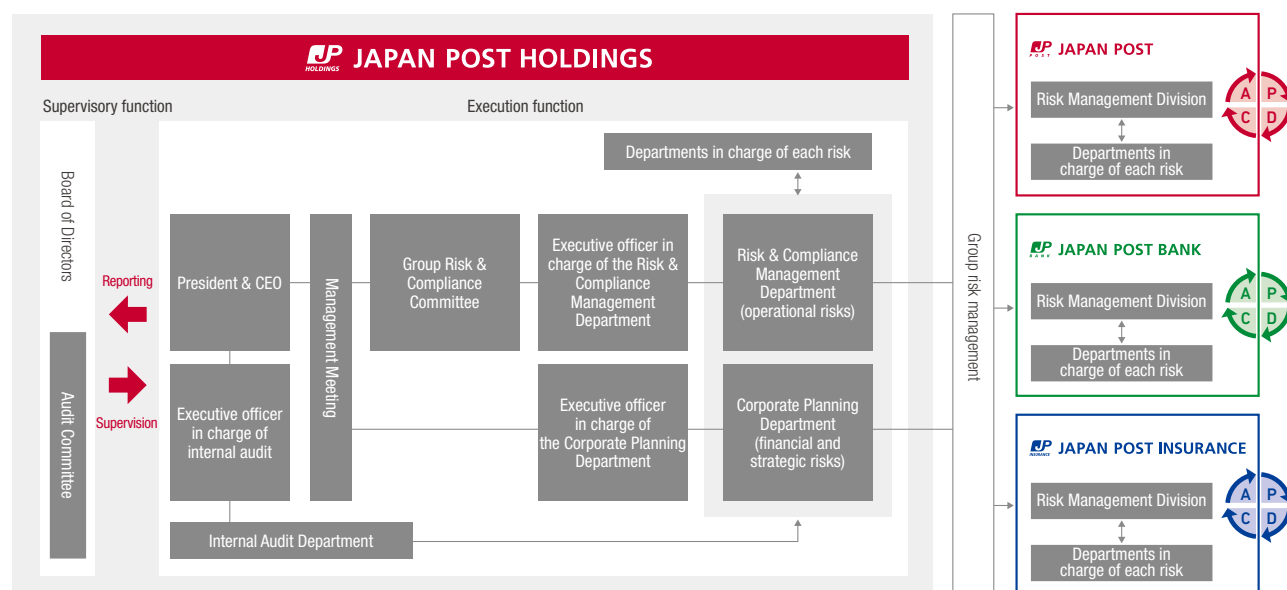
As part of our risk management efforts, we are promoting a three-pronged approach to minimize the impact of risks, prevent crises, and identify any manifestations of risk. This we will do by strengthening our control of risks that could have a significant impact on the Japan Post Group's business. These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

Currently, the Japan Post is working to centralize the management of risk and compliance in order to strengthen the functions of its second-line departments. As part of this effort, we have established the Group Risk & Compliance Committee composed of executives responsible for risk and compliance management at each Group company as an advisory body to Japan Post Holdings' Management Meeting. This committee deliberates on matters related to compliance and operational risk, among other issues, and reports on important matters to the Management Meeting, the Board of Directors, and other relevant bodies. The committee facilitates the sharing of information and discussions regarding the challenges and initiatives of each Group company. It is also working to raise risk awareness through training programs for executives and employees of Group companies.

Each Group company has designated a department to oversee its own risk management and each department identifies, assesses, controls, and monitors their risks in accordance with its own business characteristics. In addition, the Group has established a risk management framework according to which it reports to Japan Post Holdings as necessary. Financial risks at each Group company are managed in conjunction with corporate management functions to ensure appropriate risk control.

Through these initiatives, we will strive to improve risk management and ensure the Group's sustainable and sound management.

Group Risk Management Framework of the Japan Post Group

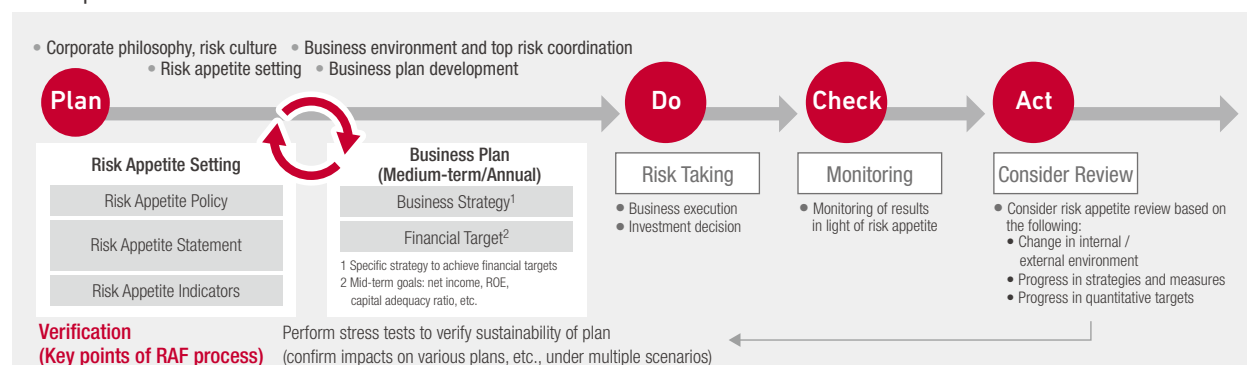


Risk Appetite Framework (RAF)

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

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

RAF Operation Process



Approach to risk by area of business

Financial business (Japan Post Bank, Japan Post Insurance)

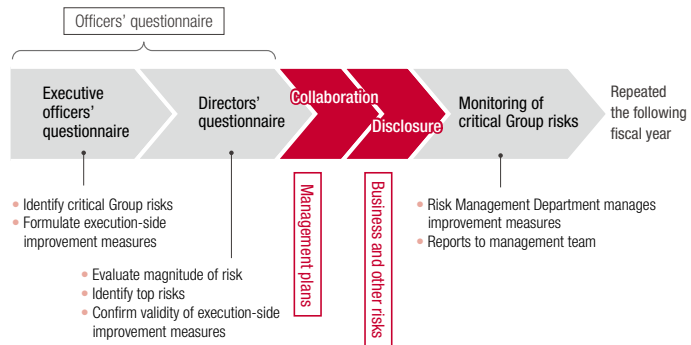
We aim to secure profits while maintaining financial soundness through appropriate risk-taking and risk control in asset and liability management (ALM), investment operations, and insurance underwriting.

Non-financial business (Japan Post Holdings, Japan Post)

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

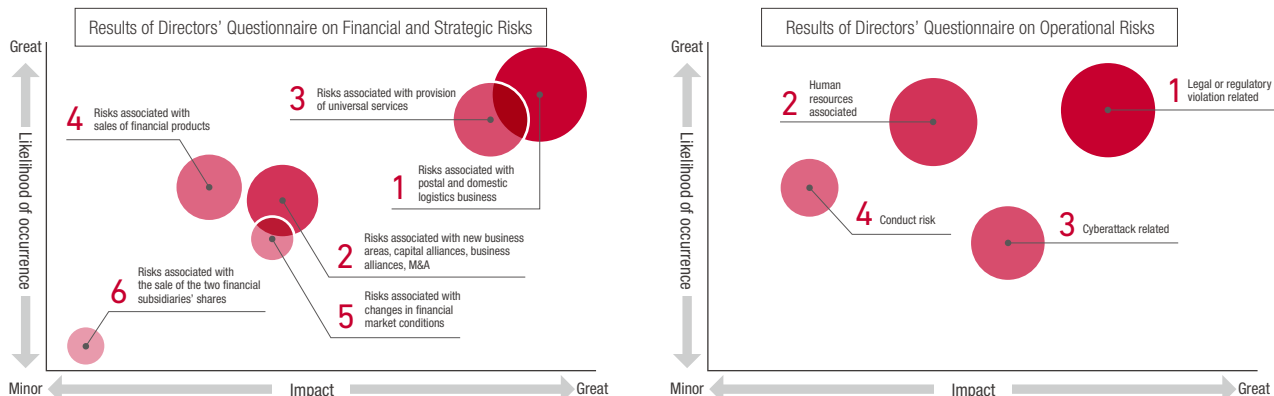
Management of critical risks

Every year, Japan Post Holdings reviews risks that may be critical, meaning they would have a significant impact on areas of the Group's business. Such impact would derive from factors including changes in the external environment and in business strategies. After identifying and evaluating specific risks, we formulate measures to prevent or remedy said risks. They are based on the results of the Executives Questionnaire, distributed to directors and executive officers. Based on the improvements indicated, the management team sets in motion the four-step, Plan-Do-Check-Act management cycle to ensure continuous improvement in the Group's processes and products.



Top risks

Based on the Executives' questionnaire, Japan Post Holdings discloses risks that are considered to be of particularly high priority in terms of the likelihood of occurrence and impact on Group performance. The risks, noted in the Business and Other Risks section of our securities report are described as top risks. In other words, they are considered risks to the Group's business and other activities that are of particular importance to management.



1 The size of the circle indicates the number of respondents.

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

FY2026 Top Risks, Main Scenarios

	Top Risks	Main Scenarios
Financial and strategic risks	1 Postal and domestic logistics (decline in mail and packages, etc.)	A significant decrease in the Group's earnings may result from a decrease in mail volume. Following advances in digitization, as well as weakness in revenue from package delivery, etc., in the wake of intensified competition. Another contributing factor may be the failure of initiatives to strengthen the competitiveness of Japan Post.
	2 New business areas, capital alliances, business alliances, M&A	A significant decrease in the Group's earnings may be incurred due to its inability to grow in new areas of business and obtain benefits from capital and business alliances, and impairment losses related to investment businesses may be realized.
	3 Universal services	Despite efforts to improve profitability and operational efficiency, costs associated with maintaining universal services may rise, due to inflation and other changes in the business environment.
	4 Sales of financial products	The Group's earnings may significantly decrease if new product development and sales activities focused on customer convenience for its insurance products and investment trusts fail to achieve expected results, leading to slack sales performance.
	5 Changes in the financial market conditions (asset management and ALM risks at the two financial institutions)	Due to sharp market fluctuations, the financial condition of the two financial subsidiaries may become deteriorated, and the value of their assets may decline significantly. In addition, rising interest rates may lead to an increase in the transfer of funds from fixed-term savings accounts and the cancellation of insurance policies.
	6 Sale of the two financial subsidiaries' shares	Losses may be incurred upon the sale of shares in the two financial subsidiaries, or alternative revenue sources to replace them may not be secured. Furthermore, a decline in shareholding ratios in them could hinder integrated group business operations, resulting in customer attrition and diminished brand power.
Operational risks	1 Legal or regulatory violations	Compliance with laws and regulations, as well as preventive measures may be ineffective. This can result in legal and regulatory violations that affect the Group's business operations, damaging its social credibility.
	2 Human resources (recruiting, harassment, labor issues, and rising human rights costs)	It can be hard to retain talented human resources in various business roles, as well as talent specializing in IT. Personnel and labor issues can render the Group unable to provide rewarding work, as human resources become adversely affected by losses or shortages, while personnel costs spiral ever higher. This may be compounded by a loss of competitiveness.
	3 Cyberattacks (security vulnerabilities)	It is possible that attacks on Group systems or unauthorized use of services result in a broad, prolonged suspension of business. Yet, if customer service is inadequate, the Group's social credibility will be damaged.
	4 Conduct risk (behavior that violates social norms, etc.)	Conduct that violates social norms, contravenes business or market practices, fails to take the user's perspective into account, or otherwise runs counter to societal expectations of our Group may occur, thereby affecting the Group's business activities.

Japan Post Group Compliance Framework

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

All Group companies are striving to ensure that customers can use our services with peace of mind by thoroughly implementing customer-first operational management, including the enhancement of compliance risk management from a business risk-based approach.

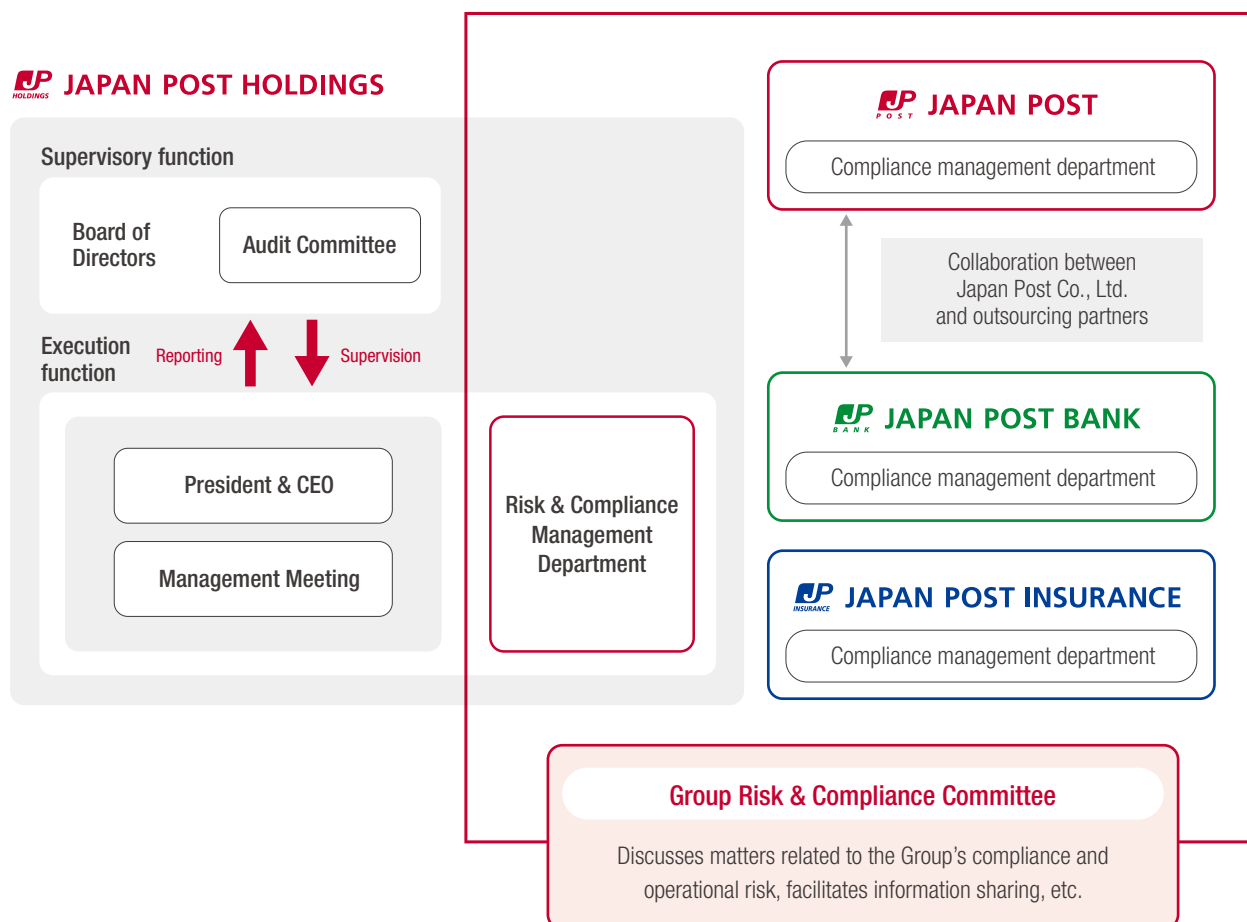
In addition, we will strengthen the Group's compliance function by convening regular meetings of the Group Risk & Compliance Committee, and ensure transparency by appropriately disclosing the status of promotion of the Group's management based on compliance and related matters.

Japan Post Group compliance framework

The compliance department of each Group company has established a framework that oversees the promotion of compliance, and a compliance management department, which plans, proposes, and manages compliance promotion. In addition, the Group Risk & Compliance Committee provides advice to the Management Meeting to deliberate the policy for compliance promotion and response measures, then reports important matters discussed to the Management Meeting and the Board of Directors.

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

Compliance at Japan Post Group



Group Company compliance framework

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

Line of reporting for compliance activities

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

Response to compliance violations and risks

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

Internal reporting system

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

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

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

Compliance and related initiatives

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

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

Compliance manual and related training

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

Curbing money laundering, terrorism support, and proliferation financing

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

Responding to amendments to laws and regulations and legal issues

With regard to amendments to laws, regulations, and soft law that affect multiple Group companies, as well as legal issues that require a Group-wide response, we are implementing measures such as holding regular meetings attended by representatives from all Group companies and increasing the frequency of information exchange within the Group to strengthen our framework for information sharing among the Group and ensure a unified response across the Group.

In addition, while implementing legal tech solutions and seeking advice from law firms, we are working to stay abreast of amendments to laws, regulations, and soft law relevant to the operations of each Group company, as well as to prevent any oversights in matters requiring operational response, thereby strengthening our legal compliance framework.

Japan Post Group Cybersecurity Measures

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

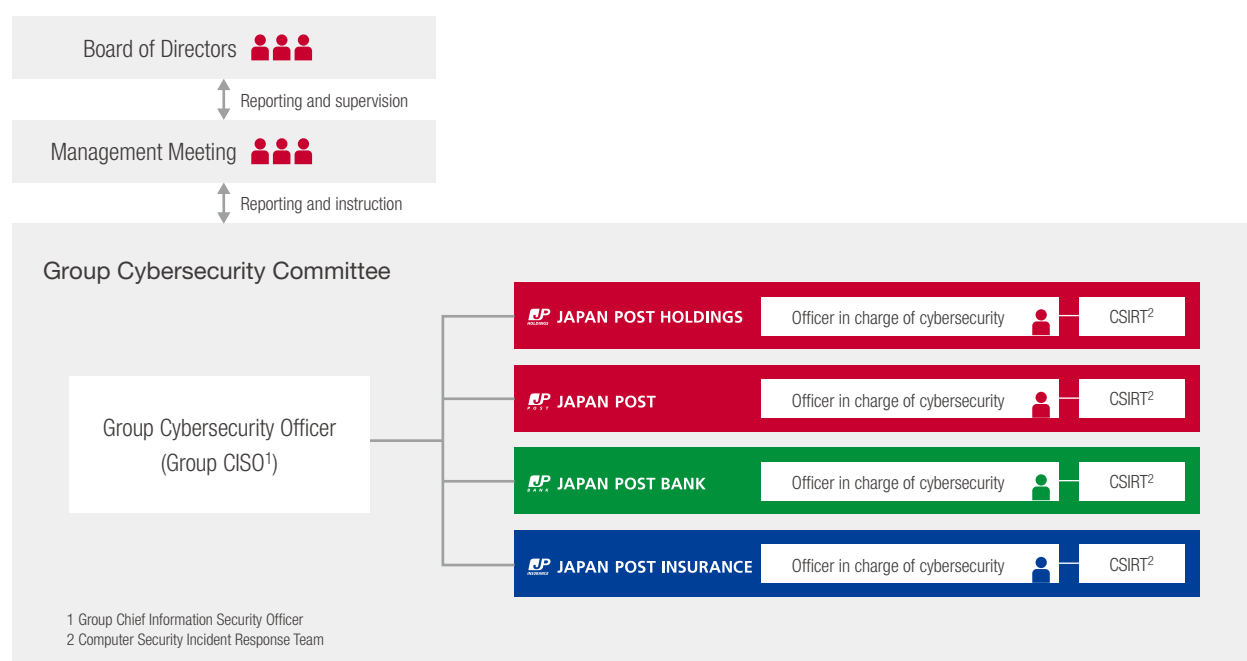
We are working to safeguard and manage important information from damage such as information leaks and loss caused by cyberattacks and other related threats.

Group cybersecurity system

Under governance of Japan Post Holdings Co., Ltd., we have developed a cybersecurity management system for the Japan Post Group.

We have established the Group Cybersecurity Committee consisting of executives in charge of cybersecurity from the four main Group companies of the Japan Post Group. The Committee develops Group cybersecurity strategy and works to track, evaluate, and enhance the status of cybersecurity measures in Group companies.

The Group Cybersecurity Officer oversees the Group's cybersecurity governance and reports quarterly to the Board of Directors and the Management Meeting on the annual plans and progress of each Group company, as well as the status of training programs.



Efforts for cybersecurity measures by Japan Post Holdings

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

Japan Post Group Internal Audit System

The Japan Post Group has established an effective internal audit system at each Group company in accordance with the Group Internal Audit Policy in order to ensure sound administration and proper operations aimed at building customers' trust.

Internal audit system framework

In addition to its own audit operations, Japan Post Holdings' Internal Audit Department is responsible for issuing recommendations for improvement to Japan Post, Japan Post Bank, and Japan Post Insurance as necessary, based on Group agreements and other relevant documents, as well as conducting direct audits and other activities.

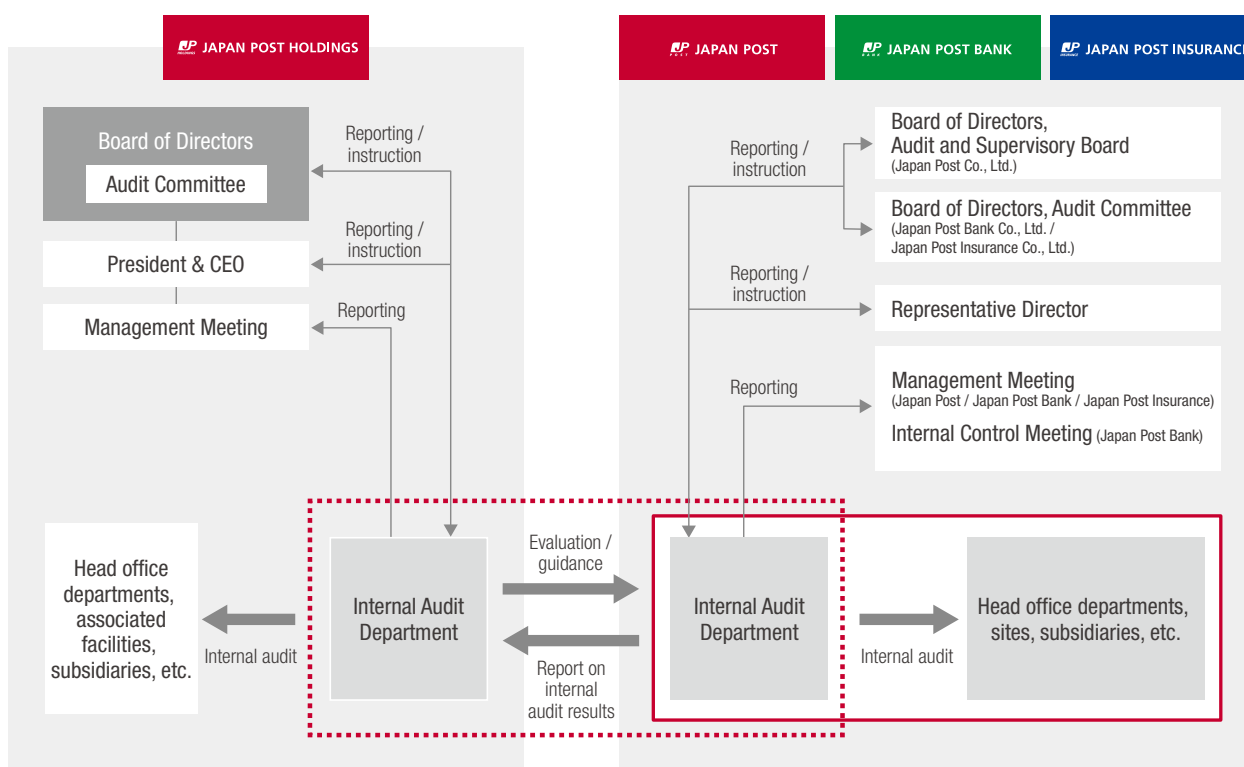
We are also working to gain an understanding of the challenges faced by frontline employees at post offices and other locations, as well as to enhance coordination among the Group's Internal Audit Departments.

Internal audit activities that contribute to management

The internal audit departments of each Group company verify the status of management activities and internal control systems, report the results and progress of improvements to the Board of Directors and other relevant bodies, and strive to ensure that improvements are effectively implemented at each company.

In addition, by attending various meetings, collecting internal management documents, and gaining an understanding of day-to-day operations through interviews and other means, we deepen our understanding of each business function and strive to conduct audits that are both effective and convincing.

Furthermore, we receive evaluations from the Audit Committee and other bodies regarding the development and operation of our audit functions, and we are committed to continuously improving the quality of our audits.



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