

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

Material For Large Meeting

May 16, 2024

JAPAN POST HOLDINGS

(Security Code :6178)



JAPAN POST HOLDINGS

0 1

Executive Summary

2

0 2

「JP Vision2025^{plus}」

7

0 3

Appendix for Large Meeting

95

Executive Summary

Overview of JP Vision 2025^{plus}: The Basic Policy

Under JP Vision 2025, we have prioritized regaining the trust of our customers as we worked to improve our corporate structure and strengthen our governance.

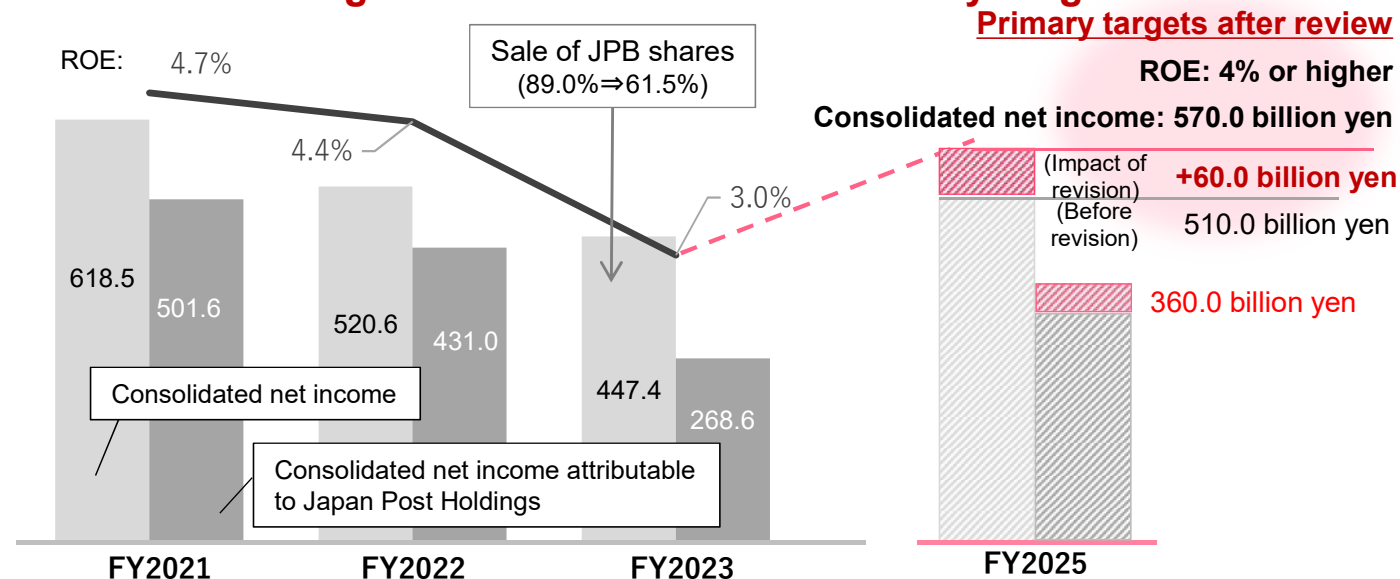
We have promoted collaboration, etc. with Yamato Group and Rakuten Group, but income **continued to decline**.

In JP Vision 2025^{plus}, we will review our future strategy as we aim to “transition” to the growth stage.

We will continue to strive for a **“Co-creation Platform”** to support customers and local communities.

JP Vision 2025 initiatives to date		The Basic Policy of JP Vision 2025 ^{plus}	
Positioning in 2021–2023	Prioritize regaining trust as we improve the corporate structure.	Positioning in 2024–2025	“Transition” to the growth stage
FY2025 major targets (Before revision)	<div>ROE Around 4%</div> <div>Consolidated net income 510.0 billion yen</div>	FY2025 major targets (After revision)	<div>ROE <u>4% or higher*</u></div> <div>Consolidated net income <u>570.0 billion yen</u></div>
		* We aim to exceed our cost of equity of approx. 5% as soon as possible.	

Management Performance and Primary Targets



Drivers for Achieving the “Transition”

Driver	Policy
Resource allocation	<u>Proactive allocation to growth areas</u>
Post offices	<u>Post offices with character to match local conditions</u>
HR and Systems	<u>Flexible and resilient, adaptable to change</u>

Overview of JP Vision 2025^{plus}: Three Pillars

① Strengthen Profitability

Accelerate further growth through aggressive investment of resources

Postal and domestic logistics business

Enthusiastic promotion of shifting resources to the logistics sector

- ✓ Build a robust transportation and delivery network by strengthening the processing capacity of bases, etc.
- ✓ Raise profitability by improving convenience for customers receiving and sending parcels

Real estate business

Create a new pillar of earnings by steadily promoting the development of real estate holdings

- ✓ Secure stable earnings through real estate development in conjunction with the reorganization of postal and logistics bases, etc.

Strengthen profitability and promote efficiency

Post office business

Promote the five pillars of initiatives such as “flexible assignment of counter staff” and “considering and implement measures for enhancing value and appeal.”

International logistics business

Strengthen logistics business with a focus on Asia

Banking business

Accelerate mutually complementary real and digital strategies

Life insurance business

Expand product lineup to meet diverse needs

② Improve EX by investing in human resources

Increase employee pride and satisfaction and transform into a flexible and diverse organization

HR portfolio

Flexible allocation of employees in accordance with business strategies, diversification of recruitment methods and eligibility for employment such as the recruitment of foreign workers, including the introduction of “Specified Skilled Workers” .

Development

Support autonomous career development by restructuring the career path and development system.

Evaluation and treatment

Restructure the system to evaluate challenges by revising evaluation items, etc.

Diversity (achieving DE&I and true diversity)

Leverage the diverse perspectives and values of 400,000 people by supporting work/life balance, childcare, and more.

③ Improve UX by promoting DX

Digitalization from the customer’s perspective, data utilization and the establishment of efficient workflows

Integrate the real and digital

- ✓ Expand the functionality of the Post Office App
- ✓ Expand the Financial Services Contact Center

Upgrade systems infrastructure

- ✓ Open the internal network
- ✓ Utilize Group customer management platform

Utilize data owned by the Group

- ✓ One-stop access for changing address, etc.
- ✓ Introduce a loyalty point program

EX (Employee Experience): How employees experience working for a company.

UX (User Experience): How users (customers and employees) experience using a system or service.

Overview of JP Vision 2025^{plus}: Major Targets

- ROE decreased in FY2023, partly due to the sale of Japan Post Bank shares and sluggish performance in the postal and logistics segments. Nevertheless, we aim to exceed our cost of equity of about 5% as soon as possible, first striving for an ROE of 4% or higher in FY2025.
- The post office business is expected to be in the red, and we therefore aim to shift it to a tendency to be profitable in FY2026 onward as soon as possible by raising profitability, increasing efficiency, and other means.

Positioning
in 2024–2025

“Transition” to the growth stage

Major targets in
FY2025
(After revision)

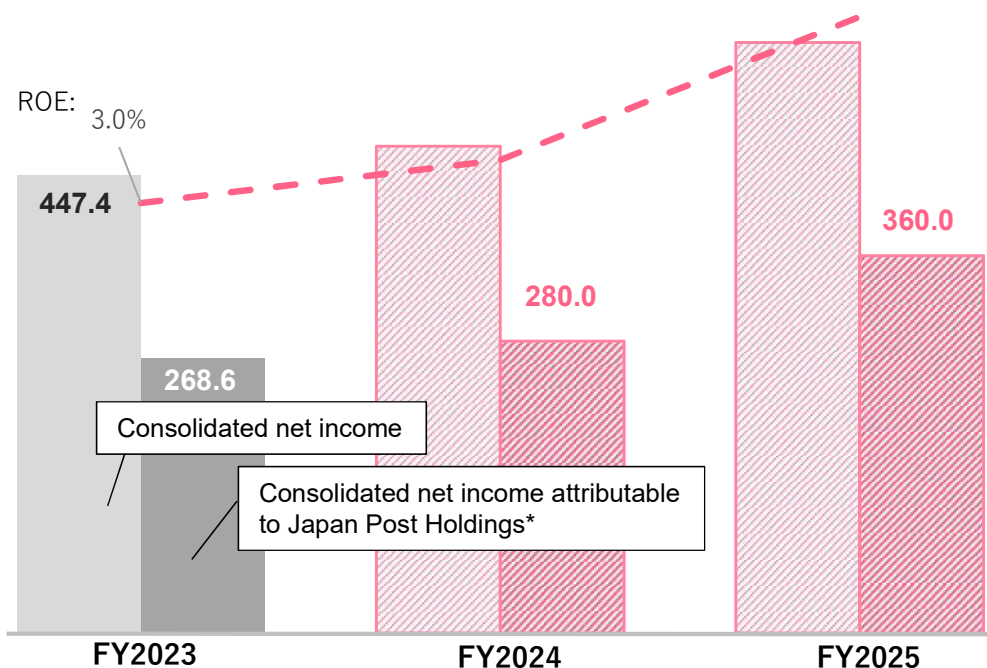
ROE **4%* or higher**

Consolidated
net income **570.0 billion yen**

* We aim to exceed our cost of equity of approx. 5% as soon as possible.

Forecast of consolidated net income

ROE: 4% or higher
Consolidated net income: 570.0 billion yen



*1 Shareholding ratios of Japan Post Bank and Japan Post Insurance in net income attributable to Japan Post Holdings are calculated based on the figures as of May 2024.

*2 Consolidated net income attributable to Japan Post Holdings has been announced as Forecast for the Fiscal Year Ending March 31, 2025 in the financial results for the fiscal year ended March 31, 2024 released on the same day.

Major targets, etc., by segment (FY2025)^{*1}

Segment	Operating profit margin Net operating income	ROE Net income
Postal and domestic logistics business	3.5% 90.0 billion yen ^{*2}	—
Post office business	(▲49.0 billion yen ^{*3})	—
International logistics business	2.0% 12.0 billion yen	—
Banking business	—	over 4.0% over 400.0 billion yen
Life insurance business	—	About 6% ^{*4} About 97.0 billion yen ^{*4}
Real estate business	14.0% 11.0 billion yen	—
Reference: Aflac	—	(Equity in (earnings) losses of affiliates) 48.0 billion yen ^{*5}

*1 Interest, exchange rates and share prices on which individual financial targets are premised have been set based on the situation as of March 31, 2024.

*2 In Postal and domestic logistics business, considering the revision of postal fees in October, 2024.

*3 In Post office business, we aim to shift it to a tendency to be profitable in FY2026 onward as soon as possible by raising profitability, increasing efficiency, and other means.

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

*5 The equity in (earnings) losses of affiliates of Aflac Incorporated is based on our own calculation of Aflac Incorporated's financial results, foreign exchange rates, and the amount of goodwill incurred in our equity interest and has not been confirmed by Aflac Incorporated. It is not intended to indicate or imply a forecast of the company's performance.

Shareholder return policy

- Continue share repurchases of substantial quantities and expand debt financing to improve capital efficiency.
- Continue a stable annual dividend of ¥50 per share as well, and keep an interim and year-end dividend to help reduce cost of equity by encouraging a stable share price throughout the year.

Shareholder return policy

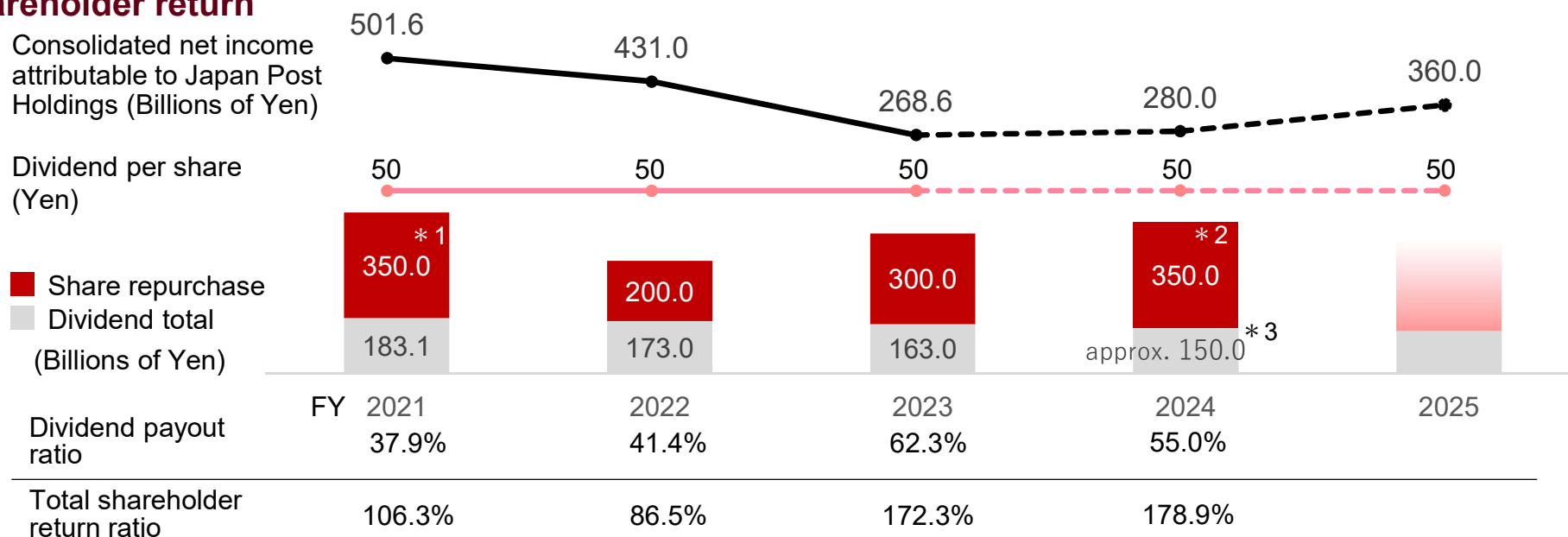
Share repurchase

Continuously perform substantial share repurchases to further enhance shareholder returns and improve capital efficiency

Dividend policy

Continue a stable annual dividend of ¥50 per share consisting of an interim and year-end dividend

Shareholder return



* 1 Including 4.5 billion yen acquired in April 2022

* 2 Please refer to "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" released in May 15, 2024 for details

* 3 Dividend total, dividend payout ratio, and total shareholder return ratio in FY 2024 take into account a decrease of dividend payment when performing share repurchase of 350 billion yen

JP Vision2025^{plus}

UNOFFICIAL TRANSLATION

Although the Company pays close attention to provide English translation of the information disclosed in Japanese, the Japanese original prevails over its English translation in the case of any discrepancy.

JP Vision2025



May 15, 2024

Japan Post Group Management Philosophy

Stressing the security and confidence of Japan Post Group network, the Group, as a private corporation, is demonstrating creativity and efficiency to the greatest extent possible, and will provide customer-oriented services, support the lives of customers in local communities and aim for the happiness of customers and employees. The Group will also pursue managerial transparency on its own, observe rules and contribute to the development of society and the region.

Contents | Approach to JP Vision 2025^{Plus}

I Main points of JP Vision 2025^{Plus}

II JP Vision 2025^{Plus}

1 Efforts on growth strategies by the Japan Post Group

Major targets by segment

Growth strategies by segment

- (1) Postal and domestic logistics business
- (2) Post office business
- (3) International logistics business
- (4) Banking business
- (5) Life insurance business
- (6) Real estate business
- (7) New businesses

2 Further solidifying the management base of the Japan Post Group

- (1) Improve EX by investing in human resources
- (2) Improve UX by promoting DX, etc.
- (3) Sustainability management

3 Capital strategy and investment plans of the Japan Post Group

Appendix

III Timetable for JP Vision 2025^{Plus}

Approach to JP Vision 2025^{Plus}

- ⌘ In the Japan Post Group Medium-term Management Plan “JP Vision 2025,” we set out initiatives to “regain customers’ trust of the Japan Post Group” and “achieve new growth of the Japan Post Group” and have carried out measures to date. In terms of efforts to “regain customers’ trust,” the Group has worked in the past three years to commit to customer-oriented business operations and strengthen the governance of the Group. Going forward, we continue to strive for further improvement and establishment of such initiatives through executing a PDCA cycle.
- ⌘ Meanwhile, income from core businesses has been declining due to recent rapid changes in the business environment, among others. We are in a challenging situation where business continuity may be affected if such an environment lingers into the future. Taking into account changes in the business environment and to enable the Group to continue sound business operations, we review JP Vision 2025 and formulate JP Vision 2025^{Plus} as a guidepost for the entire Group to overcome the issues to be faced and achieve “**a shift to a growth stage.**”
- ⌘ In this review, aiming to serve as a “**Co-creation Platform**” to support customers and local communities and to enhance and strengthen our core businesses, we vigorously promote resource shifting to growth fields. Also, to respond to major changes in the economy and society, such as declining population, changes in lifestyles and work styles, and rapid progress of digitalization, we strongly push forward with DX* initiatives that can increase customer experience and employee convenience. At the same time, we embark on reforms to diversify human resources and organizations of the Group.
- ⌘ Although the JP Vision 2025^{Plus} covers the period until FY2025 as before, future visions and targets for FY2026 onward are presented for some items that should preferably be discussed from a longer-range perspective. The Group will unite as one to ensure the thorough implementation of these initiatives, thereby achieving transition to the desired stage.

* DX (Digital Transformation) refers the utilization of data and digital technology by corporations to transform not only products, services and business models based on the needs of clients and society, but also business operations, organizations, processes, and corporate culture and climate, and to ultimately build a competitive advantage as a way to cope with radical changes in the business environment.

I. Main points of JP Vision 2025^{Plus}

Measures under JP Vision 2025 to date

- In JP Vision 2025 announced in 2021, we set out a “Co-creation Platform” to support customers and local communities as a vision and have worked to achieve this vision.
- Although we have promoted the enhancement of governance, collaboration with other companies, etc. based on measures to date, we review future strategies to achieve “a shift to a growth stage,” taking into account the recent rapid changes to the business environment and the declining trend in income.

Results of initiatives under JP Vision 2025 (FY2021-FY2023)

Postal and domestic logistics business	<ul style="list-style-type: none"> ✓ Promoted business alliances with Yamato and Rakuten to increase parcel income ✓ Tried to streamline operations by digitalization and mechanization
Post office business	<ul style="list-style-type: none"> ✓ Won administrative work contracts from local governments and expanded other products and services satisfying local needs ✓ Promoted digitalization through the adoption of self-checkout machines and digital ticket issuing systems
International logistics business	<ul style="list-style-type: none"> ✓ Sold the global express business of Toll Holdings Limited
Banking business	<ul style="list-style-type: none"> ✓ Expanded functions and usage of Bankbook App (Number of accounts registered exceeded 10 million accounts (February 2024)) ✓ Expanded risk asset balance and strategic Investment areas
Life insurance business	<ul style="list-style-type: none"> ✓ Enhanced structures for insurance solicitation and established a new Japan Post Insurance sales system ✓ Introduced new medical care riders and lump-sum payment whole life insurance
Real estate business	<ul style="list-style-type: none"> ✓ Promoted real estate development of the assets held by the Group (Construction completion of Azabudai Hills Mori JP Tower (June 2023), etc.)
Group governance	<ul style="list-style-type: none"> ✓ Formulated the JP Code of Conduct to improve the Group conduct (July 2022) ✓ Introduced Group CxO*1 system (June 2021)
Group DX	<ul style="list-style-type: none"> ✓ Released the Group platform app, the “Post Office App” (October 2023)
Initiatives to improve efficiency and productivity	<ul style="list-style-type: none"> ✓ Reduction of workforce by an amount equivalent to approx. 35,000 employees is progressing as initially planned (our four main Group companies)

*1 Group CEO (Chief Executive Officer), Group CFO (Chief Financial Officer), etc.

Business results	FY2021	FY2022	FY2023
ROE	4.7%	4.4%	3.0%
Consolidated net income (billion yen)	618.5	520.6	4,474
Dividends (yen/share)	50	50	50
Share repurchase (billion yen)	350.0*2	200.0	300.0

*2 Including 4.5 billion yen acquired in April 2022

Disposal of subsidiaries' shares

May 2021	Japan Post Insurance shares (Share repurchase, etc.) (64.5%→49.8% (as of May 2024))
March 2023	Japan Post Bank shares (Sale, etc.) (89.0%→61.5% (as of May 2024))

Changes in external environment after the formulation of JP Vision 2025 and issues we face

- Since the formulation of JP Vision 2025, the external environment has been changing drastically, rapidly and complexly beyond our initial expectation.
It is necessary to adapt to changes in the external environment and speedily overcome issues faced by the Group.

Changes in the external environment

Increase in costs and interest rates
due to rising prices

Request for management that is
conscious of cost of capital

Acceleration in trend of digital
transition

Progress in declining population and
depopulation

Diversification of values and lifestyles

Rise in awareness of global
environment problems and DE&I*

*DE&I (Diversity, Equity, and Inclusion) refers to an idea that comprises equity and fairness, in addition to a perspective of diversity and inclusion.

Issues faced by the Group

Improve profitability to achieve sustainable growth

Promote digitalization to offer services of choice for customers and streamline operations to ensure business continuity

Review post office operations to stably offer universal service and other services that respond to the situation in each local community

Shift to a diverse and flexible organization and improve human resources capabilities to adapt to changes in the business environment and customer needs

Improve employee engagement* (pride and fulfillment) to become a company of choice for employees

Promote sustainability management toward achieving sustainable growth of the Group and society

* Representing the level of employees' understanding of and contribution to the company, which is referred to as "pride and fulfillment" at the Japan Post Group.

Basic policy of JP Vision 2025^{Plus}

- Before conducting the review, we clarify items to be changed or unchanged in the management of the Group.
- Our vision, “Co-creation Platform” to support customers and local communities, remains “unchanged.”
- Meanwhile, we “change” drivers to achieve the “shift” to a growth stage.

Unchanged

Our vision: “Co-creation Platform” to support customers and local communities

Provide customer-oriented services

Mobilize the full potential of the Group

Partnership with local communities and other business operators

Offer platforms for life and business

Sustainably create value

Drivers to achieve the “shift” to a growth stage

Resource allocation



Post office



Human resources and systems

Actively allocate to growth fields

- Inject capital to enhance capabilities in the logistics business and expand the real estate business
- Review operations and streamline operations through digitalization, etc. to produce surplus personnel and place them actively in growth fields

Make unique post offices in response to the situation in each local community

- Improve services for enhancing the value and appeal of post offices as a physical network
- Build a flexible sales structure to enable sales activities that meet customer needs
- Improve productivity by optimizing post office locations with consideration for customer convenience, making operating hours more flexible, etc.

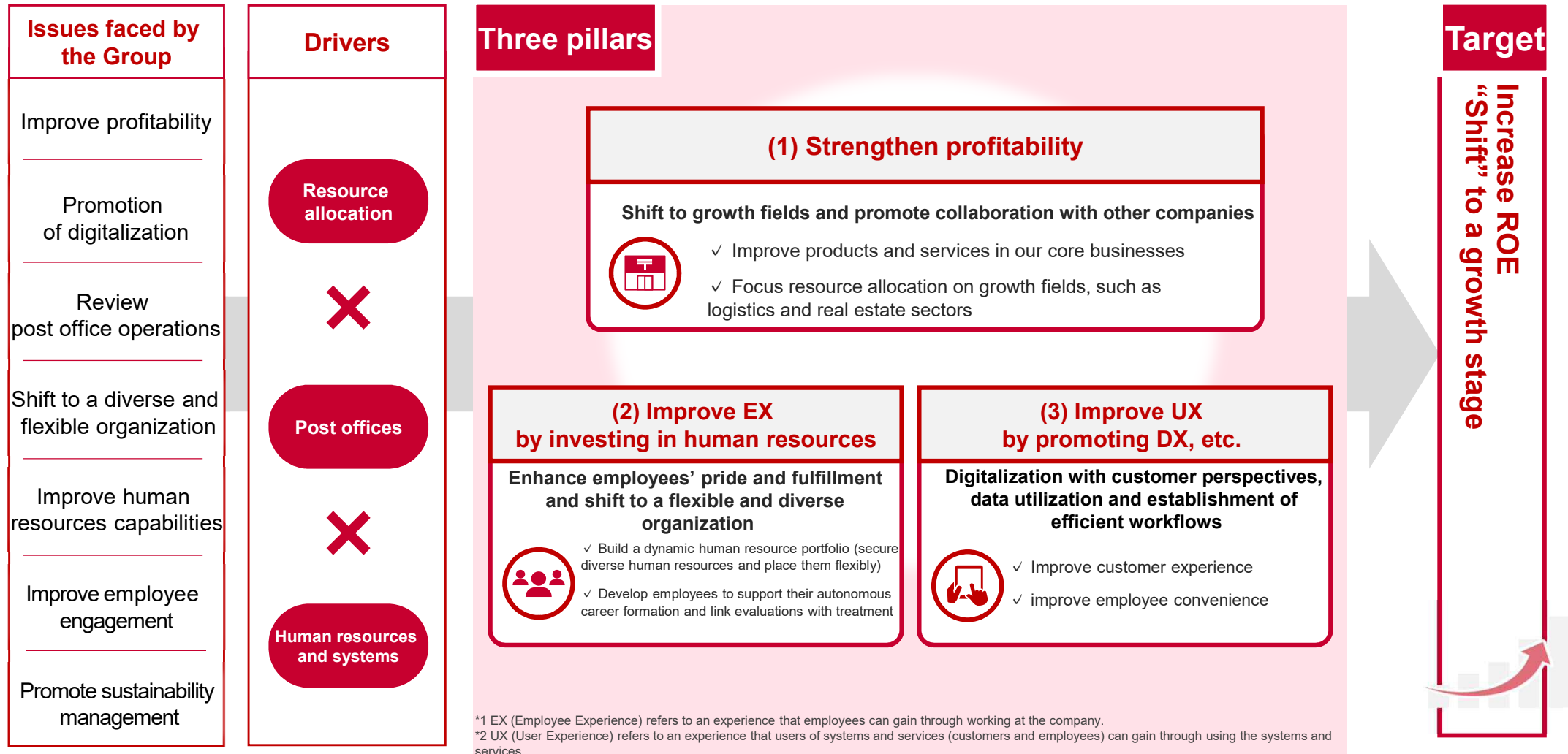
Make them flexible, resilient and adaptable to change

- By promoting human capital-oriented management, enhance employees' pride and fulfillment and shift to a diverse organization
- Promote DX through system development, consolidation of terminals, and efficient workflows, etc., giving top priority to user convenience

Changed

Three pillars of our initiatives

- As pillars to achieve the target after the review, we set out the following three items and focus our efforts on achievement: (1) Strengthen profitability, (2) Improve EX^{*1} (employee experience) by investing in human resources, and (3) Improve UX^{*2} (user experience) by promoting DX, etc.



(1) Strengthen profitability

- Taking into account issues and growth opportunities for each segment, we fundamentally review the details of initiatives to strengthen profitability. We will actively inject resources particularly to the postal and domestic logistics business and the real estate business, aiming to accelerate further growth.

Actively inject resources to accelerate further growth

Postal and domestic logistics business

Promote strong resource shifting to the logistics field

- ✓ **Build a resilient transport/delivery network** through enhancing the processing capacity of our bases and transport/delivery capabilities to optimize logistics
- ✓ **Strengthen profitability** through increasing convenience in sending/receiving of parcels, reinforcing sales systems/capabilities, and strengthening alliances with other companies, etc.
- ✓ **Realize highly productive operations** that achieve both customer convenience and greater operational efficiency

Real estate business

Steadily promote development, etc. of assets held by the Group to build them into a new pillar of revenue

- ✓ **Secure stable earnings** through participation in real estate development and town development projects coordinated with the reorganization of postal/logistics bases
- ✓ **Diversify the ways we earn revenue and review development schemes** in light of major changes in the business environment
- ✓ **Build a Group-wide management system** by establishing the real estate business as an independent segment

Strengthen profitability and improve efficiency

Post office business

- ✓ Improve productivity by optimizing post office locations with consideration for customer convenience and making operating hours more flexible to enable “flexible staff placement at post office counters”
- ✓ Strengthen management capabilities of managers and equip managers and others with knowledge and skills, to “strengthen knowledge and skills of all employees”
- ✓ “Foster sales specialists” to conduct sales activities with a strong focus on individual customer needs
- ✓ “Consider and implement measures for enhancing value and appeal,” such as improvement of products and services for supporting daily lives in response to the needs of customers and communities
- ✓ To streamline operations of post office counters and create more time for sales activities, promote digitalization and other “operation reforms of post office counters”
- ✓ Consider measures for further improving income from the financial agency service in response to changes in the environment surrounding costs

International logistics business

- ✓ Strengthen logistics business centered around the Asian markets

Banking business

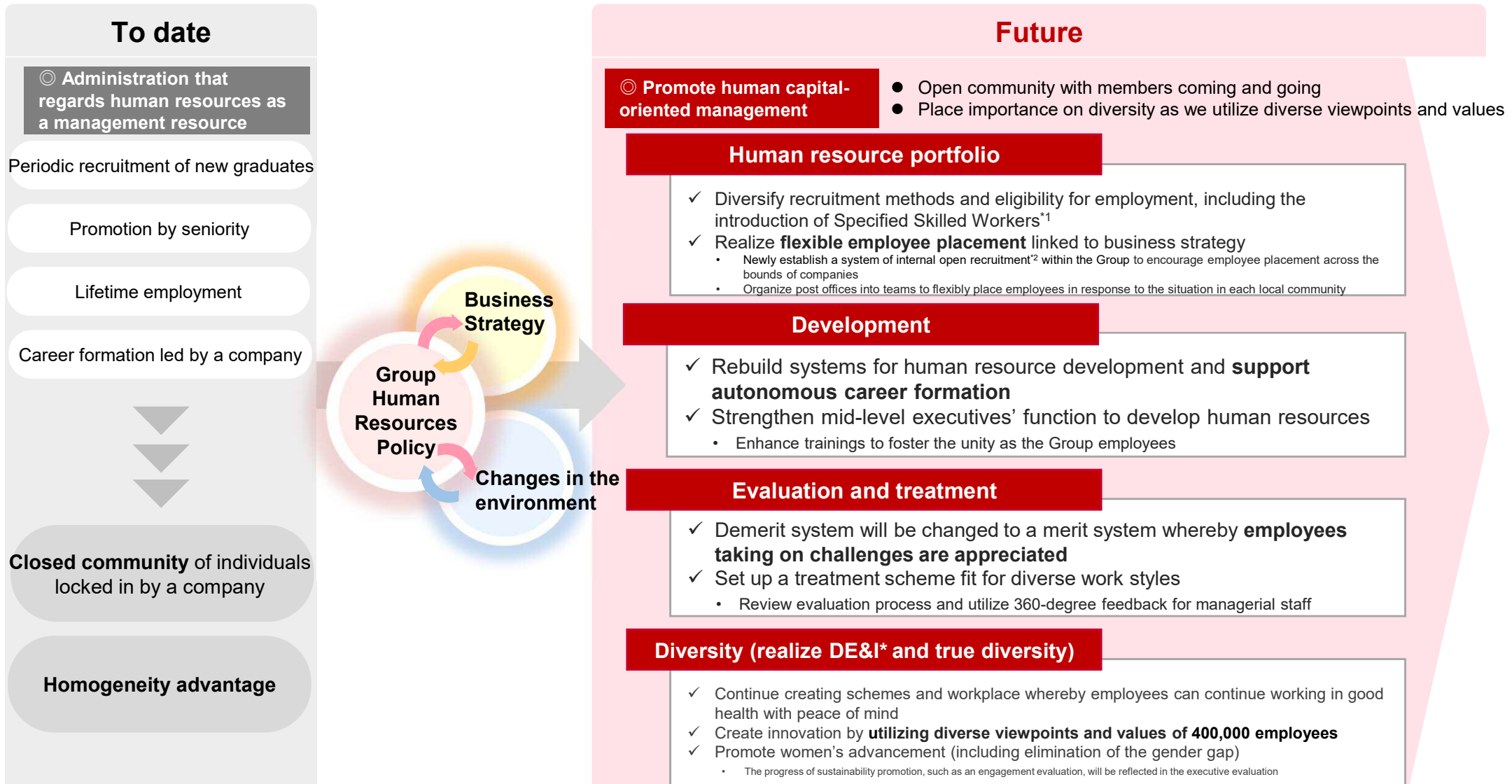
- ✓ Enhance strategy for complementarity between the physical and digital channels based on Bankbook App
- ✓ Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets
- ✓ Regenerate local communities and create new corporate value through Japan Post Bank's unique GP^{*1} operations

Life insurance business

- ✓ Expand product line-up to meet a diverse range of customer needs
- ✓ Enhance after-sales follow-ups abundant in terms of quality and quantity conducive to CX^{*2} improvement
- ✓ Active recruitment development of sales employees who engage in face-to-face customer service

(2) Improve EX by investing in human resources

- Aiming to increase corporate value through responding to changes in the external environment, such as worker shortages due to declines in the labor population and diversification of values and lifestyles, we will promote human capital-oriented management and shift to a flexible and diverse organization.



^{*1} A plan to secure a workforce who supports our business over a long period through securing and developing foreign human resources and converting them into "Specified Skilled Workers (i)" through the "Development and Employment System," a national program scheduled to be established.

^{*2} Internal open recruitment refers to inviting employees to submit their preferences and make selections.

(3) Improve UX by promoting DX, etc.

- By promoting Group DX based on Yu ID*¹, we seamlessly integrate “physical” and “digital” services and utilize data owned by the Group to improve user experience (UX).
- We consolidate business devices and open in-house network to improve job comfort from an employees’ perspective.
- We appoint Group CCDO*², aiming to develop products and services that provide value expected by post office customers.

Fusion of physical and digital services

- ✓ **Expand functions of Post Office App**
 - Link with Japan Post Insurance and Japan Post Bank services
- ✓ **Improve customer convenience at post office counters**
 - Expand Financial Services Contact Center
- ✓ **Improve operational efficiency of employees**
 - Expand services available on tablet PCs


Utilization of data owned by the Group

- ✓ **Utilize data owned by the Group to offer convenience to customers**
 - One-stop handling of change-of-address procedures
 - Introduce a point program
- ✓ **Streamline operations through P-DX*³**
 - Automated routing

Sophistication of systems infrastructure

- ✓ **Open in-house network**
 - Shift to a flexible system fit for various work styles
 - Consolidate business devices
- ✓ **Utilize a Group customer management platform**
 - Develop a system infrastructure to enable the sharing of customer data within the Group

Post Office App

-  **Expand functions**
- Increase functions of My Page website of Japan Post Insurance: May 2024
 - Link with Japan Post Bank service: FY2025 (planned)

App that provides post office services “anytime” and “anywhere”

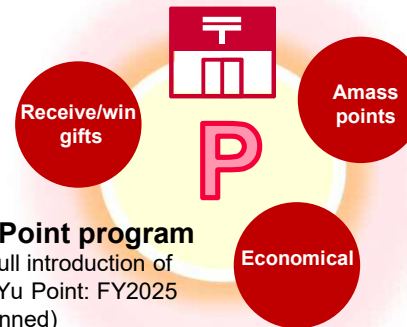
Financial Services Contact Center

Increase the number of post offices connected to the Center
Expand the scope of services



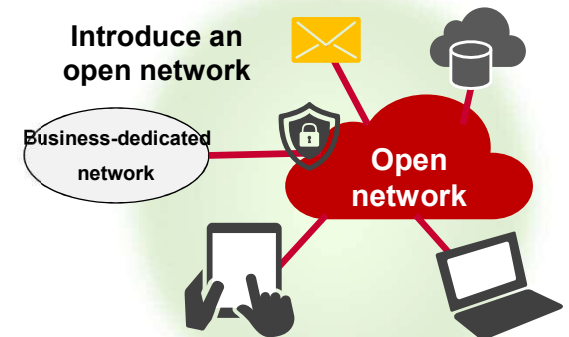
Professional guidance on financial products will become available anywhere

Yu-Yu Point



Post office services will be offered more conveniently and economically

Open in-house network



Various tasks and outside services will become accessible from a business-use PC or tablet PC

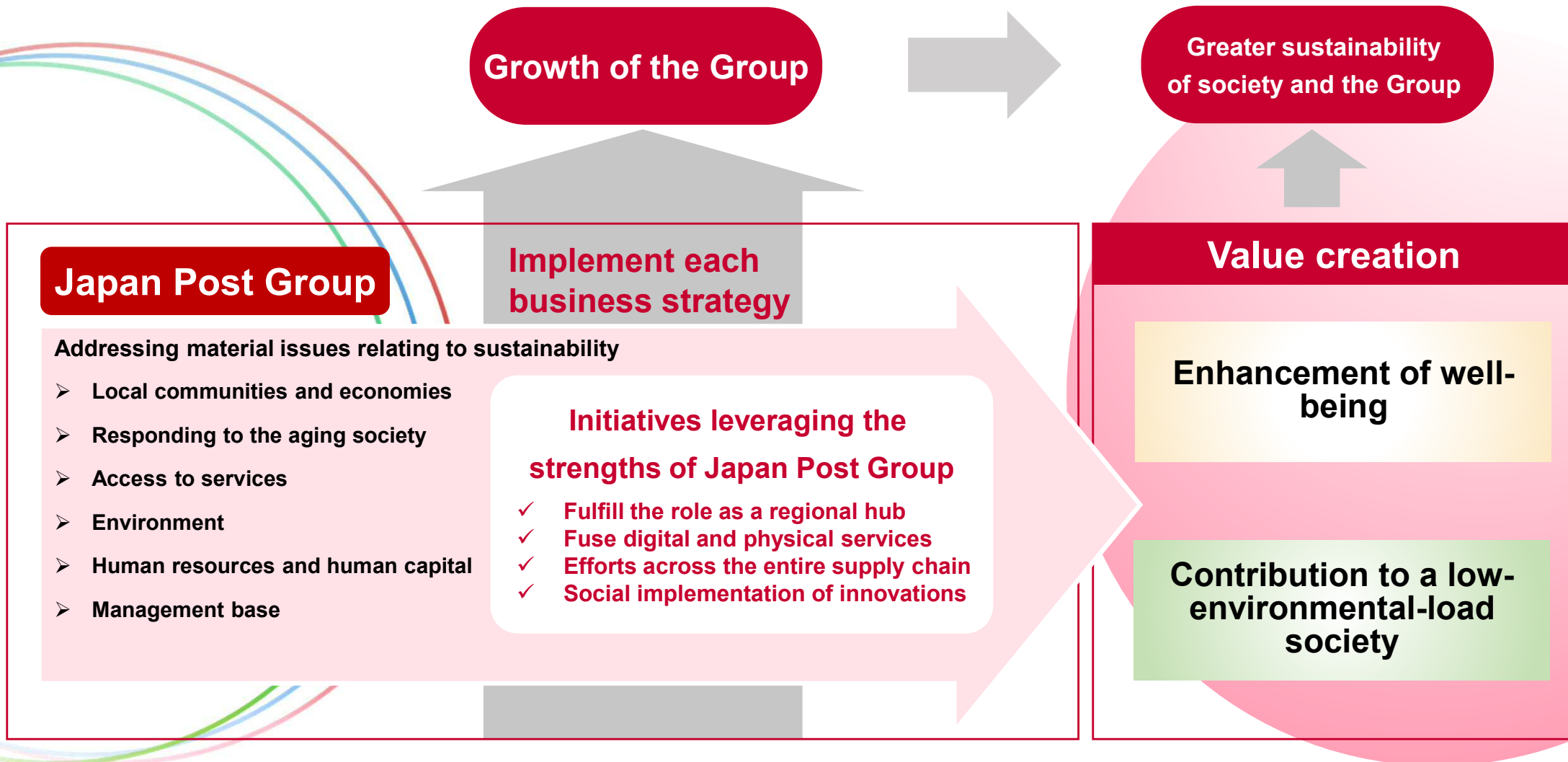
*1 Yubin ID will be renamed to Yu ID in May 2024.

*2 Group CCDO (Chief Customer Experience Design Officer) refers to a person responsible for CX design for the Group.

*3 P-DX (Postal-Digital Transformation) refers to reforms of the postal and domestic logistics business to realize data-driven operations/services with the use of digitalized sender information and receiver information that we accumulated.

Promote sustainability management

- Leveraging the Japan Post Group's strengths, we aim for growth as the Group based on each business strategy. We also seek greater sustainability of society and the Group through enhancing well-being^{*1} and contributing to a low-environmental-load society, such as GX^{*2}.



^{*1} "A state of complete physical, mental and social well-being." (from the Preamble of the Constitution of the World Health Organization). The Japan Post Group uses the term "Well-being" as a concept to include optimal states of being for diverse individuals and communities.

^{*2} GX (Green Transformation) refers to initiatives to transform the conventional fossil energy-centered industrial/social structures into ones fueled by renewable energy.

Investment for growth

- We will formulate a detailed investment plan by adding “investment for increased capacity in our logistics business” and “investment in human resources” to investment for growth of the Group.
(When investing in new businesses, etc., we conduct disciplined investments based on appropriate risk-taking and risk control.)

Amounts of investment in the two years to FY2025

Amounts of investment in the two years to FY2025				Amounts of investment (approx.)
Investment for increased capacity in our logistics business	Prepare foundations for logistics bases Approx. 25.0 billion yen	Operation reforms, etc. (introduce sorting machine, etc.) Approx. 15.0 billion yen		Total 40.0 billion yen
* The amounts of investment for increased capacity in our logistics business exclude the amount of Strategic IT investment.				
Real estate investment	Rental business Approx. 100.0 billion yen	<div>Group-owned real estate Approx. 30.0 billion yen Non-Group-owned real estate Approx. 70.0 billion yen</div>	Built-for-sale business Approx. 10.0 billion yen	Total 110.0 billion yen
Investment in human resources	Strengthen human resource development seminars (including re-skilling)	Initiative to promote diversity	Initiative to secure human resources, etc.	Total 35.0 billion yen
* The amounts of investment in human resources recorded consist of expenses related to various HR initiatives.				
Strategic IT investment	Postal and domestic logistics business (P-DX promotion, etc.) Approx. 30.0 billion yen	Banking business and Life insurance business (Digital service enhancement, etc.) Approx. 125.0 billion yen	Improve UX by promoting DX, etc. (Introduce business-use tablet PCs, etc.) Approx. 60.0 billion yen	Total 215.0 billion yen
* The amounts of strategic IT investment include related expenses in addition to the investment component of financial accounting.				
				Grand total 400.0 billion yen*
* Of the amounts of investment by the entire Group (P. 65), we extracted those related to principal measures particularly conducive to growth for the Group and streamlining of operations, excluding investments required for maintenance/replacement				

* Of the amounts of investment by the entire Group (P. 65), we extracted those related to principal measures particularly conducive to growth for the Group and streamlining of operations, excluding investments required for maintenance/replacement.

Continuous efforts to strengthen Group governance, etc.

- The Group has worked to commit to customer-oriented business operations and strengthening the governance of the Group. Through executing a PDCA cycle, we continue to strive for further improvement and establishment of such initiatives.

Prepare a system conducive to sophistication of the Group management

Enhance governance by the Japan Post Holdings Board of Directors

- ✓ Timely sharing and discussion of Group companies' growth strategies and other various management issues, as well as negative information, such as scandals

Group Crisis Management Committee

- ✓ Sophisticate crisis management readiness; enhance discussion on how to address issues in the actual operation of crisis management

System for appropriate solicitation management

- ✓ Under the leadership of management, understand the progress of initiatives in the business improvement plan and issues relating thereto, aiming for further improvement and establishment of such initiatives

Group Steering Committee

- ✓ Discussion on material issues of the Group; swift sharing of potential risk information

Enhance monitoring system

Fundamental improvement of the whistleblowing system

- ✓ Introduce one-stop consultation, a whistleblowing platform and a team of external experts
- ✓ Introduce an "administrative appeal review system" to examine appeals to each case
- ✓ "Visualization" using the Group-wide monitoring indicators

Shift to management audit

- ✓ Shift to management audit based on the "Japan Post Group Basic Policy on Internal Auditing"

Instill corporate philosophy, etc.

Formulate the "JP Code of Conduct," a corporate code of conduct

- ✓ Conduct field visits, etc. to deepen understanding of and instill the JP Code of Conduct
- ✓ Introduce a prize system to reward employees who practice behaviors in compliance with the JP Code of Conduct

JP Vision 2025^{Plus} Major targets

- The Group will review major targets for FY2025 for the Group and strive to achieve those targets.

Financial Targets

ROE (based on shareholders' equity)

FY2025 : approx. 4%

Review

FY2025 at least 4%

Consolidated net income

570.0 billion yen (*1)

Consolidated net income attributable to Japan Post Holdings

360.0 billion yen (*2)

Shareholder Return Policy

- ✓ Provide stable dividend of 50 yen per share annually (interim and fiscal year-end)
- ✓ Improve capital efficiency through flexible acquisition of treasury stock

Non-financial Targets

Employee engagement score*

At least the score in the previous fiscal year (FY2023: 3.31pt)

* Score of employees' "pride and fulfillment" (using the result of the Group ES survey)

Support childcare for a balance with work

- ✓ Childcare leave acquisition rate for both men and women: 100%
- ✓ Average days of childcare leave acquired by men: 1 month or more

Women in management roles

Ratio of women in management positions at our Head Office: 30% by FY2030 (*1)

Greenhouse gas emissions

Reduce by 46% in FY2030 (compared to FY2019) (*2, *3)

Become carbon neutral in 2050 (*3)

Financial Targets

(*1) Includes consolidated net income attributable to non-controlling interests (interests other than the parent company, Japan Post Holdings). As Aflac Incorporated became an affiliate accounted for by the equity method, equity in earnings or losses of affiliates is recorded from FY2024.

(*2) Calculated on the assumption of a 61.5 % stake in Japan Post Bank and a 49.9% stake in Japan Post Insurance.

Non-financial Targets

(*1) The figure is the percentage of all management positions filled by women at the head offices of our four main Group companies. The target is the percentage as of April 1, 2031 as the results of initiatives up to the end of FY2030.

The Group will also work to improve the work environment and train human resources to boost the number of employees pursuing management and executive positions in order to increase the number of women in management positions in locations other than our head offices.

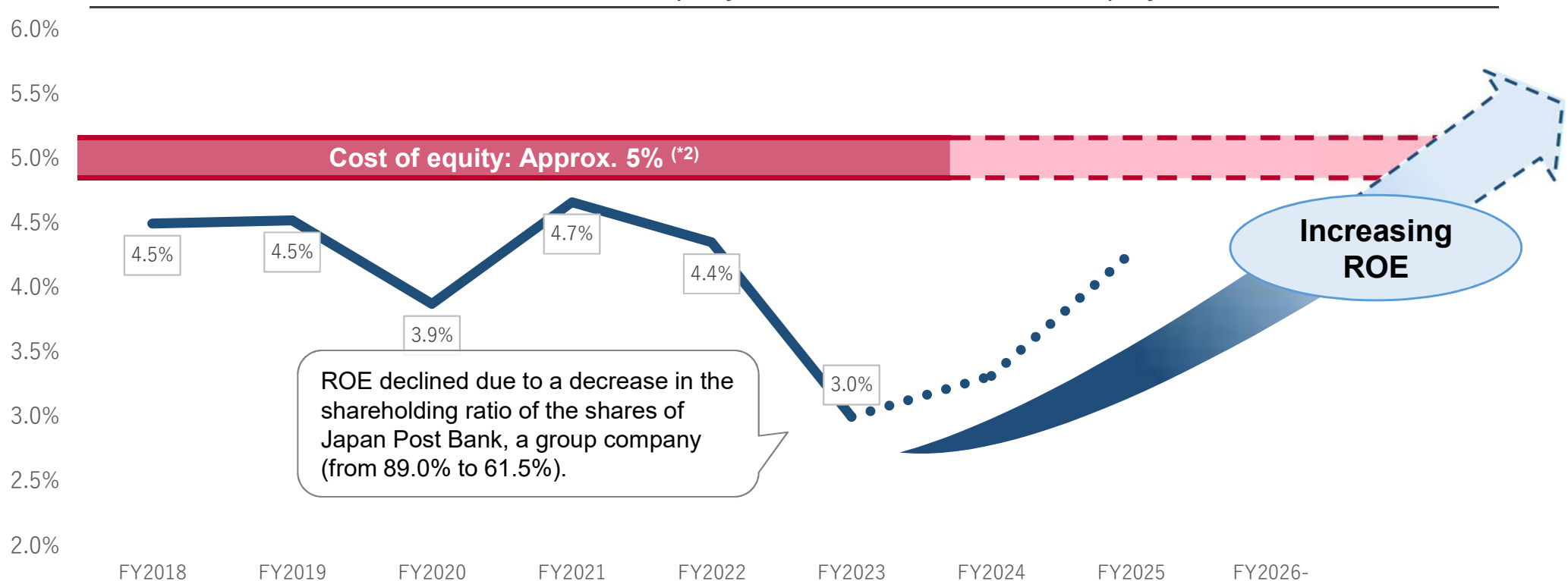
(*2) Targets are for Scope 1 (Direct emissions by the Company) and Scope 2 (Emissions from use of electricity, etc. supplied by other enterprises).

(*3) The achievement of these targets assumes that Japan will become carbon neutral to a considerable degree through the widespread adoption of renewable energy, etc. The Group will assist the push toward carbon neutral societies in both Japan and the rest of the world.

JP Vision 2025^{Plus} Major targets —ROE target to improve PBR—

- We recognize that the Company's cost of equity is approx. 5%.
- Our aim is to improve ROE that declined due to a decrease in the shareholding ratio of Japan Post Bank shares (shares sold in March 2023), achieve an ROE that exceeds cost of equity (approx. 5%) early, and increase it further in the medium to long term.

Trends of the Company's ROE (*1) and the cost of equity



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

(*2) Calculation method of the cost of equity using CAPM is as follows, and the numbers indicated for risk free rate, β , and risk premium are as of each quarter end of FY 2023.

Cost of equity	=	Risk free rate	+	β	×	Risk premium
Approx. 5%		0.4%-0.8%		0.6-0.7		6.0%-6.4%

II. JP Vision 2025^{Plus}

1. Efforts on growth strategies by the Japan Post Group



Growth strategies by segment

- (1) Postal and domestic logistics business
- (2) Post office business
- (3) International logistics business
- (4) Banking business
- (5) Life insurance business
- (6) Real estate business
- (7) New businesses

Major targets by segment (FY2025)

- The Group sets major targets by segment and strives to achieve them*1.

Segments	Operating profit margin Net operating income	ROE Net income
Postal and domestic logistics business	3.5% 90.0 billion yen*2	—
Post office business	— (-49.0 billion yen*3)	—
International logistics business	2.0% 12.0 billion yen	—
Banking business	—	4.0% or more 400.0 billion yen or more
Life insurance business	—	Approx. 6%*4 97.0 billion yen*4
Real estate business	14.0% 11.0 billion yen	—
Reference: Japan Post	1.5% 60.0 billion yen	6.0% 45.0 billion yen
Reference: Aflac	—	(Equity in earnings of affiliates) 48.0 billion yen*5

*1 Interest, exchange rates and share prices on which individual financial targets are premised have been set based on the situation as of March 31, 2024.

*2 In Postal and domestic logistics business, revising postal charges is expected in October 2024.

*3 In Post office business, we aim to shift it to a tendency to be profitable in FY2026 onward as soon as possible by increasing profitability and raising productivity through streamlined operations.

*4 In Life insurance business, considering characteristics of a life insurance company whose net income may be adversely affected in a short term by business recovery, an adjusted ROE and an adjusted profit are presented after partially adjusting such negative impacts. Method for the adjustment is precisely presented in P. 67 of Appendix. Unadjusted consolidated net income is projected to be 80.0 billion yen.

*5 Equity in earnings of affiliates from Aflac Incorporated was independently calculated by the Company, based on the financial results and dividend performance of Aflac, exchange rates and the amount of goodwill generated on the Company's equity recognized by the Company, and has not obtained the confirmation of Aflac. The figure does not present or indicate the performance forecast of Aflac.

1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(1) Postal and domestic logistics business

- Overall picture of the growth strategies of the postal and domestic logistics business
- Strengthen profitability
- Realize efficient operation and build a resilient transport/delivery network

		FY2023 (result)	FY2025
Profitability indicator	Operating profit margin (Net operating income)	— (-68.6 billion yen)	3.5% (90 billion yen)
Major KPIs	Yu-Pack NPS®*	—	Aim for industry-leading level by FY2030
	Income from Yu-Pack	339.4 billion yen	400 billion yen
	Income from Yu-Packet	80.7 billion yen	160 billion yen

* NPS® is an abbreviation for Net Promoter Score and registered trademarks or service marks of Bain & Company, Inc., Fred Reichheld, and NICE Systems, Inc. The indicator measures customer loyalty (trust in and affection for companies, products and services).

Overall picture of the growth strategies of the postal and domestic logistics business

- We will increase NPS® through improving products and services and strengthen sales structures to increase parcel volume with a focus on small parcels, in which Japan Post Co. excels. We will also build efficient and resilient operations to expand parcel income.

"Unchanged"
Value we offer

Support customers' lives and business with our power of delivery

Expand parcel income with a strategy focused on small parcels,
in which Japan Post Co. excels

Strengthen profitability

Vision

- **Improve profitability through increasing NPS® with improved products and services and strengthening sales structure and sales capabilities**

Efforts to achieve the vision

Increase convenience in sending and receiving parcels

Strengthen sales structure and sales capabilities

Strengthen collaboration with other companies

Strengthen logistics business

Improve postal income

Realize efficient operation

Vision

- **Realize highly productive operations** that achieve both customer convenience and higher operational efficiency

Efforts to achieve the vision

Promote P-DX

Review products/ services and operations

Build a resilient transport/delivery network

Vision

- Reorganize bases, promote mechanization and review transport/delivery methods to **build an efficient transport/delivery network with a focus on small parcels**

Efforts to achieve the vision

Enhance processing capacity of our bases

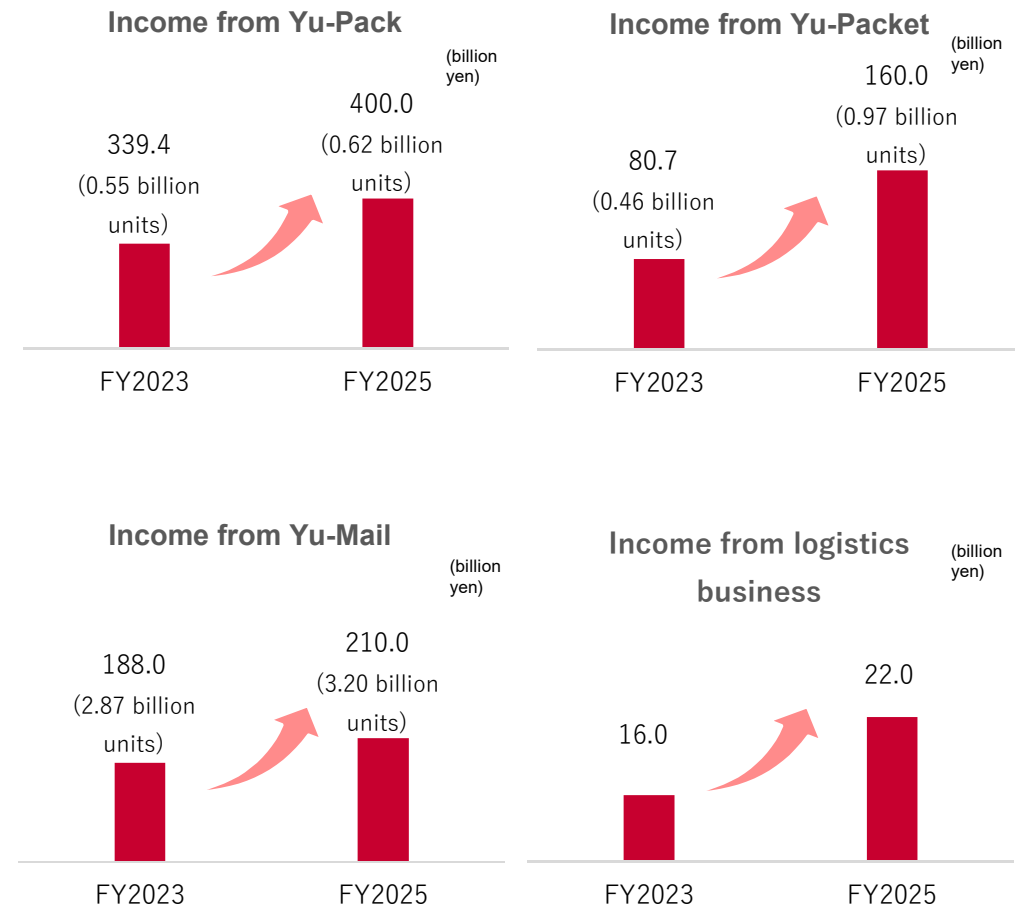
Strengthen transport/delivery capacity

Strengthen profitability

- We will strive to expand operating income from the logistics field, our competitive domain, by strengthening sales structure and sales capabilities and through collaborations with other companies.
- We will realize higher NPS® through improving products and services, aiming to become a company of choice for customers.

Item	Details
Increase convenience in sending and receiving parcels	<ul style="list-style-type: none"> ● Improve Yu-Pack service ● Enhancement of services for leaving parcels in designated areas ● Improve UI*/UX
Strengthen sales structure and sales capabilities	<ul style="list-style-type: none"> ● Reinforce corporate sales division ● Enhance corporate sales organizations
Strengthen collaborations with other companies	<ul style="list-style-type: none"> ● Develop further collaborative measures with Yamato and Sagawa ● Expand parcel income in collaboration with Rakuten; build an efficient logistics network
Strengthen logistics business	<ul style="list-style-type: none"> ● Increase the speed of pitching proposals; increase sales skills ● Integrated proposals utilizing JP Logistics
Improve postal income	<ul style="list-style-type: none"> ● Revise postal charges ● Continue resource shifting to package delivery market

* UI (User Interface) refers to direct touchpoints between systems and services and their users (customers and employees)



Realize efficient operation and build a resilient transport/delivery network

- We realize highly productive operations that achieve both customer convenience and higher operational efficiency by promoting P-DX, reviewing operations, etc.
- We reorganize bases, promote mechanization and review transport/delivery methods to realize an efficient transport/delivery network with a focus on small parcels.

	Acceptance	Sort	Transport	Delivery
Policy	<ul style="list-style-type: none"> Through parcel acceptance using post boxes and efficient parcel pickup, build an efficient parcel acceptance system Through digitalizing sender information, increase efficiency of the subsequent processes 	<ul style="list-style-type: none"> Prepare an efficient and stable system that enables processing of increasing parcels Reinforce machine processing capacity and promote introduction of facilities suited to parcel-centered operations 	<ul style="list-style-type: none"> Build a sustainable transport system in response to the 2024 issue Build a transport system utilizing data and build a transport network in collaboration with e-commerce operators 	<ul style="list-style-type: none"> Utilize postal motorbikes and build a system for delivering small parcels sustainably and efficiently Utilize data to improve efficiency of delivery and reduce redelivery rate due to receiver absence
Main initiatives	<ul style="list-style-type: none"> Expand a parcel pickup support system nationwide to increase efficiency of parcel pickup operation Promote digitalization of sender information (data connection with e-commerce sites, promotion of Yu-pri touch and Smartphone Discount Service, etc.) 	<ul style="list-style-type: none"> Reorganize locations of sorting/transport bases Introduce small parcels sorters, etc. to promote machine processing Utilize the latest technologies (AGV, robot arms, etc.) 	<ul style="list-style-type: none"> Execute “voluntary action plans” in light of the 2024 issue Joint operation of line haul collaborated with other companies Digitalize transport operations; utilize AI in preparing transportation schedule 	<ul style="list-style-type: none"> Reduce redelivery rate due to receiver absence (promote services for leaving parcels in designated areas, e-receiving assistance service, etc.) Strengthen capacity for collection and delivery (tricycle microcars, drones, etc.) Utilize automated routing, telematics, etc. to realize efficient delivery

In addition to sender data, we utilize receiver data and past stock data to realize efficient operation.

Sender data



E-commerce sites



Yu-pri touch



AI-based transportation scheduling



Routing



Lower redelivery rate

1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(2) Post office business

- Overall picture of the growth strategies of the post office business
- Flexible staff placement at post office counters, strengthen knowledge and skills of all employees, and foster sales specialists
- Consider and implement measures for enhancing value and appeal
- Operation reforms of post office counters

		FY2023 (result)	FY2025
Profitability indicator	Operating profit margin (Net operating income)	4.7% (48.0 billion yen)	— (-49.0 billion yen)

Overall picture of the growth strategies of the post office business

- We will enhance profitability, as well as value, appeal and service quality of post office and build a system that allows the post office business to grow into a business of choice for customers.

“Unchanged”
Value we offer

Support the lives of our customers through the post office network across the nation



Grow into a business of
choice for customers



Vision and purpose

① Improve profitability

- Organize post offices into teams to build a system for sales activities that meet customer needs **a b c**
- Based on Yu ID (Group-wide common IDs), integrate customer data and offer services that meet customer needs **d e**

② Enhance value and appeal of post office

- In addition to the basic products and services, improve products and services to support daily lives of customers to offer warmhearted products and services unique to post offices **a d**

③ Enhance service quality

- Integrate face-to-face services offered by post office employees and digital technologies to offer high-quality services **a b c e**
 - Streamline counter operations through digitalization
 - Develop sales specialists and strengthen remote services, etc. via functional centers so that employees with professional knowledge and skills can attend to customers
 - Shift to self-services on digital channel

Efforts to achieve the vision and purpose

Five pillars of
initiatives

a. Flexible staff placement at post office counters

- Place staff flexibly in keeping with local circumstances and make operating hours more flexible to ensure systems for provision of services

b. Strengthen knowledge and skills of all employees

- Offer opportunities for attending training sessions and OJT
- Strengthen managers' management capabilities and operational/sales knowledge and skills

c. Foster sales specialists

- Place and foster specialists with extensive knowledge and skills to conduct sales activities with a strong focus on individual customer needs

d. Consider and implement measures for enhancing value and appeal

- Strengthen initiatives conducive to building continual relationships with local governments
- Offer products and services that meet the needs of customers and local communities

e. Operation reforms of post office counters

- Streamline operations by reviewing tasks and promoting digitalization and paperless services
- Strengthen remote services and centralized processing of procedures, etc. conducted by our functional centers

Flexible staff placement at post office counters, strengthen knowledge and skills of all employees, and foster sales specialists

- We place staff flexibly in keeping with local circumstances, etc., and create a system to conduct sales activities that meet customer needs and offer high-quality services.

Create a system to conduct sales activities that meet customer needs and offer high-quality services



Flexible staff placement at post office counters

- Place staff flexibly in keeping with local circumstances and make operating hours more flexible, etc.
- Prepare a backup structure to ensure systems for service provision

Strengthen knowledge and skills of all employees

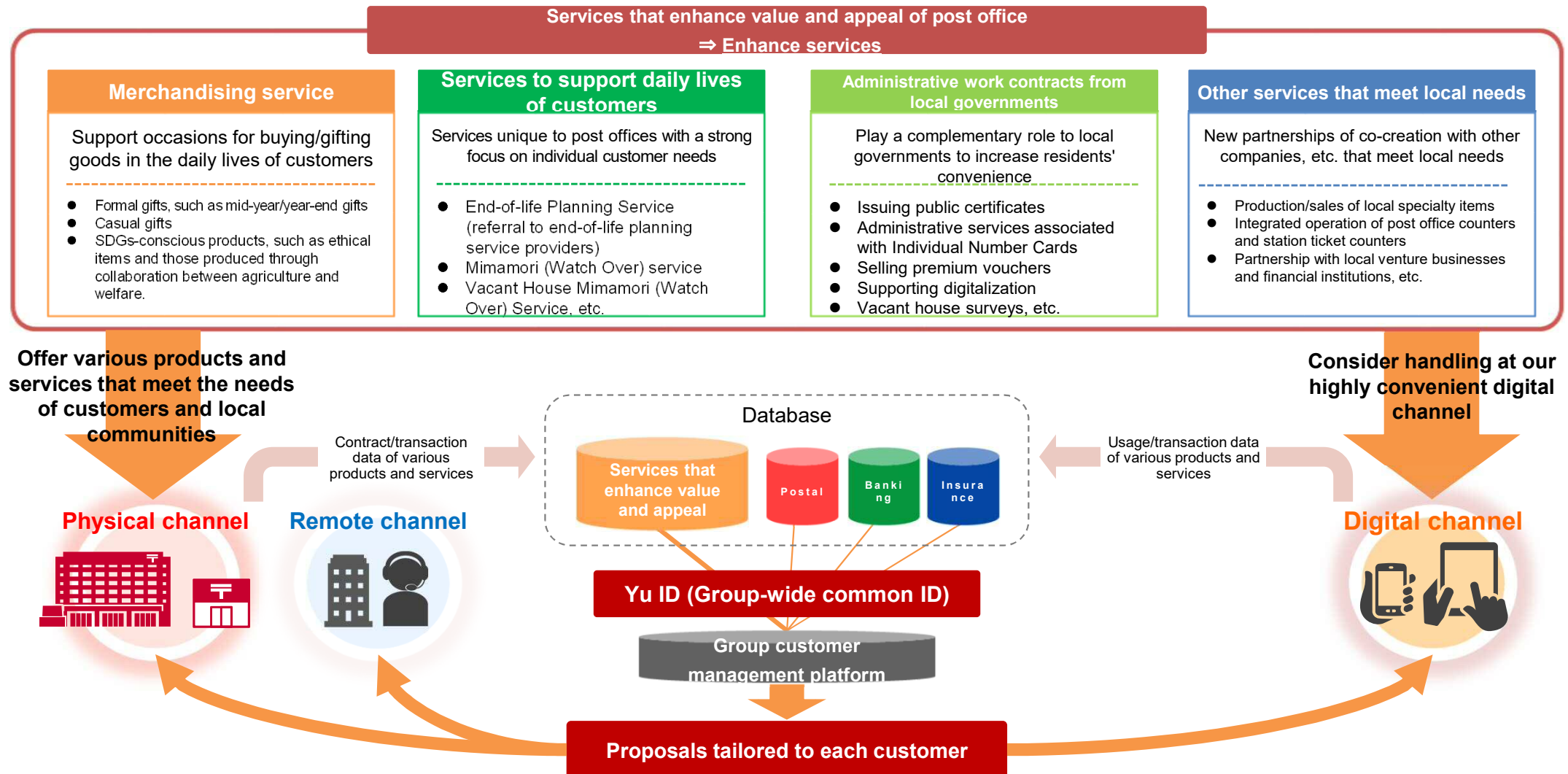
- Offer opportunities for attending training sessions and OJT, thereby strengthening employees' knowledge and skills
- Strengthen managers' management capabilities and operational/sales knowledge and skills so that all employees can make better use of their capabilities and play active roles

Foster sales specialists

- Place and foster specialists with extensive knowledge and skills
- Attend to customers and provide assistance and guidance to staff at post office counters

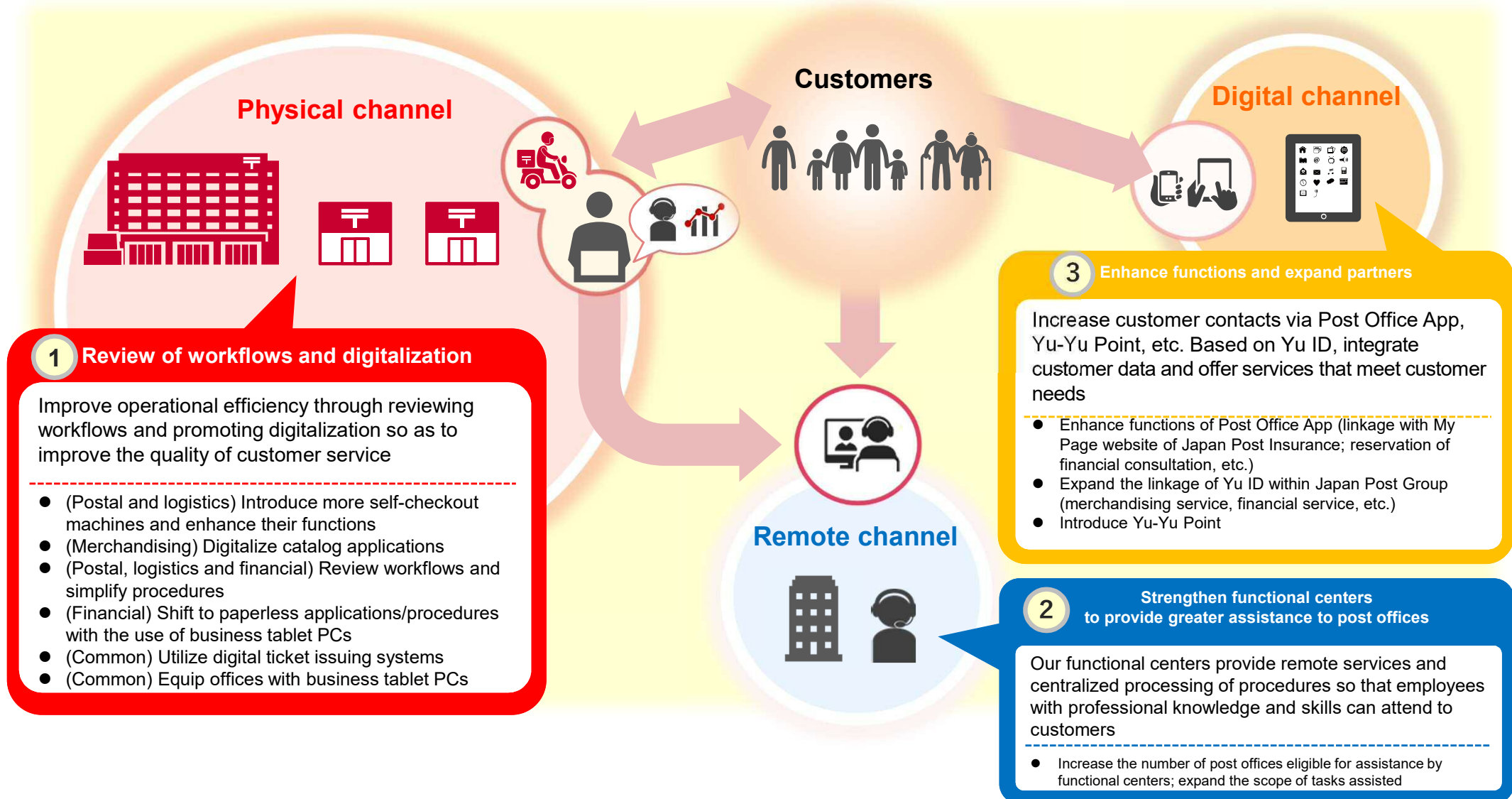
Consider and implement measures for enhancing value and appeal

- To support each and every one of our customers in the “100-year life era,” we will enhance products and services that support daily lives of customers, including merchandising service, administrative work for local governments, and End-of-life Planning Service, in addition to the basic products and services of postal, banking and insurance services and affiliate financial services such as cancer insurance.



Operation reforms of post office counters

- We promote digitalization of physical channel and service provision at remote channel and digital channel to improve efficiency of operations, while increasing customer convenience, thereby allowing post offices, our physical channel, to provide “warmhearted services unique to post offices.”



1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(3) International logistics business

- Overall picture of the growth strategies of the international logistics business

		FY2023 (result)	FY2025
Profitability indicator	Operating profit margin (EBIT)	2.1% (9.5 billion yen)	2.0% (12.0 billion yen)

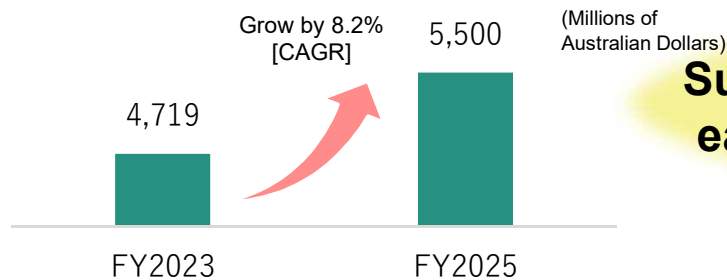
Overall picture of the growth strategies of the international logistics business

- Through the growth of the Global Logistics business focused on Asia and improvement in profitability of the Global Forwarding business, we aim to sustainably expand the scale of earnings and increase profitability, thereby contributing to the improvement of corporate value for the Japan Post Group.

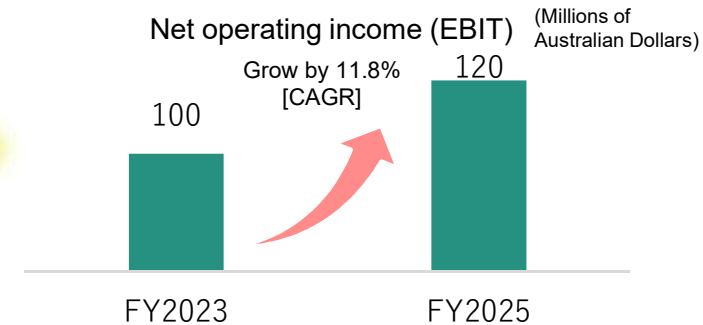
” Unchanged”
Value we offer

- Support customers' life and business with our logistics network that links the world

Operating income of International logistics business



Sustainably expand the scale of earnings and realize increased profitability



Initiatives by each business

Global Logistics business

Vision

Achieve vigorous growth in income focused on Asia

- **Expand earnings in Asia**
 - New establishment/expansion of warehouses in Asian countries
 - Strengthen sales capabilities (strengthen cross-selling with Australian and Global Forwarding businesses, etc.)
- **Improve profitability in Australia**
 - Continue to improve profitability of existing customers
 - Acquire new projects (launch of a large-scale automated warehouse, etc.)

Global Forwarding business

Vision

Improve the business structure so as to generate income even in a harsh market environment

- **Efforts to increase handling volume**
 - Focus on global strategic accounts
 - Diversify client portfolios, etc.
- **Reduce fixed costs**
 - Reduce personnel expenses and other fixed costs through the review of organizations/staff placement, etc.

Company-wide

Review organizational structure/staff placement

Reduce procurement costs

Reduce IT costs

1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(4) Banking business

- Overall picture of the growth strategies of the banking business
- Retail business innovations
- Market business enhancement
- Full-scale launch of the Σ Business (a corporate business for creating futures for societies and local communities through investment)

		FY2023 (result)	FY2025
Profitability indicator	ROE (Net income)	3.74% 356.1 billion yen	4.0%or more 400 billion yen or more
Major KPIs	Number of accounts registered in the Yucho Bankbook App	10.4 million accounts	16 million accounts
	Number of NISA accounts	730,000accounts	940,000 accounts
	Balance of risk assets	107.4 trillion yen	Approx. 114 trillion yen
	Balance in strategic investment areas	12.1 trillion yen	Approx. 14 trillion yen
	GP business-related investments (based on investment commitments)	48.9 billion yen	Approx. 400 billion yen

Overall picture of the growth strategies of the banking business

- Based on appropriate allocation of management resources, we promote growth strategies differentiated from those of other banks, leveraging the unique strengths of Japan Post Bank.

“Unchanged”
Value we offer

Provide “reliable and thorough” financial services “safely and securely” to anyone and everyone throughout Japan

Retail business innovations

- Enhance strategy for complementarity between the physical and digital channels to transform into a new form of retail business that goes beyond traditional banking
 - Maintain and cultivate the customer base and develop new revenue opportunities by increasing the number of Yucho Bankbook App users
 - Shift to sales centered on digital/remote transaction channels linked with teller channel for the asset-building support business
 - Reduce costs through drastic operational reforms by utilizing digital technology and improve profit or loss by reviewing fees and products

Market business enhancement

- Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets, while strengthening risk management
 - Seize the reversal of the trend in yen interest rates, and promote an investments from due from banks, etc. to JGBs (zero risk weighting)
 - Expand balance of risk assets with remaining conscious of risk-adjusted returns, and continue selective investment in strategic investment areas
 - Ensure sufficient financial soundness (maintain a capital adequacy ratio and CET1 ratio* of approximately 10% in normal times)

Full-scale launch of the Σ Business
(a corporate business for creating futures for societies and local communities through investment)

- Revitalization of regional economies and creation of new corporate value through Japan Post Bank's unique GP business
 - Promote new corporate businesses that create futures for society and local communities through investment
 - Realization of a “co-creation platform” for collaboration and cooperation in partnerships with regional financial institutions and other diverse businesses
 - Build a sustainable revenue base going forward as the “third engine”

Strengths unique to Japan Post Bank

The largest customer base of any Japanese bank
120 million ordinary deposit accounts



Most extensive and stable deposit base in Japan
¥192 trillion in deposits, centered on retail banking customers



Nationwide network covering every corner of the country
Network of approx. 24,000 post offices

* Excluding unrealized gains on available-for-sales securities

Retail Business Innovations(Digital Services Strategy)

- Maintain and cultivate the customer base by further expanding the number of users of the Yucho Bankbook App through an aggressive approach that also utilizes physical transaction channels.
- Develop new revenue opportunities by using data starting with the App to guide customers to appropriate services (including attracting them to visit a bank's branch or a post office)..

Improve UI/UX and enhance functionality of the Yucho Bankbook App, etc.

- Digital services centered on the Yucho Bankbook App featuring basic banking functions
- Further expand offerings of "safe, secure, and easy-to-use digital services for all customers" by promoting UI/UX improvements, functionality enhancements, application integration, etc.

Strive to capture new users of the Yucho Bankbook App

- Proactively make sales pitches and support for the Yucho Bankbook App to customers of all ages who visit our branches, utilizing our customer base of 120 million accounts and network of 24,000 post offices
- Make use of online promotions, etc. to expand use of the app

Further increase the number of Yucho Bankbook App users +

Provide appropriate services through push notifications and in-app advertisements, developed using AI-based data analysis

Complementarity between the physical and digital channels

Establishment of a "co-creation platform" through collaboration with a variety of businesses

- Using the Yucho Bankbook App, introduce/advertise a variety of products from outside the boundaries of traditional banking services

Various Partner Companies

Finance Utility fee E-commerce etc

Japan Post Bank

- Investment trusts
- Cashless payments, etc.

Japan Post Group

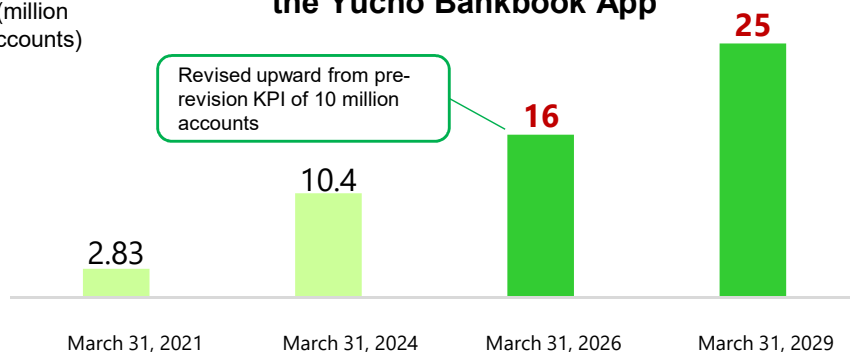
- "Post Office Internet Shop"
- Products of JP insurance, etc.

Attract visitors to post offices by providing information on seminars, events, products for sale, etc. at post offices in each region (app notifications by region and by customer segment)

Revised KPIs

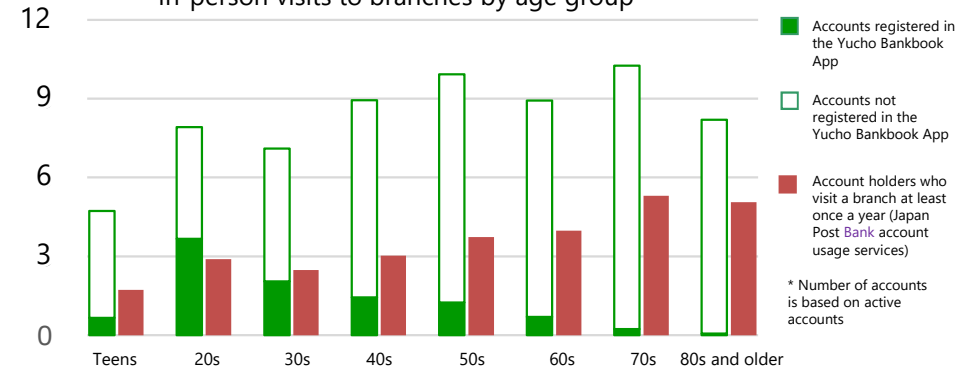
(million accounts)

Number of accounts registered in the Yucho Bankbook App



(million people)

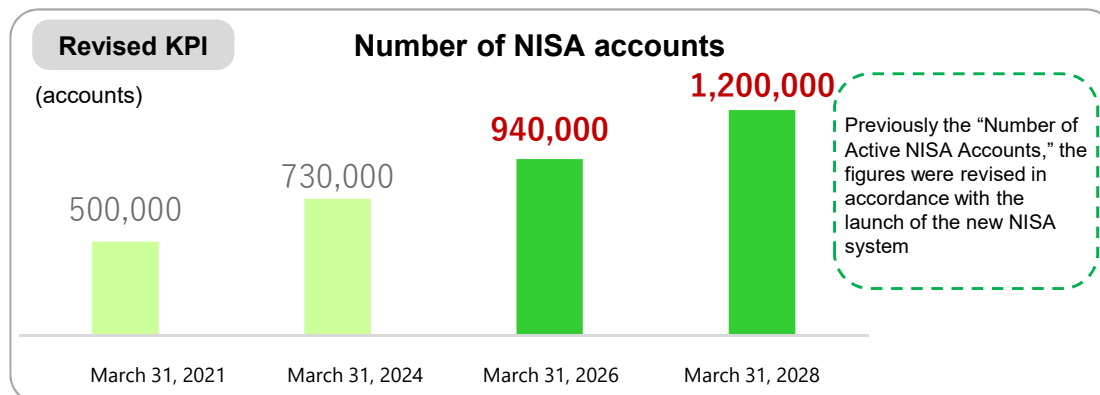
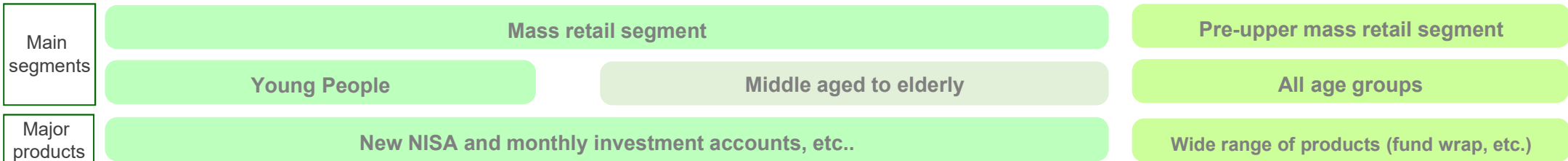
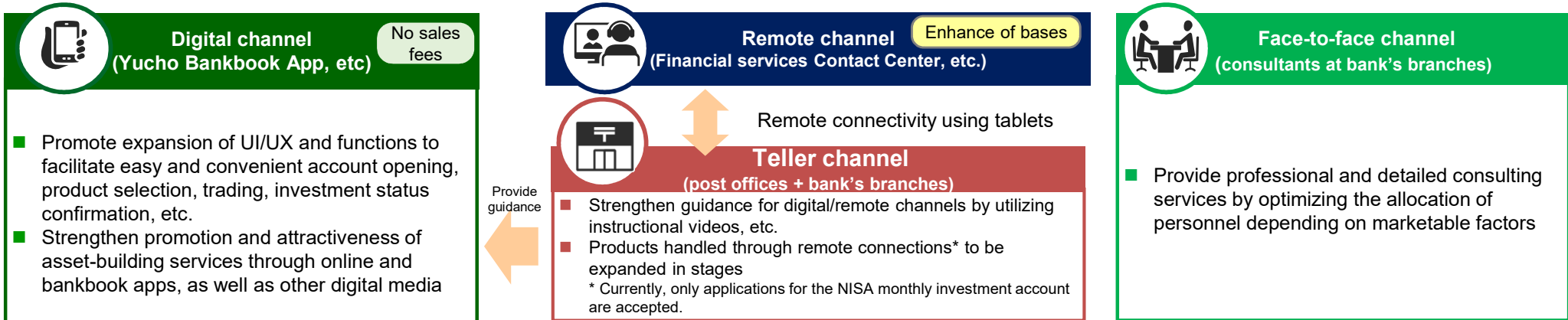
(Reference) Number of Yucho Bankbook App users and in-person visits to branches by age group



⇒ Considerable room for development through an aggressive approach

Retail Business Innovations(Asset-Building Support Business)

- Shift from sales centered on face-to-face interactions to sales via digital and remote transaction channels linked with teller channel in response to changes in the business environment, including the progress of digitalization of society and the launch of the new NISA system.
- Improve a sales structure that leverages the strengths of the Japan Post Group by integrating physical and digital technologies, enabling the handling of investment trusts (NISA) at approximately 20,000 locations by remotely connecting post offices nationwide with financial services contact centers and other facilities.



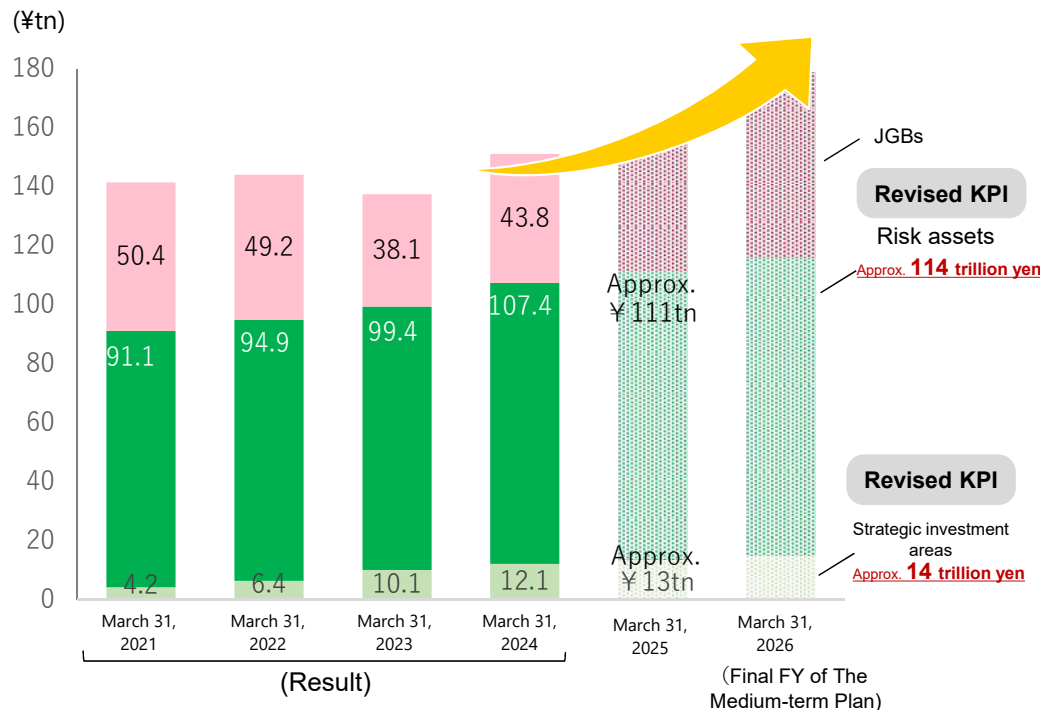
Enhancement of products and services

- Automated robo-advertising services using AI in alliance with other companies (through advertisement distribution, etc.)
- Digital channel support for retail sales of JGBs
- Development of investment trust product lineup
- Services related to asset succession (trusts, inheritance), etc. (approval required)

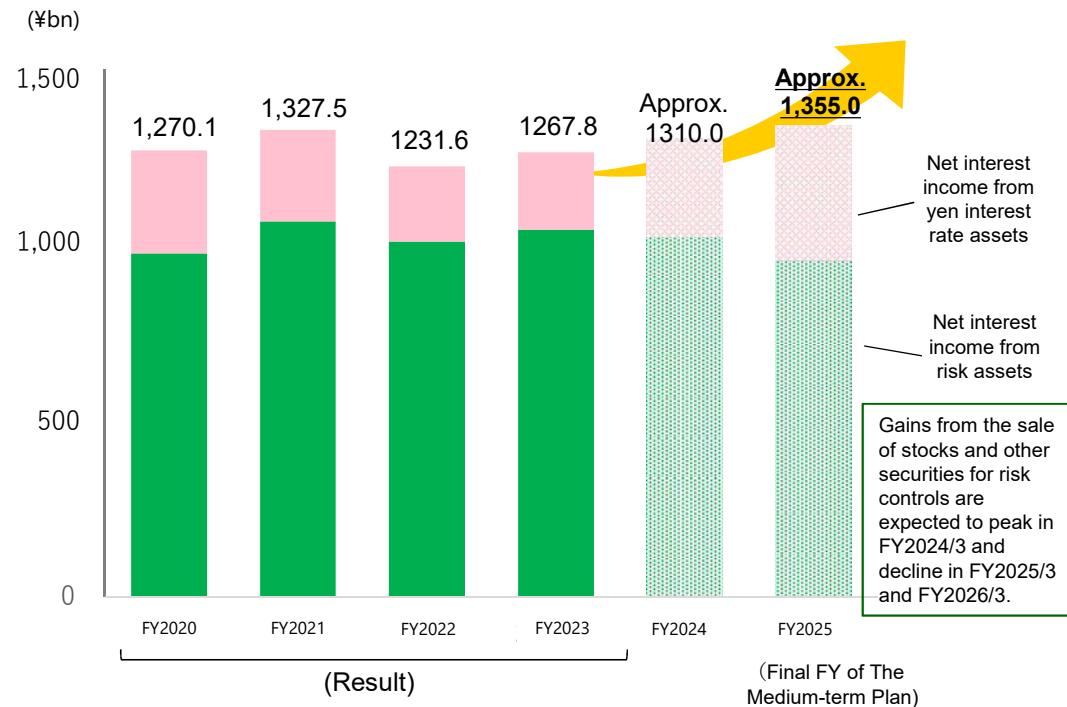
Market Business Enhancement

- Pursue an optimal investment portfolio that combines the yen interest rate portfolio with risk assets, while strengthening risk management
 - Seize the reversal of the trend in yen interest rates, and promote an investments from due from banks, etc. to JGBs
 - Expand balance of risk assets with remaining conscious of risk-adjusted returns, and continue selective investment in strategic investment areas
 - Ensure sufficient financial soundness (maintain a capital adequacy ratio and CET1 ratio of approximately 10% in normal times)

Balance of JGB holding*1 and that of risk assets (non-consolidated)



Net interest income, etc.*2



*1 Except JGBs in money held in trust.

*2 Consolidated, management accounting basis. "Risk assets" consist of Japanese local government bonds, corporate bonds, loans, stocks (money held in trust), foreign securities, and strategic investment areas, etc. Yen interest assets and risk assets include income and expenses related to internal fund transactions among portfolios.

Full-scale Launch of the Σ business (a corporate business for creating futures for societies and local communities through investment)

- Realize a "co-creation platform" for social and regional development with regional financial institutions, etc., and promote "Japan Post Bank's unique GP*1 business".

*1 GP (General Partner): fund management entity responsible for selecting projects, making investment decisions, etc.

Japan Post Bank's unique GP business

Promoting co-creation with regional financial institutions and others for the development of society and regional economies

Utilizing the Bank's nationwide network to carefully identify local funding needs

Providing capital funds from a medium- to long-term perspective by leveraging our stable funding base

Accompanying and supporting investee companies to help them achieve growth and resolve issues

KPI Conducting regular evaluation on investment performance and market environment, we aim for **approx. 400 billion yen** of GP business-related investments (based on investment commitments) by the end of FY2025.

External environment

Declining potential growth rate

Sluggishness of local economies

Realization of a sustainable society

GP business (investment business)

1. Support growth of existing businesses

(1) Provide funds by utilizing the Bank's capital, (2) promote co-creation with regional financial institutions, and (3) hone the acumen for identifying business potential, with the aim of becoming **a leader in regional revitalization**.

2. Provide assistance from start-up to growth phase

Nurture the next generation of leading companies in response to market expansion (build startup ecosystems in collaboration with regions)

3. Promote ESG investment

Pursue investment in decarbonization businesses by promoting joint projects with financial institutions and promotional organizations to realize a decarbonized society

Planning to establish JVs*2 and subsidiaries with fund companies, trading companies, etc.

JAPAN POST BANK CAPITAL PARTNERS Co.,Ltd

Partners

Utilize the nationwide network

Japan Post Bank's unique GP business

System of collaboration with partners

Business succession and business revitalization investment

Venture capital investment

ESG investment

*2 JV (Joint Venture): A new company established by two or more companies to conduct business.

Sourcing operations

In cooperation with regional financial institutions, etc., actively support companies that will become **the foundation stones for new businesses in the region by discovering them** through sourcing activities

Σ data platform



Systems that collect, store, and utilize data of business entities

Marketing support operations

Identify investee companies' latent needs, which have yet to manifest, and **propose commercial products that will create new markets**

1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(5) Life insurance business

- Overall picture of the growth strategies of the life insurance business
- Retain and expand customer base based on connections across life stages/generations
- Achieving greater depth and evolution of asset management (Innovation3.0^{*1})
- Diversify sources of revenue / Create new opportunities for growth

		FY2023 (result)	FY2025
Profitability indicator	Adjusted ROE ^{*2} (Adjusted profit)	—	Approx. 6% (97.0 billion yen)
Major KPIs	EV growth (ROEV) ^{*3}	7.6%	Aim for 6 to 8% growth
	Customer satisfaction ^{*4} NPS®	83% Lower rank in the industry	Aim for 90% or more Aim for one of the highest in the industry
	Numbers of policies in force	197.0 million policies	185.0 million or more policies

^{*1} Following the diversification of asset management in FY2013-FY2020 (Innovation 1.0) and greater depth and sophistication of asset management (Innovation 2.0) in FY2021-FY2023, we work to achieve greater depth and evolution of asset management as Innovation 3.0.

^{*2} are defined in Appendix (P. 67).

^{*3} A value obtained by excluding the "difference between the economic assumption and actual results" from the EV variance factors.

^{*4} The total percentage of customers who responded as "Satisfied" and "Somewhat satisfied" with a 5-level rating of customer satisfaction.

Overall picture of the growth strategies of the life insurance business

- While thoroughly implementing customer-oriented business operations, we aim to retain and expand customer base based on connections across life stages/generations, and grow into a sustainable and “strong company” that can secure stable income

“Unchanged”
Value we offer

We will remain trusted and selected by customers, thereby protecting their lives by providing life insurance product

Retain and expand customer base based on connections across life stages/generations

- Increase the appeal of savings products in tune with rising interest rates and other external factors; expand product line-up to meet the diverse customer needs
- Enhance after-sales follow-ups with quality and quantity, leading to improved CX

- Along with a sense of familiarity as “Post Office insurance,” we maintain connections with customers as “a trusted partner easy to consult with” and provide assurance across life stages/generations, aiming to retain and expand customer base

Grow into a sustainable and “strong company”

Achieving greater depth and evolution of asset management

- Under appropriate risk management, secure and increase stable asset management earnings
- Achieving greater depth and evolution of asset management that also contributes to promoting Japan as a “Leading Asset Management Center,” such as embarking on a new stage of sustainable investment focused on impact investments (Innovation3.0).

Diversify sources of revenue / New opportunities for growth

- Expand collaborations based on various alliances both in Japan and abroad; continue exploration to create new opportunities for growth

Streamline business operations

- By streamlining front line/back office operations, proceed with personnel shifting to production divisions and promote reduction of necessary expenses
- Reduce necessary expenses to 502.0 billion Yen (FY2025), while responding to inflation beyond expectations and strengthening investment in human capital.

Retain and expand customer base based on connections across life stages/generations

- We maintain connections with customers as “a trusted partner easy to consult with” and continue providing assurance across life stages/generations.
- To this end, we work to expand our product line-up to meet the diverse customer needs and further enhance after-sales follow-ups with quality and quantity.

Connections across life stages/generations

Expand product line-up to meet the diverse customer needs

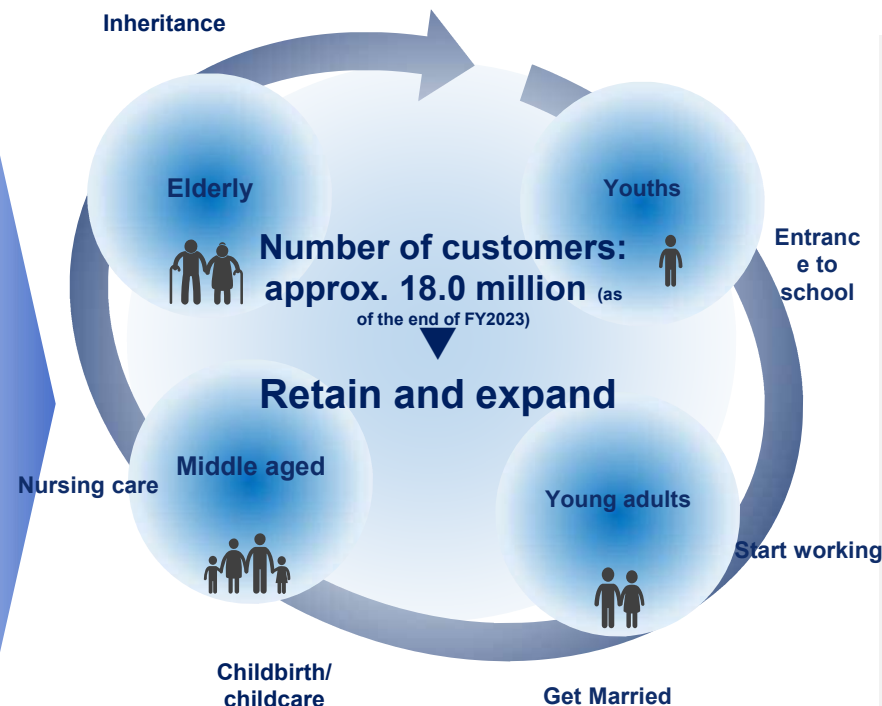
- Increase the appeal of savings products in tune with rising interest rates and other external factors
- Expand product line-up that includes both savings-oriented features and protection-oriented features

Remain close to customers

as “a trusted partner easy to consult with”

Enhance after-sales follow-ups with quality and quantity, leading to improved CX

- Maintain connections with customers via physical and digital means to build relationships in which they feel comfortable consulting with us at anytime
- Payment of insurance claims, provision of useful information, resolution of problems, etc. based on a timely understanding of the situations, expectations and concerns of customers and their families



- Leveraging the industry's largest customer base and connections with customers beyond life stages/generations, retain and expand customers

《Connect maturities》

Number of insurance payouts on maturity: approx. 1,300,000 (FY2023)

- ・ Provide insurance seamlessly to customers whose insurance policies reached maturity

《Connect generations》

- ・ Explain the necessity of insurance to next-generation prospects, gain their understanding and provide assurance

Attend to customers through a post office network, etc.
(active recruitment and development of sales employees)



Achieving greater depth and evolution of asset management (Innovation 3.0)

- Under the ERM^{*1} framework, we aim to secure stable asset management earnings and improve asset management earnings based on ALM^{*2} management.
- We strive for greater depth and evolution of asset management (Innovation 3.0) that also contributes to promoting Japan as a “Leading Asset Management Center,” which will be achieved through improving asset management earnings in response to changes in the market environment, expanding and advancing new businesses in collaboration with other companies, embarking on a new stage of sustainable investment with impact investments at its core, restructuring organizations and fostering specialists.

Improve asset management earnings

- Tactically and flexibly acquire additional earnings in tune with the market environment
- Restructure asset portfolio considering the departure from zero-inflation environment (concentrate new funding in inflation-resistant stocks, infrastructures, real estate, etc.)
- In light of the introduction of the new solvency regulation, establish an investment framework with an emphasis on economic value-based return against risk

Expand and develop new businesses

- In collaboration with MITSUI & CO., LTD., invest in and realize acquisition of a new asset management company, etc. through MKAM Co., Ltd.
- Seize revenue and create synergetic effects through collaborations, etc. with other companies, such as the expansion of asset management business

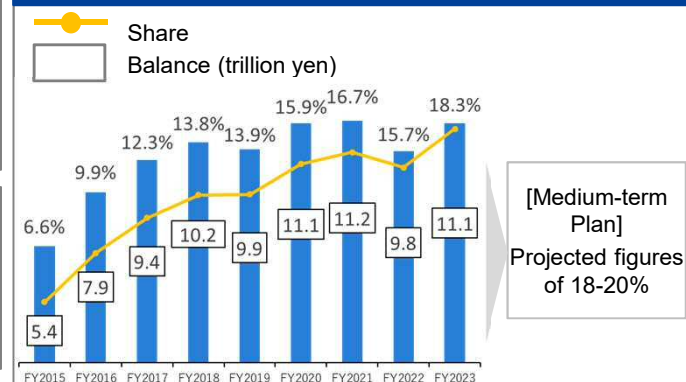
Embark on a new stage of sustainable investment

- Promote sustainable investment that creates a sense of “warmth” unique to Japan Post Insurance, with impact investments as the core (promote further the Impact “K” Project)
- As a universal owner and from the leading position in the financial industry, we realize investment and financing conducive to solving social issues and creating innovations mainly through academic-industrial collaborations
- Through “Responsible Investment Report,” etc., announce publicly our forward-thinking initiative of sustainable investment (including efforts to decarbonize our investment portfolio)

Restructure organizations/ Foster specialists

- Set up a specialized department to enhance knowledge on the investment fields and sustainability fields
- Develop specialists well-versed in cross asset trading and strengthen measures to foster personnel engaged in specialist jobs by way of active talent exchange with external parties
- Discuss and build optimal administrative and system structures capable of responding to changes in the market quickly

Return Seeking Assets



Embark on a new stage of sustainable investment

Under the “Impact ‘K’ Project,” promote impact orientated investment

Impact “K” Project

Certified Funds	Mar-23	Mar-24
Number of certified fund (cumulative)	2	6
Amount of investment (cumulative)	1.75 billion yen	22.55 billion yen

[Medium-term Plan]
Target 15 projects and 50.0 billion yen

* Accumulated total of projects and the amount of investment by Japan Post Insurance since the start of certification in FY2022 (either the amount of investment or amount of committed investments are recorded, according to the form of each fund)

^{*1} ERM (Enterprise Risk Management) refers to integrated risk management. Japan Post Insurance identifies risks faced by the company holistically, including potentially significant risks, and compare and contrast them with the company’s overall equity capital to manage risks as the business in its entirety.

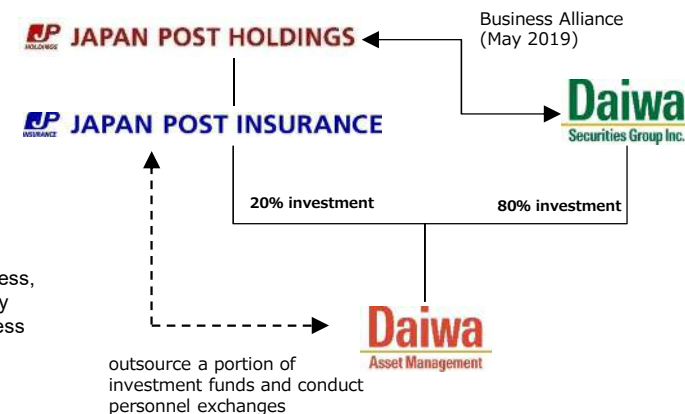
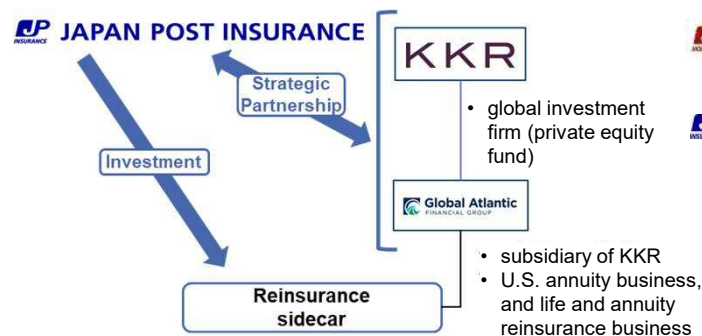
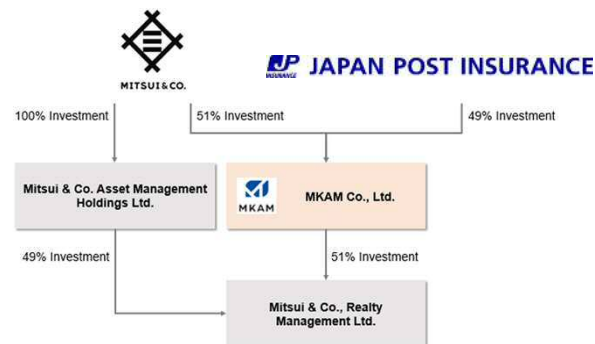
^{*2} ALM (Asset Liability Management) refers to Comprehensive management of assets and liabilities.

Diversify sources of revenue / Create new opportunities for growth

- We have implemented capital and business alliances with MITSUI & CO., LTD. and a strategic partnership with KKR and Global Atlantic (GA) with the aim of diversifying our sources of revenue and creating new opportunities for growth. Furthermore, in May 2024, we entered into a capital and business alliance with Daiwa Securities Group.
- Based on these alliances, we will expand collaborations aimed at further growth, and continue discussion for the creation of new opportunities for growth.

Partner	MITSUI & CO.,LTD. (From June 2022)	KKR and GA (From June 2023)	Daiwa Securities Group (From May 2024)
Summary	<ul style="list-style-type: none"> As an intermediary holding company, MKAM Co., Ltd. was established for the purpose of collaboration between Japan Post Insurance and MITSUI & CO., LTD. Mitsui & Co., Realty Management Ltd. launched a flagship fund, in which Japan Post Insurance is investing as a limited partner. And the balance under management is firmly accumulating 	<ul style="list-style-type: none"> The first international partnership for Japan Post Insurance Adding to the strategic partnership, we make a investment in a reinsurance sidecar sponsored by Global Atlantic Started discussion to expand business collaborations 	<ul style="list-style-type: none"> Invest 20% in Daiwa Asset Management Co. Ltd. and also outsource a portion of our investment funds and conduct a mutual exchange of asset management personnel Through this alliance, we aim to acquire new sources of revenue and further strengthen our asset management capabilities

Structure



1. Efforts on growth strategies by the Japan Post Group

Growth strategies by segment

(6) Real estate business

- Overall picture of the growth strategies of the real estate business
- Major real estate under development
- Real estate development projects coordinated with the reorganization of bases to streamline postal/logistics operations
- Establishment of Real estate business segment and net operating income target

		FY2023 (result)	FY2025
Profitability indicator	Operating profit margin (Net operating income)	22.9% (22.9 billion yen ^{*1})	14.0% (11.0 billion yen ^{*2})
KPI	Operating income	100.0 billion yen ^{*1}	80.0 billion yen

^{*1} Temporary increase in income from condominium sales

^{*2} The figures for FY2025 are adjusted after changes in the allocation of internal expenses due to the segmentation conducted in the first quarter of FY2024.

Overall picture of the growth strategies of the real estate business

- In light of major changes in the business environment, we steadily continue promoting the development of Group-owned real estate and the acquisition of non-Group-owned real estate, etc., so as to develop the business into one of the earning pillars for the Group.
- With the establishment of Real estate business segment, we promote and manage the real estate business of the Group in an integrated and efficient manner.

"Unchanged"
Value we offer

With real estate development in tune with characteristics and social backgrounds of each community, we contribute to the development of communities and regional development.

Item

Details

Develop Group-owned real estate

- ✓ Real estate development coordinated with the reorganization of bases to streamline postal/logistics operations
- ✓ Improve efficiency of development schemes for the Real estate business segment, considering major changes in the business environment, such as soaring construction costs

Acquire non-Group-owned real estate

- ✓ Participate in town development, such as urban redevelopment projects
- ✓ Such as acquiring adjacent properties that increase the value of Group-owned real estate

Build systems/schemes to support business growth

- ✓ Selectively acquire real estate in operation and for development upon examining their use of buildings and markets by area
- ✓ Build a Group-wide management and operational systems by establishing the real estate business as an independent segment
- ✓ Real estate investment with an emphasis on capital efficiency through optimal fund-raising methods

Vision in the medium to long term

Leveraging the strengths and characteristics of the Japan Post Group,

- ✓ Expand stable **earnings** flow centered on development of our real estate portfolio
- ✓ Generate synergies through collaborations with other business segments
- ✓ Diversification of earnings sources, such as a condominium business on former company housing sites

Build systems to support business growth



Major real estate under development

- Through the development of Group-owned real estate and selective acquisition of non-Group-owned real estate in light of major changes in the business environment, we continue to focus on expanding the stable rental business, while diversifying sources of revenue, including efforts on condominiums for sale.

Doshin 1-Chome Project

(former Osaka Doshin Dormitory)

Location: Kita-ku, Osaka-shi
Level: 14 floors above the ground level
Total floor area: approx. 3,480㎡
Principal use: housing
Construction completion: FY2024 (planned)

Former Kagoshima Office, Kyushu Regional Office

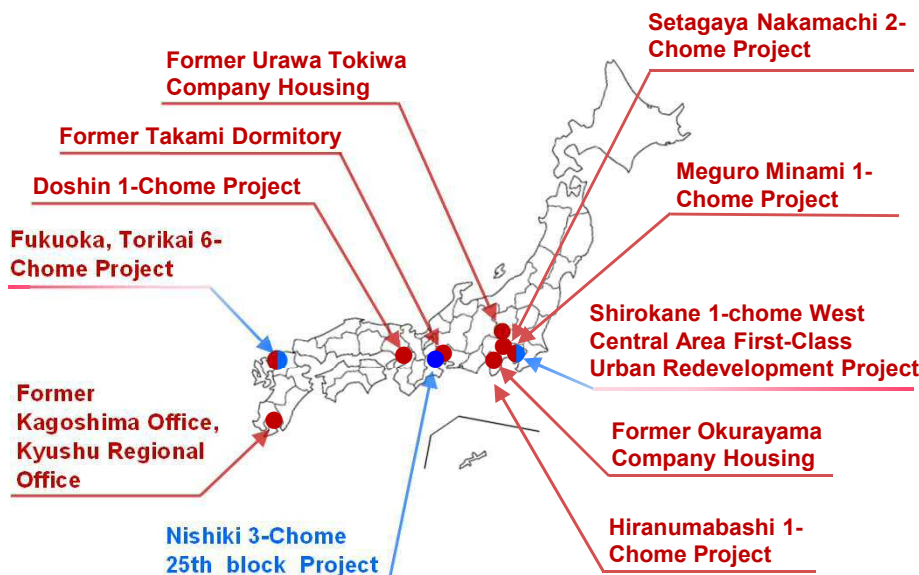
Location: Kagoshima-shi
Level: 14 floors above the ground level
Total floor area: approx. 27,990㎡
Principal use: housing (for sale)
Construction completion: FY2026 (planned)

Fukuoka, Torikai 6-Chome Project^{*1}

(former Fukuoka Izumi Company Housing and adjacent area acquired)



Location: Jonan-ku, Fukuoka-shi
Level: 5 floors above the ground level
Total floor area: approx. 4,120㎡
Principal use: facility for the elderly
Construction completion: April 2024*



Legend

Red: Development of Group-owned real estate
 Blue: Investment in non-Group-owned real estate

Nishiki 3-Chome 25th block Project^{*2} (non-Group real estate)

Location: Naka-ku, Nagoya-shi
Level: 41 floors above the ground level, 4 floors below
Total floor area: approx. 109,680㎡ (planned)
Principal use: offices, hotel, commercial facilities, etc.
Construction completion: March 2026 (planned)



Former Urawa Tokiwa Company Housing

Location: Urawa-ku, Saitama-shi
Level: 6 floors above the ground level
Total floor area: approx. 3,000㎡
Principal use: housing (for sale)
Construction completion: FY2025 (planned)

Former Okurayama Company Housing

Location: Kouhoku-ku, Yokohama-shi
Level: 7 floors above the ground level
Total floor area: approx. 7,060㎡
Principal use: housing (for sale)
Construction completion: FY2025 (planned)

Former Takami Dormitory

Location: Chikusa-ku, Nagoya-shi
Level: 7 floors above the ground level
Total floor area: approx. 4,850㎡
Principal use: housing (for sale)
Construction completion: FY2025 (planned)

Setagaya Nakamachi 2-Chome Project

(former Setagaya Nakamachi Company Housing)

Location: Setagaya-ku, Tokyo
Level: 8 floors above the ground level
Total floor area: approx. 6,260㎡
Principal use: housing
Construction completion: FY2024 (planned)

Meguro Minami 1-Chome Project

(former Meguro Minami Company Housing)

Location: Meguro-ku, Tokyo
Level: 5 floors above the ground level
Total floor area: approx. 2,190㎡
Principal use: housing
Construction completion: FY2024 (planned)

Hiranumabashi 1-Chome Project

(former Hiranumabashi Office)

Location: Nishi-ku, Yokohama-shi
Level: 10 floors above the ground level
Total floor area: approx. 4,920㎡
Principal use: housing
Construction completion: FY2024 (planned)

Shirokane 1-chome West Central Area First-Class Urban Redevelopment Project

(former Shirokane Company Housing)



Location: Minato-ku, Tokyo
Level: 39 floors above the ground level
Total floor area: approx. 98,000㎡
Principal use: housing etc.
Construction completion: FY2028 (planned)

Real estate development projects coordinated with the reorganization of bases to streamline postal/logistics operations

- Through relocation and consolidation of operational functions of post offices that are in areas favorable for development, such as major station-front areas across Japan, we reorganize postal and logistics networks, while working to earn stable revenue flow from real estate development projects.

[Project examples]

A candidate site for development

Former Hiroshima East Post Office



Location: Minami-ku, Hiroshima-shi
Site area: approx. 4,200㎡
Construction completion: 1958
Total floor area: approx. 9,900㎡

Relocated and consolidated an occupancy function to nearby post offices and utilized the site for real estate development

Functions

Post office counters

Maintain function

Financial service

Consolidate functions

Postal/logistics

Consolidate functions

Relocate and consolidate functions

Relocated and consolidated operational functions

Newly built a base for sorting mails and parcels in the suburb. Used the subsequent vacant space to consolidate certain functions.

Functions

Financial service

Expand the area of service due to consolidation of functions

Postal/logistics

Expand the area of service due to consolidation of functions

Post office counters

Hiroshima Central Post Office



Location: Naka-ku, Hiroshima-shi
Site area: approx. 5,300㎡
Construction completion: 1985
Total floor area: approx. 28,000㎡

Sorting function

Newly built and relocated to the suburb

Conducted real estate development project

Developed a rental building



Hiroshima JP Building

In coordination with town development around the major station, etc., conducted real estate development conducive to community vibrancy and enhanced urban city functions

* Directly connected to Hiroshima Station with a pedestrian deck, enhancing the local convenience and pedestrian circulation. (Planned for spring 2025)

Functions

Rental offices and stores

Post office counters

Location: Minami-ku, Hiroshima-shi
Construction completion: 2022
Site area: approx. 4,200㎡
Total floor area: approx. 44,200㎡

Reorganized postal and logistics network

Newly built a base for sorting mails, etc. (new location)

Newly built a distribution base as a regional controlling office near a highway interchange (relocated the function) to improve capacity for processing mails and parcels

Function

Sorting function

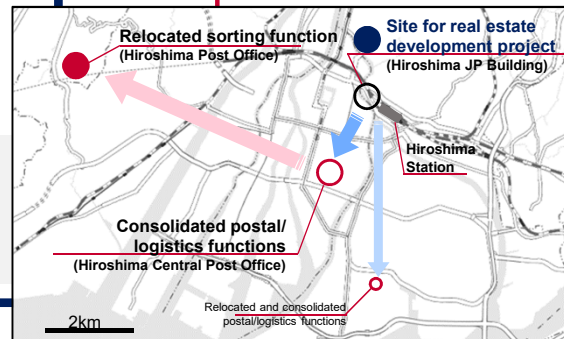
Newly built a regional distribution office

* Cover the areas with postal code beginning with '73'

Hiroshima Post Office



Location: Saeki-ku, Hiroshima-shi
Construction completion: 2017
Site area: approx. 37,100㎡
Total floor area: approx. 24,600㎡



Establishment of Real estate business segment and target

- With the establishment of Real estate business segment, we strengthen management and operational systems, thereby building a platform to support business growth.
- Keeping a close eye on a harsh business environment, we project net operating income target of approx. 11.0 billion yen for FY2025*.

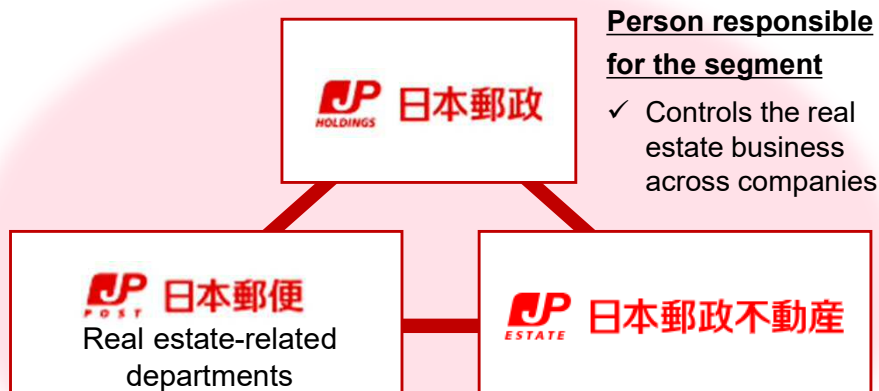
* Excluding the impact of the segmentation, we project net operating income target of approx. 15.0 billion yen for FY2025, remaining unchanged from the initial target.

Establishment of Real estate business segment

■ Purpose of the establishment

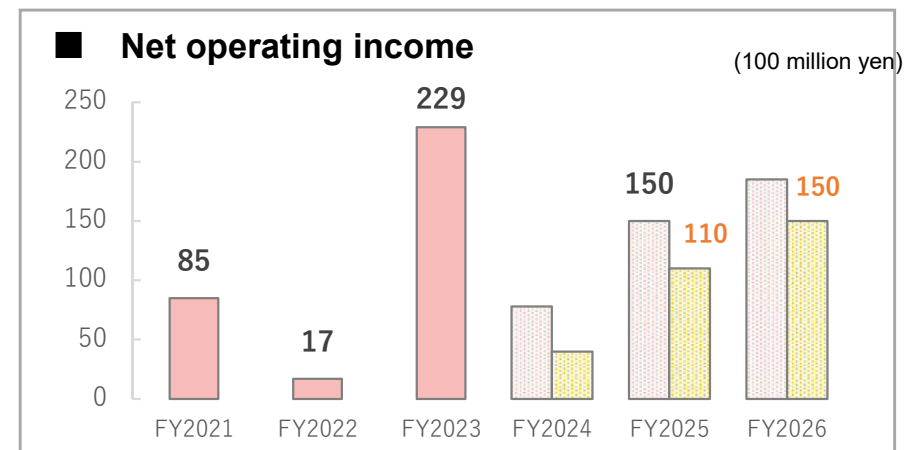
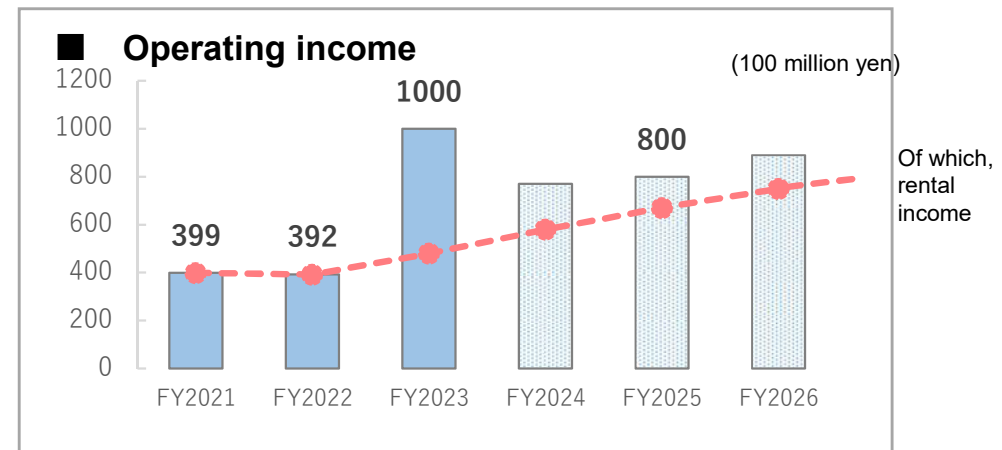
- ✓ By strengthening coordination among real estate-related departments and companies within the Group, we steadily promote the business and achieve growth, thereby developing the real estate business into one of the revenue pillars for the Group.
- ✓ We control the real estate business of the entire Group to allow for efficient performance management and fulfillment of governance function.

■ System and major roles



- ✓ Role-sharing of planning, development, operation and management of real estate development projects to promote efficient operation

Targets for operating income and net operating income



■ : Factoring in the segmentation.

(7) New businesses

- Overall picture of the growth strategies of new businesses

Overall picture of the growth strategies of new businesses

- Based on a cross-organizational system, we will consider creating new businesses aimed at solving social issues.
- Based on our “Co-creation Platform” to support customers and local communities, we will create new businesses.

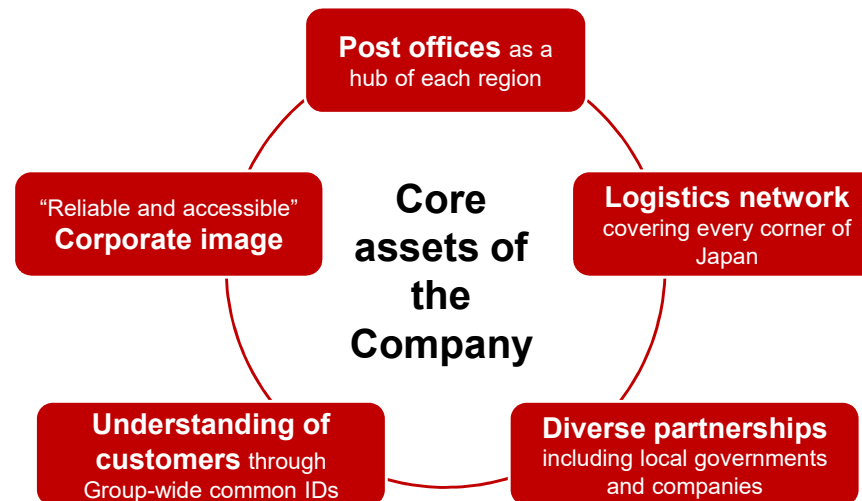
” Unchanged”
Value we offer

Together with various partners outside the Group, we will create new products and services, thereby providing heightened convenience, security, comfort, and prosperity to support the lives and lifestyles of customers across Japan.

New businesses, etc. aimed at solving social issues

- ❑ Improve “ease of consultation” for customers and expand nationwide **End-of-life Planning Service**
- ❑ Implement measures to deal with the problem of vacant houses by utilizing our “community patroller” function
- ❑ Create social issue-solving businesses through **collaboration/capital alliances with local venture companies** (shopping support, logistics within the community, etc.)
- ❑ Contribute to solving environmental issues through investing in “natural capital,” such as **renewable energy and forest**
- ❑ A challenge program for realizing new services that gives shape to the ideas of **front-line employees**

We will achieve a balance between revenue generation and solving social issues by organically integrating our long-standing assets with post offices at the core, and through collaborations with alliance partners and M&As as



New businesses, etc. through “Co-creation Platform”

- ❑ Promote **multi-faceted collaborations with alliance partners**, including Aflac, Rakuten Group, convenience store chains, and East Japan Railway Company
- ❑ Create a new information business that **combines logistics network and digital channel**
- ❑ **Effective use of vacant spaces at post offices** resulting from streamlined logistics operation
- ❑ Enhance **content that increases convenience of Group-wide common ID holders**
- ❑ **Startup Investment and acceleration** through Japan Post Capital

“Co-creation Platform” to support customers and local communities



2. Further solidifying the management base of the Japan Post Group

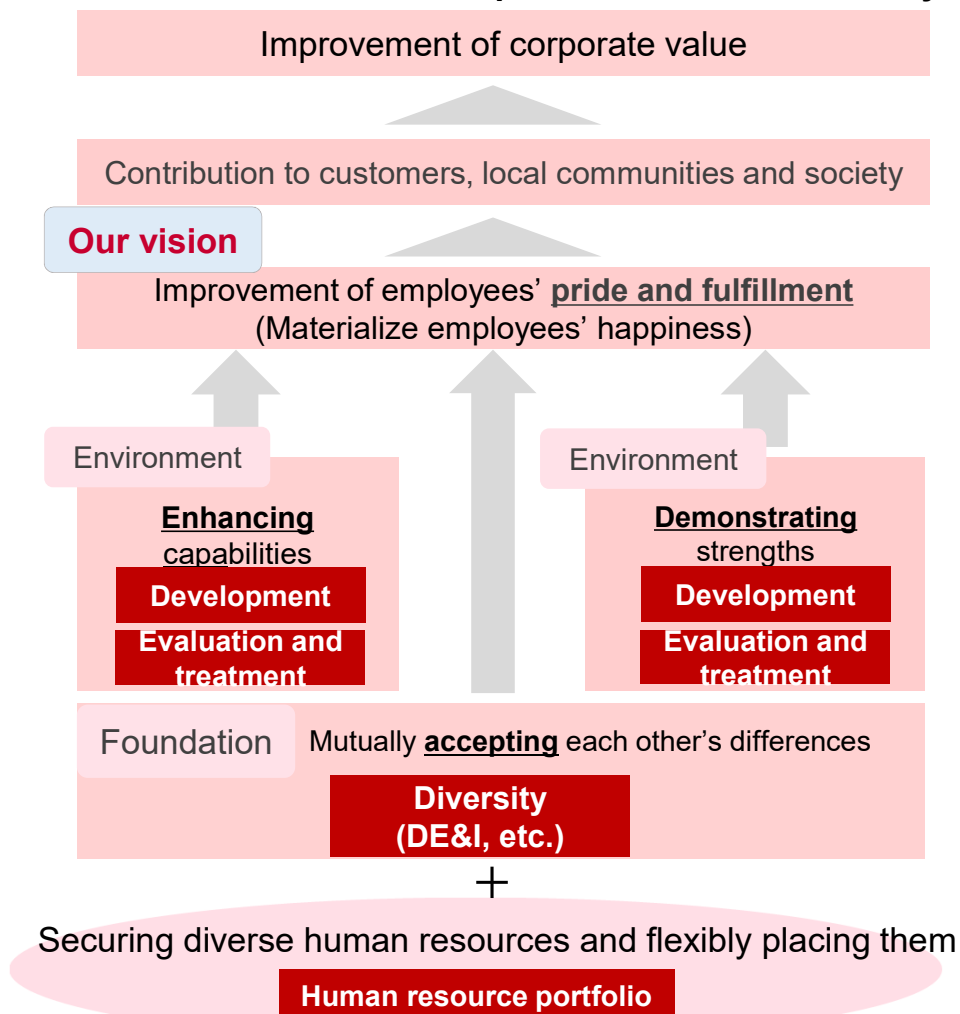


- (1) Improve EX by investing in human resources
- (2) Improve UX by promoting DX, etc.
- (3) Sustainability management

Promote the Group Human Resources Policy and human capital management

- We formulated the Group Human Resources Policy in May 2023, which sets out the basic direction for the realization of management strategy and HR strategy under JP Vision 2025.
- Based on the concept of the Group Human Resources Policy, we promote human capital management, and lay down and implement key initiatives in four areas, including diversity, so as to enhance employees' pride and fulfillment.

<Overall Picture of the Group Human Resources Policy>



Promote human capital management



Enhance employees' pride and fulfillment
(Materialize employees' happiness)

Development

- ✓ Rebuild the human resource development system and support autonomous career formation
- ✓ Strengthen mid-level executives' function to develop human resources
- ✓ Promote work style reform of managerial staff

Evaluation and treatment

- ✓ The point deduction scoring system will be changed to the point addition scoring system whereby employees taking on challenges will be evaluated
- ✓ Set up a treatment scheme fit for diverse work styles

Diversity (realize DE&I and true diversity, etc.)

- ✓ Continue creating schemes and workplaces whereby employees can continue working in a good health with peace of mind
- ✓ Create innovation by utilizing diverse viewpoints and values
- ✓ Promote women's advancement (including elimination of the gender gap)
- ✓ Promote employment of senior citizens, people with disabilities, and foreign nationals, and respond to gender diversity

Human resource portfolio

- ✓ Secure necessary human resources by diversifying recruitment methods and hiring targets, including considering the introduction of Specified Skilled Workers (request for addition of this industry sector)
- ✓ Realize flexible employee placement linked to business strategies

Key initiatives and major KPIs

- Among the key initiatives, we at the Japan Post Group particularly focus on “flexible staff placement,” “securing diverse human resources,” “organizational personnel development and appropriate evaluation” and “strengthening management staff’s function to develop human resources,” aiming to become a company where all employees can work with “pride and fulfillment.”

Area	Target	FY2024	FY2025	Major KPIs
Human resource portfolio	Company-wide	Launched a personnel exchange system among the Group by internal open recruitment^{*1} (Invite employees to submit their preferences and make selections ^{*2}) in FY2024 Purpose Flexibly place personnel in light of business strategy and human resource needs Summary Launch open recruitment based on employee request for career track changes across the Group companies		<ul style="list-style-type: none">· Number of personnel exchanged in and out of the Group Maintain FY2021 level^{*3} (FY2025)· Number of personnel applied for open recruitment within the Group At least the figure in the previous fiscal year (FY2025)· Right person to the right job score At least the score in the previous fiscal year (FY2025) (Reference: FY2023: 2.70pt)
	Front-line	Fully start recruitment of experienced workers and gig workers, etc. by FY2025 Purpose Secure diverse human resources Summary Plan to expand recruitment of experienced workers and gig workers, etc., which is currently being introduced at some offices; Consider also the employment of Specified Skilled Workers (foreign workers)		
Diversity/ Development/ Evaluation and treatment	Company-wide	Aim to introduce measures to develop personnel organizationally (evaluation/training meetings, etc.) and new evaluation methods by FY2025 Purpose Realize a fair personnel evaluation system, thereby those who work hard are truly rewarded Summary Review personnel evaluation items to include a scheme so that employees can take on challenges without anxiety; Work to provide persuasive evaluations, including the confirmation of evaluation results by multiple managers		<ul style="list-style-type: none">· Ratio of women in management positions at Head Offices of the four main Group companies FY2030: 30%
	Managers	Review the labor environment of managerial staff (working hours, treatment, etc.) by FY2025 Summary Mitigate work overload on managerial staff and review salaries and other treatment systems, while promoting diverse work styles for managerial staff as a whole Shift personnel evaluation items of managerial staff to those relating to human resource development by FY2025 Summary In the personnel evaluation items of managerial staff, increase the weight of items relating to human resource development and reflect the evaluation results in their treatment		
<div>Improve employees' pride and fulfillment (Materialize employees' happiness)</div>				
<ul style="list-style-type: none">· Pride and fulfillment score At least the score in the previous fiscal year (FY2025) (Reference: FY2023: 3.31pt)				

*1 Implemented among organizations of Head Office from FY2022. We plan to spread the scheme companywide, including front-line organizations.

*2 Necessary discussions will be held among companies concerned upon selection.

*3 Number of personnel exchanged among the four main Group companies was approx. 1,500.

Initiatives (Human resource portfolio)

- To realize optimal employee placement linked to business strategies, we will rebuild a human resource portfolio of the Group, aiming to achieve fluidity of human resources within the Group and secure human resources.

Initiatives

- ✓ Newly establish a personnel exchange system among the Group by internal open recruitment*¹ (implement periodic open recruitment for career track changes within the company or among Group companies)

KPI

- Number of personnel applied for open recruitment within the Group: At least the figure in the previous fiscal year
- Number of personnel exchanged in and out of the Group: Maintain FY2021 level*²

- ✓ Integrate general-duties positions and regional managerial positions (integrate both positions and unify their salaries and treatment to promote fluidity, including that of general staff position)
- ✓ Further promote personnel exchanges among Group companies

*1 Implemented among organizations of Head Office from FY2022. We plan to spread the scheme companywide, including front-line organizations.

*2 Number of personnel exchanged among the four main Group companies was approx. 1,500.

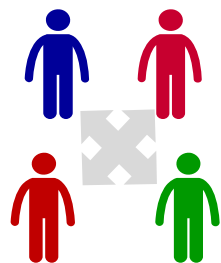
- ✓ Expand the scope of the workforce subject to recruitment (recruit specialists and other experienced workers, gig workers and foreign workers)

KPI

- Number of experienced workers recruited: At least the figure in the previous fiscal year
- Number of persons engaged in strategic side businesses: At least the figure in the previous fiscal year
- Right person to the right job score: At least the score in the previous fiscal year (Reference: FY2023: 2.70pt)

- ✓ Optimize age structure (including reskilling of middle-aged and senior workers)
- ✓ Develop conditions (duties, treatment, job assignment) whereby employees can work up to the age of 70 years old
- ✓ Continue employee retention measures; reemploy retired employees

Human resource portfolio



Mitigate personnel transfers (fluidity)

Secure human resources

Initiatives (Development, Evaluation and treatment)

- Linking “development” based on autonomous career formation with “evaluation and treatment,” we enhance employees’ human resource capacity (abilities multiplied by motivation) and aim to increase corporate value.
- We rebuild a fair personnel evaluation system, thereby those who work hard are truly rewarded and provided with appropriate treatment.

Initiatives

Development



Human resource development system/
Autonomous career formation

Strengthen mid-level executives’ function to develop human resources

Work style reform of managerial staff

- ✓ Rebuild career paths and development systems tailored to each company and type of business
 - ✓ Offer opportunities to consider their own career paths
 - ✓ Enhance the lineup of seminars, etc. to acquire skills and knowledge necessary for self-fulfillment, such as the introduction of a learning management system (LMS)
 - ✓ Continue providing next-generation leaders development training and DX training
- KPI** · Attendance rate of DX training at Head Office and branches by applicable employees: 100%
- ✓ Enhance training to foster a sense of unity as the Group employees and develop a training environment

- ✓ Introduce measures to develop personnel organizationally (evaluation/training meetings, etc.)
- ✓ Shift personnel evaluation items of managerial staff to those relating to human resource development (review personnel evaluation items for managers)

- ✓ Mitigate work overload on managers
- ✓ Promote diverse work styles for managerial staff as a whole
- ✓ Increase the ratio of women in management positions

KPI · Ratio of women in management positions at Head Offices of the four main Group companies: 30% (FY2030)

Evaluation and treatment



System whereby those who work hard are truly rewarded

Review the way of treatment


- ✓ Review evaluation items (The point deduction scoring system will be changed to the point addition scoring system; a scheme where employees can take on challenges without anxiety; and consider utilization of 360-degree feedback for managerial staff)
- ✓ Review the evaluation process (more persuasive evaluations through the confirmation of evaluation results by multiple managers)

- ✓ Review the salary system (consider the introduction of Japan Post-style “wages based on duties”)
- ✓ Review the rules for job relocations

Initiatives (Diversity (realize DE&I and true diversity, etc.))

- To improve employees' "pride and fulfillment," it is essential to realize a workplace where they "mutually accept each other." We will develop and provide employees an environment where they can continue working with peace of mind.
- To create innovation by utilizing the diverse viewpoints and values of 400,000 employees, we accelerate women's advancement (including the elimination of the gender gap), while promoting the employment of senior citizens, people with disabilities and foreign nationals and responding to gender diversity.

Initiatives

<div>Diversity (DE&I, etc.)</div> 	Utilize diverse viewpoints and values	<ul style="list-style-type: none"> ✓ Continue creating schemes and workplaces whereby employees can continue working with peace of mind (correct long working hours, review the scope of job relocations, support measures for balancing childcare, nursing care, and treatment of illness with work, etc.) <div>KPI</div> <ul style="list-style-type: none"> • Childcare leave acquisition rate for both men and women: 100% • Average days of childcare leave acquired by men: 1 month or more • Average number of days of annual leave taken: 18 days or more
	Promote health management	<ul style="list-style-type: none"> ✓ Satisfy the legally mandated employment rate of people with disabilities <div>KPI</div> <ul style="list-style-type: none"> • Raise the employment rate of people with disabilities to 3.0%*1 (FY2025)
	Eradicate harassment	<ul style="list-style-type: none"> ✓ Further promote health management based on the Japan Post Group Declaration on Health <div>KPI</div> <ul style="list-style-type: none"> • Rate of employees requiring medical attention 1 and 2*2: 1% or less (FY2024) • Rate of no longer requiring specific health guidance: 23% or higher (FY2024) <ul style="list-style-type: none"> ✓ Promote initiatives utilizing various personnel-related data (strengthen efforts to maintain mental health, etc.)
	Reflect in executive remuneration	<ul style="list-style-type: none"> ✓ Strict disciplinary action against harassment perpetrators ✓ Continue increasing awareness to eradicate harassment <div>KPI</div> <ul style="list-style-type: none"> • Recognized cases of harassment: The figure in the previous fiscal year or less
		<ul style="list-style-type: none"> ✓ Employee engagement (pride and fulfillment) score, the ratio of women in management positions at Head Office and others are reflected in the executive remuneration (performance evaluation)

*1 The figure was revised upward from 2.5% set out in "JP Vision 2025" *2 Persons requiring emergency or urgent medical attention

Overall Picture of Group DX promotion

- Based on improvement in customer experience value and employee convenience, we promote DX for the Group in a cross-organizational, integrated manner and realize post offices that are accessible to customers and comfortable to work for employees.

Value offered by DX

Based on Yu ID,

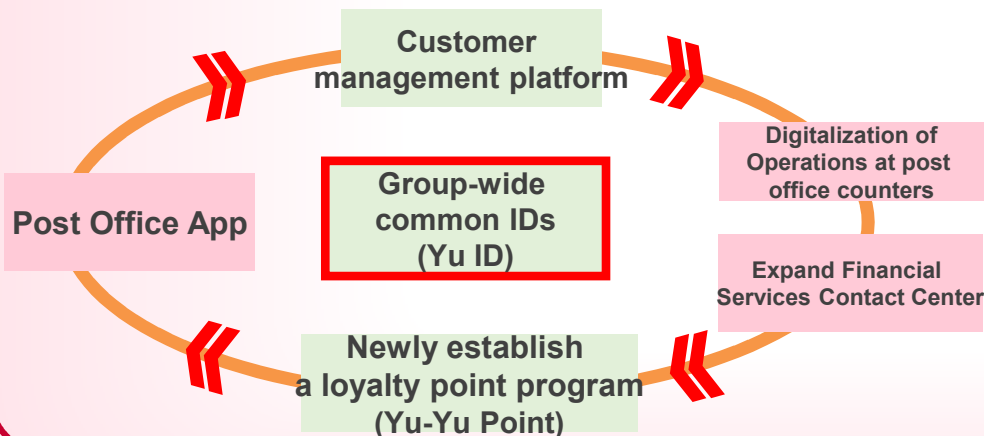
- Make optimal proposals to each customer
- Provide highly convenient post office service
- Offer brand-new services and additional values
- Encourage employees to take on new challenges

Vision

Improve experience value for users (customers and employees) with digital technology

Improve customer experience value

Accessible to customers



Improve employee convenience

Comfortable to work for employees

Highly sophisticated data analysis
Use of AI and other advanced technologies
UX governance

Introduce more digital terminals for business-use

Digitalization of working procedures

Open in-house network

Consolidate common tasks

Employee's My Page*

3 elements of Group DX

Integration of the physical and digital worlds

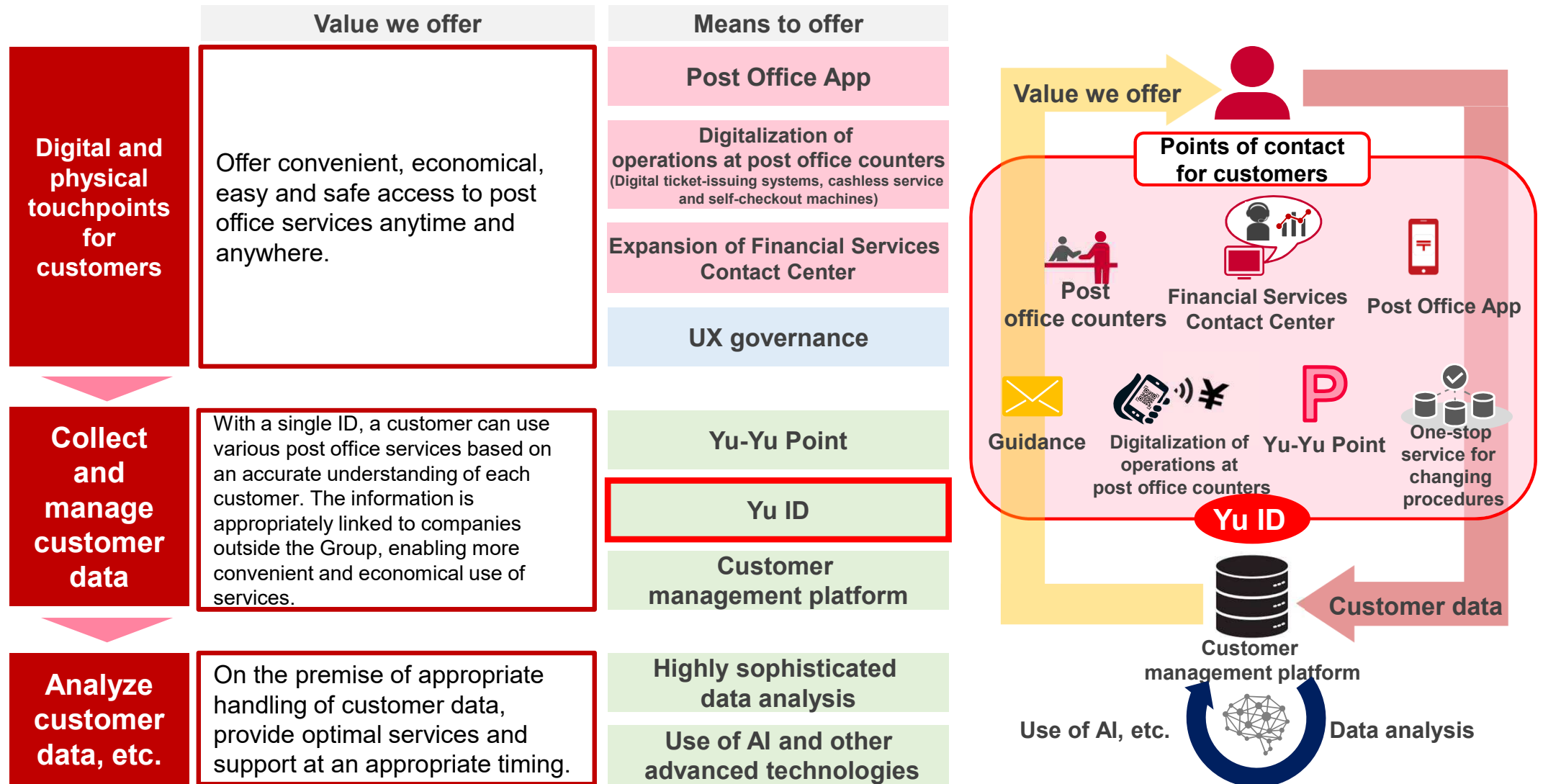
Utilization of data owned by the Group

Sophistication of systems infrastructure

*Communication platform that connects each employee to the company



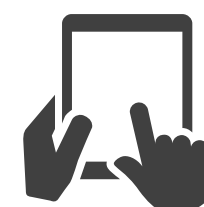
Initiatives to improve customer experience value

- Through Post Office App, digitalized post office counters and Financial Services Contact Center all based on Yu ID, we will deliver values to customers as the entire Group, work to improve customer experience value and offer new values that expand beyond the Group.
- Through the use of highly sophisticated data analysis and AI, etc. that considers the protection of customers' personal information, we will reinforce "warmhearted service," which is the strength of post offices, to further improve experience value.



Initiatives to improve employee convenience

- We digitalize counter operations for customers and backyard operations in a continuous and thorough manner to reduce the operational burden of employees.
- With highly sophisticated data analysis on customer usage and with the use of AI, we will enhance the contents of proposals and services. We will also improve employees' work experience by transforming operational systems into ones that are easy to use based on users' perspectives through appointing employee monitors, etc.

	Purpose	Initiatives	
Realize digitalization of operations at post office counters	<ul style="list-style-type: none"> ✓ Use digital tools to reform employees' counter operations, thereby increasing customer convenience and efficiency ✓ Streamline post office counter operations with self-service terminals and tablet PCs 	<ul style="list-style-type: none"> ➢ <u>Expand digital ticket-issuing systems</u> ➢ <u>Promote cashless services</u> ➢ <u>Expand self-service terminals</u> ➢ <u>Equip more tablet PCs</u> 	
Increase productivity with the use of data and AI	<ul style="list-style-type: none"> ✓ Use data and AI to reduce the operational burden of employees and increase the accuracy of our proposals <ol style="list-style-type: none"> ① Support on proposal of products and services to customers ② Assist employees handling complex and professional operations ③ Have AI summarize the contents of directions given by the Head Office and branches, etc. 	<ul style="list-style-type: none"> ➢ <u>Highly sophisticated data analysis</u> ➢ <u>Use of AI and other advanced technologies</u> 	
Reform operations through the use of digital terminals and digitalization of working procedures	<ul style="list-style-type: none"> ✓ Digitalize working procedures to reduce the backyard clerical burden, such as confirmation of service description and storage of documents ✓ Unify the designs and operability of work apps; adopt feedback from employee monitors for greater UX ✓ Consolidate common tasks across the Group and streamline them through BPR/DX (shift to a shared service) ✓ Reduce clerical burden for administrative and personnel affairs with the use of employee's My Page ✓ Open the in-house network to allow various tasks and outside services to become accessible from a single business-use terminal 	<ul style="list-style-type: none"> ➢ <u>Promote digitalization of working procedures (going paperless)</u> ➢ <u>Introduce/spread UX governance</u> ➢ <u>Promote the shift to a shared service</u> ➢ <u>Improve and add functions to employee's My Page</u> ➢ <u>Open in-house network</u> 	

Key initiatives and KPIs

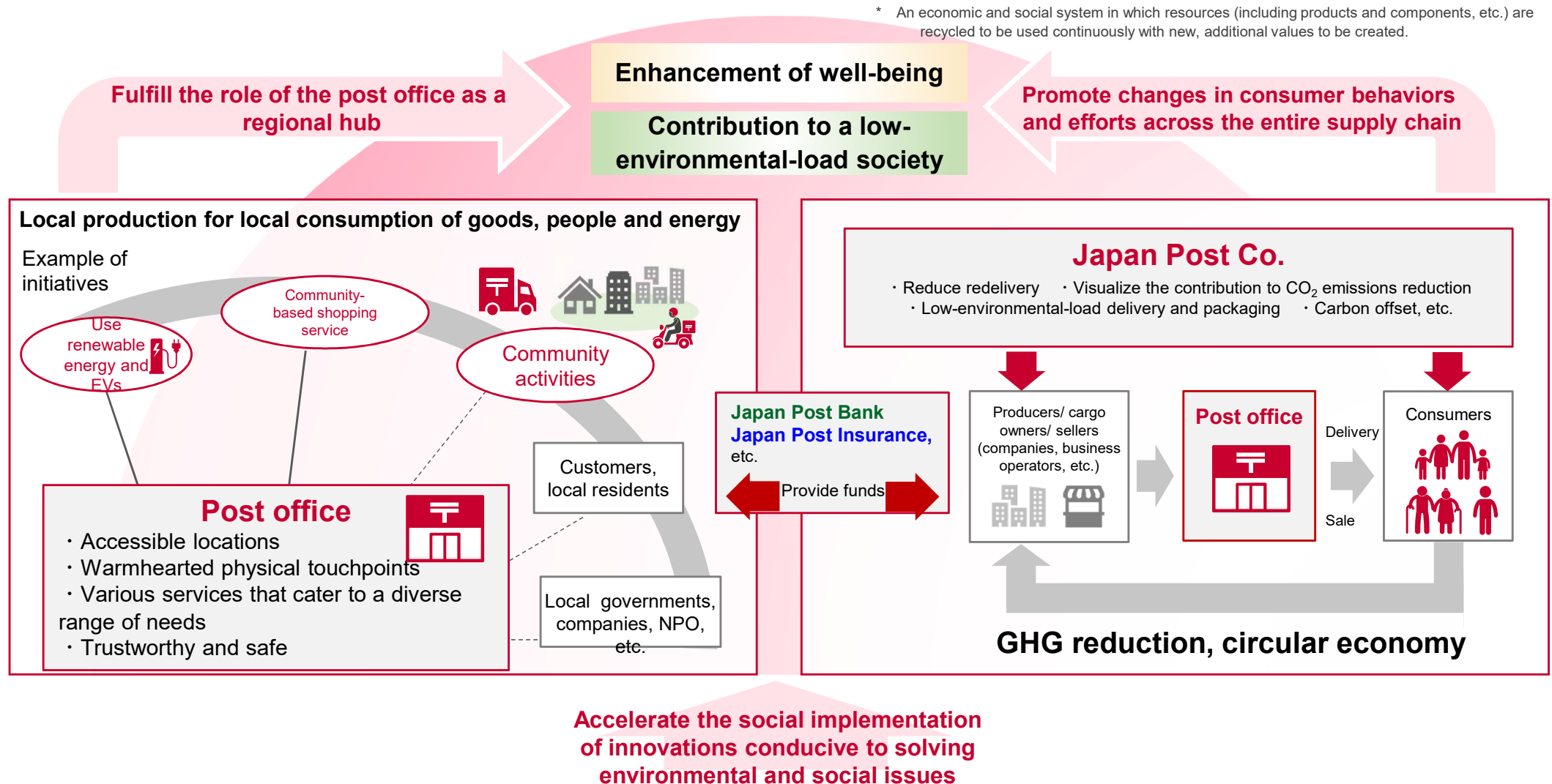
- Among the key initiatives, we particularly focus on the provision of values to customers based on Yu ID, aiming to improve UX.

Item	Target	1H FY2024	2H FY2024	1H FY2025	2H FY2025	FY2026-	KPI
Yu ID	Customers	Link Yu ID and IDs of other services <ul style="list-style-type: none"> • Japan Post Insurance • Catalog sales • Japan Post Bank • External services 					Number of IDs: 20 million (end of FY2025)
Yu-Yu Point	Customers	Expand the loyalty point program <ul style="list-style-type: none"> • Advance implementation for visits at post offices and in product sales • Full implementation for other services at post offices • Further expand within the Group 					Number of loyalty point holders: 10 million (end of FY2025)
Data utilization	Customers / employees	Promote initiatives to utilize data <ul style="list-style-type: none"> • Trial implementation of marketing activities utilizing Yu ID and app • Customer data linkage to allow for services that go beyond those at post office counters 					Number of cases of utilization: 10 (end of FY2025)

Addressing environmental and social issues by leveraging the strength of the Japan Post Group

- To address environmental and social issues, we work to fulfill the role of the post office as a regional hub and make efforts across the entire supply chain. We also prompt the social implementation of innovations that are necessary to promote the foregoing.
- With such initiatives, we encourage local production for local consumption of goods, people and energy, reduction of greenhouse gas (GHG) and the realization of a circular economy*, aiming to enhance well-being and achieve a low-environmental-load society.

* An economic and social system in which resources (including products and components, etc.) are recycled to be used continuously with new, additional values to be created.



Addressing material issues relating to sustainability (materiality) in each business

- Each of our businesses will proceed with its initiatives to address material issues relating to sustainability by leveraging the strengths of the Japan Post Group.

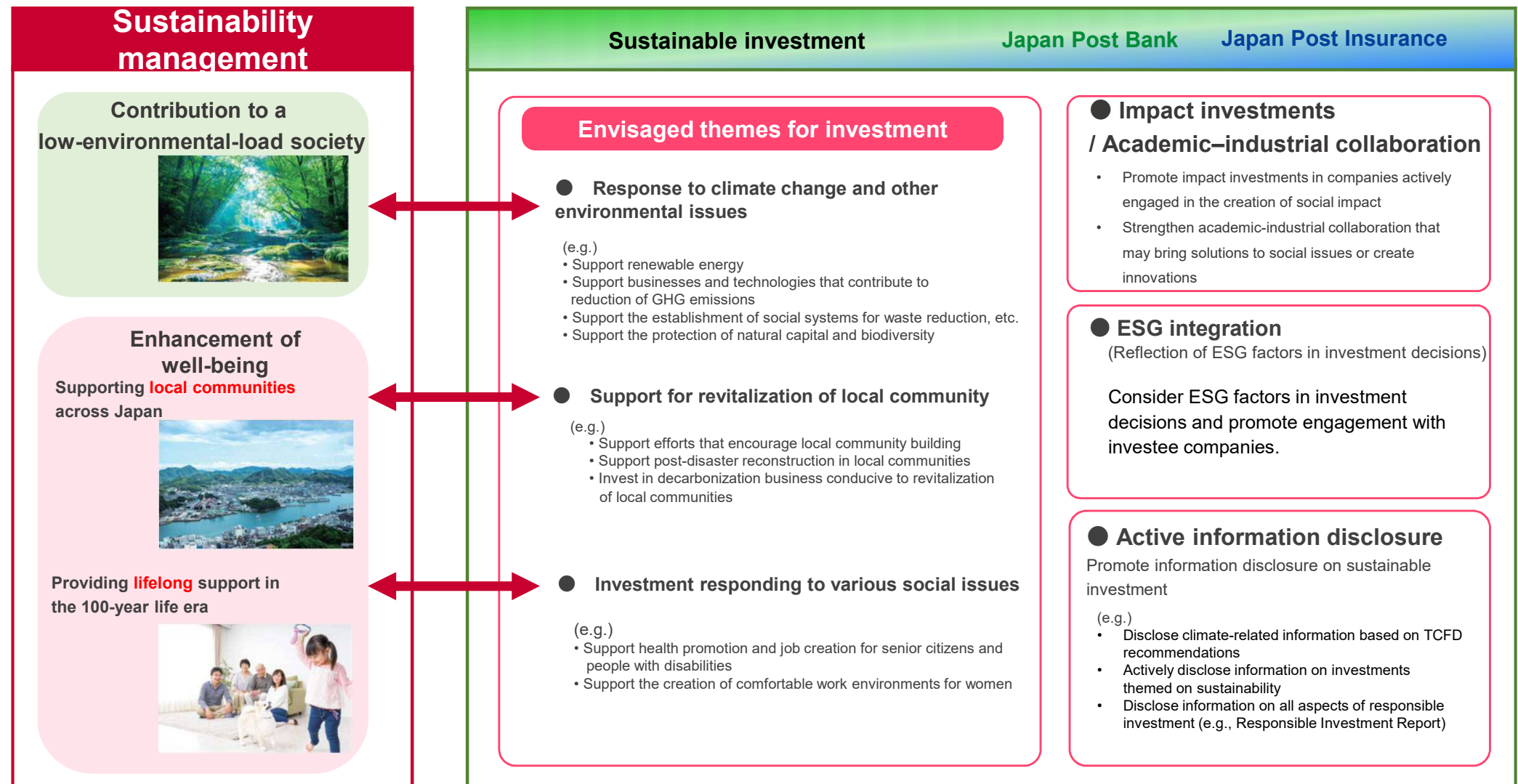
	Postal and logistics business	Post office business	Banking business	Life insurance business	Real estate business
Local communities and economies	(1) Maintain logistics infrastructure (2) Encourage logistics fit for local production for local consumption	(1) Maintain the functions of infrastructures required for daily life (2) Support the continuation of various community activities	Various forms of funding toward vitalizing regional economies mainly through Σ business (a corporate banking business to create the future for the society and local communities through investments)	(1) Funding to vitalize local communities (2) Contribute to health promotion through the popularization of the “Radio-Taiso” exercise (3) Implement social contribution activities in local communities	Promote projects conducive to development and vitalization of local communities
Responding to the aging society	Support the delivery of necessary goods to the elderly living alone and ensure a means of mobility (human mobility)	(1) Provide services to help prepare for a prosperous life in retirement (2) Provide services conducive to health, fulfillment and social participation, etc.	(1) Asset formation support and consulting service to customers of all age groups (2) Guidance on digital and remote services using our physical channel (to address digital divide)	Provide services that are friendly to elderly customers	Develop and provide barrier-free facilities
Access to services	(1) Cater to a diverse range of logistics needs of companies and individuals (2) Provide services to diverse people, including those with disabilities	(1) Provide services that utilize digital and physical tools (2) Support diverse people, including those with disabilities, in accessing services, and in using digital technology	(1) Provide services that go beyond the framework of banking business through collaboration with various business operators (2) Support diverse people, including those with disabilities, in accessing services through the complementarity of the physical and digital tools	(1) Provide insurance products and services tailored to a diverse range of customer needs (2) Support diverse people, including those with disabilities, in accessing services	Develop and provide facilities well coordinated with surrounding public facilities, in consideration of diverse users
Environment	(1) Reduce GHG emissions by the Company and in the supply chain (2) Promote circular economy	(1) Reduce GHG emissions by the Company and in the communities (2) Promote circular economy	(1) Reduce GHG emissions by the Company (2) Reduce GHG emissions by investee companies (3) Sustainable investment	(1) Reduce GHG emissions by the Company (2) Reduce GHG emissions by investee companies (3) Sustainable investment	Embody excellent building specifications with advanced environmental performance

Initiatives leveraging the strengths of the Japan Post Group

- ✓ Fulfill the role as a regional hub
- ✓ Integrate digital and physical services
- ✓ Efforts across the entire supply chain
- ✓ Social implementation of innovations

Sustainable investment

- When managing funds, we will give due consideration to the public and social nature of funds and actively contribute to the revitalization of the community and the building of a sustainable society.



3. Capital strategy and investment plans of the Japan Post Group



- (1) Capital strategy
- (2) Investment plans

Disposal of our equity interests in the two financial subsidiaries

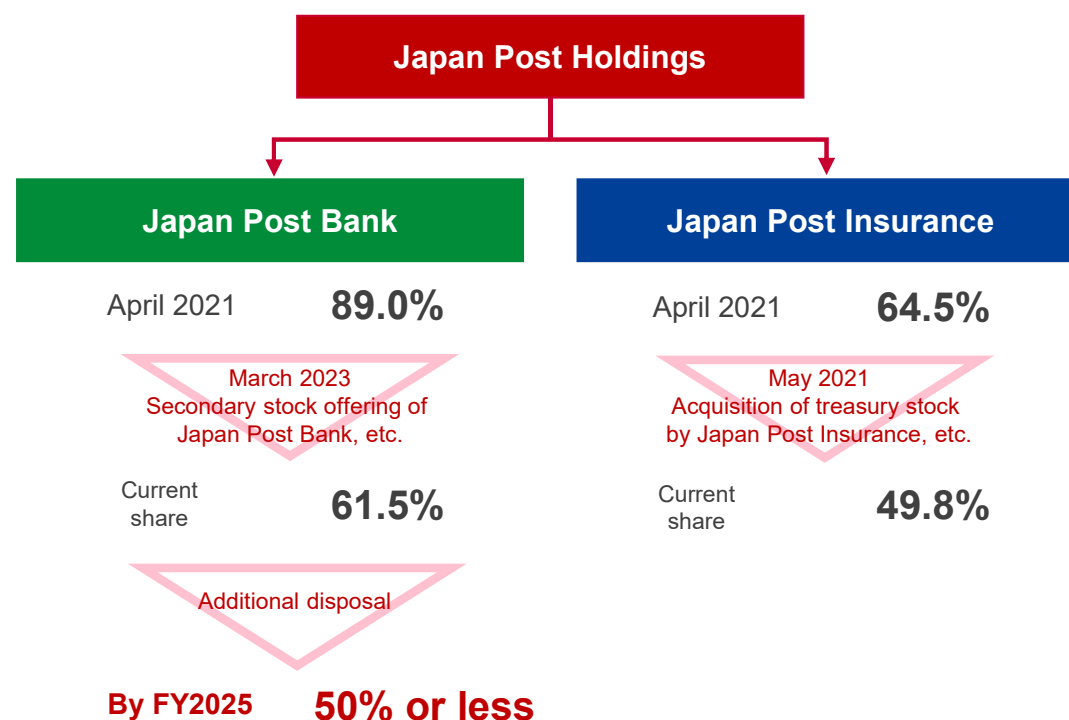
- We aim to lower the holding ratio of our equity interests in the two financial subsidiaries to 50% or less by FY2025. We keep this goal unchanged and continue efforts to dispose of Japan Post Bank shares.
- Even after the holding ratio drops to 50% or less, we will proceed with deliberations on the disposal of our equity interests in the two financial subsidiaries.

- We aim to dispose of our equity interests in Japan Post Bank and Japan Post Insurance to lower the holding ratio to 50% or less by FY2025.
- We sold equity interests in Japan Post Insurance in FY2021 and those in Japan Post Bank in FY2022, resulting in the holding ratios of our equity interests of approx. 49.8% and approx. 61.5%, respectively.
- Aiming to complete the disposal of equity interests in Japan Post Bank by FY2025, we will continue to ensure steady progress in the privatization.
- After that, we will proceed with deliberations based on the purpose of the Postal Service Privatization Act and from Group management perspectives, while taking the following factors into account. We also deliberate on measures to strengthen the alliance between the two financial subsidiaries and Japan Post Holdings to support the relationship of business entrustment. Toward embodying the measures, Group-wide efforts will be made.

- Financial conditions of two financial subsidiaries
- Ensuring Group unity
- Impact on consolidated business results

- Impact on universal services
- Japan Post Holdings' funding needs
- Market trends

[Shareholdings in the two financial subsidiaries]



Shareholder return policy

- Continue share repurchases of substantial quantities and expand debt financing to improve capital efficiency.
- Continue a stable annual dividend of 50 yen per share as well, and keep an interim and year-end dividend to help reduce cost of equity by encouraging a stable share price throughout the year.

Shareholder return policy

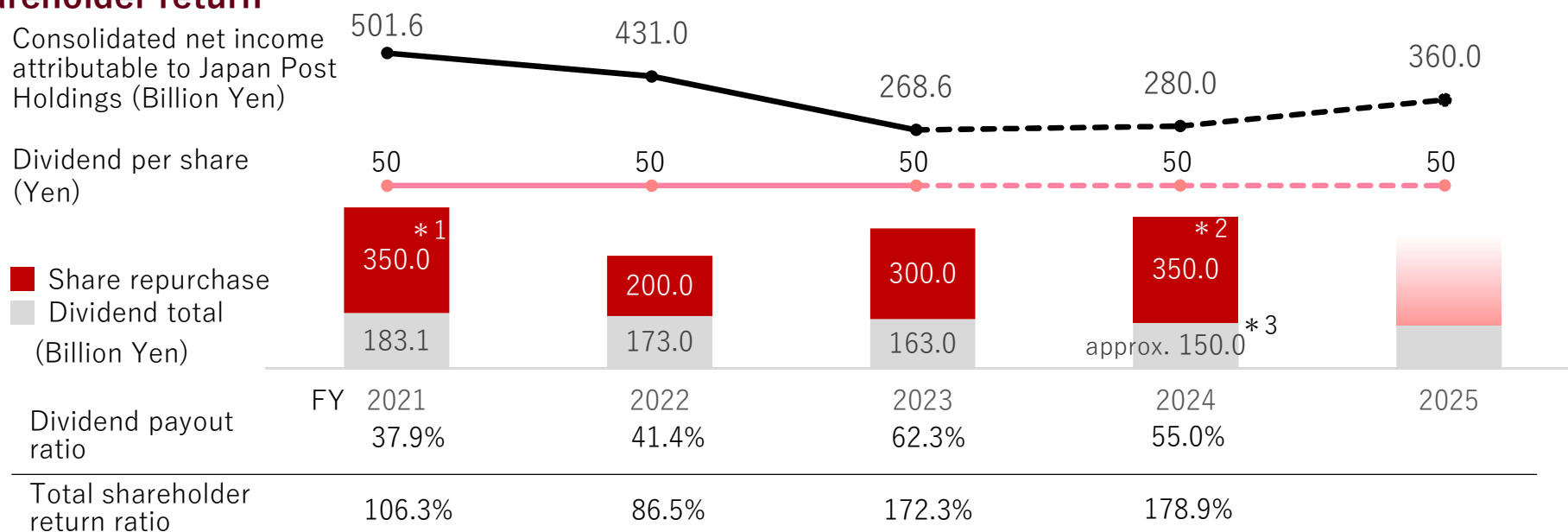
Share repurchase

Continuously perform substantial share repurchases to further enhance shareholder returns and improve capital efficiency

Dividend policy

Continue a stable annual dividend of 50 yen per share consisting of an interim and year-end dividend

Shareholder return



* 1 Including 4.5 billion yen acquired in April 2022

* 2 Please refer to "Notice Concerning the Determination of Matters Related to the Acquisition of Treasury Stock" released in May 15, 2024 for details

* 3 Dividend total, dividend payout ratio, and total shareholder return ratio in FY 2024 take into account a decrease of dividend payment when performing share repurchase of 350 billion yen

Investment plans

■ Major investment plans up to FY2025 are as follows:

Segment	Investment Amount	Measures
Postal and logistics business	270.0 billion yen	P-DX measures (18.0 billion yen), Operational reforms (17.0 billion yen), Renovation works of post offices (36.0 billion yen), Deployment of EVs (32.0 billion yen), Prepare foundations for logistics bases (25.0 billion yen), etc.
Post office business	85.0 billion yen	Renovation works of post offices (9.0 billion yen), LED installation works at post offices (3.0 billion yen), System investments (21.0 billion yen)
International logistics business	55.0 billion yen	Facility and equipment investment (49.0 billion yen) System investments (6.0 billion yen)
Banking business	95.0 billion yen	Development associated with core systems (45.0 billion yen) Replacement of ATMs and counter terminals (22.0 billion yen), etc.
Life insurance business	120.0 billion yen	Renovation of core systems (39.0 billion yen) Replacement of system equipment (64.0 billion yen), etc.
Real estate business	110.0 billion yen	Investment in rental business (Group-owned real estate: 30.0 billion yen, non-Group-owned real estate: 70.0 billion yen) Investment in built-for-sale business (Group-owned real estate: 10.0 billion yen)
Other business	40.0 billion yen	Other business investments (16.0 billion yen), System investments (8.0 billion yen), etc.
Total	775.0 billion yen	

* Excluding the amount of investment in new business including M&As, etc.

Appendix

- Life insurance business Introduction of Adjusted Profit
- Real estate business Major development projects that have been completed (five large-scale properties, etc.)
Projects under development or those earmarked for potential development
- Sustainability management Enhancement of well-being that Japan Post Group pursues
Specific methods of reducing GHG emissions

Life insurance business Introduction of Adjusted Profit

- Considering the characteristics unique to life insurance companies whose sales recovery has a negative impact on net income in the short term, we are introducing “adjusted profit” that partially adjusts for such negative impact as a management target.
- We aim to achieve medium- to long-term growth exceeding the cost of shareholders’ equity (approx. 6%) under adjusted ROE, with adjusted profit as the numerator and shareholders’ equity as the denominator.

Adjusted profit

- By adjusting the burden of regular policy reserves from net income, we can mitigate the effect of decline in short-term profits when considering future sales recovery

Adjusted
profit

Net income
+ Burden of regular policy reserves
in the first year (after tax)

Target adjusted profit for FY2025: 97.0billion yen

Adjusted ROE

- Japan Post Insurance’s cost of shareholders’ equity believed to be approx. 6%
- Aim to achieve medium- to long-term growth exceeding the cost of shareholders’ equity under adjusted ROE with adjusted profit as the numerator and shareholders’ equity as the denominator

Adjusted
ROE

Adjusted profit
÷ Shareholders’ equity (average)

Target adjusted ROE for FY2025: approx. 6%

→ Aim for medium- to long-term growth exceeding the cost of shareholders’ equity

Real estate business Major development projects that have been completed (five large-scale properties, etc.)

- We promoted projects to develop Group-owned real estate, such as former post office sites, into Azabudai Hills Mori JP Tower, JP Tower Osaka, etc., which began operation one after another.

Hiroshima JP Building

(formerly Hiroshima East Post Office, Japan Post Co.)

Location: Minami-ku, Hiroshima-shi
Level: 19 floors above the ground level
Total floor area: approx. 44,200m²
Principal use: offices, stores
Construction completion: August 2022



Kuramae JP Terrace

(formerly Kuramae Building, etc., Japan Post Holdings)

Location: Taito-ku, Tokyo
Level: 23 floors above the ground level
Total floor area: approx. 99,700m²
Principal use: offices, facility for the elderly, housing, logistics facility
Construction completion: March 2023



JP Tower Osaka (KITTE OSAKA)*1

(formerly Osaka Central Post Office, Japan Post Co.)



Location: Kita-ku, Osaka-shi
Level: 39 floors above the ground level and 3 floors below
Total floor area: approx. 227,000m²
Principal use: offices, commercial facilities, hotel, theater, etc.
Construction completion: March 2024

Hiroshima JP Building

Kuramae JP Terrace

JP Tower Osaka

Azabudai Hills Mori JP Tower

Gotanda JP Building

Azabudai Hills Mori JP Tower*2

(formerly Tokyo Regional Office, Azabu Post Office, Japan Post Co.)

Location: Minato-ku, Tokyo
Level: 64 floors above the ground level and 5 floors below
Total floor area: approx. 461,770m²
Principal use: offices, housing, commercial facilities, etc.
Construction completion: June 2023

* Urban redevelopment project



©DBOX for Mori Building Co., Ltd. - Azabudai Hills

Gotanda JP Building

(formerly U-Port, Japan Post Holdings)

Location: Shinagawa-ku, Tokyo
Level: 20 floors above the ground level and 3 floors below
Total floor area: approx. 69,000m²
Principal use: offices, multi-purpose halls, hotel, commercial facilities
Construction completion: December 2023



[Reference] Profit-making properties acquired during FY2021-FY2023*3

Housing: 13
 Facilities for the elderly: 2
 Logistics facilities: 2
 Other: 3

Real estate business

Properties under development or those earmarked for potential development

Major properties under development (construction started)

(As of April 30, 2024)

Name	Succeeded assets	Location	Site area (㎡)	Total floor area (㎡) (planned)	Level	Principal use	Project type	Construction completion
Fukuoka, Torikai 6-Chome Project*	✓	Fukuoka-shi	2,790	4,120	5 floors above the ground level	Facility for the elderly	Run solely by Japan Post	April 2024
Setagaya Nakamachi 2-Chome Project	✓	Setagaya-ku	2,120	6,260	8 floors above the ground level	Housing	Run solely by Japan Post	September 2024
Meguro Minami 1-Chome Project	✓	Meguro-ku	1,030	2,190	5 floors above the ground level	Housing	Run solely by Japan Post	November 2024
Doshin 1-Chome Project	✓	Osaka-shi	740	3,480	14 floors above the ground level	Housing	Run solely by Japan Post	January 2025
Hiranumabashi 1-Chome Project		Yokohama-shi	1,210	4,920	10 floors above the ground level	Housing	Run solely by Japan Post	February 2025
Nishiki 3-Chome 25th block Project (in front of Sakae Station)		Nagoya-shi	4,870	109,680	41 floors above the ground level	Offices, hotel, commercial facilities, etc.	Joint project (minor)	FY2025
Former Takami Dormitory	✓	Nagoya-shi	2,100	4,850	7 floors above the ground level	Housing (for sale)	Joint project (minor)	FY2025
Former Okurayama Company Housing	✓	Yokohama-shi	2,370	7,060	7 floors above the ground level	Housing (for sale)	Joint project (minor)	FY2025
Former Urawa Tokiwa Company Housing	✓	Saitama-shi	1,300	3,000	6 floors above the ground level	Housing (for sale)	Joint project (minor)	FY2025
Former Kagoshima Office, Kyushu Regional Office	✓	Kagoshima-shi	5,080	27,990	14 floors above the ground level	Housing (for sale)	Joint project (minor)	FY2026
Shirokane 1-chome West Central Area First-Class Urban Redevelopment Project	✓	Minato-ku	12,200	98,000	39 floors above the ground level	Housing, etc.	Joint project (minor)	FY2028

Major properties for which decision on development has been made and those earmarked for potential development

* Properties for which construction has started

Name	Location	Site area (㎡)	Current status		Location	Site area (㎡)	Current status
Tokyo 23 Wards				Nationwide			
Kojimachi Post Office	Chiyoda-ku	1,910	In-use	Former Hokkaido Training Institute	Sapporo-shi	14,900	Already demolished
Kudan Post Office	Chiyoda-ku	1,380	In-use	Yokohama Central Post Office	Yokohama-shi	6,450	In-use
Nihonbashi Post Office	Chuo-ku	2,990	In-use	MIELPARQUE Yokohama	Yokohama-shi	3,480	No longer in operation
Kyobashi Post Office	Chuo-ku	2,540	In-use	MIELPARQUE Osaka	Osaka-shi	6,800	No longer in operation
Shiba Post Office	Minato-ku	2,110	In-use	Former Tennoji Esashi Company Housing	Osaka-shi	600	Already demolished
Takanawa Post Office	Minato-ku	3,960	In-use	Former Tennoji Rokumantai Company Housing	Osaka-shi	1,330	Already moved-out
Akasaka Post Office	Minato-ku	2,700	In-use	Former Tennoji Ueshio Company Housing	Osaka-shi	440	Already moved-out
Gaienmae Post Office	Minato-ku	500	In-use	Former Nakagyo Oike Company Housing	Kyoto-shi	800	Already moved-out
MIELPARQUE TOKYO	Minato-ku	7,550	Already demolished	Kyoto Central Post Office	Kyoto-shi	7,520	In-use
Nakano Station North Entrance Project	Nakano-ku	23,450	—	MIELPARQUE KYOTO	Kyoto-shi	2,250	No longer in operation
Nakano Post Office	Nakano-ku	6,580	In-use	Kobe lot	Kobe-shi	2,520	In-use
				Fukuoka Central Post Office	Fukuoka-shi	4,750	In-use
				Nagasaki Central Post Office	Nagasaki-shi	3,010	In-use

Enhancement of well-being that Japan Post Group pursues

- “Well-being” is “a state of complete physical, mental and social well-being” (from the preamble of the Constitution of the World Health Organization).
- The Group assists diverse individuals in leading their lives in their way according to their life stages and supports the development of vibrant communities where everyone respects and helps each other.
- To this end, as a concept that includes the foregoing, we define “Well-being” as follows and work to enhance the well-being of each party.



Community well-being (regions and communities)
Resonance of multilayered activities, coexistence of diverse values

Life stages

Adolescent

Adult

Family

Senior

Social well-being (social participation)
Individuals will be involved in a variety of social activities

Career well-being (careers/motivation in life)
Motivation in life, job satisfaction, career development, self-realization

Financial well-being (financial base)
Asset formation for prosperous life in retirement and economic independence

Physical well-being (health/safety)
Physical and mental wellness and longevity

Specific methods of reducing GHG emissions

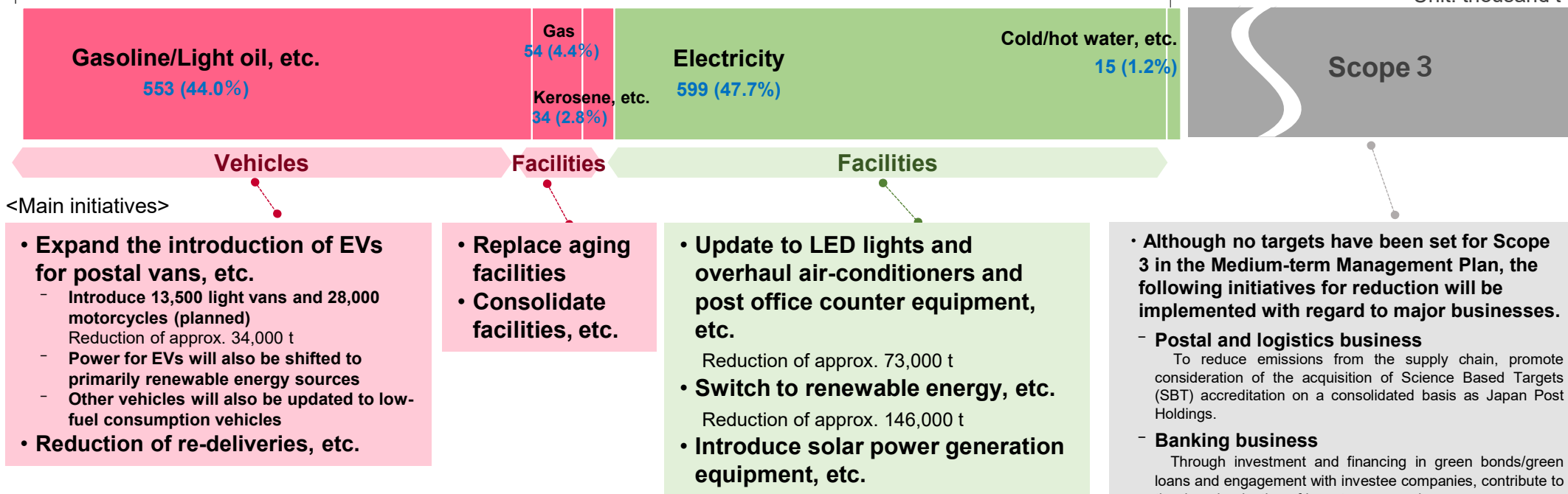
- To achieve the greenhouse gas emission reduction target* of the Group, we actively promote the adoption of EVs, a shift to LEDs and the switch to renewable energy. Leveraging the Group-owned resources, we will assist the push toward carbon neutral societies in both Japan and abroad.

[FY2019 greenhouse gas emissions by our eight main group companies*]

- Scope 1: Direct emissions by the Company
- Scope 2: Emissions from use of electricity, etc. supplied by other enterprises
- Scope 3: Indirect emissions through supply chain

Scope 1 & 2 Total: 1,258

Unit: thousand t



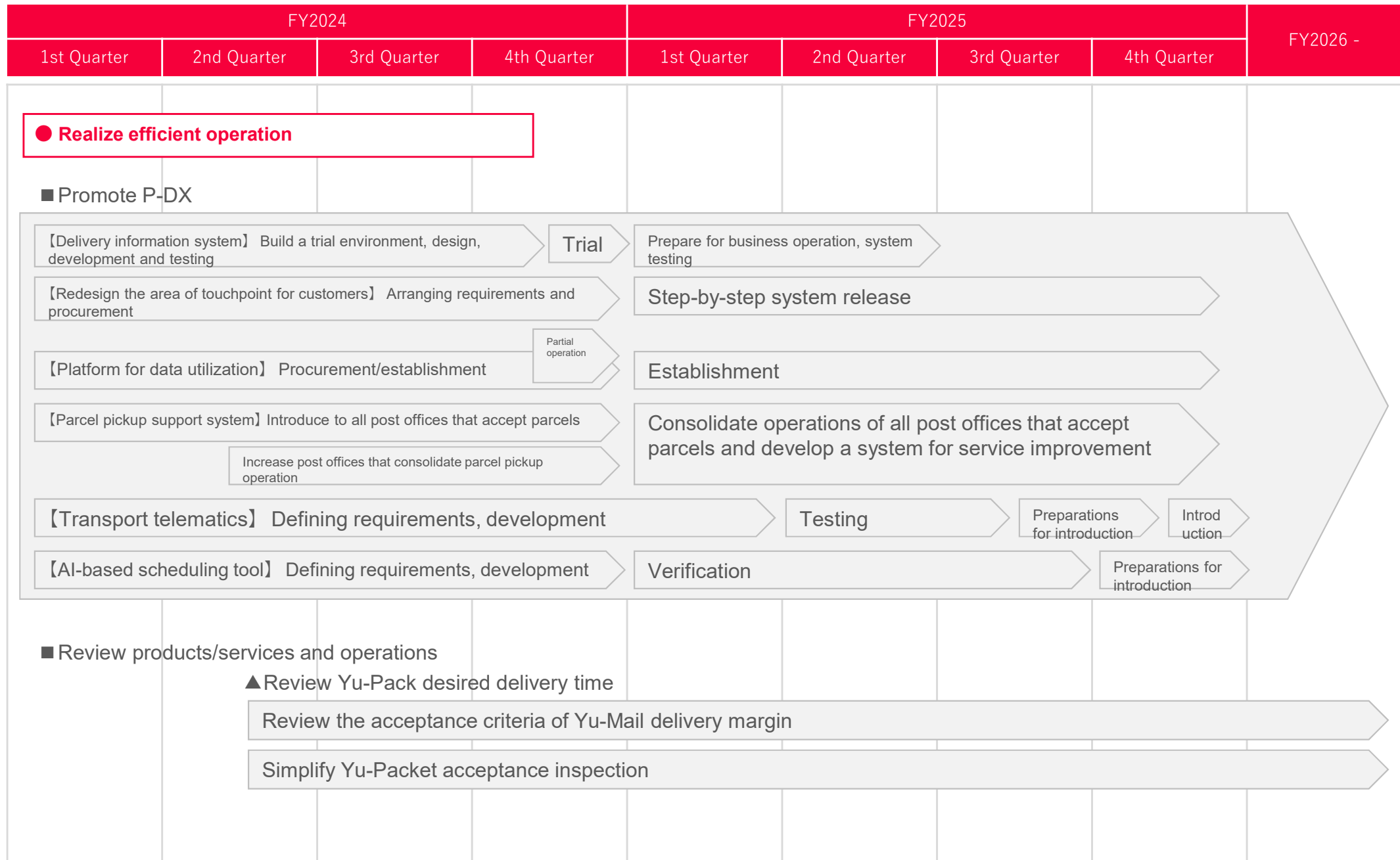
* Parties covered by the Group's greenhouse gas emission reduction target are Japan Post Holdings, Japan Post Co., Japan Post Bank, Japan Post Insurance, Japan Post Transport, Toll Holdings, JP Logistics Group, and Japan Post Real Estate, which account for the greater part of the Group's total emissions. Consolidated subsidiaries other than the above will also promote initiatives toward realizing carbon neutrality in 2050.

III. Timetable for JP Vision 2025^{Plus}

1. Growth strategies – Postal and logistics business (1/3)

FY2024				FY2025				FY2026 -
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<div>● Strengthen profitability</div>								
■ Increase convenience in sending and receiving parcels								
【Improve service of Yu-Pack】								
Develop/improve products and services for cross-border e-commerce and for e-commerce websites, and try out expansion of product lineup, etc.								
【Promote direct delivery to designated areas】								
Expand the use of e-receiving assistance and Designated Location Direct services								
▲Start provision of online service for requesting parcels to be left in designated areas								
■ Strengthen sales structure and sales capabilities								
Reinforce corporate sales division (strengthen recruitment of experienced workers, etc.)				Execute sales strategy, foster sales personnel and strengthen top-selling products				
▲Establish Metropolitan Business Solution Department								
■ Strengthen collaboration with other companies								
Expand areas for accepting Kuroneko Yu-Packet				Ensure operations for accepting all Kuroneko Yu-Packet parcels entrusted through collaboration with Yamato				
Expand Yu-Pack through collaboration with Rakuten Group, Streamline transport/delivery by JP Rakuten Logistics								
■ Strengthen logistics business								
Increase the speed of pitching proposals, increase sales skills, and integrate proposals utilizing JP Logistics								
■ Improve postal income								
▲Revise basic postal charges								

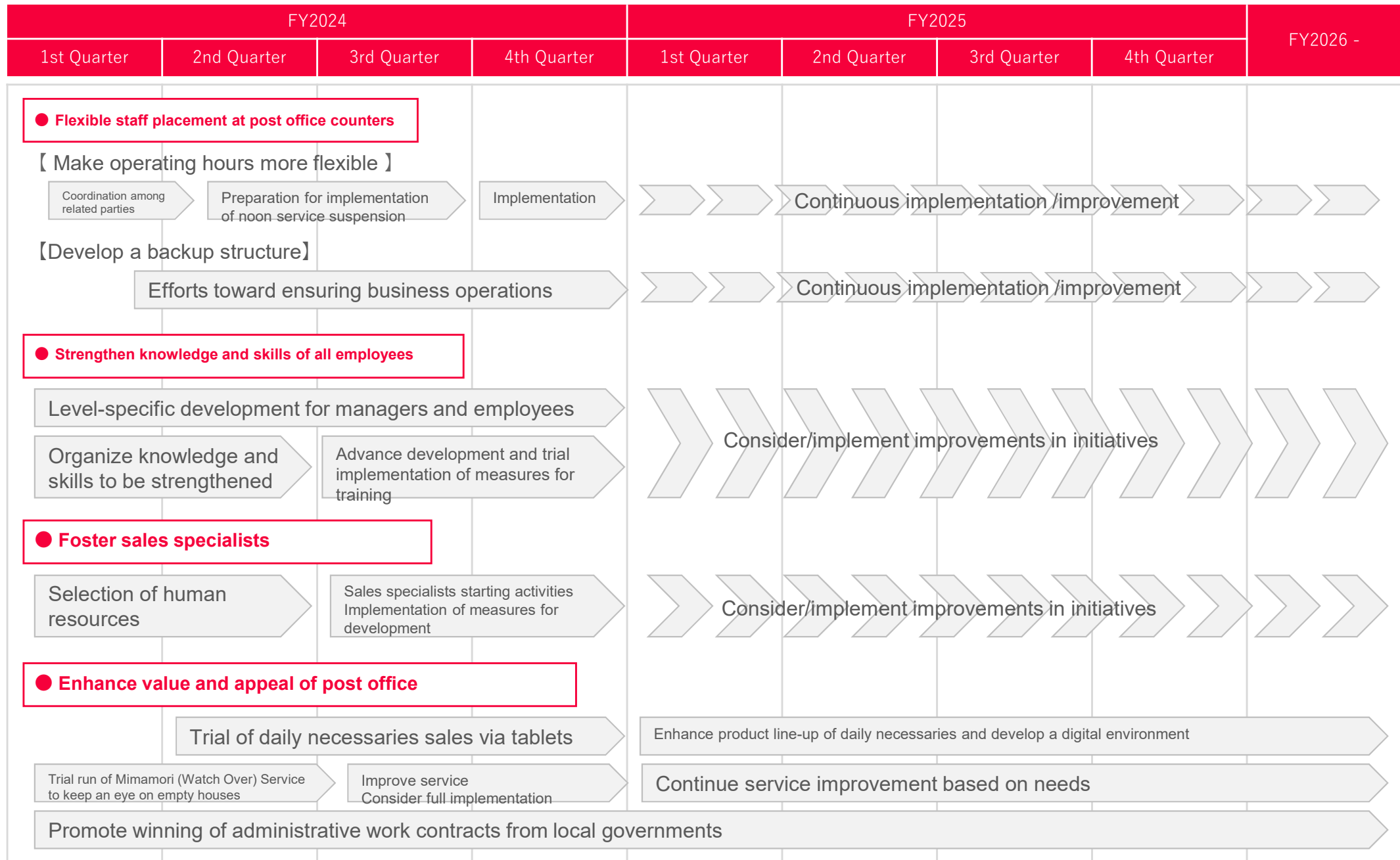
1. Growth strategies – Postal and logistics business (2/3)



1. Growth strategies – Postal and logistics business (3/3)

FY2024				FY2025				FY2026 -
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<p>● Build a resilient transport/delivery network</p> <p>■ Enhance processing capacity of our bases</p> <p>【Reorganize locations of sorting/transport bases】</p> <p>Reorganize and consider bases</p> <p>Start partial operation / put into operation step-by-step</p> <p>【Develop/deploy small parcels sorters】</p> <p>Design and production (trial machines)</p> <p>Trial/ evaluation/ effect measurement</p> <p>Expand to other post offices</p> <p>【Automation of in-house transportation (introduce AGV)】</p> <p>Consider AGV introduction and POC</p> <p>【 Streamline internal business process 】</p> <p>Consider introduction of robot arms and POC</p> <p>■ Strengthen transport/delivery capabilities</p> <p>Trial of e-bikes</p> <p>Consider deployment, etc. based on trial</p> <p>Introduce tricycle microcars, etc.</p> <p>Review product characteristics and service levels with an eye to a modal shift</p> <p>Consider the practical application of drones, delivery robots and autonomous vehicles</p>								

1. Growth strategies – Post office business (1/2)



1. Growth strategies – Post office business (2/2)

FY2024				FY2025				FY2026 -
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<div>● Operation reforms of post office counters</div>								
【 Financial Services Contact Center 】								
Investment trusts	▲ Increase the number of post offices offering the service			▲ Increase the number of post offices eligible for services				
	Expand the scope of services at some post offices offering the service via Financial Services Contact Center			Expand the scope of services at all post offices offering the service via Financial Services Contact Center				
P&C insurance	▲ Expand the scope of services			Consider expanding the scope of available services				
				Expand the scope of available services step-by-step				
【 Review duties, streamline operations 】								
Consider introduction of financial products available online, various preparation								
				Make financial products-related applications and procedures paperless with the use of tablet PCs				
Deploy more self-checkout machines and expand their functions / Utilize functions of digital ticket-issuing systems and expand their introduction								

1. Growth strategies – International logistics business

FY2024				FY2025				FY2026 -
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
● Sustainably expand the scale of earnings and realize increased profitability								
【 Growth of logistics business 】								
New establishment/expansion of warehouses in Asian countries / Strengthen sales capabilities								
Continue to improve profitability of existing customers / Acquire new projects								
【 Improve Global Forwarding business 】								
Promote efforts to increase handling volume / Reduce fixed cost								
【 Company-wide cost reduction 】								
Review organizational structure/staff placement and reduce procurement and IT costs								

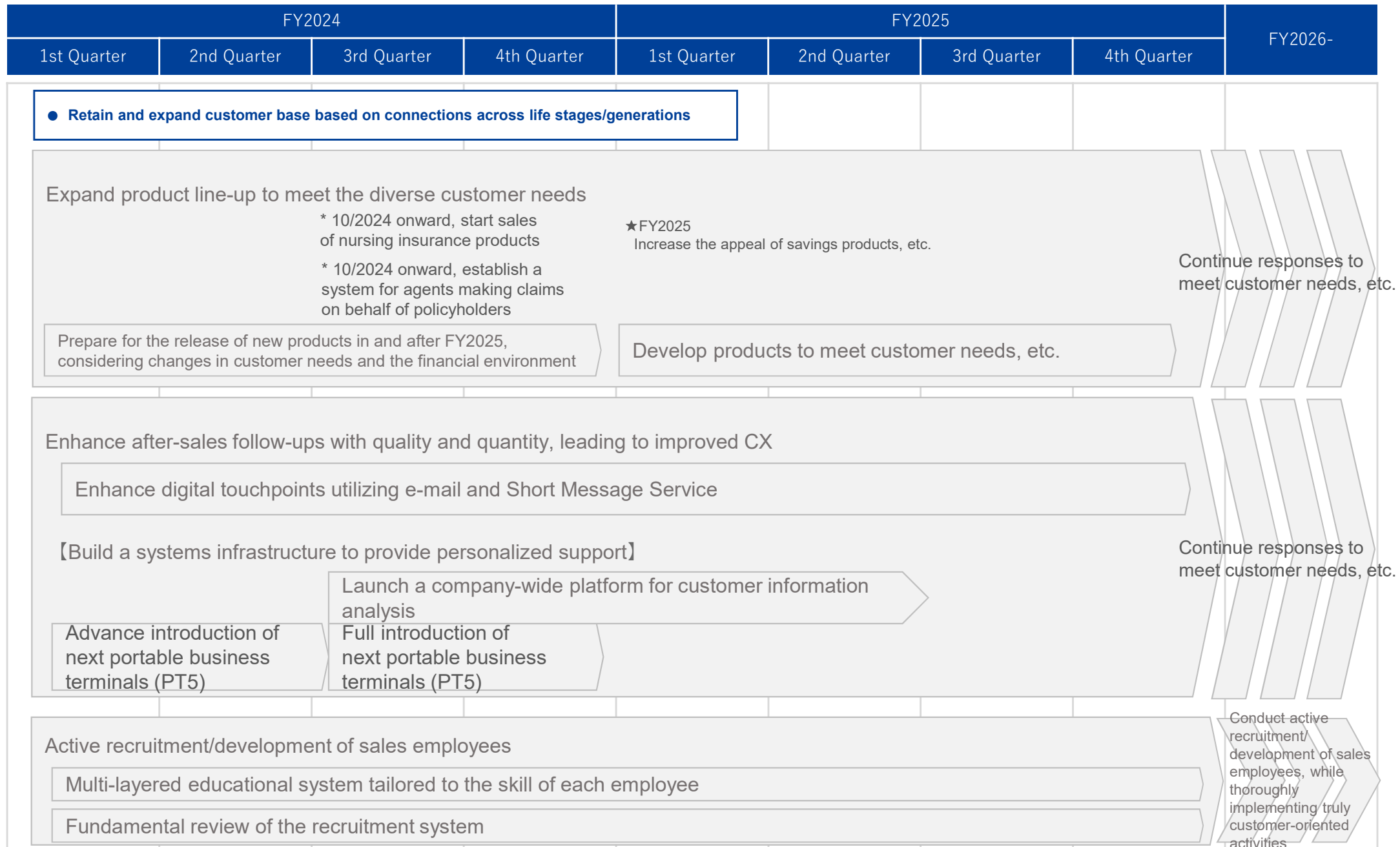
1. Growth strategies – Banking business (1/2)

FY2024				FY2025				FY2026-
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<div>● Retail business innovations</div>								
Digital services strategy								
Development to augmenting the Yucho Bankbook App functions ,etc				Functional enhancements	Development to augmenting the Yucho Bankbook App functions ,etc			Functional enhancements
Campaign to promote usage of "eL-QR" code-based local tax payments								
Proactively make sales pitches at post offices and bank’s branches, online promotions to expand use of the app								
Promote the cultivate of partner companies in the financial field and introduce/advertise their services or product.				Promote the development of partner that include companies outside the financial field and introduce/advertise their services or product.				
Asset-Building Support Business								
Promote UI/UX improvements and functional enhancements of digital channel, enhance products and services								
Optimized allocation of personnel depending on marketable factors	Consideration for improvement a sales structure of branches			Optimized allocation depending of personnel on marketable factors	Consideration for improvement a sales structure of branches			
Experimenting with expansion of services handled through remote connections at post offices				Full-scale expansion of services handled through remote connections at post offices (Assuming steady)				
Expansion of bases of financial services contact center	Consideration for further expansion of financial services contact center							

1. Growth strategies – Banking business (2/2)

FY2024				FY2025				FY2026-
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<div>● Market business enhancement</div>								
Promote a shift in investments from due from banks, etc. to Japanese government bonds（restructure the yen interest rate portfolio）								
Increase the balance of risk assets (FY2025/3 Targets：Approximately ¥111 trillion) Increase the balance of strategic investment areas (FY2025/3 Targets：Approximately ¥13 trillion)				Increase the balance of risk assets (FY2025/3Targets:Approximately ¥114 trillion) Increase the balance of strategic investment areas (FY2025/3Targets:Approximately ¥14 trillion)				
Strengthen human resources specialized in investment operations, risk management and ALM（recruitment/development） ▼Number of expert market operations professionals (Target to achieve by April 2025:105 employees)								
<div>● Full-scale launch of the Σ Business (a corporate business for creating futures for societies and local communities through investment)</div>								
Build up investments in the three fields: business succession/business turnaround, ventures and ESG ▼Establishment of JAPAN POST BANK CAPITAL PARTNERS Co.Ltd.								
Promotion of marketing support operations（discover products that may anticipate client needs, market together with products of existing corporations, and promote initiatives to increase the value of products of our investees） <div>Development of marketing support operation utilizing regional headquarters</div>								
Developing sourcing operations centered on model areas（Kanto, Tokai, Kinki and Kyushu）, accumulate good examples							Self-propelled nationwide sourcing	
Build Σ data platform system ▼System release <div>Define requirements</div> <div>Design/develop/test</div> <div>Introduce to Head Office</div> <div>Introduce to regional areas</div> <div>Gradual expansion of the usage area, functional enhancements</div>								

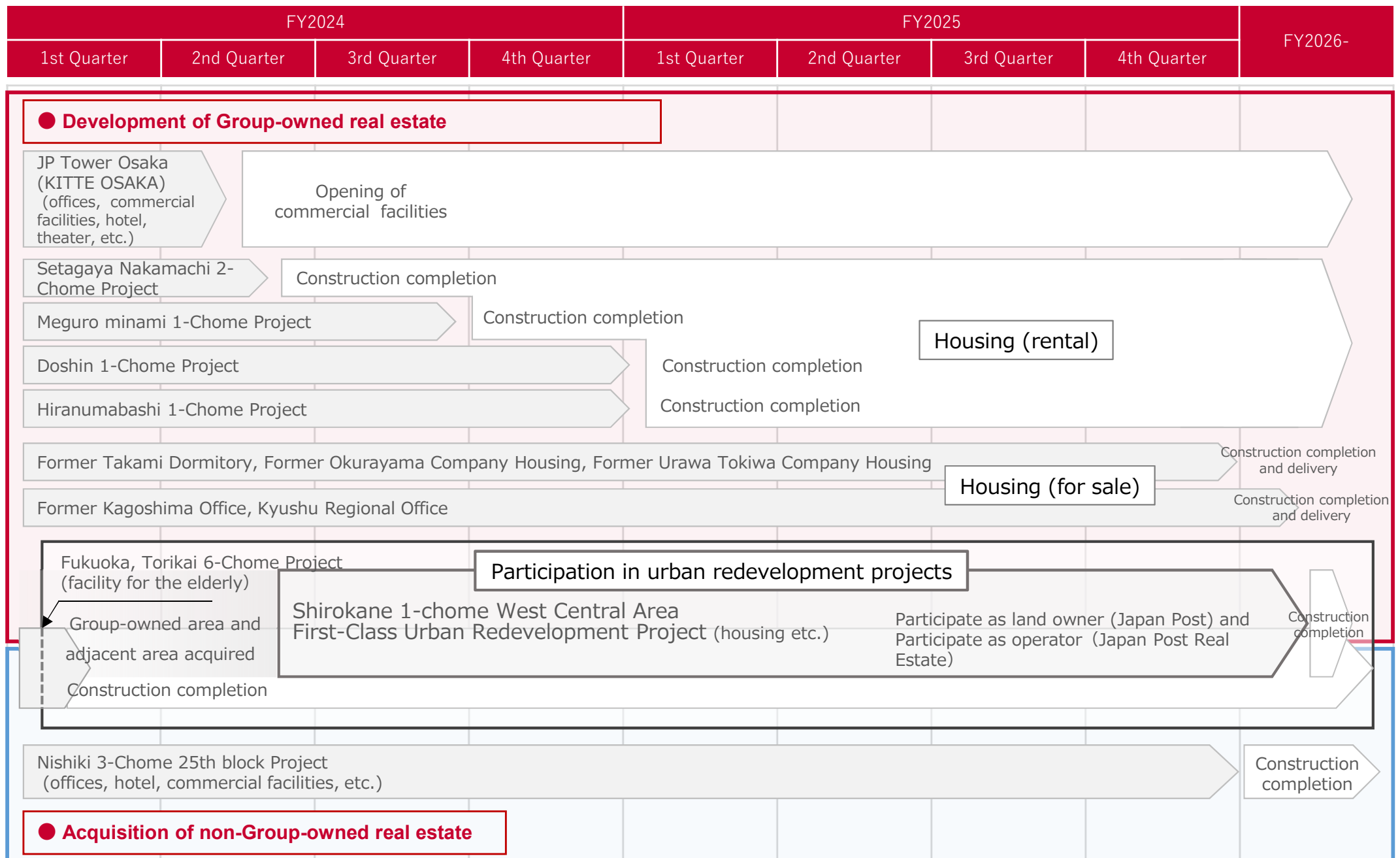
1. Growth strategies – Life insurance business (1/2)



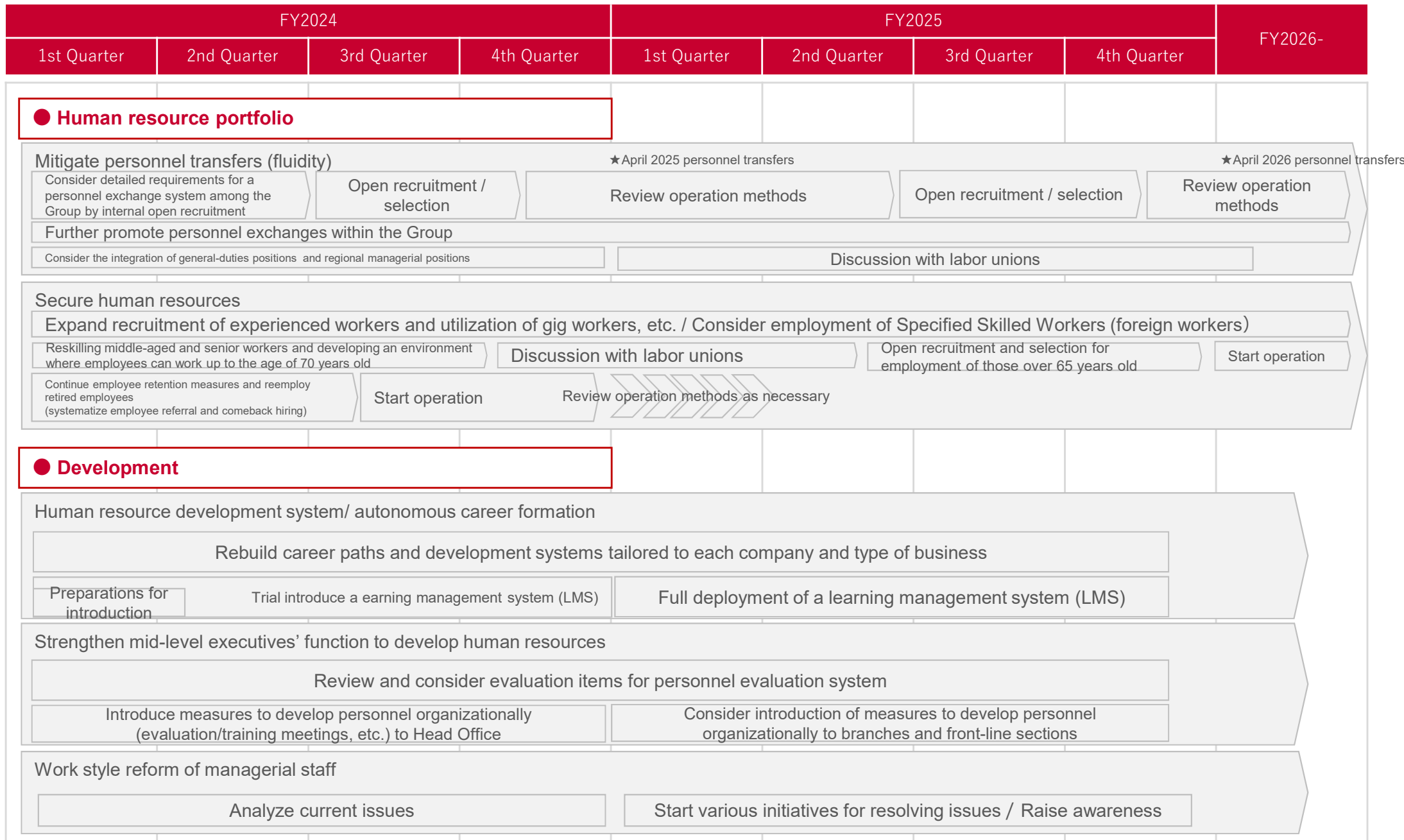
1. Growth strategies – Life insurance business (2/2)

FY2024				FY2025				FY2026-
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
● Achieve greater depth and evolution of asset management								
Improve asset management earnings								
Expand and develop new businesses								
Embark on a new stage of sustainable investment								
Restructure organizations and develop specialists								
★April 2024 Established Responsible Investment Office Established Real Estate Investment Office								
● Diversify sources of revenue/Create new opportunities for growth								
Expand collaborations aimed at further growth								
Continual discussion for the creation of new opportunities for growth								
● Streamline business operations								
Reduce necessary expenses by streamlining frontline/back-office operations Personnel shifting to production divisions for greater operational efficiency								

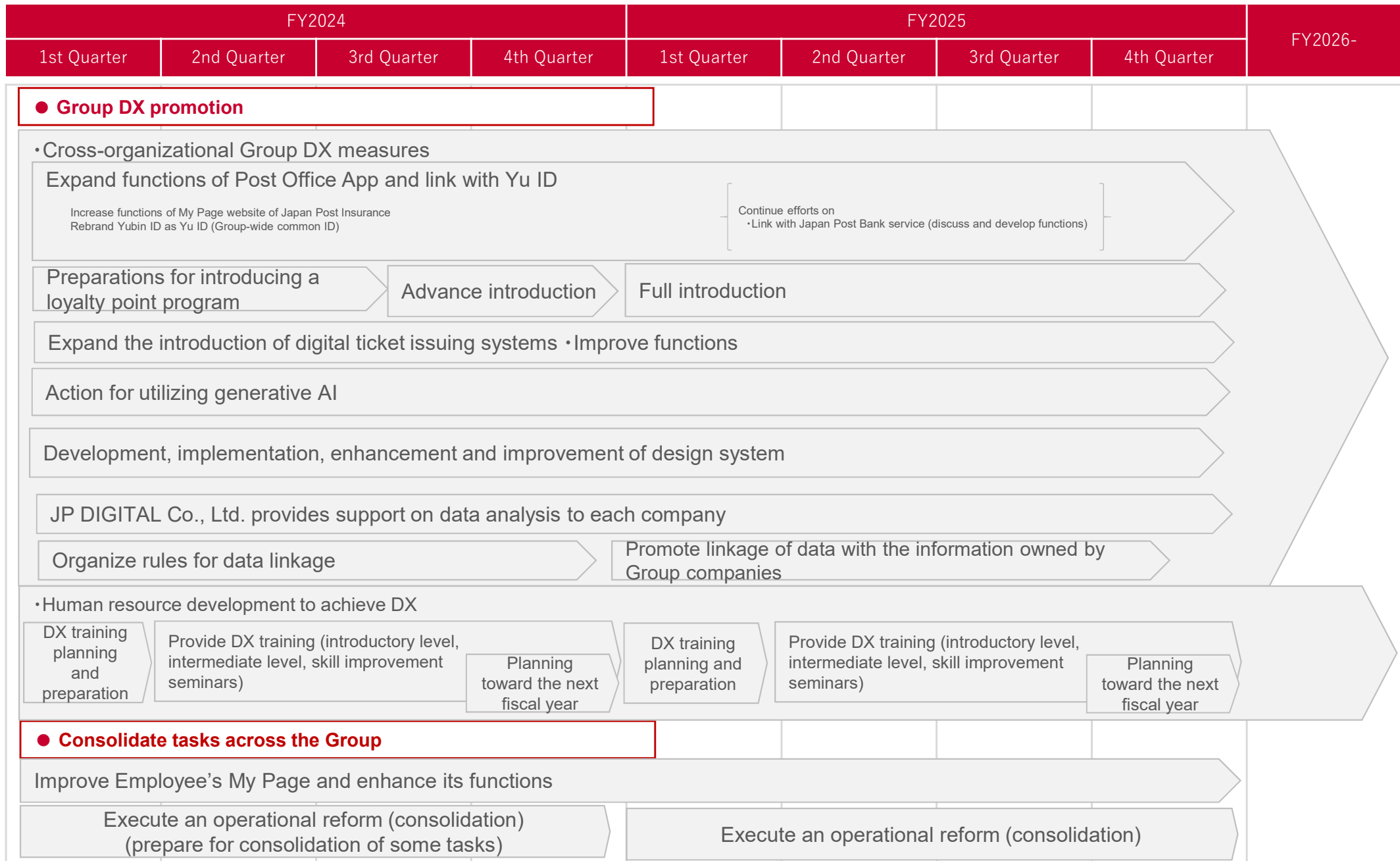
1. Growth strategies – Real estate business



2. Further solidifying the management base _Improve EX by investing in human resources (1/2)



2. Further solidifying the management base _Improve UX by promoting DX, etc.



2. Further solidifying the management base _Sustainability management

FY2024				FY2025				FY2026-
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<div>● Achieve carbon neutrality in 2050</div>								
Expand introduction of EVs for postal vans				Expand EVs by continuing the switch from gasoline-fueled vehicles				
Promote collaboration with other companies				•Expand collaboration based on cost-benefit performance •Consider and promote further collaboration to accommodate new issues and initiatives				
Reduction of greenhouse gas emissions				Target of a 46% reduction by FY2030 (compared to FY2019)				
Progress monitoring and consideration of additional initiatives								
<div>● Promote initiatives leveraging the strengths of Japan Post Group</div>								
•Fulfill the role of the post office as a regional hub •Promote changes in consumer behaviors and efforts across the entire supply chain •Accelerate the social implementation of innovations conducive to solving environmental and social issues				•Consider and promote further initiatives based on effects, etc.				
				Disclosure on annual securities report, integrated report, and corporate website, etc.				Disclosure on annual securities report, integrated report, and corporate website, etc.
<div>● Concretize how to address materiality</div>								
Pursuant to the TCFD framework, •Consider principal measures •Set out targets and indicators •Initiatives to achieve the foregoing				•Consider and promote further initiatives based on effects, etc.				
				Disclosure on annual securities report, integrated report, and corporate website, etc.				Disclosure on annual securities report, integrated report, and corporate website, etc.

Appendix for Large Meeting (May 16, 2024)

Japan Post Holdings: Financial Highlights

■ Results of Operations for the Fiscal Year Ended March 31, 2024

(Billions of yen)

	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
Ordinary income	11,982.1	3,331.4	2,651.7	6,744.1
Year-on-year (for the fiscal year ended March 31, 2023) Change	+ 843.5 + 7.6%	(129.7) (3.7)%	+ 587.4 + 28.4%	+ 364.5 + 5.7%
Net ordinary income	668.3	2.1	496.0	161.1
Year-on-year (for the fiscal year ended March 31, 2023) Change	+ 10.6 + 1.6%	(77.4) (97.2)%	+ 40.4 + 8.8%	+ 43.6 + 37.1%
Net income ^{(*)2}	268.6	7.2	356.1	87.0
Year-on-year (for the fiscal year ended March 31, 2023) Change	(162.3) ^{(*)1} (37.7)%	(54.8) (88.3)%	+ 31.0 + 9.5%	(10.5) (10.8)%

*1 Including the effect of a decline in the ratio of shareholders' equity (89%→61.5%) associated with the sale of shares of Japan Post Bank held by Japan Post Holdings (March 2023).

*2 "Net income" represents "net income attributable to Japan Post Holdings." The net income of the Japan Post Group (including net income attributable to non-controlling interests) was ¥520.6 billion and ¥447.4 billion in the fiscal years ended March 31, 2023 and 2024, respectively.

■ Forecast for the Fiscal Year Ended March 31, 2024

(Japan Post Holdings: Forecast After Revision in April 2024; Japan Post Insurance: Forecast After Revision in March 2024)

Net ordinary income	660.0	15.0	470.0	150.0
[percentage achievement]	[101.3%] ^{(*)3}	[14.6%]	[105.5%]	[107.4%] ^{(*)4}
Net income	270.0	7.0	335.0	82.0
[percentage achievement]	[99.5%] ^{(*)3}	[103.9%]	[106.3%]	[106.2%] ^{(*)4}

*3 The percentage achievement of the forecast for the fiscal year ended March 31, 2024, announced in May 2023 is 107.8% (of ¥620.0 billion) for net ordinary income and 112.0% (of ¥240.0 billion) for net income.

*4 The percentage achievement of the forecast for the fiscal year ended March 31, 2024, announced in May 2023 is 115.1% (of ¥140.0 billion) for net ordinary income and 120.9% (of ¥72.0 billion) for net income

Notes: 1. Figures less than ¥0.1 billion are rounded down. The figures of Japan Post Holdings (consolidated) and the combined figures of each subsidiary do not correspond because of other consolidated accounting procedures, etc.

2. The amount of ordinary profit on the consolidated statements of income of Japan Post Insurance has been used for net ordinary income of Japan Post Insurance.

3. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively. Net income for Japan Post Holdings (consolidated) has been calculated based on the ratio of shareholders' equity held by Japan Post Holdings in Japan Post Co. (100%), Japan Post Bank (61.5%) and Japan Post Insurance (49.8%).

Japan Post Holdings:

Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025

- Net income is forecast to rise by ¥11.3 billion year-on-year to ¥280.0 billion due to the application of the equity method for Aflac Incorporated and an increase in income from Japan Post Bank.
- Regarding shareholder returns, an annual dividend of ¥50 per share is forecast, comprising an interim dividend of ¥25 per share and a year-end dividend of ¥25 per share. Share repurchases are planned, up to a maximum of ¥350.0 billion in the fiscal year ending March 31, 2025, for the purpose of enhancing shareholder returns and improving capital efficiency.

(Billions of yen)	Net ordinary income		Net income		Background on the consolidated financial results forecast and key initiatives for the fiscal year ending March 31, 2025
	Year-on-year change		Year-on-year change		
Japan Post Holdings (Consolidated) ^(Note 2)	760.0	+ 91.7	280.0	+ 11.3	Equity method income (ordinary income) of ¥48.0 billion is forecast from the application of the equity method for Aflac Incorporated (dividend income from Aflac Incorporated will be eliminated in the consolidated results for Japan Post Holdings). ^(Note 3)
Japan Post Co. (Consolidated)	(2.0)	(4.2)	(16.0)	(23.3)	A decline in income is forecast in the postal and domestic logistics business due to an anticipated decline in banking commissions and insurance commissions and an increase in operating expenses, despite an expected increase in income due to the revision of postal fees and the alliance with the Yamato Group, and an overall net loss is forecast for Japan Post Co.
Japan Post Bank (Consolidated)	525.0	+ 28.9	365.0	+ 8.9	Income is expected to rise due to the implementation of risk adjustment operations for stocks, as well as an increase in interest income on Japanese government bonds, income on foreign bond investment trusts, and income from private equity and other sources in the strategic investment field.
Japan Post Insurance (Consolidated)	200.0	+ 38.8	79.0	(8.1)	An increase in net ordinary income is forecast due to the improvement in net capital gains (losses) and hedging costs. However, the effect on net income will be neutralized through the provision of reserve for price fluctuations. Net income is expected to fall due to the impact of an increase in standard policy reserves associated with the sale of lump-sum payment whole life insurance and a decrease in policies in force.

Notes: 1. The amounts of net income attributable to Japan Post Holdings, net income attributable to Japan Post Co., net income attributable to Japan Post Bank and net income attributable to Japan Post Insurance have been used for net income of Japan Post Holdings (consolidated), Japan Post Co. (consolidated), Japan Post Bank (consolidated) and Japan Post Insurance (consolidated), respectively.
2. Net income attributable to Japan Post Holdings has been calculated based on the ratio of shareholders' equity held by Japan Post Holdings in Japan Post Bank (61.5%) and Japan Post Insurance (49.8%), etc.
3. The forecast equity in earnings (losses) of affiliates from Aflac Incorporated has been independently calculated by Japan Post Holdings from the financial results and dividends already announced by Aflac Incorporated, the corresponding value of equity and goodwill recognized by Japan Post Holdings, and foreign exchange rates. It has not been confirmed with Aflac Incorporated and does not represent or suggest the financial results forecast of Aflac Incorporated.

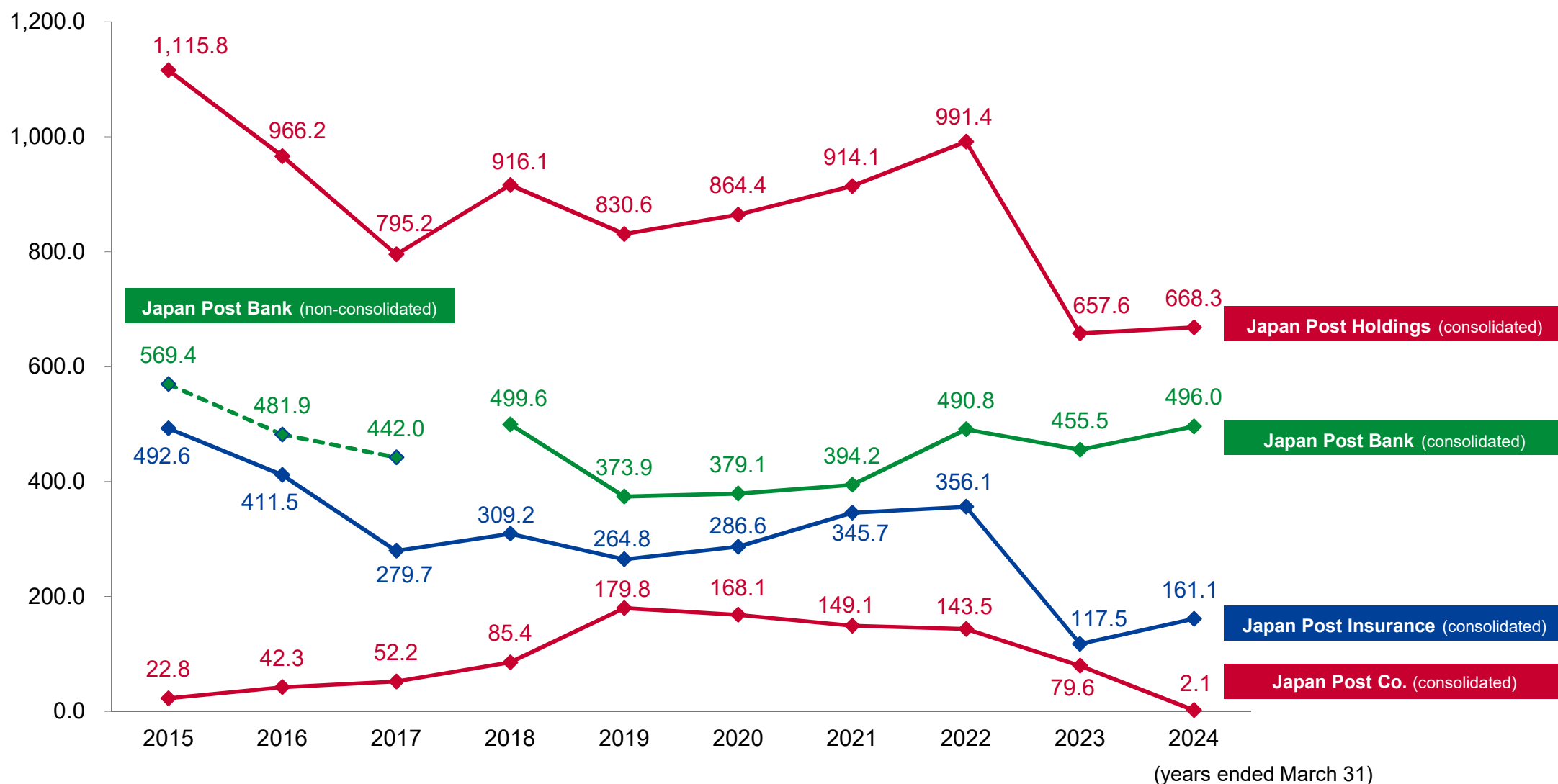
■ Returns to shareholders

(Billions of yen)	Net operating income		(Billions of yen)	Net operating income	Dividend per share				Share repurchases	
		Year-on-year change			Dividend payout ratio	Interim dividend	Year-end dividend			
Japan Post Co. (Consolidated)	3.0	(3.3)	Real Estate Business ^(Note 5)	4.0	For the fiscal year ended March 31, 2024	50 Yen ^(Note 6)	62.3%	25 Yen	25 Yen	300.0 Billion Yen
Postal and Domestic Logistics Business	1.0	+ 69.6	Note 5. From the fiscal year ending March 31, 2025, the real estate business will be managed as a business segment comprising Japan Post Co. (real estate business), Japan Post Real Estate, Japan Post Properties, and Japan Post Building Management.							
Post Office Business ^(Note 4)	(18.0)	(90.9)								
International Logistics Business	12.0	+ 2.4								
					For the fiscal year ending March 31, 2025	50 Yen (Forecast)	57.2%	25 Yen	25 Yen	350.0 Billion Yen (Maximum)
Note 6: In accordance with Article 11 of the Act on Japan Post Holdings Co., Ltd., payment of dividends from retained earnings or other appropriation of retained earnings (excluding disposition of loss) of Japan Post Holdings shall not be effective without the approval of the Minister for Internal Affairs and Communications.										

Note 4: In line with the revision of the reportable segment, operating income of the post office business will not include that of the real estate business. The year-on-year change will include a decrease of approximately ¥25.0 billion (estimate) for operating income of the real estate business.

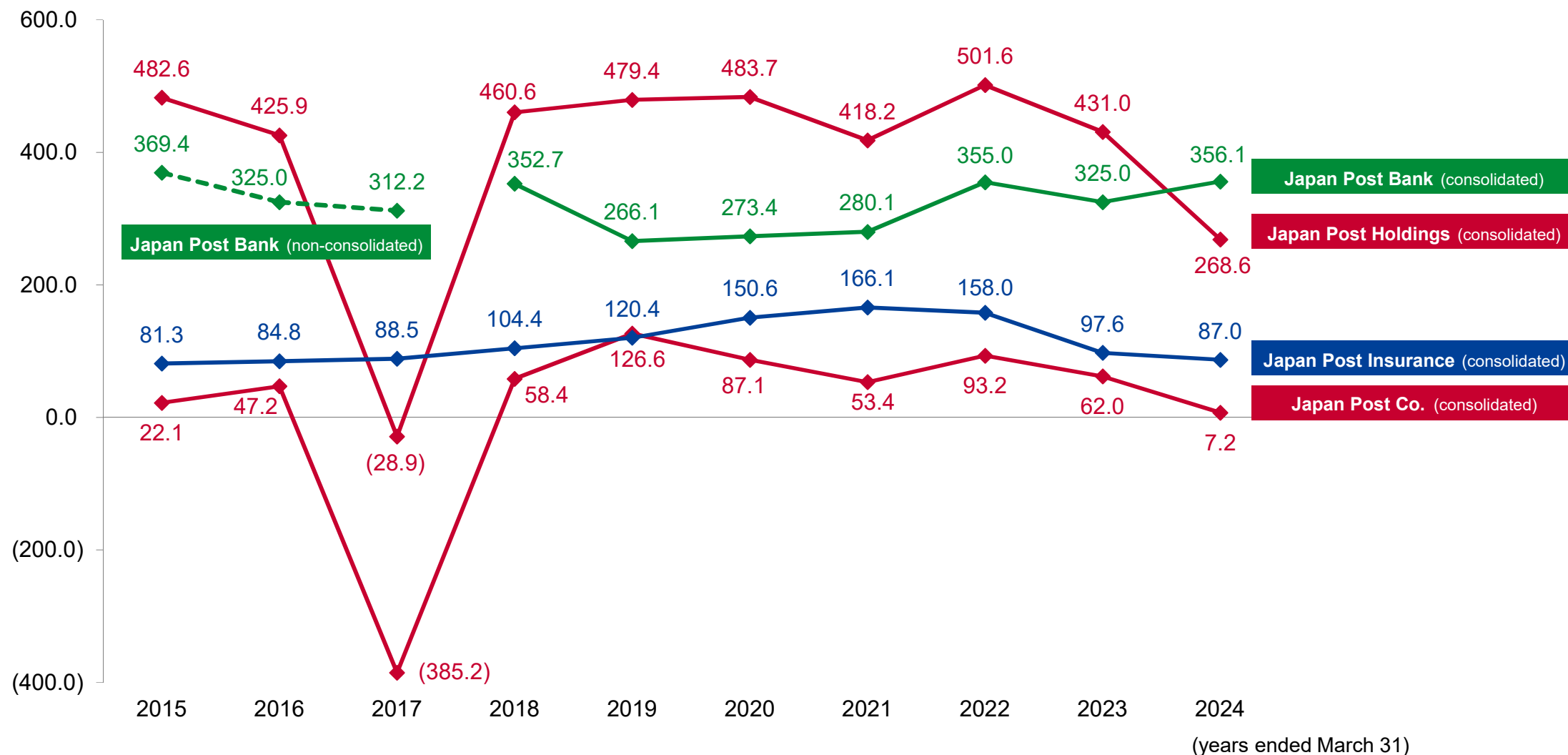
[Appendix] Trends in Net Ordinary Income

(Billions of yen)



[Appendix] Trends in Net Ordinary Income (Loss)

(Billions of yen)



Note: From the fiscal year ended March 31, 2016, the amount of net income (loss) attributable to Japan Post Holdings, net income (loss) attributable to Japan Post Co. and net income attributable to Japan Post Insurance have been used for net income (loss) of Japan Post Holdings (consolidated), Japan Post Co. (consolidated) and Japan Post Insurance (consolidated), respectively.

[Appendix] Transition of Significant Management Indicators (for five years)

		FY2019	FY2020	FY2021	FY2022	FY2023
--	--	--------	--------	--------	--------	--------

● Transition of Significant Management Indicators (Consolidated)

Total Income	(Millions of Yen)	11,950,185	11,720,403	11,264,774	11,138,570	11,982,152
Income before income taxes	(Millions of Yen)	864,457	914,164	991,464	657,663	668,316
Net income attributable to Japan Post Holdings	(Millions of Yen)	483,733	418,238	501,685	431,045	268,685
Net assets	(Millions of Yen)	12,616,774	16,071,067	14,688,981	15,096,168	15,738,530
Total assets	(Millions of Yen)	286,098,449	297,738,131	303,846,980	296,093,652	298,689,150
ROE (based on net assets)	(%)	4.0	3.4	3.8	3.9	2.6
ROE (based on shareholders' equity)	(%)	4.5	3.9	4.7	4.4	3.0
PBR	(times)	0.31	0.29	0.27	0.37	0.48
Employees [Average number of temporary employees]	(Numbers)	245,472 [154,529]	243,612 [147,163]	232,112 [144,935]	227,369 [142,436]	221,387 [136,219]

● Shareholder return of Japan Post Holdings

Dividend per year	(Yen)	50	50	50	50	50
Share repurchase	(Millions of Yen)	0	0	350,000	200,000	300,000
Dividend payout ratio	(%)	41.8	48.3	37.9	41.4	62.3
Total dividend ratio	(%)	41.8	48.3	106.3	86.5	172.3

● Transition of Significant Management Indicators of Main Subsidiary Companies

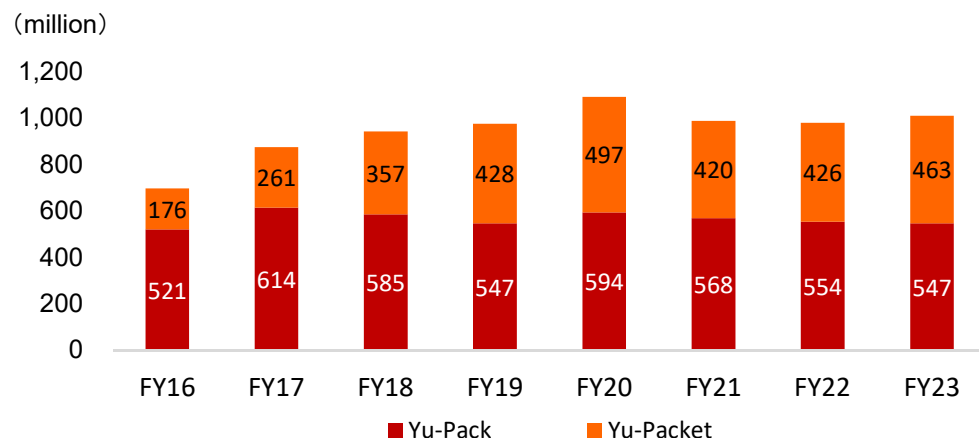
Japan Post (ROE (based on net assets))	(%)	10.0	6.3	10.7	7.2	0.9
Japan Post Bank (ROE(based on net assets))	(%)	2.7	2.8	3.3	3.3	3.6
Japan Post Insurance (ROE(based on net assets))	(%)	7.4	7.0	6.0	4.1	3.0

Postal and Domestic Logistics Business

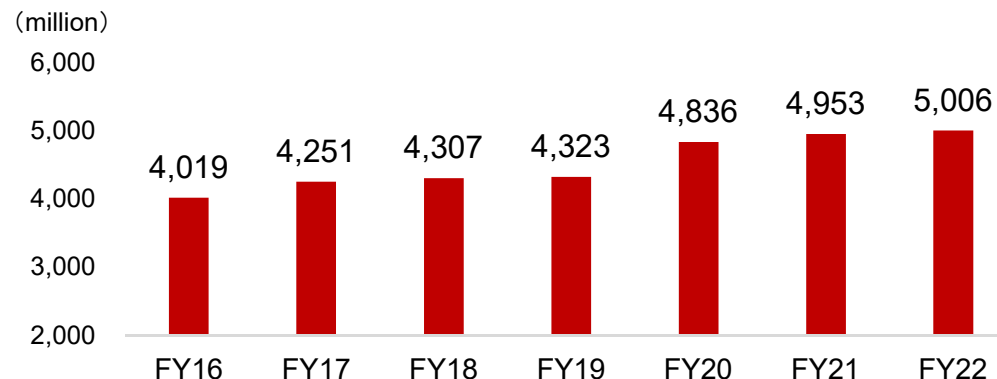
— Trends in volume, unit price, income and net operating income of domestic logistics business

- Due to a challenging competitive environment, volume of mail items handled in FY2022 remained flat
→ Aiming for an increase in volume through collaboration with companies outside the Group. The number of Yu-Pack and Yu-Packet parcels in FY2023 increased year on year (up 3.0%).
- The average unit price of Yu-Pack has been declining since the price hike in 2019
→ A rate revision has been implemented in October 2023 in response to inflation

Trend in Yu-Pack and Yu-Packet volume handled

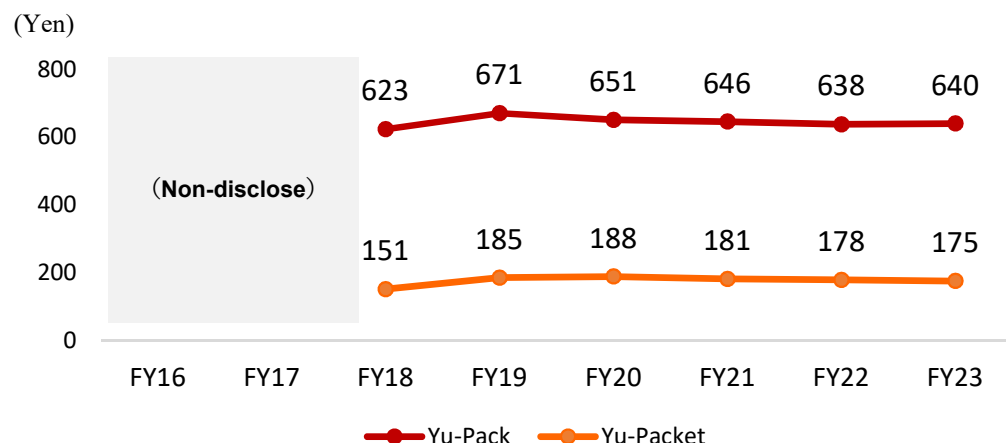


Trend in number of delivery parcels handled in Japan

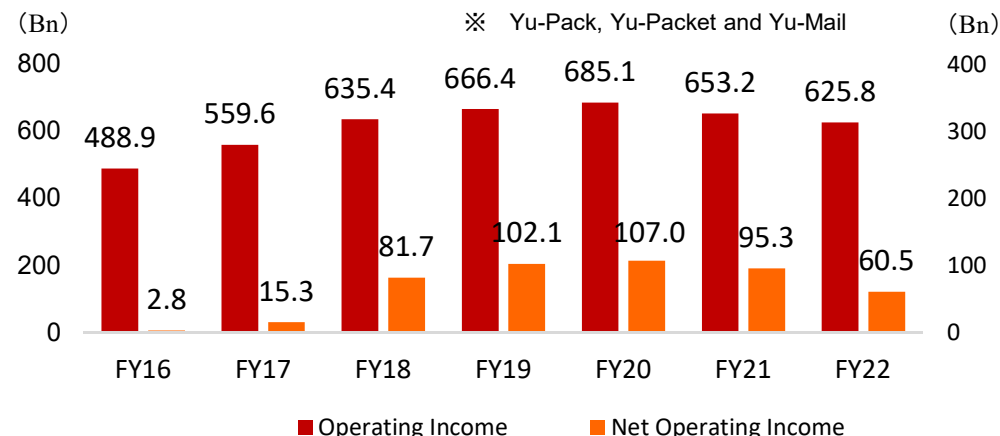


(Source: statistics from the Ministry of Land, Infrastructure, Transport and Tourism)

Trend in average unit price of Yu-Pack and Yu-Packet parcels



Trend in operating income and net operating income of domestic logistics business



Postal and Domestic Logistics Business

- Collaboration with Yamato Group ① (Small lightweight parcels)

- We concluded a basic agreement with Yamato Group to promote sustainable logistics services in June 2023
- In small, lightweight parcels, Nekopos handled by Yamato Transport, will be delivered through the Japan Post Co.'s delivery network in the form of the Kuroneko Yu-Packet service. **Parcel acceptance to commence in May 2024 in Step 2 regions, with nationwide rollout by the end of FY2024.**

Small lightweight parcels

Service will end in stages,
starting in October 2023

Nekopos service

410 million
items were
shipped in
FY2022 ※

Start in October 2023

※ 430 billion items of
Yu-Packet were
shipped in FY2022

New Service

Kuroneko Yu-Packet



- Discontinued the Nekopos service handled by Yamato Transport and **sequentially commenced delivery using Japan Post Co.'s delivery network under the name Kuroneko Yu-Packet from October 2023.**
- **Started receiving parcels in Hokkaido and 15 prefectures from October 1, 2023, ensuring stable business operations. (Step1)**
(Regions : Hokkaido, Aomori, Iwate, Akita, Miyagi, Fukushima, Tochigi, Gunma, Niigata, Toyama, Ishikawa, Fukui, Yamanashi, Gifu, Aichi, Mie Prefectures)
- **Began accepting parcels in 19 prefectures from May 2, 2024 and secured stable business operations. (Step 2)**
(Regions : Yamagata, Nagano, Shizuoka, Tottori, Shimane, Okayama, Hiroshima, Yamaguchi, Tokushima, Kagawa, Ehime, Kochi, Fukuoka, Saga, Nagasaki, Kumamoto, Oita, Miyazaki, Kagoshima Prefectures)
- **All regions to be ready to accept parcels by March 31, 2025.**

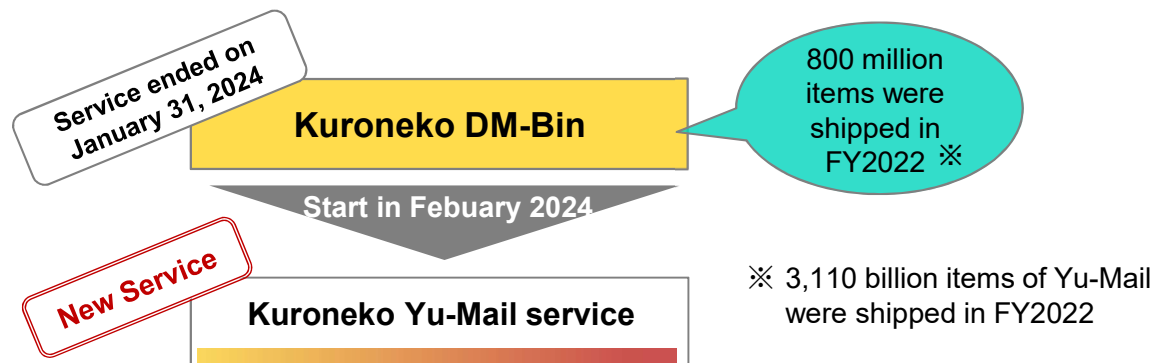
Postal and Domestic Logistics Business

- Collaboration with Yamato Group ② (Booklet Parcels (mail-bin))

- In booklet parcels (mail-bin), the Kuroneko DM-Bin service handled by Yamato Transport **will be delivered across the nation in the form of the Kuroneko Yu-Mail service using Japan Post Co.'s delivery network from February 2024.**

Booklet parcels (mail-bin)

- **Stable business operations were secured** by discontinuing the Kuroneko DM-Bin service handled by Yamato Transport and instead **commencing nationwide delivery using Japan Post Co.'s delivery network under the name Kuroneko Yu-Mail from February 2024.**



Reference : Scope of collaboration (The two shaded products handled by Yamato Transport come under the scope of collaboration)

Delivery method	Japan Post		Yamato Transport	
	Service	Items shipped per year※	Service	Items shipped per year※
Post box drop-off	Yu-Mail	3,110 billion items	Kuroneko DM-Bin	800 million items
Post box drop-off	Yu-Packet	430 million items	Nekopos Service	410 million items
【Reference】				
Face-to-face delivery	Yu-Pack	550 million items	TA-Q-BIN	1,930 billion items

(※ in FY2022)

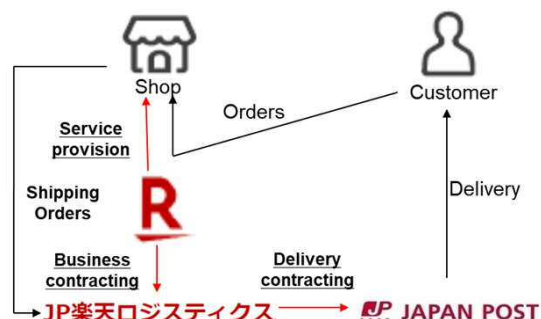
Postal and Domestic Logistics Business

- Acquisition of parcels through JP Rakuten Logistics

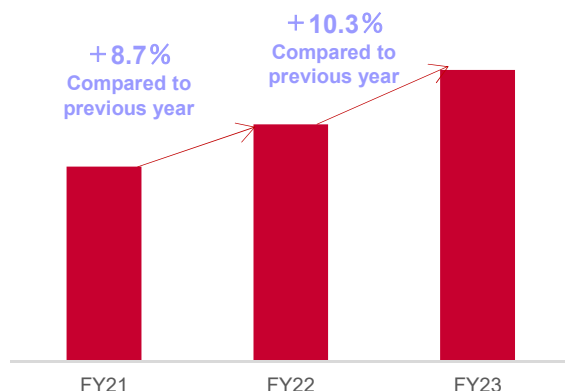
- established JP Rakuten Logistics, Inc. in July 2021. We developed an efficient and convenient logistics DX platform and aim to open the platform for other businesses to use in the future.
- **The number of parcels related to Rakuten, such as Yu-Pack, grew steadily.**

Acquisition of parcels through JP Rakuten Logistics

- Established collaborative logistics sites with Rakuten Group and developed a joint delivery system and receiving service.
- **We will securely capture the growth of Rakuten Ichiba and aim to secure the acceptance of Yu-Pack parcels.**



Trends in Yu-Pack and other parcels related to Rakuten※1,2



※1 The volume of Rakuten-related cargo (actual number of parcels is undisclosed) is the sum of parcels consigned from JP Rakuten Logistics and the parcels covered by the Rakuten special freight charge program.

※2 The number of Yu-Pack parcels includes Yu-Packet parcels.

Expansion of Rakuten Fulfillment Centers

- Fulfillment centers are operated and expanded by JP Rakuten Logistics as logistics centers for the comprehensive logistics service Rakuten Super Logistics* for Rakuten Ichiba stores.

※ A comprehensive logistics service that handles everything from receipt to delivery of products for Rakuten Ichiba stores.

Rakuten Fulfillment Centers

- RFC Nagareyama
- RFC Chuorinkan (Nov. 2021, operational)
- RFC Narashino
- RFC Yao (Sep. 2022, operational)
- RFC Hirakata
- RFC Fukuoka (Oct. 2022, operational)
- RFC Tama (Apr. 2023, operational)



Name : Rakuten Fulfillment Center Tama
 Place : 2-108-4 Yarimizu, Hachioji City, Tokyo
 Total floor area : about 50,000㎡
 Number of floors : 2F

Postal and Domestic Logistics Business

- Collaboration with Sagawa Express, Seino Group

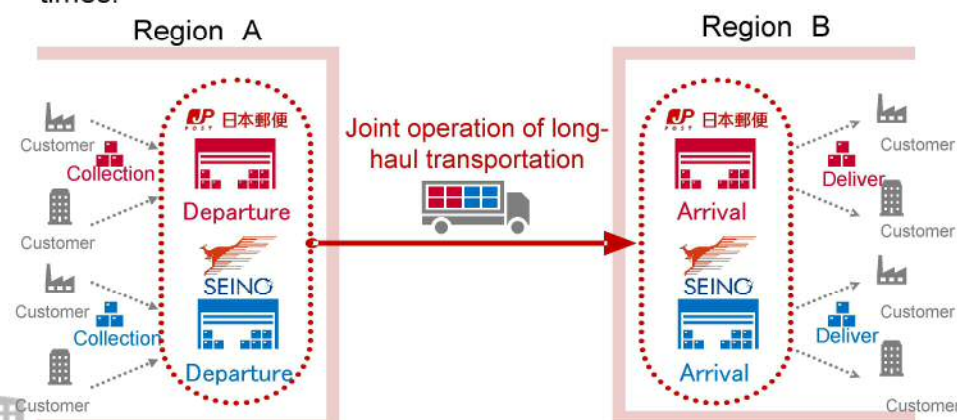
- In September 2021, we concluded a **Basic Agreement on Collaboration with Sagawa Express**. In addition to using the Japan Post delivery network to deliver packages received by Sagawa Express as Japan Post Yu-Packets, etc., we also jointly operate long-haul transportation and share package pickup locations.
- In May 2024, we entered into a **basic agreement on business alliance with the Seino Group** to jointly operate long-haul transportation.

Collaboration with Sagawa Express

Initiatives	Overview
Joint long-haul transportation	Joint operation of transportation between business locations ① Tokyo-Koriyama (Mar. 2022) ② Tokyo-Kyushu (Aug. 2022) ③ Hamamatsu-Tokyo (Feb. 2023)
Transportation of small packages (Hikyaku Yu-Packet Express)	Use Japan Post's Yu-Packet delivery network to deliver packages received by Sagawa Express
Transportation of international packages (Hikyaku Global Post)	Use Japan Post's EMS delivery network to deliver packages received by Sagawa Express
Refrigerated express packages	Deliver frozen foods from the Post Office Catalogue with Sagawa Express' Hikyaku Cool Express service
Sharing package pickup locations	If Sagawa Express is unable to deliver a package because the recipient is absent, it can be left at a participating post office for later pickup

Collaboration with the Seino Group

- From February through May 2024, we carried out trials on combining shipments from neighboring locations, consolidating shipments on Saturdays and Sundays, when loading rates are lower, and using third-party facilities as transfer centers.
- The trials were held along the following routes.
 Tokyo – Osaka/Shiga, Tokyo – Nagoya, Kanagawa – Tochigi
 Kanagawa – Tochigi, Saitama – Fukushima/Miyagi,
 Aomori – Saitama, Osaka – Tokushima
- The trials proved that collaboration is effective, bringing benefits such as reducing the number of trucks without changing current delivery times.

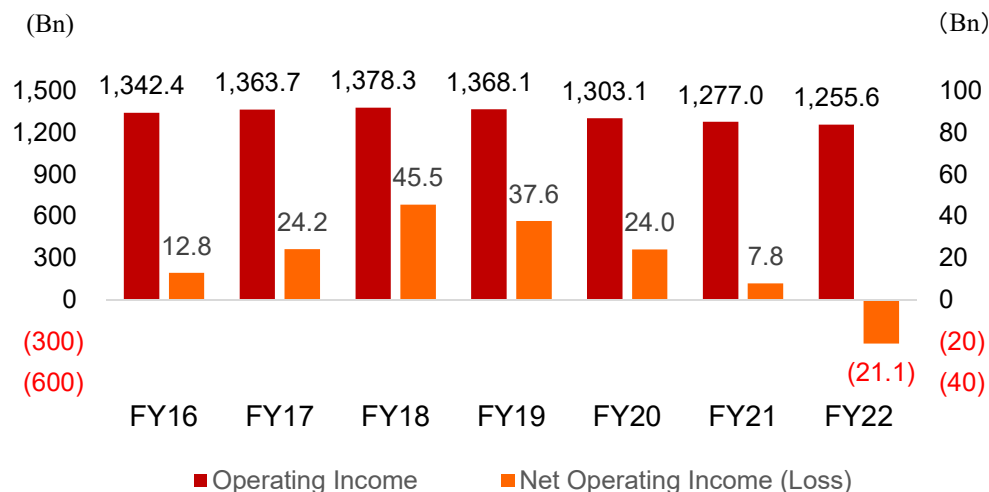


Postal and Domestic Logistics Business

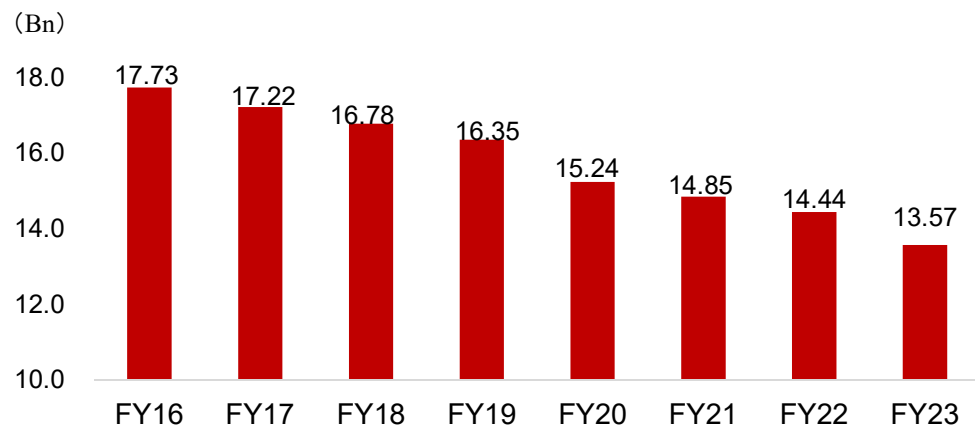
— Considering the revision of postage rates

- Volume of mail items handled continues to decline due to the advance of digitalization
- Considering the revision of postage rates in light of the deteriorating profitability of postal services, **a revision of postage rates is scheduled for October 2024 (tentative).**

Trend in operating income and net operating income of postal services



Trend in volume of mail items handled



Track record of revisions in postage rates

Implementation	Outline
January 1994	<ul style="list-style-type: none"> ■ Revision of rates for first-class mail (letters), second-class mail (postcards), etc * First-class: standard mail (up to 25g) (¥62 → ¥80), second-class: standard postcards (¥41 → ¥50)
April 2012	<ul style="list-style-type: none"> ■ Review of discount rates (second-class advertising postcards)
April 2014	<ul style="list-style-type: none"> ■ Revision of rates for first-class mail (letters), second-class mail (postcards), etc. (Consumption tax 8%) * First-class: standard mail (¥80 → ¥82), second-class: standard postcards (¥50 → ¥52)
June 2016	<ul style="list-style-type: none"> ■ Review of discount rates (advertising mails, mail classes, special mail sent within the same postal area, etc.)
June 2017	<ul style="list-style-type: none"> ■ Revision of rates for second-class mail (postcards) (excluding New Year's postcards) * Second-class: standard postcards (excluding New Year's postcards) (¥52 → ¥62) ■ Revision of rates for nonstandard mail
November 2018	<ul style="list-style-type: none"> ■ Revision of New Year's postcard postage rates * Second-class: New Year's postcards (¥52 → ¥62)
October 2019	<ul style="list-style-type: none"> ■ Revision of rates for first-class mail (letters), second-class mail (postcards), etc. (Consumption tax 10%) * First-class: standard mail (up to 25g) (¥82 → ¥84), second-class: standard postcards (¥62 → ¥63)
April 2022	<ul style="list-style-type: none"> ■ Revision of rates for special mail within the same postal area, etc.
October 2022	<ul style="list-style-type: none"> ■ Revision of discount rates, rates for ID confirmation delivery service, and charge-on-delivery handling rates
October 2023	<ul style="list-style-type: none"> ■ Revision of fees for some special handling services such as registered mail
October 2024 (tentative)	<ul style="list-style-type: none"> ■ Revision of rates for first-class mail (letters), second-class mail (postcards), etc. * First-class: standard mail (¥84 up to 25 g and ¥94 up to 50 g → ¥110 up to 50 g), second-class: standard postcards (¥63 → ¥85)

Postal and Domestic Logistics Business

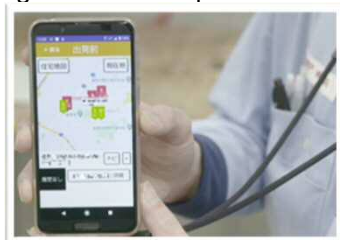
— Reinforcing the transportation and delivery network and improving productivity

- In addition to reviewing post office delivery areas and routes based on data acquired using telematics, we will promote measures **to improve productivity**, such as using AI to automatically create delivery routes and streamline pickup and delivery.
- To **achieve efficient business operations centered on small parcels**, we are building a more streamlined and robust transportation and delivery network.

Improving productivity

Applying telematics

- Streamlining pickup and delivery operations through the use of smartphones provided to all pickup and delivery employees and **telematics*** by **reviewing post office delivery areas and routes** and using **automated creation of delivery routes by AI (automatic routing)**. (Introduced in 680 post offices as of March 31, 2024)
 - Streamlining transportation by using telematics and AI for real-time fleet management and to set transportation timetables (trial runs in some areas).
- ※ Telematics refers to the use of smartphone applications and GPS data to enable real-time fleet management in transportation services.



Automatic routing



Linkage of transportation data

Reinforcing the transportation and delivery network

Enhancing processing capacities at locations



- Promote the reorganization of the next-generation network to alleviate the aging and narrowing of regional distribution offices, ensure capacity to handle increased loads, and improve the machine processing rate.
- Introduce small packet sorting machines to handle the increasing number of Yu-Packet and other parcels.
- Consider the use of advanced technologies (Automated Guided Vehicles [AGV], robotic arms, etc.) to mechanize and automate in-house tasks.

Enhancing transportation and delivery capacity



- Improve small parcel delivery capacity by introducing **three-wheeled minicars and large carrying boxes**.
- Study the practical application of **drones, delivery robots and autonomous vehicles**.



Automated Guided Vehicle (AGV)



Three-wheeled minicar

Postal and Domestic Logistics Business — Regulations pertaining to the Postal Act

Regulations pertaining to the postal charges

Postal charges (Article 3 of the Postal Act)

Charges related to postal services shall compensate for reasonable costs incurred under the efficient management of postal services and shall include a reasonable profit.

Notification or approval of rates (Article 67, Paragraphs 1, 2,3 and 5 of the Postal Act)

Type	Major postal items	Notification/approval
First-class mail	Sealed letter	Notification (there is a limit* on the rate for standard mail weighing 25g or less)
Second-class mail	Postcard	Notification (lower than the minimum fee for standard mail)
Third-class mail	Magazines, newspapers	Approval
Fourth-class mail	Correspondence courses, etc.	Approval

* The amount specified in the applicable Ordinance of Ministry of Internal Affairs and Communications, taking into consideration the importance of the role that light-weight letter delivery services play in the lives of citizens, the capacity of citizens for postal charges, prices, and other circumstances ⇒ Currently ¥84

Note: The entire cost is compensated by the entire postage income, not by the cost of individual services.

Order to change rates (Article 71 of the Postal Act)

The Minister for Internal Affairs and Communications may order a change in the rates if found necessary.

Universal service level in postal services

Acceptance

[Installation of mailboxes (post boxes) as a simple and convenient way to send out mail at any time]

[Article 70, Paragraph 3, Item 2 of the Postal Act and Article 32, Paragraph 2 of the Regulation for Enforcement of the Postal Act (Approval Criteria for Postal Service Management Regulations)]

- Maintain the number of mailboxes (approx. 180,000) at the time the Japan Post Act came into effect (April 1, 2003)
- Must be installed in each city, town, village, etc.
- Installation must be in a location that is accessible to the public at all times, such as on a public road, or in a location that is easily visible to the public in a facility such as a train station or a retail store.

[Establishment of post office]

[Article 6 of the Act on Japan Post Co., Ltd. and Article 4, Paragraphs 1 to 3 of the Regulation for Enforcement of the Act on Japan Post Co., Ltd.]

- Japan Post Co., Ltd. must establish post offices with the aim of being used throughout the country.

Delivery

[5 days a week delivery, with one delivery per day in principle]

[Article 70, Paragraph 3, Item 3 of the Postal Act and Article 32, Paragraph 3, Item 1 of the Regulation for Enforcement of the Postal Act]

- Deliver mail at least once a day during the five-day period from Monday to Friday, excluding holidays and January 2.

[In principle, delivery within four days (from the date of submission)]

[Article 70, Paragraph 3, Item 4 of the Postal Act and Article 32, Paragraph 5 of the Regulation for Enforcement of the Postal Act]

- Make delivery within 4 days, except in the case of delivery from the following areas
 - ▶ Remote islands without transportation available for mail delivery at least once a day (limited to islands without roads connecting to the mainland, etc.): within 15 days
 - ▶ Remote islands other than above: within 6 days

[Door-to-door (destination) delivery throughout Japan]

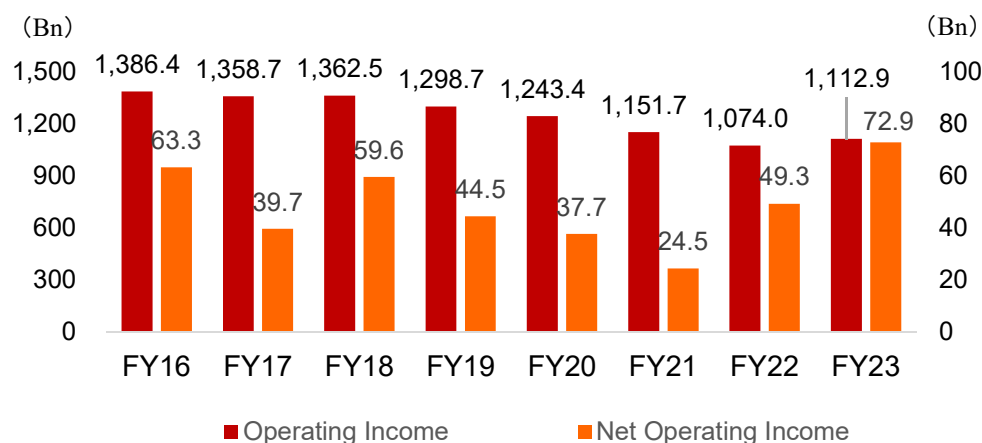
[Article 70, Paragraph 3, Item 3 of the Postal Act and Article 32, Paragraph 3, Item 2 of the Regulation for Enforcement of the Postal Act]

- Deliver mail to their destinations, except for destinations in difficult-to-reach areas* where delivery by ordinary means is not possible.

* Areas separately designated by Japan Post Co., Ltd., such as mountain lodges in winter

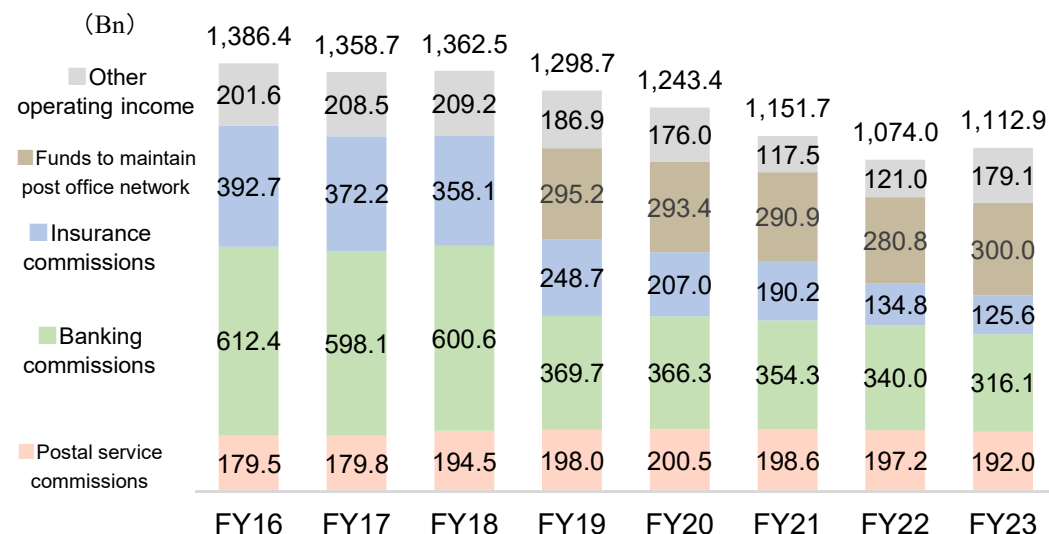
Post office business – Trends in operating income and net operating income

Trends in operating income and net operating income of post office business※



※ In this chart, Profits and Incomes include those of real estate business.

Trends in operating income of post office business



- Insurance commissions for the fiscal years ended March 31, 2021 and 2022 do not match the figures in the data published by Japan Post Insurance as the method of recording inappropriate policies have been adjusted.
- Deposit commissions for the fiscal year ended March 31, 2022 do not match the figures in the data published by Japan Post Bank due to an incident related to outsourced operations.
- Other operating income: Includes income from merchandising, third-party financial product agency services, real estate, etc.

Overview of the subsidy program

- Of the costs required to maintain the post office network, the costs* indispensable to securing a universal service—excluding the amount to be borne by Japan Post—have been covered by a subsidy granted to Japan Post by the Organization for Postal Savings, Postal Life Insurance and Post Office Network, with contributions from Japan Post Bank and Japan Post Insurance as the funding source since FY2019.

* Sum of the following costs based on the most recent status of the maintenance of the network

- Costs required (personnel expenses, rent, construction costs, other costs required for the maintenance of post offices, costs for the transportation and administration of cash, property taxes and business office taxes) to ensure the availability of a universal postal service at post offices (approx. 20,000 locations), assuming that the post office network is composed of post offices of the smallest scale possible.
- Costs required for the minimum consignment to ensure the availability of a universal postal service at simplified post offices (approx. 4,000 locations).

Overview of commissions for business consignment

- Banking commissions = basic fees + sales and administrative incentives**

(Basic fees)

Fees for the administration of deposits, investment trusts, remittance settlements, etc.

The percent change compared to the previous fiscal year of the “amount commensurate with the cost of consigned operations” calculated by Japan Post Bank based on unit prices set for consigned operations, multiplied by the previous fiscal year’s basic fee.

(Sales and administrative incentives)

Amount commensurate with sales and administrative incentives

- Insurance commissions = commission for insurance solicitation + maintenance and collection fee, etc.**

(Commission for insurance solicitation)

Multi-year installment commissions, primarily linked to new policies (solicitation performance) and based on a standard formula in the life insurance business.

(Maintenance and collection fee, etc.)

Composed of a fee proportional to the number of in-force policies, number of post offices, etc. (basic fee) and fees based on the achievement of indicators of maintenance of policies in force (incentives).

Post Office Business - Collaboration with companies outside the Group

- **Strengthen initiatives that contribute to building ongoing relationships with local government bodies, such as administrative work contracts from local governments, and promote collaboration and business alliances with companies outside the Group, such as regional financial institutions.**

Administrative work contracts from local governments

- Based on the “Act on Handling of Certain Services of Local Governments at Postal Offices” and other laws, **local governments have commissioned us with the administration related to issuing public certificates.**
- Sixteen municipalities*, including Yasuoka Village in Nagano Prefecture and Kaga City in Ishikawa Prefecture, are planning to **entrust post offices with administrative duties to maintain and improve resident services when their branch offices and sub-branches are closed or relocated.**

* Compiled by Japan Post Co. based on each municipality's website, etc.

Administrative work	Handled by *
Official administrative services such as issuance of public certificates, etc.	490 post offices in 146 municipalities
Administrative services related to electronic certificates for Individual Number Cards	35 post offices in 14 municipalities
Individual Number application support services	1,799 post offices in 184 municipalities
Establishment of kiosk terminals for municipal purchases	21 post offices in 16 municipalities

* As of February 29, 2024

Installation of ATMs from regional financial institutions

- Leasing of spaces within post offices to allow regional financial institutions to install ATMs.

Miyazaki Bank (1 post office) Bank of Toyama (1 post office)
 Nanto Bank (7 post offices) Kiraboshi Bank (2 post offices)
 Kiyo Bank (3 post offices)
 Juhachi-Shinwa Bank (9 post offices)
 Shiga Bank (1 post office) Hokkaido Bank (1 post office)
 Yukiguni Shinkumi Bank (2 post offices)

* As of March 31, 2024



ATM of Juhachi-Shinwa Bank (Unzen Post Office · from January 31, 2022)

Handling of administrative services for banks at post offices

- Individual customers of regional financial institutions can carry out various administrative procedures at post offices, such as changes of address, name, and personal seal, closing accounts, payments and bank transfers.

Nanto Bank (2 post offices)
 Higashi-Nippon Bank (8 post offices)
 Hokkaido Bank (1 post office)

* As of March 31, 2024



Procedure Office Counter of Hokkaido Bank (Teshio Post Office · from October 2, 2023)

Universal Service Providing at Post Offices

Universal service providing at post offices

Postal services, simple savings, remittance, and settlement of debts and credits, and life insurance services that can be used easily should be integrally made available at post offices in a user-oriented and convenient manner, and should continue to be available nationwide and fairly in the future. Japan Post Holdings and Japan Post Co. are obliged to maintain the post office network to ensure this (Article 7-2 of the Postal Service Privatization Act and Article 5 of the Act on Japan Post Holdings Co., Ltd.).

Postal counter operations

- Acceptance of mails
- Delivery of mails
- Sale of postal stamps, etc.

Banking counter operations

- Acceptance of ordinary deposits
- Acceptance of fixed amount and fixed-time savings
- Money orders, payments and transfers

Insurance counter operations

- Endowment insurance solicitation
- Whole life insurance solicitation
- Acceptance of claims for payment of maturity and survival benefits for each of the above policies

Standards for establishment of post offices (summary)

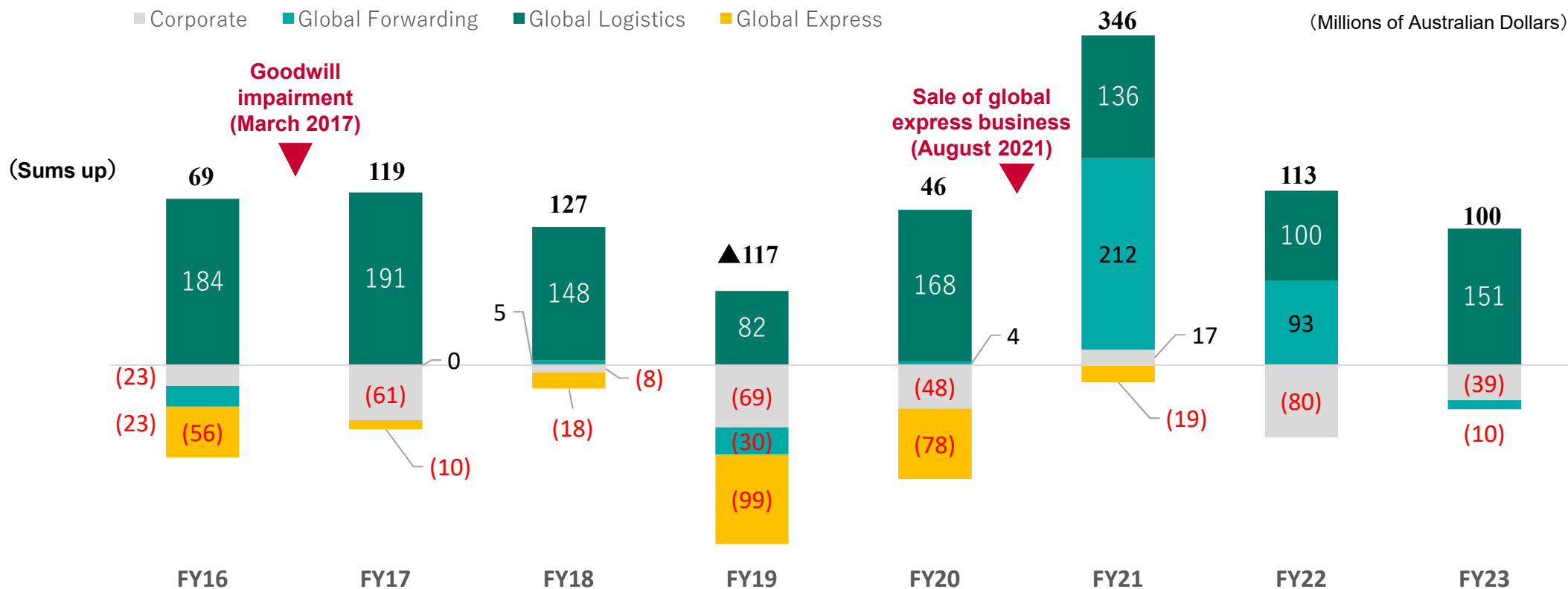
- In principle, one or more post offices must be established in each municipality (including special wards).
- In addition to the above, post offices must be established in accordance with the following standards.
 - ▶ The facility must be established in such a way that it can respond appropriately to the demands of local residents.
 - ▶ The facility must be located in a location that is easily accessible to local residents, taking into account traffic, geography, and other circumstances.
- ▶ In depopulated areas, the level of the post office network that existed at the time of the enforcement of the Act for Partial Revision of the Postal Service Privatization Act, etc. (Act No. 30 of 2012) must be maintained.



International Logistics Business – Trends in net operating income

- Sold unprofitable global express business in August 2021 and focused on **sustainably expanding the scale of income and improving the profitability of forwarding and logistics.**

Trends in Net Operating Income(EBIT) (From FY16 to FY22)

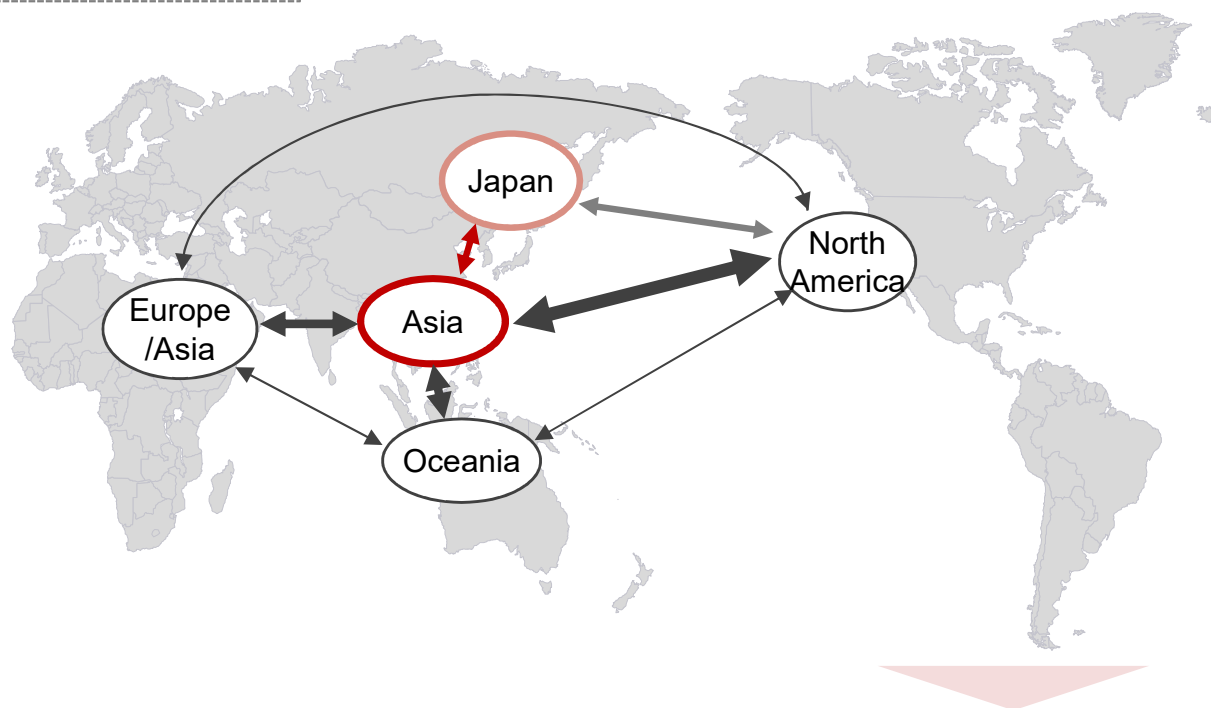
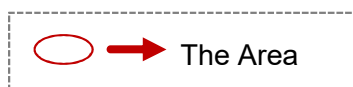


	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Operating Income	7,901	8,210	8,658	8,564	9,843	8,279	5,819	4,719
Operating Profit Margin	0.9%	1.4%	1.5%	▲1.4%	0.5%	4.2%	1.9%	2.1%

- (1) Due to inter-segment reclassification of some businesses in the fiscal year ending March 31, 2023 and the year ended March 31, 2022, figures for each period have been reclassified (the total amounts for each period remain unchanged).
- (2) From the fiscal year ended March 31, 2024, JP Logistics Group Co., Ltd. and JP Logistics Co., Ltd., which were previously included in the "International Logistics Business," have been reclassified as part of the "Postal and Domestic Logistics Business," and the figures for the same period of the previous fiscal year have been adjusted accordingly.
- (3) Net operating income (EBIT) for the Global Express business for the fiscal year ended March 31, 2022 and the three month period from Apr. to Jun. 2021 includes amounts of depreciation and amortization that are disregarded under IFRS (these are offset under the Corporate segment).

International Logistics Business – Initiatives for expanding the scale of income and improve profitability

- Toll Holdings Limited possesses the management base and the required amount of assets to compete in international logistics, mainly in Australia and Singapore.
- To sustainably expand the scale of income and improve profitability, we will promote efforts to develop the Global Logistics business and improve the profitability of the Global Forwarding business.
- Specifically, we are working to shift to an Asia-centric business model, build a balanced customer portfolio, cut costs across the Company, and secure new sources of income, such as by building a large, automated warehouse.



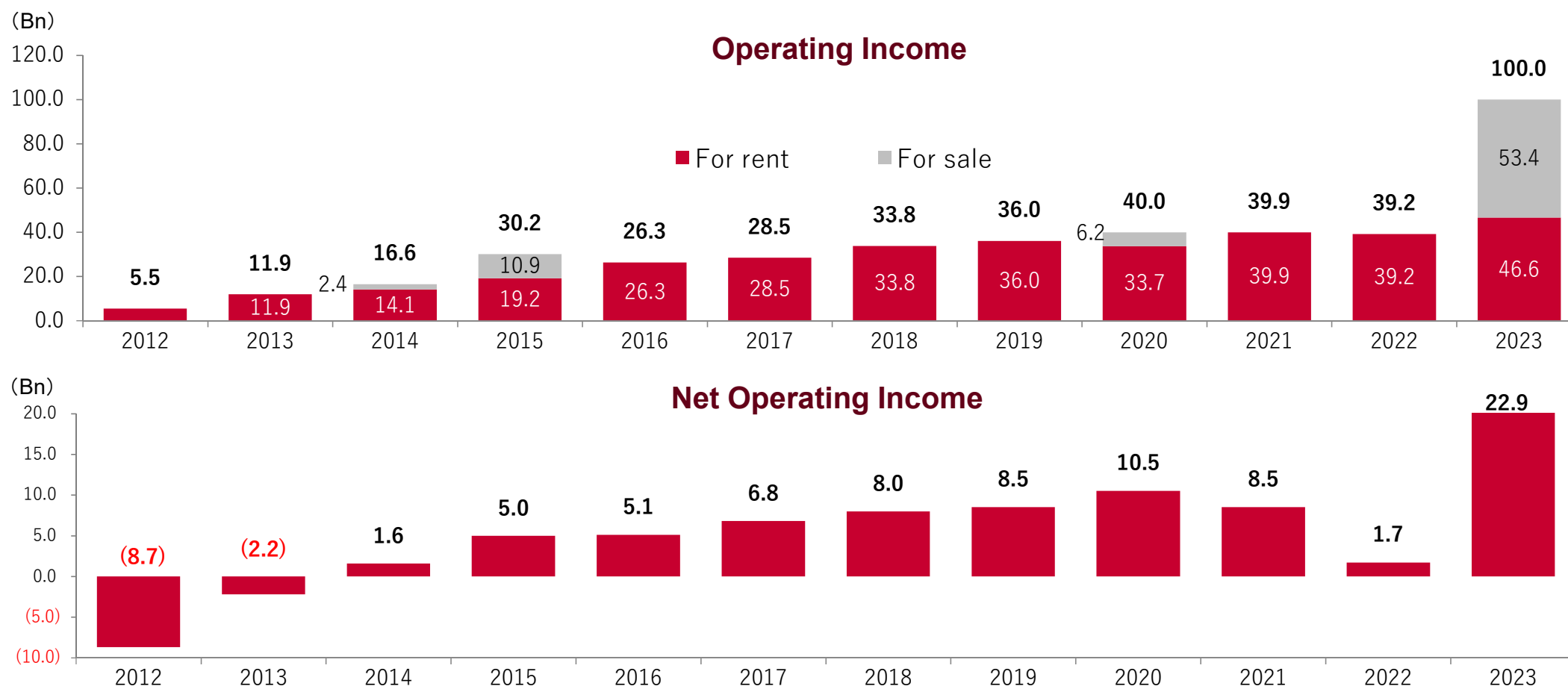
Key points for strengthening business in Asia

- Area with a highly attractive market. Expected to grow as a production base in the future
- The logistics industry is not monopolized, making Asia a significant area for JP and Toll to conduct business in
- Aiming to expand its focus area to the whole of Asia as a leading logistics company in Japan
- Toll maintains a strong business foundation

Strengthen sales structure in Asia, update and expand functions of in-house assets, etc.

Real Estate Business — Trends in operating income and net operating income

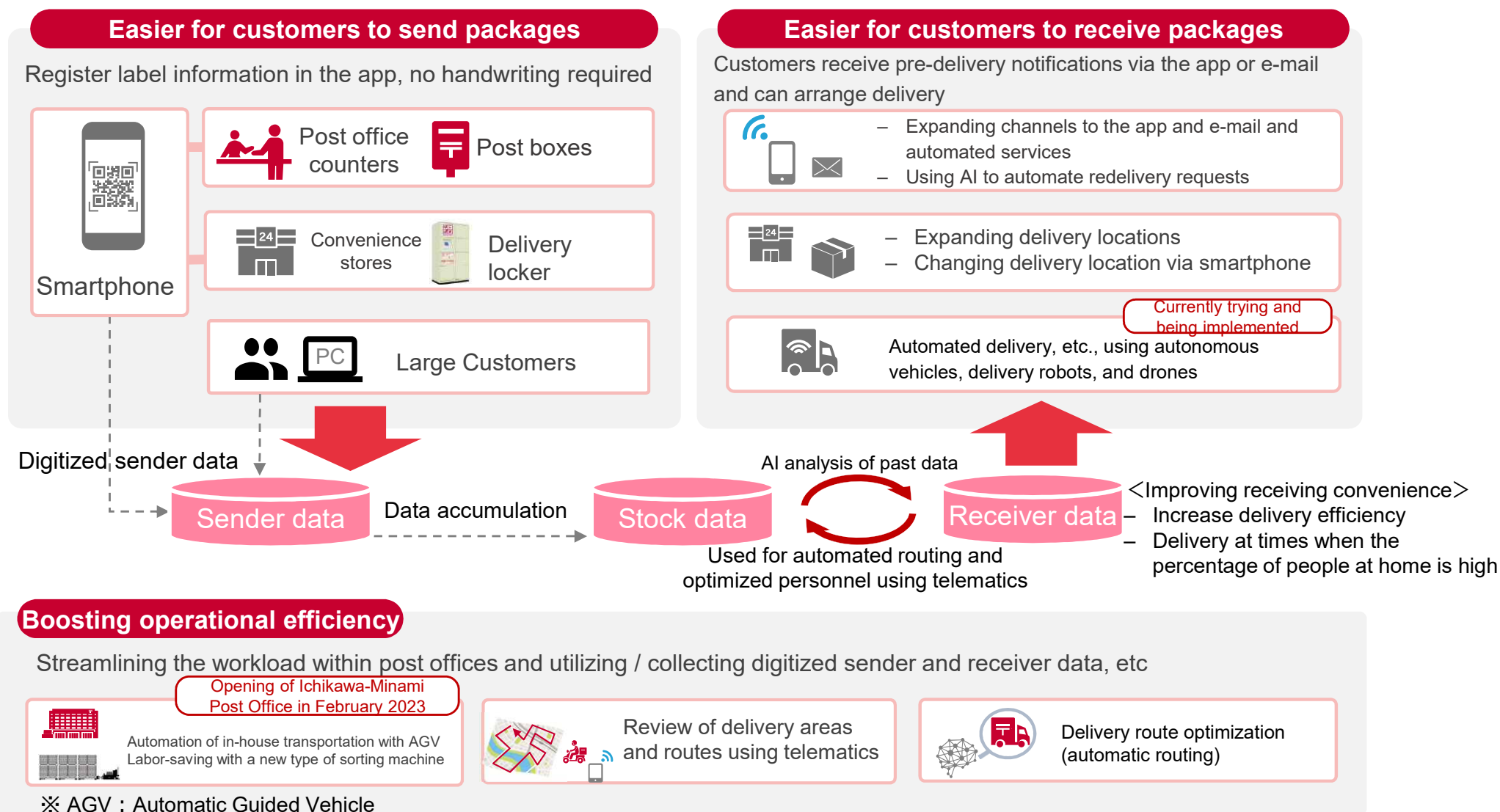
- Operating income has been constantly increasing from the fiscal year ended March 31, 2013 onwards.
- Operating income and net operating income were recorded in FY2023 due to the **sale of Azabudai Hills Mori JP Tower** in the real estate business.



- ※ Group-wide figures that combine figures of Japan Post Co.'s real estate business, Japan Post Real Estate, Japan Post Building Management and Japan Post Properties. This is not a reportable segment based on accounting standards for disclosure of segment information.
- A real estate business segment was established in the first quarter of FY2024, and the figures thereafter are those after the change in allocation of internal expenses.
- ※ Income and net income of Japan Post Real Estate and Japan Post Building Management have been reflected since FY2018, and those of Japan Post Properties since FY2021.
- ※ Operating income and net operating income for FY2023 experienced a one-time increase from the sale of real estate.

DX Promotion – P-DX, Data-driven postal and logistics business reform

- We promote postal and logistics business reforms utilizing digitalized sender data and the Group's proprietary delivery ledger data to achieve data-driven operations.
- We are gradually implementing services in pursuit of easier sending and receiving for customers.



DX Promotion — Initiatives to improve customer experience value

- Offer Group-wide value to customers through the Post Office App, Financial Services Contact Center, etc., to improve customer experience value and provide new value that extends beyond the Group.

Release of Post Office App

- Initially released in October 2023. Started the provision of services mainly centered on postal and logistics activities, such as sending and receiving, which are the most frequently used post office services.
- There are plans to expand its functions as a digital touchpoint for customers in the future.



(Main Functions)

- **Post office ATM Location information/tracking number search**
- **Creation of shipping labels (Yu-Pack and Yu-Packet)**
- **Post box location search**
- **Issuance of queuing tickets (Only at post offices equipped with digital ticket dispenser)**
- **Favorite registration (Post offices, post boxes, and ATMs)**

Financial Services Contact Center

- The Financial Services Contact Center aims to ensure that the same financial services are available at any post office (excluding simplified post offices) and it was established in October 2022 as a center that provides online guidance for investment trusts and non-life insurances.
- Customers can consult with a specialized operator online using tablets available at post offices.
- In July 2023, we expanded the number of post offices handling investment trusts from the current approx. 1,800 to approx. 4,000, and in September 2023, we expanded the number of post offices handling non-life insurances nationwide.



The shots of Financial Services Contact Center

Number of downloads : approx. 1.69millions (As of March, 2024)

Aflac Inc. to Become an Equity-Method Affiliate

- In May 2024, Aflac Incorporated will become an equity-method affiliate of Japan Post Holdings.
- **The equity in earnings of affiliates** is expected to be **48 billions of yen per year, assuming current levels of income and other factors***.

Time line

- March 2008 Business alliance
- Started handling Aflac cancer insurance (October)
- July 2013 Comprehensive business alliance
- ① Sell Aflac cancer insurance at 20,000 post offices nationwide
 - ② Started handling at Japan Post Insurance
 - ③ Developed exclusive products
- December 2018 Capital-based Strategic Alliance
- ① Acquired approximately 7% of Aflac common stock (Acquisition amount: approx. ¥300 billion)
 - ② Reaffirmed initiatives related to cancer insurance
 - ③ Considered new collaborations
- June 2021 Further developed the Capital-based Strategic Alliance
- Built and strengthened a system to promote insurance sales to individuals, DX promotion, efforts to create innovation, etc.
- March 2024 Aflac Incorporated to become an equity-method affiliate of Japan Post Holdings

Equity in earnings of affiliates

In accordance with its Articles of Incorporation, in principle, Aflac Incorporated allocates 10 voting rights per share of common stock after holding the shares consecutively for 48 months.

- It has been established that Japan Post Holdings will hold at least 20% of the voting rights as of Aflac Incorporated's general meeting of shareholders to be held in May 2024.
- Aflac Incorporated's earnings will be included in the Company's consolidated financial results from the first quarter of the fiscal year ending March 31, 2025.



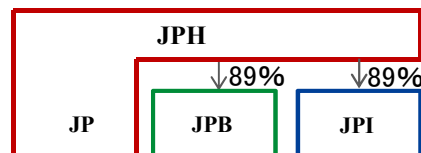
*Equity in earnings of affiliates from Aflac Incorporated was independently calculated by the Company, based on the financial results of Aflac, exchange rates and the amount of goodwill generated on the Company's equity, and has not obtained the confirmation of Aflac. The figure does not present or indicate the performance forecast of Aflac.

Capital Allocation and Investments—Transformation of Our Business Portfolio (Plan to use the Proceeds)

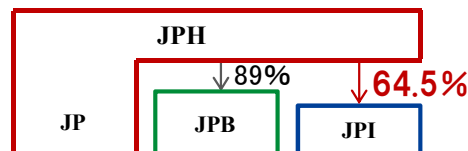
- Partial sale of Japan Post Bank shares in March 2023, securing proceeds of ¥1.2 trillion.
- Plan to use the proceeds from the second sale of Japan Post Bank shares and the debts, etc. for **shareholder returns and growth investments**.

Sales of shares in two financial subsidiaries

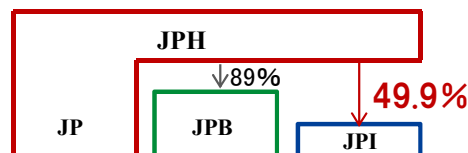
- November 2015
Listed on the First Section of the Tokyo Stock Exchange (approx.¥743.0 bil.)



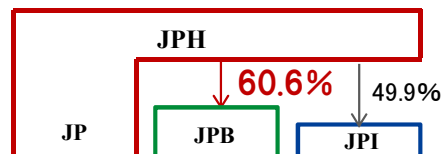
- April 2019
Second sale of Japan Post Insurance (approx.¥415.0 bil.)



- June 2021
Share repurchase Equity disposal trust of Japan Post Insurance (approx.¥350.0 bil.)



- March 2023
Second sale of Japan Post Bank (approx. ¥1,200.0 bil.)



※ Japan Post Bank shares : 61.5% (As of May 2024)
 ※ Japan Post Insurance shares : 49.8% (As of May 2024)
 ※ Policy to dispose of shares so that the Company's equity interests in the two financial subsidiaries will be 50% or less during the period of this Medium-term Management Plan.

Proceeds from the sales of shares in two financial subsidiaries

Share repurchases
(¥1.38 Tn)

Capital and business
Alliance with Aflac
(¥0.3 Tn)

Capital and business
Alliance with Rakuten
Group (¥0.15Tn)

Proceeds from
Sale of JPB shares
(¥1.2 Tn)

Using Debts

Cash on hand

Shareholder Return

Share repurchases

- ¥300 billion in FY2023 (Aug. 2023–Mar. 2024)
- ¥350 billion at maximum in FY 2024 (May.2024–Mar.2025)
- Continuously perform substantial share repurchases

Growth Investments

- Investment for increased capacity in our logistics business
- Real estate investment
- Investment in human resources
- Strategic IT investment

For inquiries about this document, please contact:
IR Office, Corporate Planning Department, Japan Post Holdings Co., Ltd.
Email: irshitsu.ii@jp-holdings.jp

<Disclaimer>

This document contains forward-looking statements, including forecasts and targets, for the Japan Post Group and its group companies as of the date of this conference, and they are based primarily on judgments reached by Japan Post Holdings Co., Ltd. (the “Company”) based on information available at the time of the conference, forecasts, and assumptions made at the time of the conference.

Therefore, please be aware that actual results may vary depending upon various factors, such as the impact of geopolitical risks, economic conditions and trends, and changes in laws and regulations.

This document does not constitute an offer to sell or a solicitation of an offer to buy any stock or other securities of the Company or any of its subsidiaries, or an offer to sell securities in the U.S. or to U.S. citizens. The Company’s securities have not been and are not planned to be registered under the U.S. Securities Act of 1933 (the “Securities Act”). Securities may not be offered or sold in the United States except by registration or an exemption from registration under the Securities Act. When securities are offered or sold in the United States, an English language prospectus prepared in accordance with the U.S. Securities Act is used. A prospectus containing detailed information about the issuer and its management, as well as its financial statements, may be obtained from the issuer or seller of such securities.