

Material For IR Meeting

July, 2024

JAPAN POST HOLDINGS

(Security Code : 6178)



JAPAN POST HOLDINGS

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Executive Summary

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Appendix

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Executive Summary

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

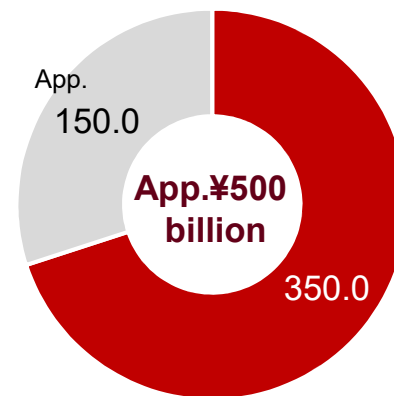
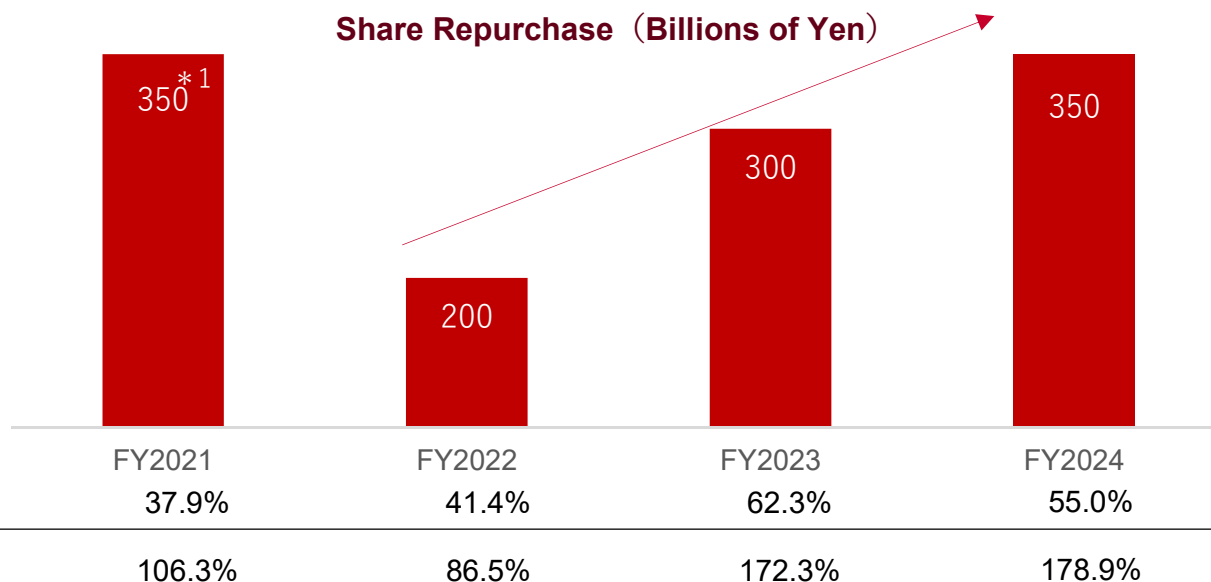
Continuously perform substantial share repurchases to further enhance shareholder returns and improve capital efficiency

Dividend policy

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

Returning Capital to Shareholders

Share Repurchase (Billions of Yen)



■ Share Repurchase ■ Dividend Total

* 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

* 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

Strengths of the Japan Post Group

- The Group's strengths include its Japan-wide post office network and its overwhelming customer base.
- The Group is pursuing collaboration with local governments and other organizations, aiming to make the post office network a vital base that supports local communities.

Strength 1 Post office network

Number of post offices
Approx. **24,000**

Number of post offices per million people			
	Japan	U.K.	U.S.
Number of post offices (1)	23,521	11,635	33,493
Population (million people) (2)	124	68	335
Number of post offices per million people ((1)/(2))	189	172	100

Notes: Number of post offices: Japan as of April 30, 2024, U.K. as of March 31, 2022, U.S. as of September 30, 2023
Population: Figures published by each country; Japan and U.S. as of October 1, 2023. U.K. as of 2022

Number of mail boxes
Approx. 174,000



Number of motorcycles
Approx. 80,000

Note: As of March 31, 2024



JAPAN POST HOLDINGS

Strength 2 **Overwhelming customer base**



* This number represents the sum of policyholders and insured persons (including both individual insurance and individual annuity insurance, and including Postal Life Insurance Policies reinsured by Japan Post Insurance).

Number of mail delivery points
Approx. **31,000,000** per day

Number of ordinary deposit accounts
Approx. **120,000,000**

Number of Japan Post Insurance customers*
Approx. **18,070,000**

Strength 3 Post offices rooted in the local community



Proportion of prefectures with which
comprehensive partnership agreements have
been signed

95.7 %

Proportion of municipalities with which agreements on local partnership have been signed

99.7%

Proportion of municipalities collaborating on disaster prevention agreements

93.6 %

Main Targets (ROE and Net Income Targets of 「JP Vision 2025^{plus}」)

- 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.

**Positioning
in 2024–2025**

“Transition” to the growth stage

**Major targets in
FY2025
(After revision)**

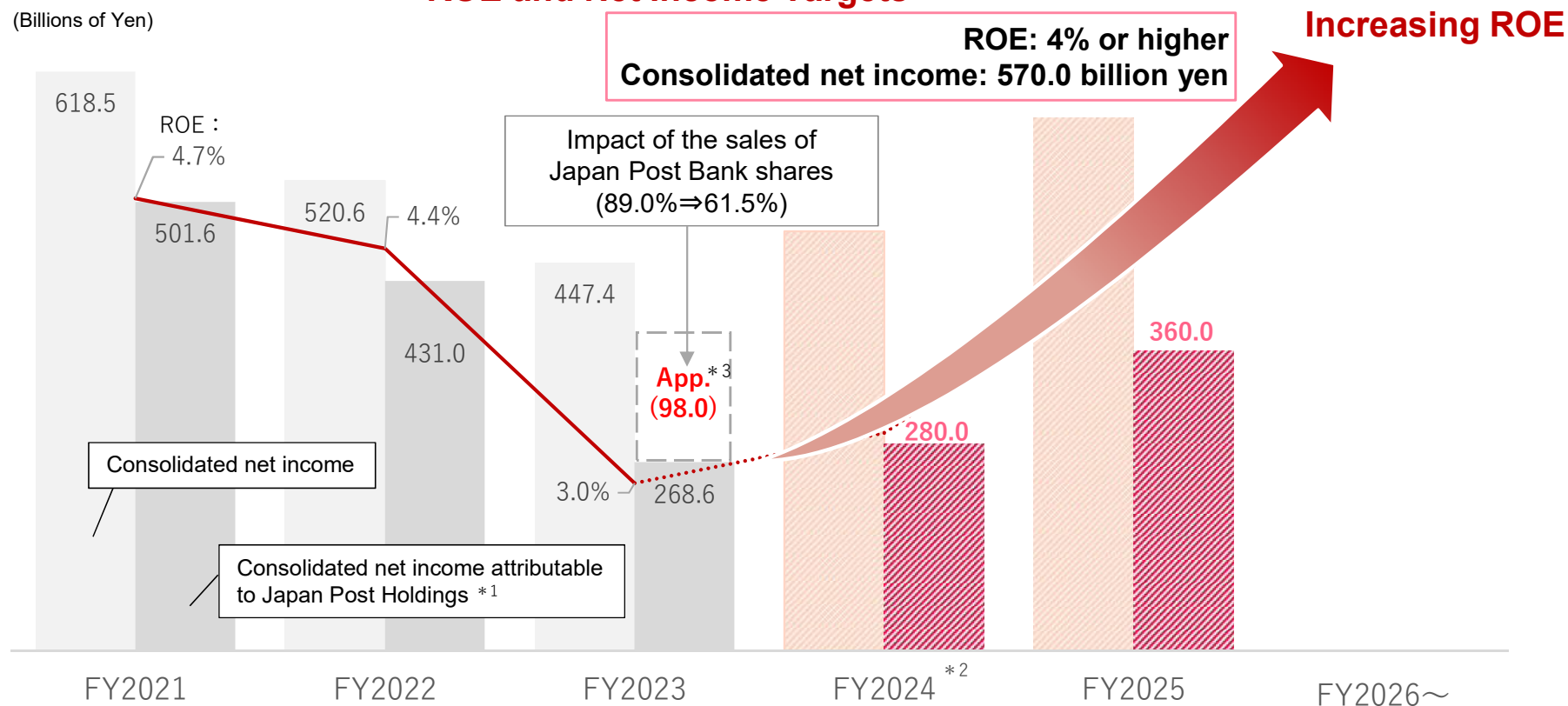
ROE 4%* or higher

**Consolidated
net income**

570.0 billion yen

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

ROE and Net Income Targets



* 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.

* 3 The impact is calculated as the difference between the net income of Japan Post Bank in the fiscal year ended March 31, 2024 (¥356.1 billion) multiplied by the Company's shareholders' equity of 89% and multiplied by the Company's shareholder's equity of 61.5%

Appendix

Our History

- Modern Postal Service was established in 1871. The 150th Anniversary of the foundation of the Japan Post Group was in 2021.
- The Japan Post Group was privatized and established in 2007. We were listed on the First Section of the Tokyo Stock Exchange in 2015.



Hisoka Maejima



The Ministry of Posts and Telecommunications

- 1871
Modern postal service established
- 1875
Postal money order service and Postal savings service established
- 1885
Ministry of Communications established

- 1916
Postal life insurance service established
- 1949
The Ministry of Posts and Telecommunications established



"Mail Handling" illustrates No.9
A scene of receiving mails and saving money

- 2001
Postal Services Agency established
- 2003
Japan Post established
- 2007
The Japan Post Group was established
Japan Post Group established with Japan Post Holdings Co., Ltd., Japan Post Service Co., Ltd., Japan Post Network Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd

- 2012
Reorganized into the current four-company structure
Japan Post Service and Japan Post Network merged, and Japan Post Co., Ltd. established.
- 2015
Listed on the First Section of the Tokyo Stock Exchange



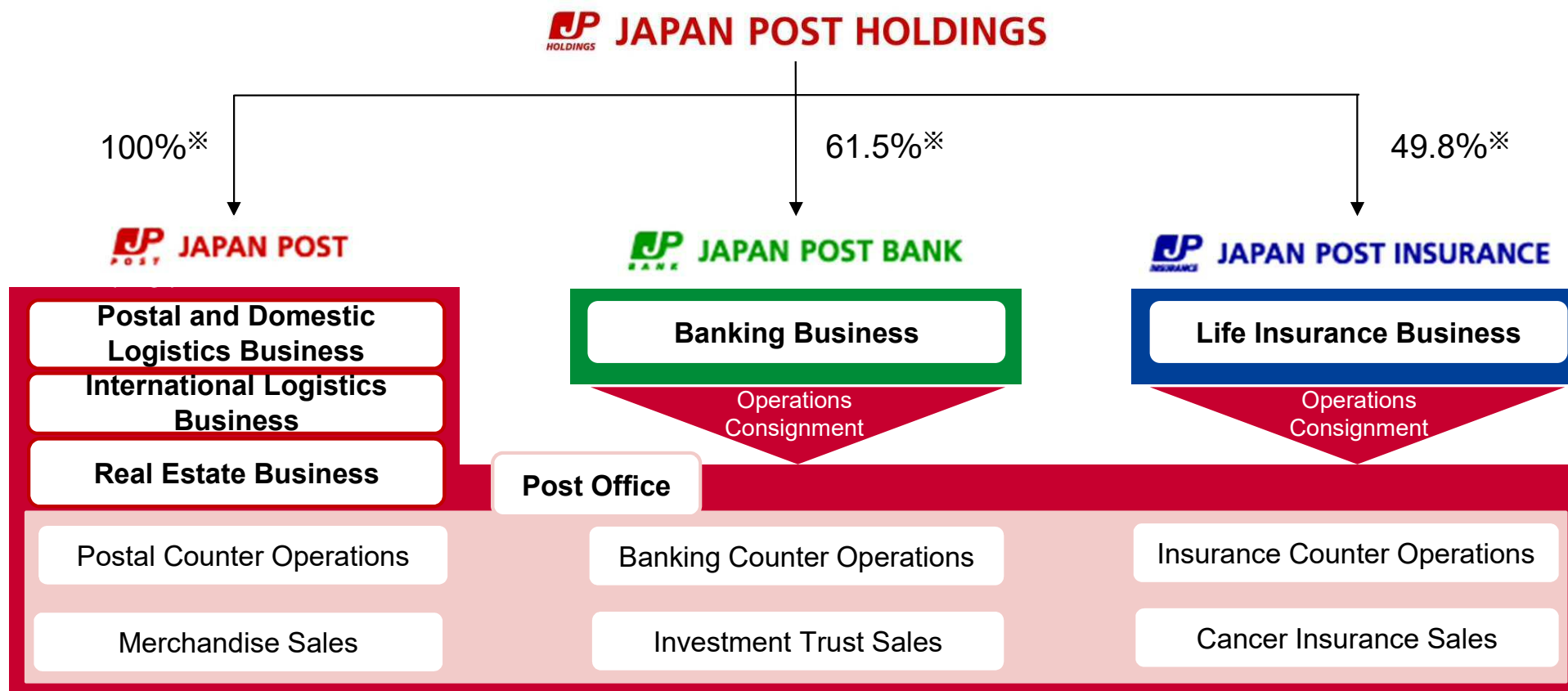
- 2017
Second sale of Japan Post Holdings
- 2021
Established "JP Vision 2025"
Third sale of Japan Post Holdings
- The 150th anniversary of the foundation of the Japan Post Group**
- ※ Presently, transition to the Tokyo Stock Exchange Prime Market



Azabudai Hills Mori JP Tower
Ichikawa-Minami Post Office

Outline of Japan Post Group

- We are providing integrated services within the Group, such as Postal and Domestic Logistics Business, Banking Business and Life Insurance Business.
- 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.



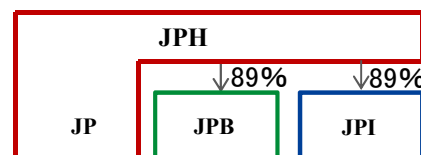
※ the ratio of shareholders' equity

Capital Allocation and Investments

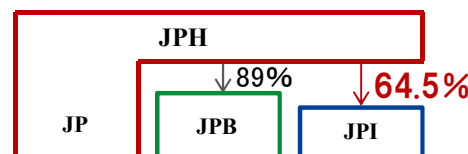
- Partial sale of Japan Post Bank shares in March 2023, securing proceeds of ¥1.2 trillion.
- Plan to use the proceeds from the second sale of Japan Post Bank shares and the debts, etc. for shareholder returns and growth investments.

Sales of shares in two financial subsidiaries

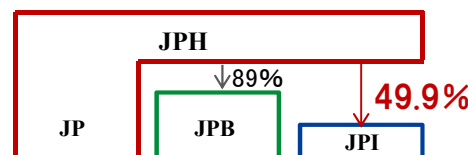
○ November 2015
Listed on the First Section of the Tokyo Stock Exchange (approx.¥743.0 bil.)



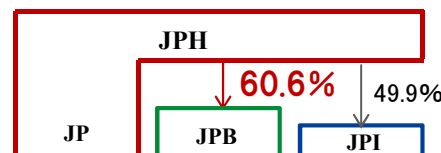
○ April 2019
Second sale of Japan Post Insurance (approx.¥415.0 bil.)



○ 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

Strong Financial Foundation

- Equity of ¥10.6 trillion and capital adequacy ratio of 15.88% as of March 31, 2024 (for the Japan Post Group on a consolidated basis).

Consolidated Capital Adequacy Ratio

Total Capital※

¥ 10.6 trillion

of which : capital and capital surplus - ¥3.6 trillion

of which : retained earnings - ¥5.3 trillion

Capital Adequacy Ratio ※

15.88%

As a bank holding company,
we ensure adequate level to keep financial solidity.

※ As of March 31, 2024

Rating Information

AA +

Japan Credit Rating Agency, Ltd (JCR)
(Long – Term Issuer Rating)
(As of October 6, 2023)

AAA	The highest level of certainty of an obligor to honor its financial obligations
AA	A very high level of certainty to honor the financial obligations
A	A high level of certainty to honor the financial obligations
BBB	An adequate level of certainty to honor the financial obligations. However, this certainty is more likely to diminish in the future than with the higher rating categories.
)
D	JCR judges that all the financial obligations are, in effect, in default.

※ A plus (+) or minus (-) sign may be affixed to the rating symbols from AA to B to indicate relative standing within each of those rating scales.

※ (Reference) JCR's information

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

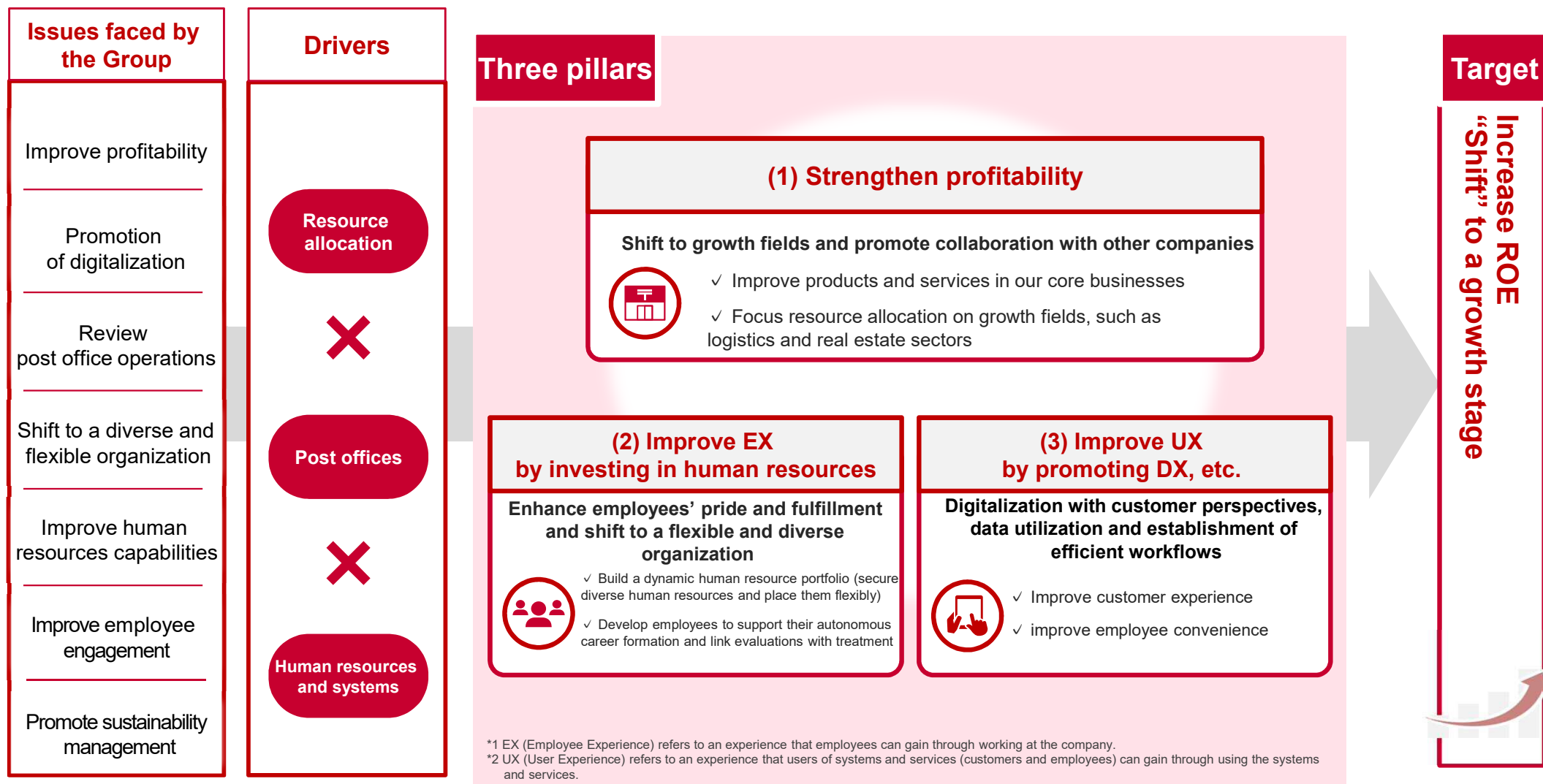
May 2021	Japan Post Insurance shares (Share repurchase, etc.) (64.5%→49.8% (as of May 2024))
March 2023	Japan Post Bank shares (Sale, etc.) (89.0%→61.5% (as of May 2024))

- 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.



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} EX (Employee Experience) refers to an experience that employees can gain through working at the company.

^{*2} UX (User Experience) refers to an experience that users of systems and services (customers and employees) can gain through using the systems and services.

Three Pillars — (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

*1 GP (General Partner) refers to a fund operator that selects projects and makes investment decisions.

*2 CX (Customer Experience) refers to an experience that customers can gain through various touch points with the company.

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

(1) Strengthening Profitability — [Reference] Revision of Postage Rates

- Postage rates will be revised on October 1, 2024 to maintain stable postal services.
- The overall percentage increase due to the revision of postage rates is 26.3%.

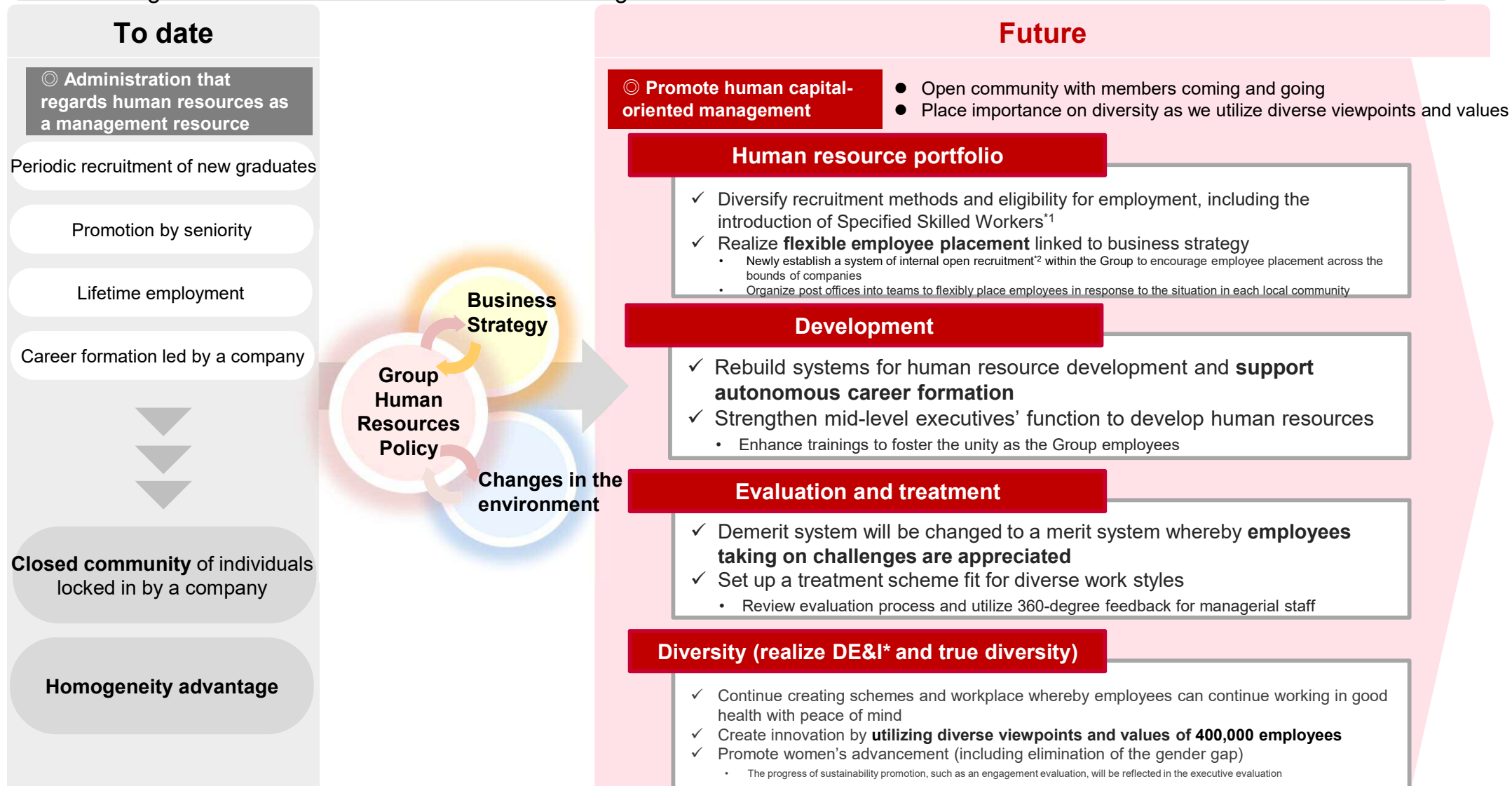
Overview of the revision

		Old postage rates (until September 30)		New postage rates (percentage increase)
First-class mail (letters)	Standard size	Up to 25g	¥84	▶ ¥110 (+31%)
		Up to 50g	¥94	▶ ¥110 (+17%)
	Non-standard size and other	(Rates vary depending on size, weight, product, etc.)		(+17% to 35%)
Second-class mail (post cards)			¥63	▶ ¥85 (+35%)
Special mail *		(Rates vary depending on product, etc.)		(+13% to 31%)

*No change has been made to the postage rates for registered mail, which were revised in October 2023.

Three Pillars — (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.


Three Pillars — (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

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

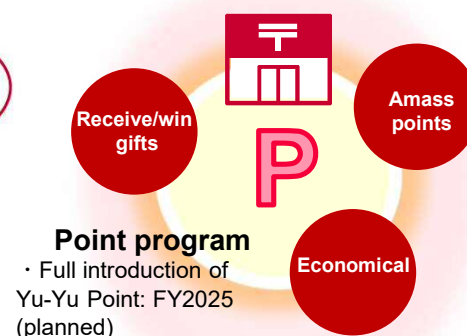


Professional guidance on financial products will become available anywhere

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

Yu-Yu Point

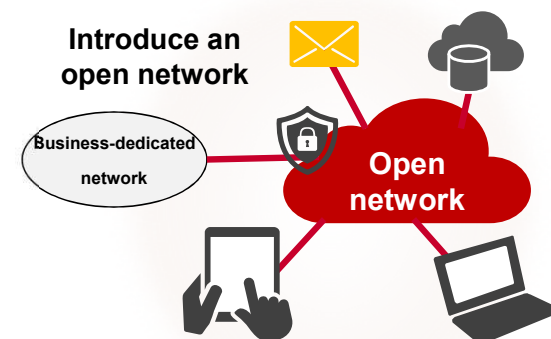


Post office services will be offered more conveniently and economically

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

Open in-house network



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

*1 Yubin ID 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.

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	<div>Group-owned real estate Approx. 10.0 billion yen</div> 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*
* We extracted those related to principal measures particularly conducive to growth for the Group and streamlining of operations.				

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.

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. 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.

Efforts On Growth Strategies Of Each Segment

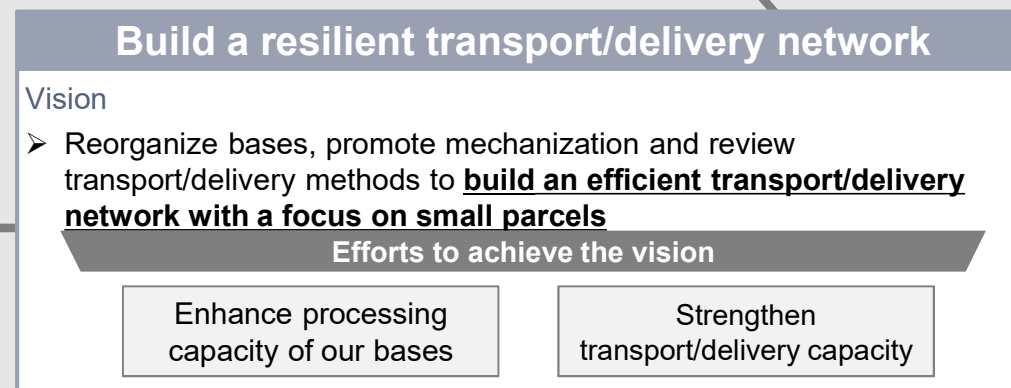
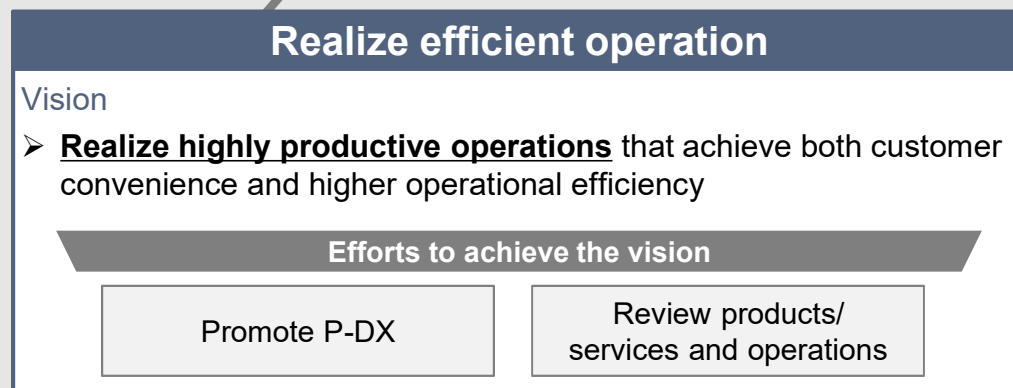
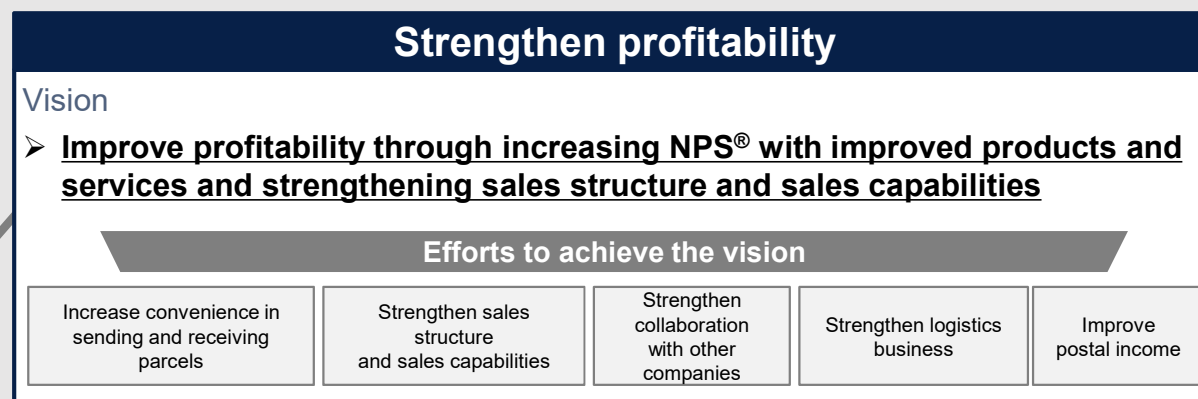
Overall picture of the growth strategies of the postal and domestic logistics business

- 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

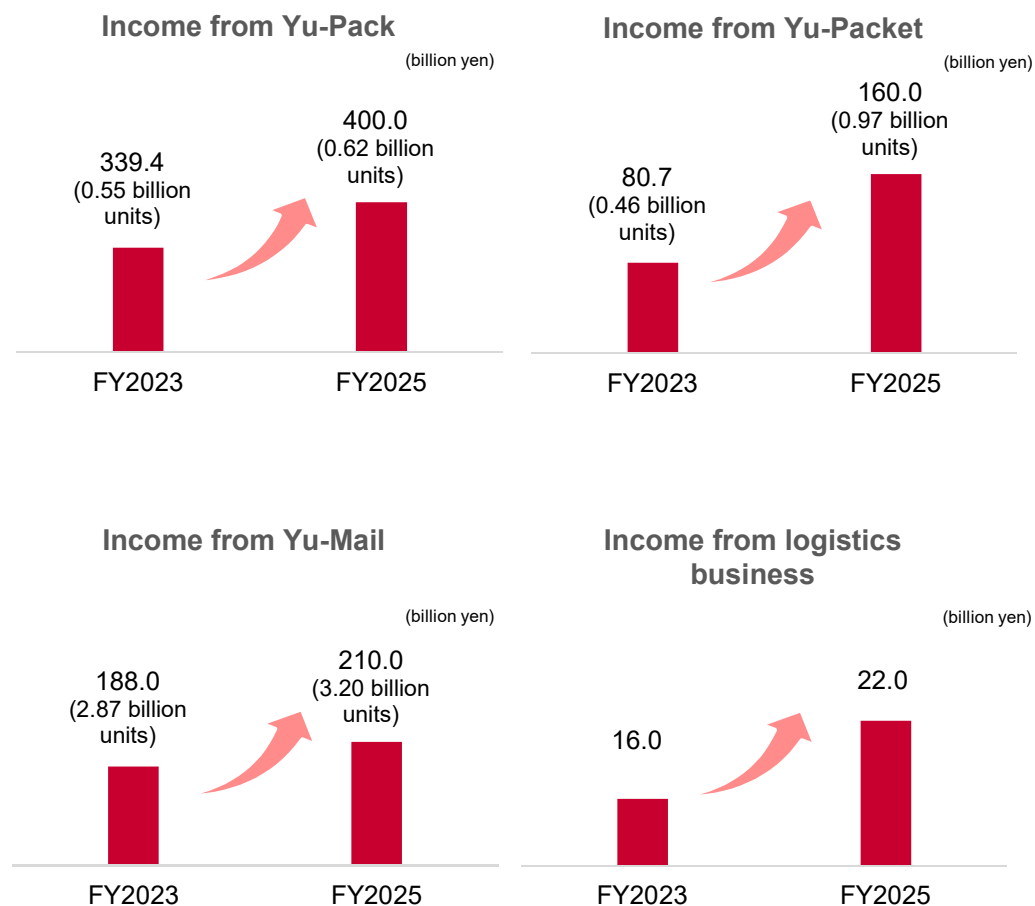
**Expand parcel income with a strategy focused on small parcels,
in which Japan Post Co. excels**



Postal and domestic logistics business — 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



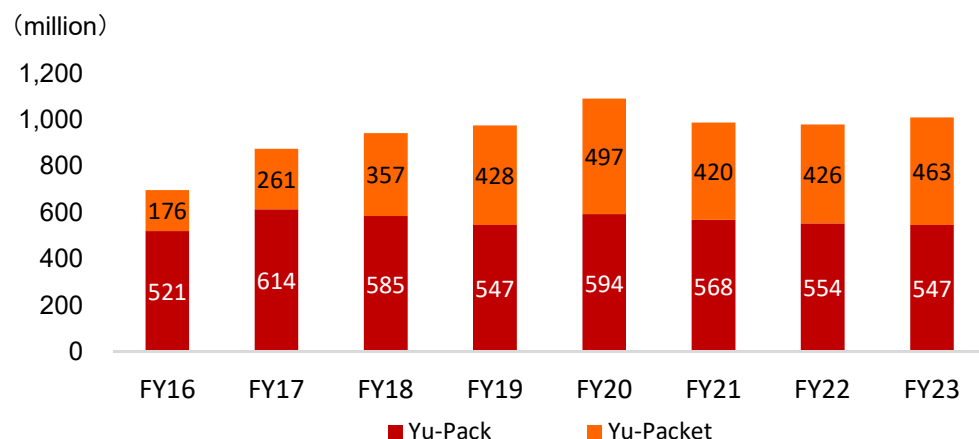
* UI (User Interface) refers to direct touchpoints between systems and services and their users (customers and employees)

Postal and Domestic Logistics Business

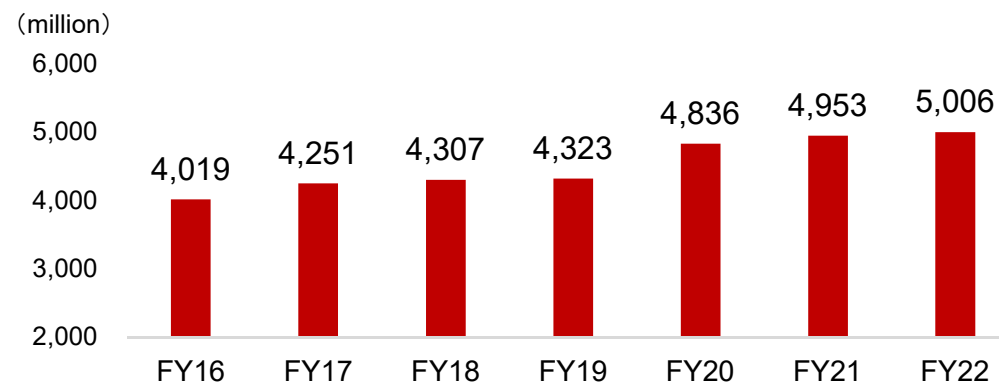
— Trends in volume, unit price, income and net operating income of domestic logistics business

- Facing with a challenging competitive environment, we aim 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

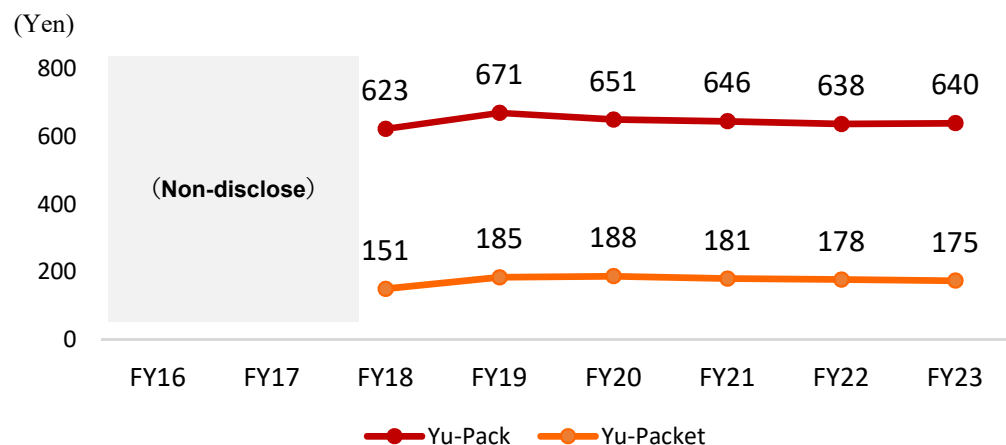


Trend in number of delivery parcels handled in Japan

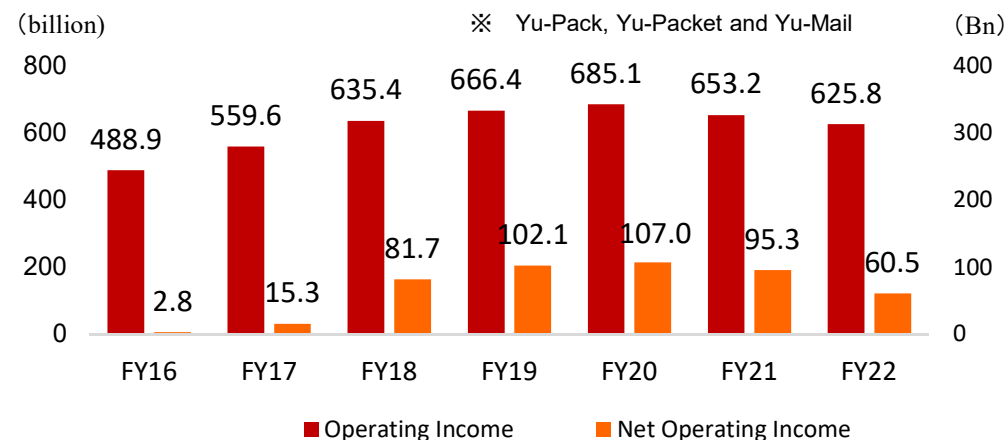


(Source: statistics from the Ministry of Land, Infrastructure, Transport and Tourism)

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



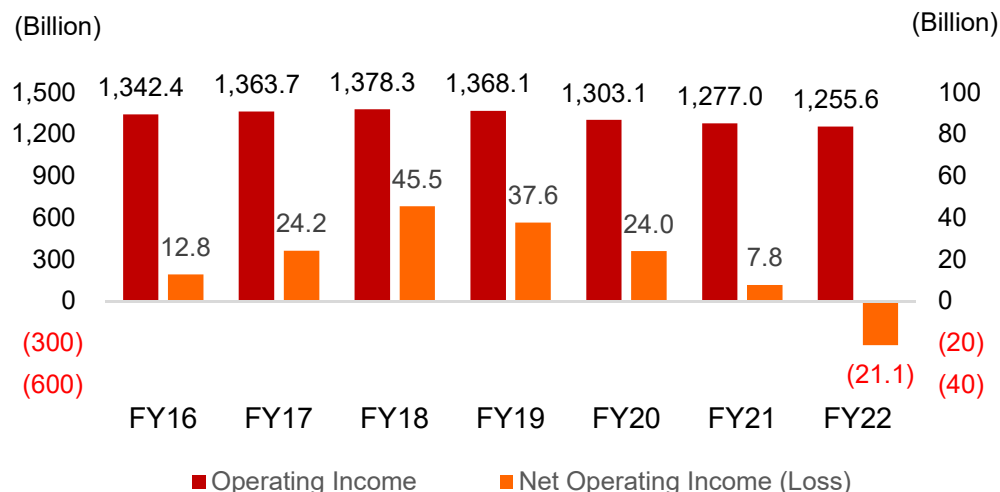
Trend in operating income and net operating income of domestic logistics business※



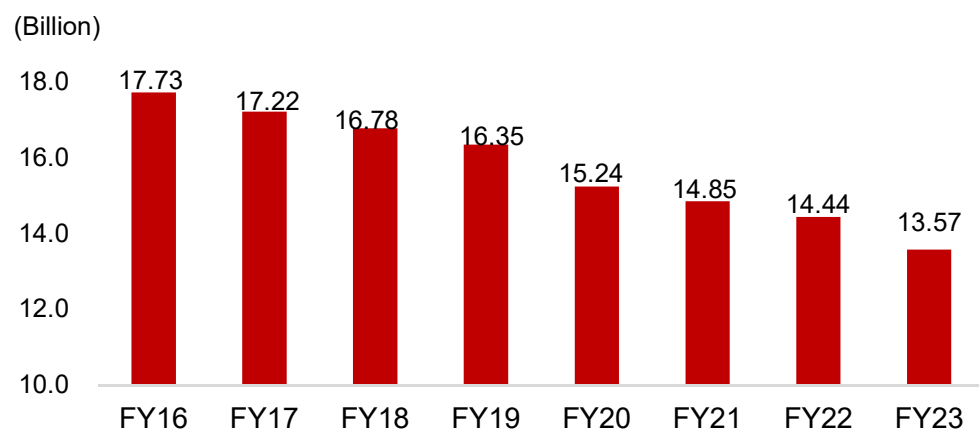
Postal and Domestic Logistics Business — Considering the revision of postage rates

- 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.

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	<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)

Real Estate Business — Overall picture of the growth strategies

- 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



Real Estate Business

— Properties under development or those earmarked for potential development (As of April 30, 2024)

Major properties under development (construction started)

Name	Succeeded assets	Location	Site area (m ²)	Total floor area (m ²) (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

* Properties for which construction has started

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

Name	Location	Site area (m ²)	Current status		Location	Site area (m ²)	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

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. 44,200㎡
Principal use: offices, stores
Construction completion: August 2022



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. 227,000㎡
Principal use: offices, commercial facilities, hotel, theater, etc.
Construction completion: March 2024

Hiroshima JP Building

Kuramae JP Terrace

Gotanda JP Building

JP Tower Osaka

Azabudai Hills Mori JP Tower

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. 461,770㎡
Principal use: offices, housing, commercial facilities, etc.
Construction completion: June 2023

* Urban redevelopment project



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

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. 99,700㎡
Principal use: offices, facility for the elderly, housing, logistics facility
Construction completion: March 2023



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. 69,000㎡
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

*1 Joint project with partners outside the Group

*2 Urban redevelopment project

*3 Acquisition of non-Group owned real estate

Real Estate Business

— 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

Sorting function
Newly built and relocated to the suburb

Hiroshima Central Post Office



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

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

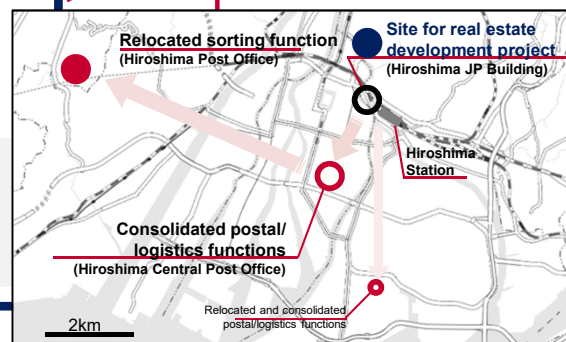
Sorting function
Newly built a regional distribution office

* 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㎡



Real Estate Business — 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*.

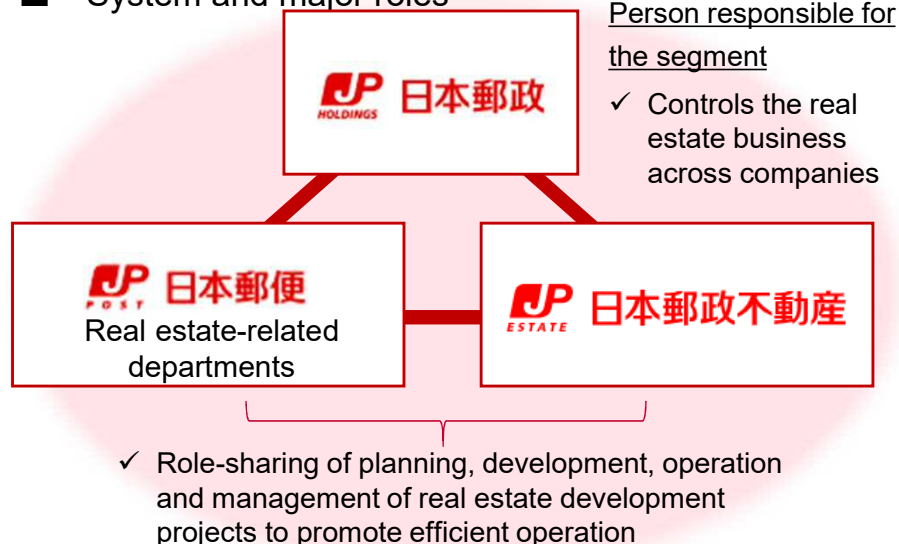
* Excluding the impact of the segmentation, we project net operating income target of approx. 15.0 billion yen for FY2025, remaining unchanged from the initial target.

Establishment of Real estate business segment

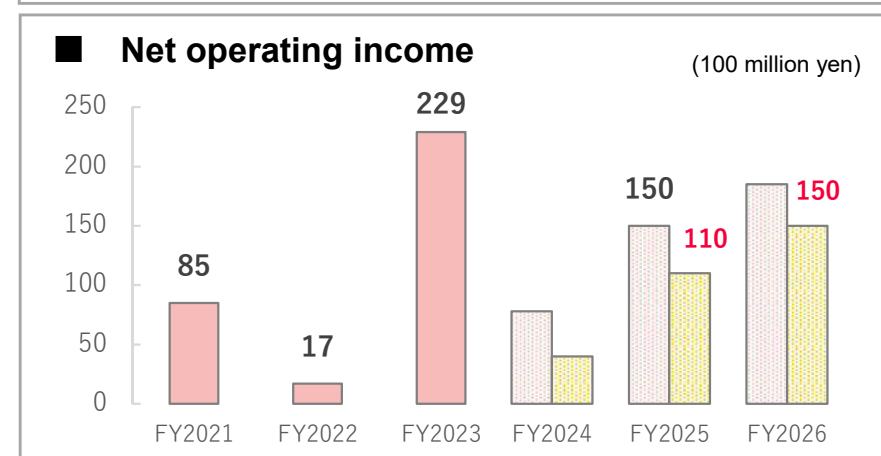
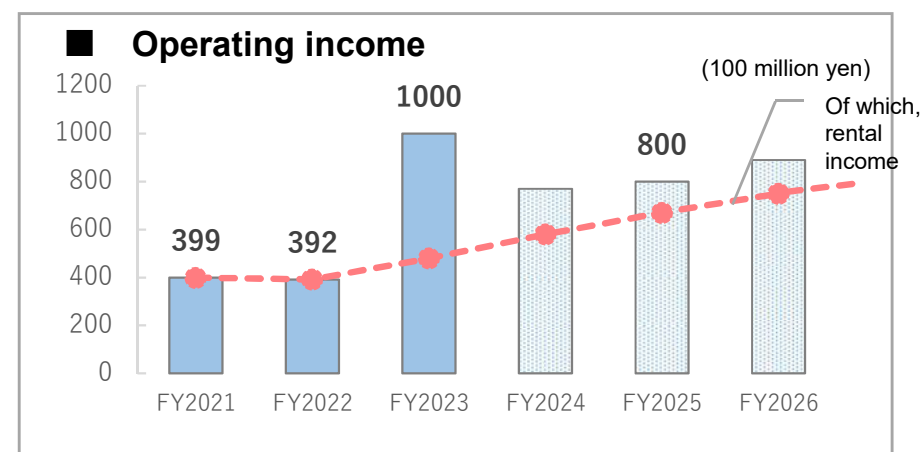
■ Purpose of the establishment

- ✓ 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



Targets for operating income and net operating income



Factor : Factoring in the segmentation.

Post Office Business — Overall picture of the growth strategies

- 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

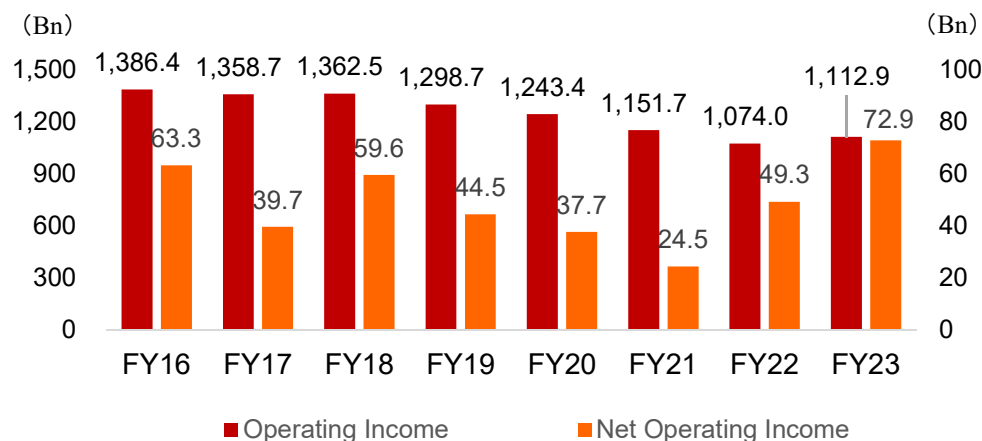
e.

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

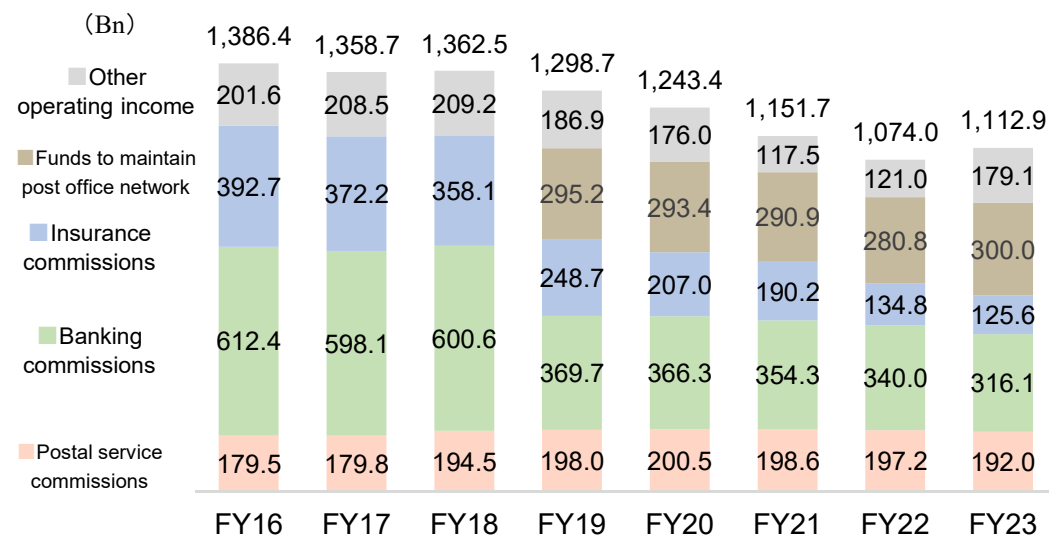
Post Office Business – Trends in operating income and net operating income

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).

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.



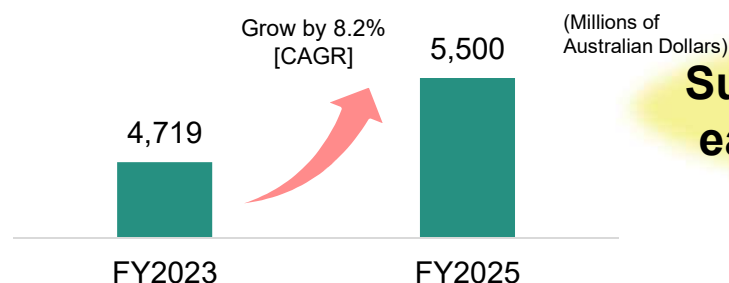
International Logistics Business — Overall picture of the growth strategies

- 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.

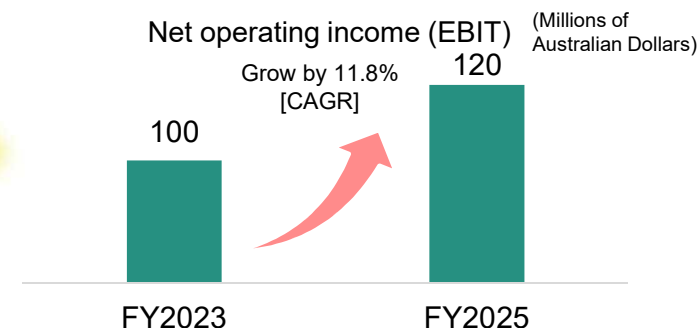
” Unchanged”
Value we offer

- 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

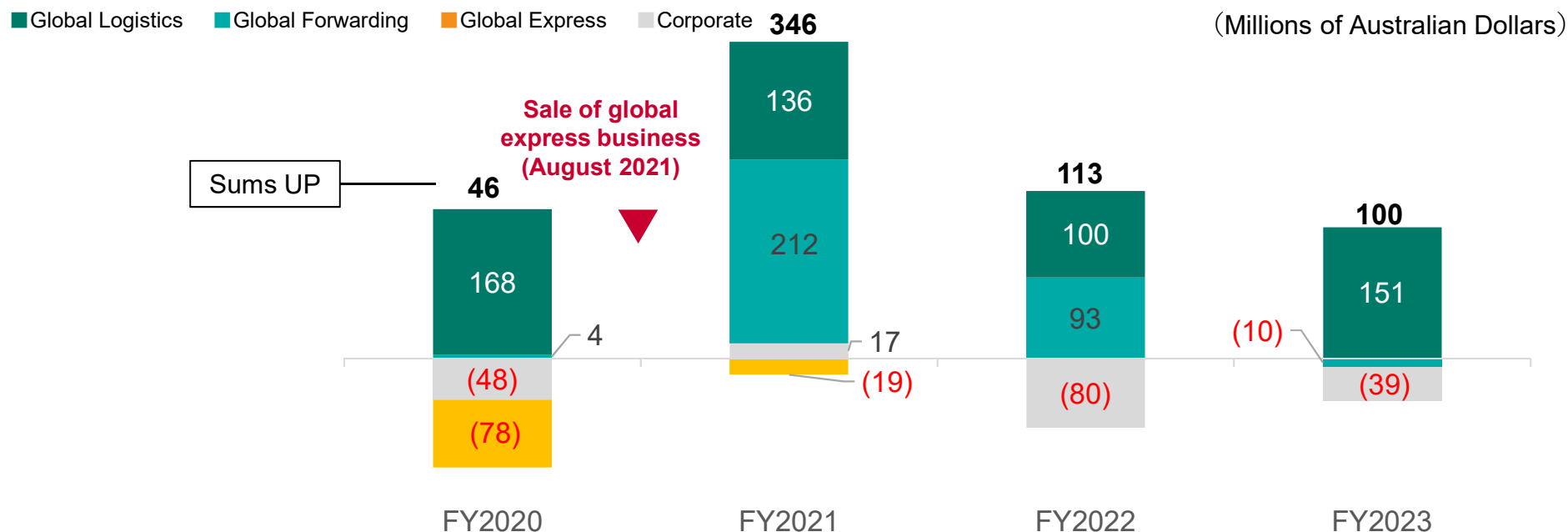
Reduce procurement costs

Reduce IT costs

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 FY2020 to FY2023)



Trends in Operating Profit Margin (From FY20 to FY23)

(Millions of Australian Dollars)

Net Operating Income	46	346	113	100
Operating Income	9,843	8,279	5,819	4,719
Operating Profit Margin	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).

Banking Business — Overall picture of the growth strategies

- 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”

* Excluding unrealized gains on available-for-sales securities

Strengths unique to Japan Post Bank

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



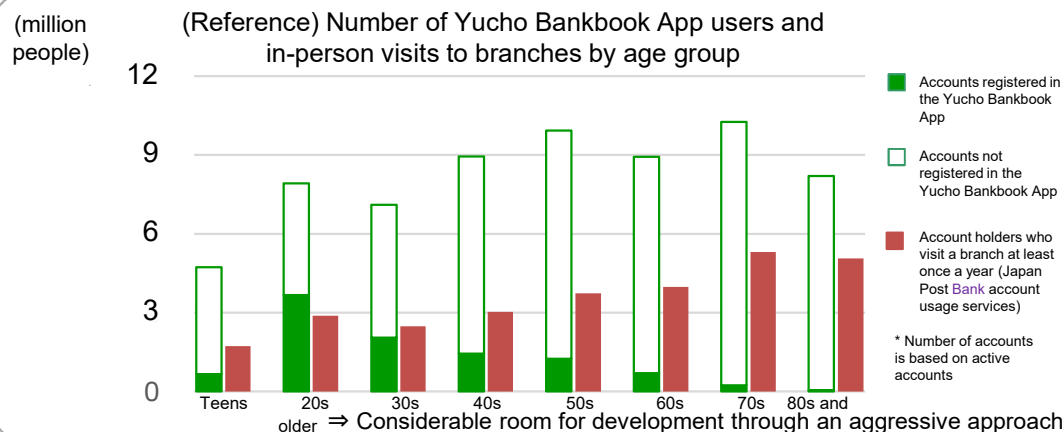
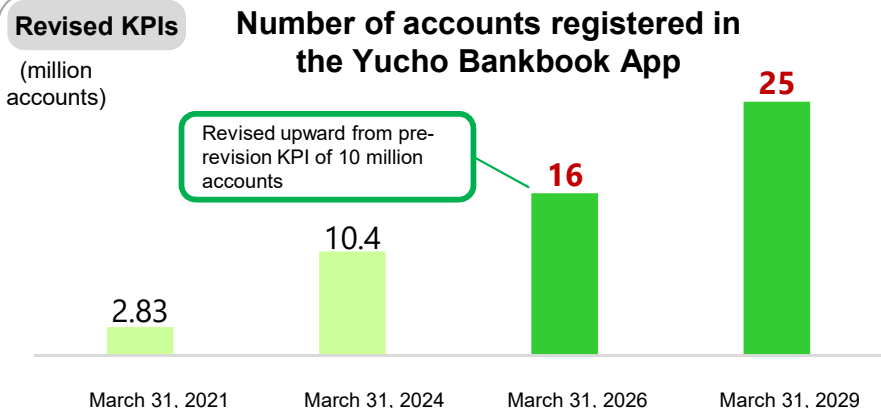
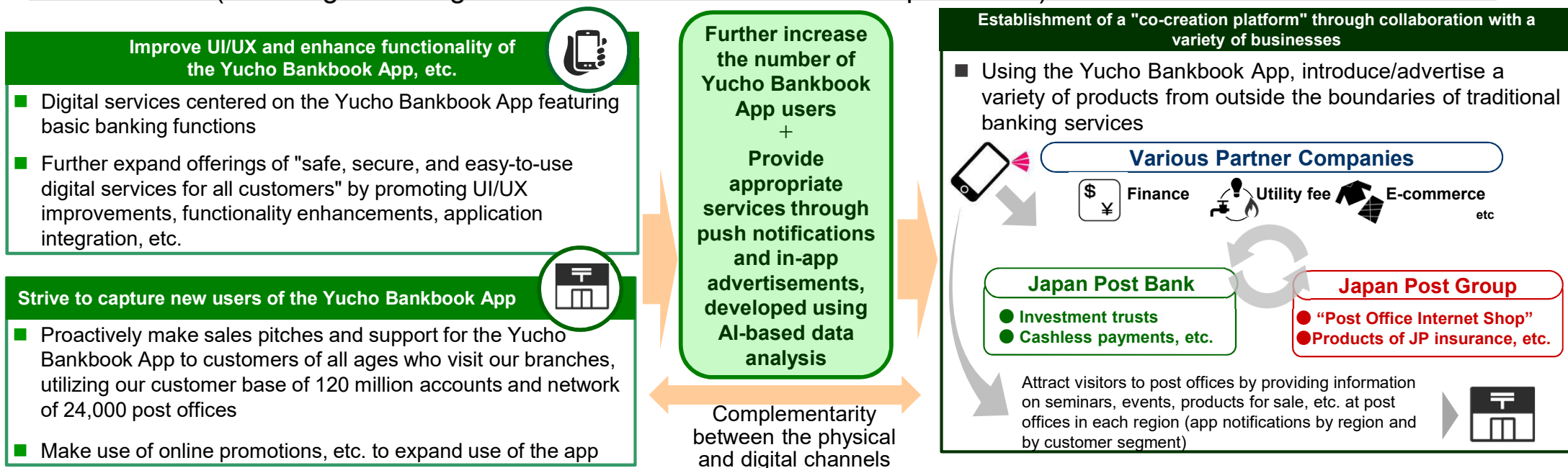
Most extensive and stable deposit base in Japan
¥192 trillion in deposits, centered on retail banking customers



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

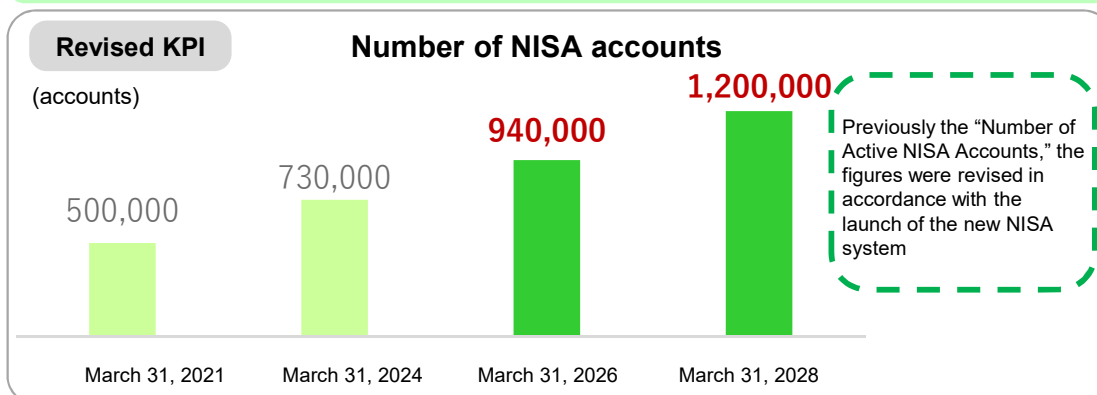
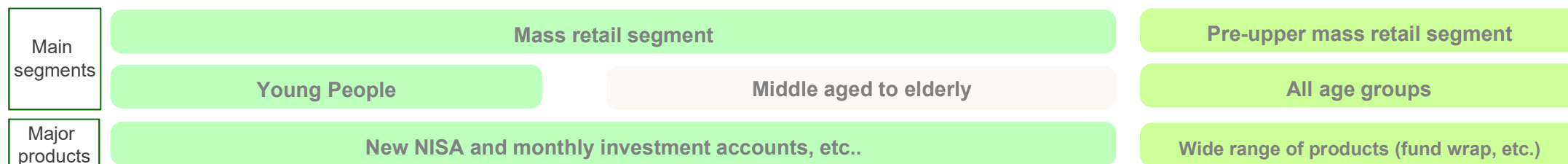
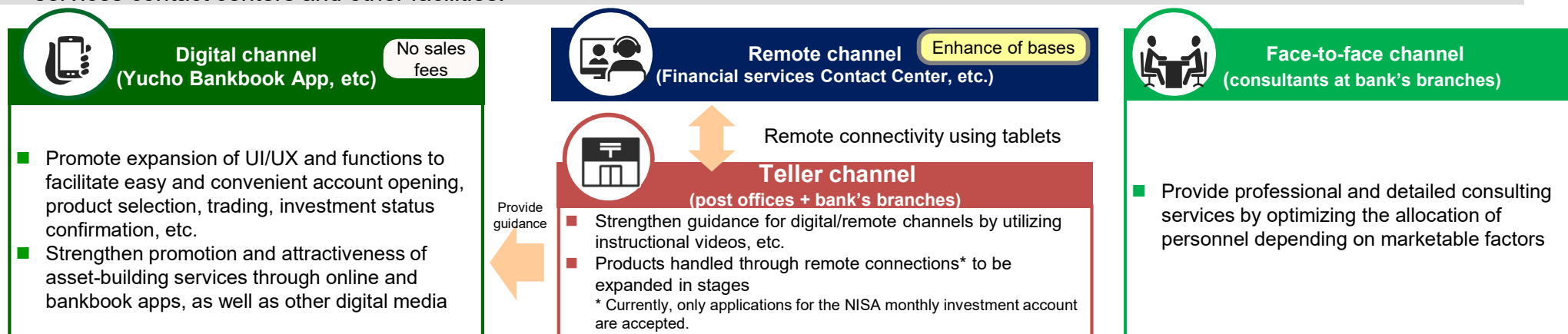
Banking Business — Retail Business Innovations (Digital Services Strategy)

- 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)..



Banking Business — 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.

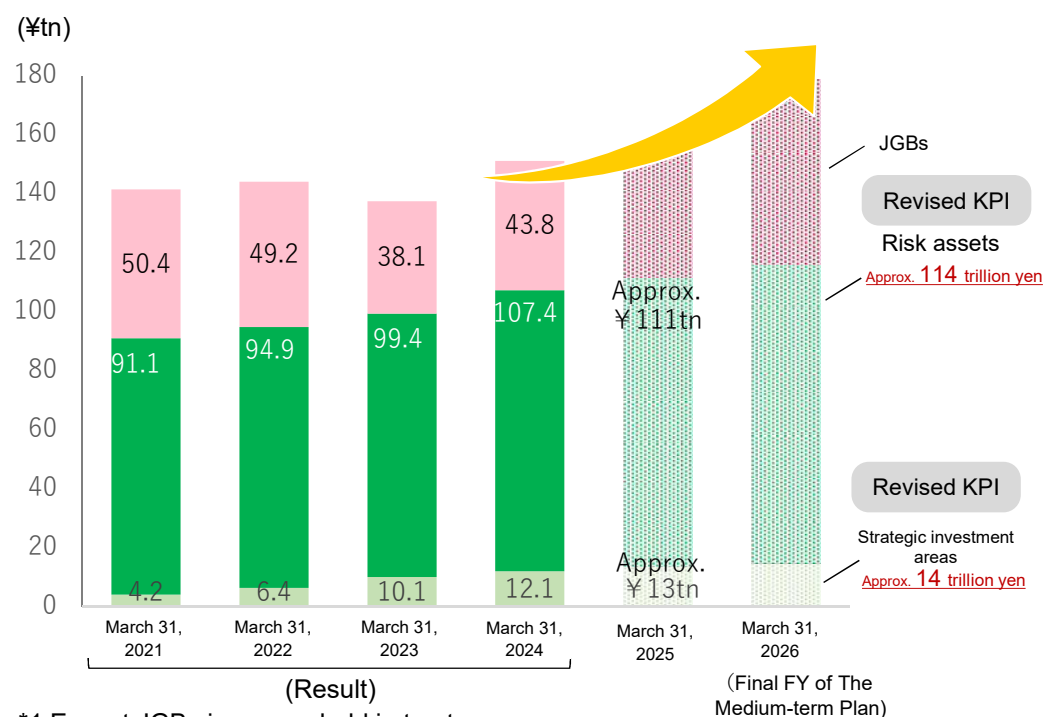


- Enhancement of products and services**
- Automated robo-advertising services using AI in alliance with other companies (through advertisement distribution, etc.)
 - Digital channel support for retail sales of JGBs
 - Development of investment trust product lineup
 - Services related to asset succession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

Banking Business — 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)

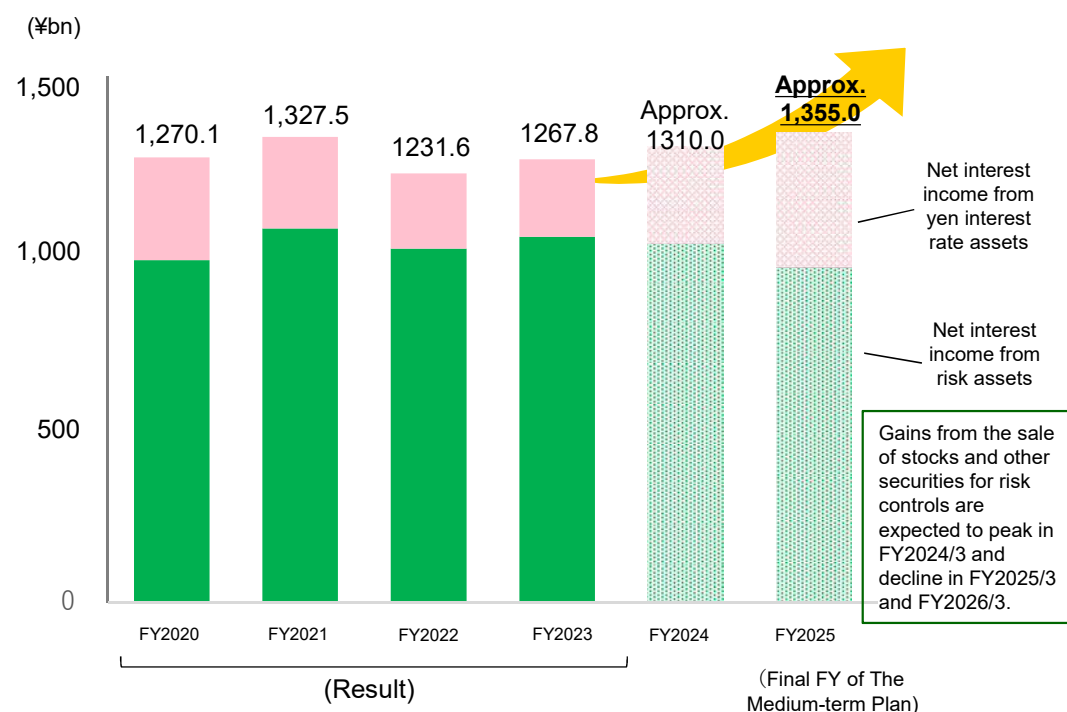
Balance of JGB holding*1 and that of risk assets (non-consolidated)



*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.

Net interest income, etc.*2



Banking Business — 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".

Japan Post Bank's unique GP business

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

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.

Newly established

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**

Life Insurance Business — Overall picture of the growth strategies

- 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.

- 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

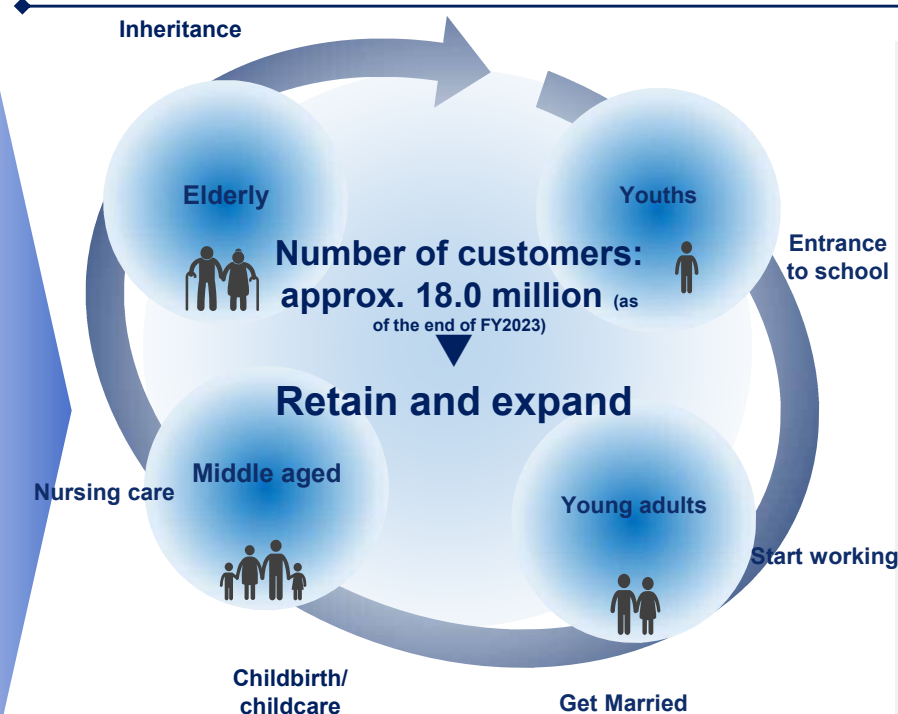
- Increase the appeal of savings products in tune with rising interest rates and other external factors
- Expand product line-up that includes both savings-oriented features and protection-oriented features

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



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

- 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

Life Insurance Business — 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

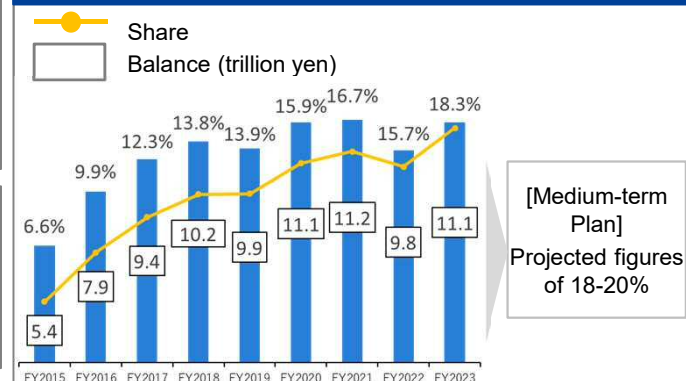
Embark on a new stage of sustainable investment

- 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.

[Reference1] Transition of Significant Management Indicators (for five years)

		FY2019	FY2020	FY2021	FY2022	FY2023
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● 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

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

(Billions of yen)

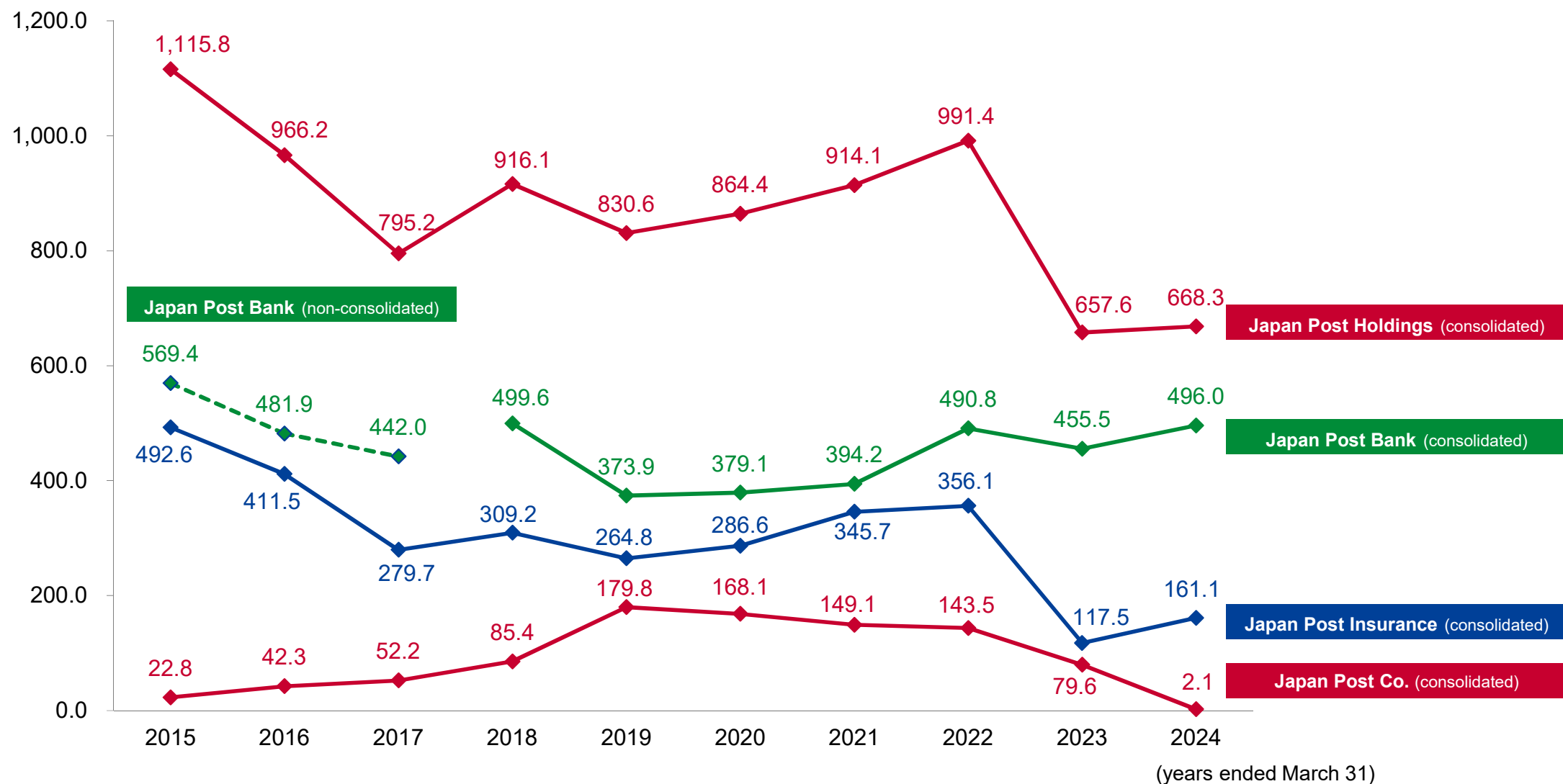
	Japan Post Holdings (Consolidated)	Japan Post Co. (Consolidated)	Japan Post Bank (Consolidated)	Japan Post Insurance (Consolidated)
Ordinary income	11,982.1	3,331.4	2,651.7	6,744.1
Year-on-year (for the fiscal year ended March 31, 2023)	+ 843.5	(129.7)	+ 587.4	+ 364.5
Change	+ 7.6%	(3.7)%	+ 28.4%	+ 5.7%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

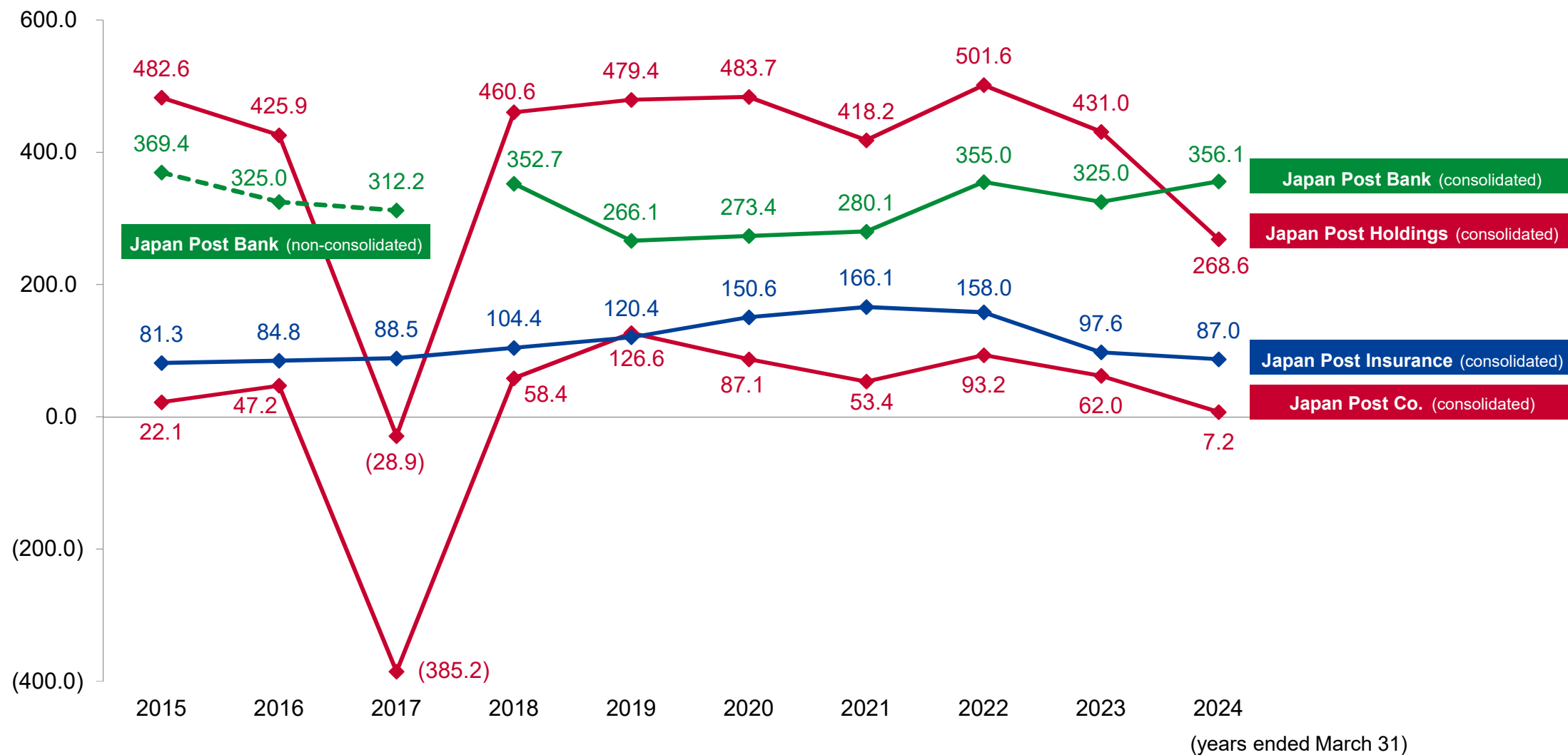
[Reference2] Financial Highlights — Trends in Net Ordinary Income

(Billions of yen)



[Reference2] Financial Highlights — Trends in Net 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.

[Reference3] 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
	Year-on-year change			
Japan Post Co. (Consolidated)	3.0	(3.3)	Real Estate Business ^(Note 5)	4.0
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		

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.

Dividend per share					
	Dividend payout ratio	Interim dividend	Year-end dividend	Share repurchases	
For the fiscal year ended March 31, 2024	50 Yen ^(Note 6)	62.3%	25 Yen	25 Yen	300.0 Billion Yen
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.

[Reference 4] Comparison of Postal Businesses in Major Countries

	Japan	United States	United Kingdom*1	France	Germany	Italy
Postal Business	Japan Post Group	United States Postal Service (USPS; an independent agency of the U.S. government)	Post Office (retail post office company) IDS (postal and logistics company)	Le groupe La Poste	DHL Group (changed name from Deutsche Post DHL in 2023)	Poste Italiane Group
Shares of the postal business	The government owns 33.3% of Japan Post Holdings		Post Office: 100% government-owned IDS: Completely privatized Note: There is no capital relationship between the two companies	66% owned by the Caisse des Dépôts et Consignations and 34% by the French government (de-facto state-run enterprise)	The public financial institution KfW owns 16.6% of the shares	The government and the government-sponsored public lending institution own 64% of the shares
Main businesses	Post, deposits, insurance	Post, parcels	Post, logistics	Post, finance, insurance Note: La Banque Postale pays commission to La Poste	Post, international logistics	Post, finance, insurance, communications, energy, etc.
Number of post offices	23,604 (As of October 30, 2023)	33,493 (As of September 30, 2023)	11,635 (As of March 31, 2022)	17,321 (As of December 31, 2022)	13,000 (As of December 31, 2020)	12,755 (As of December 31, 2022)
Breakdown of post office numbers	Branches: 20,062 Simplified post offices: 3,542	Branches: 31,118*4; Contracted: 1,651; Village (limited services): 350; Community: 374	Branches: 117; Consigned: 9,617; Part-time, satellite, and mobile post offices: 1,901	Branches: 7,001; Agents and consigned to stores: 3,405; Simplified and local government offices: 6,915	Almost all are consigned post offices (operated in the corners of supermarkets and other retailers)	Almost all are branches
Changes in the number of post offices	Down 2.1% compared to the time of privatization (2007) (Branches: down 0.9%; Simplified: down 8.8%)	Down 5.5% compared to 2013 (Branches: down 1.8%; contracted: down 36%)	Down 1.5% compared to 2012 (Peaked at approx. 25,000 in the 1960s)	Down 1.3% compared to 2012 (Branches: down 29%; Partners: up 30%)	No change since 2011	Down 6.7% compared to 2012
Regulations on the number of post offices	Maintain the standard of network from the time of privatization	The closure of unprofitable post offices is restricted under federal law	Maintain at least 11,500 post offices in return for government financial support	Minimum of 17,000 post offices (under law and regulation)	A minimum of 12,000 post offices must be maintained, but the restriction on branches has been lifted (2008)	Up to 11,800 post offices can be rationalized (decided by the Italian Communications Authority), however, post offices in mountainous or sparsely populated regions or on remote islands cannot be closed
Employees*2	374,244 (As of March 31, 2023)	640,092 (As of September 30, 2023)	152,792 (As of March 31, 2023)	238,033 (Average in 2022)	600,278 (As of December 31, 2022)	124,939 (As of December 31, 2022)
Revenue*3	¥11,982.1 billion (FY2023)	\$78,383.00 million (¥11,757.5 billion) (FY2023)	£12,044.00 million (¥2,288.3 billion) (FY2022)	€35,392.00 million (¥5,662.7 billion) (FY2022)	€94,436.00 million (¥15,109.8 billion) (FY2022)	€11,889.00 million (¥1,902.2 billion) (FY2022)
Earnings	¥268.6 billion (Net income for FY2023)	Recorded a net loss for the past 15 consecutive fiscal years, with accumulated losses of \$92.1 billion	The post office company has secured profits since FY2016, even without NW subsidies (Losses were recorded in the last 3 years due to false accusations against postmasters)	Profitable in terms of both operating income and net income (Losses recorded since 2018 under universal accounting)	Recorded net income of €5.36 billion (¥857.6 billion) in FY2022, 3.2 times net income in FY2012	Profitable for the past 10 years (Profit margin of over 10% for the past 5 years)
Revenue structure	<p>Mail and Parcel 16%</p>	<p>Parcel 60%</p>	<p>Post Office: Mail and Parcel 43%, Finance, Others</p> <p>IDS: Mail 29%, Parcel 32%, Express 39%</p>	<p>Mail and Parcel 23%</p>	<p>Mail and Parcel 17%</p>	<p>Mail, Parcel and Delivery 31%</p>

Note: The figures above are estimates, quoted mainly from IR materials provided by each postal business.

*1 In the U.K., IDS is International Distribution Services; figures for the number of employees and income are for IDS. *2 The number of employees represents Full-Time Equivalent (FTE) for France and the number of persons for other countries.

*3 Figures for Japan are based on the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other standards; figures for the U.S. are based on US GAAP; figures for the U.K., France, Germany and Italy are based on the IFRS. The currency conversion rates are as follows: ¥150 to \$1, ¥190 to £1, and ¥160 to €1.

*4 Post office branches, including the sum of post offices, stations, branches, and carrier annexes.

For inquiries about this document, please contact:
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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.

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