

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.

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# Approach to JP Vision 2025<sup>Plus</sup>

- ⌘ 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<sup>Plus</sup> 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<sup>Plus</sup> 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<sup>Plus</sup>**

## 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)

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

<sup>\*1</sup> Group CEO (Chief Executive Officer), Group CFO (Chief Financial Officer), etc.

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

<sup>\*2</sup> Including 4.5 billion yen acquired in April 2022

### Disposal of subsidiaries' shares

<b>May 2021</b>	<b>Japan Post Insurance shares</b> (Share repurchase, etc.) (64.5%→49.8% (as of May 2024))
<b>March 2023</b>	<b>Japan Post Bank shares</b> (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\*

### 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

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

\* 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<sup>Plus</sup>

- 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.

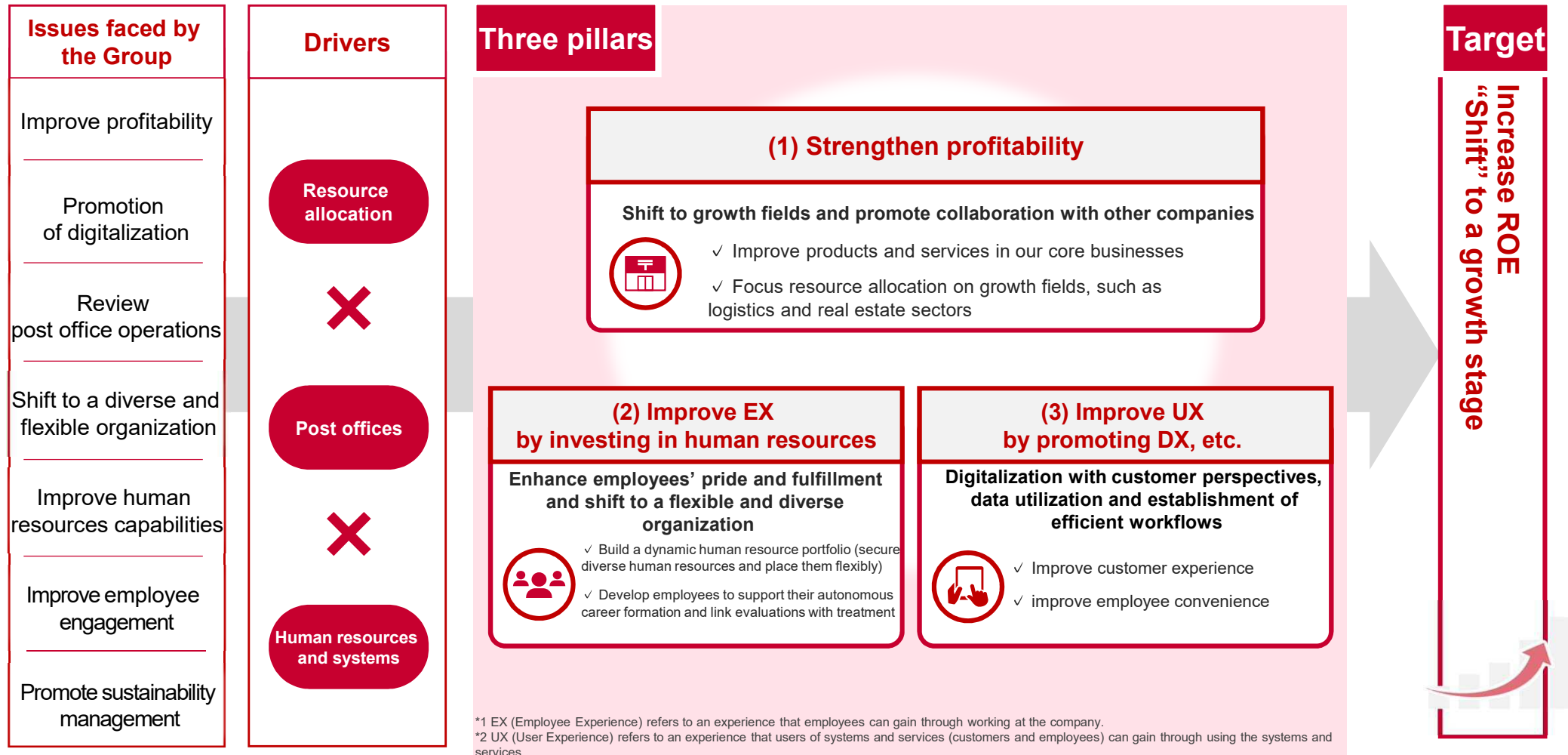
**Make them flexible, resilient and adaptable to change**

- 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<sup>\*1</sup> (employee experience) by investing in human resources, and (3) Improve UX<sup>\*2</sup> (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

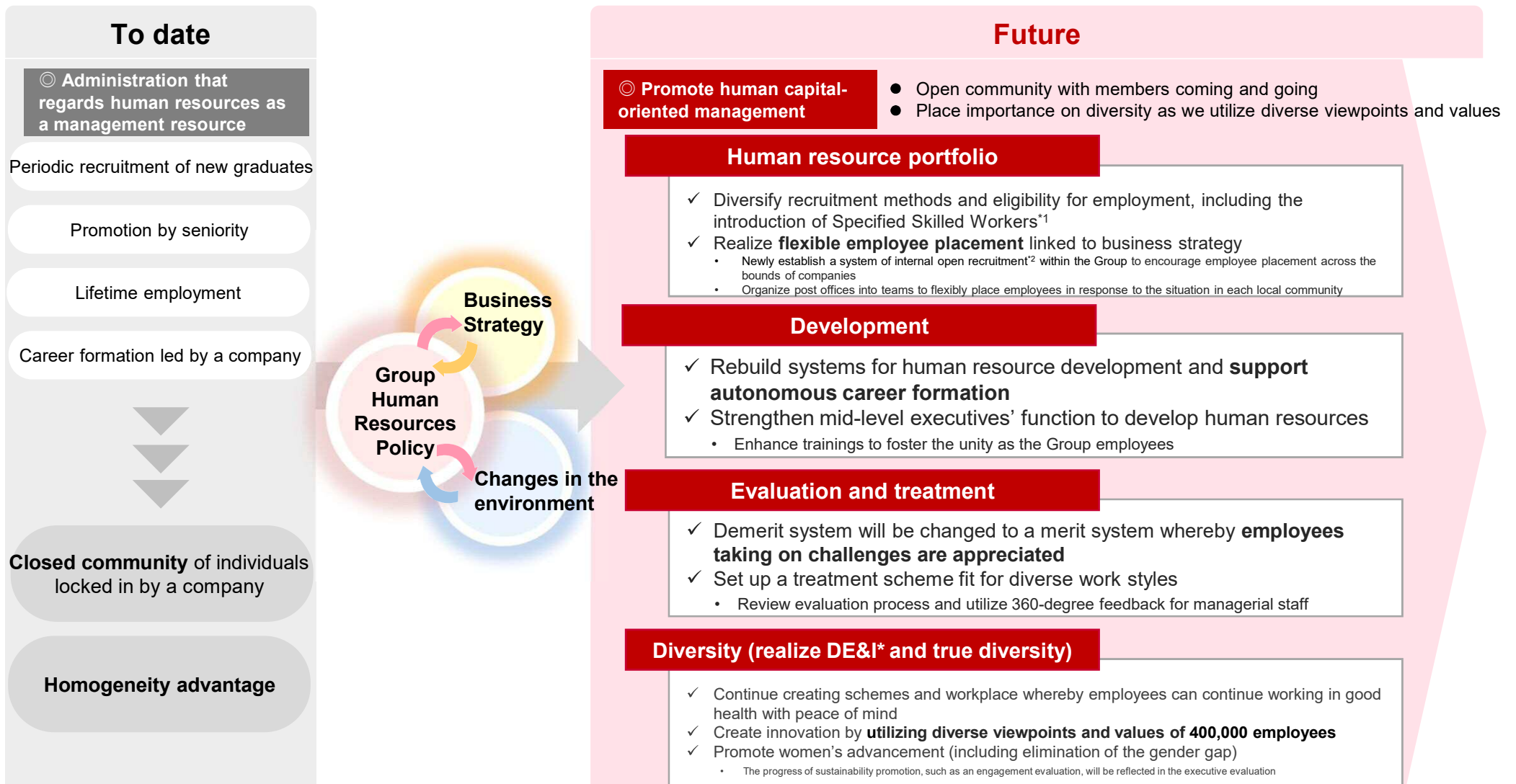
- ✓ Enhance strategy for complementarity between the physical and digital channels based on Bankbook App
- ✓ Pursue an optimal investment portfolio that combines the yen interest rate assets with risk assets
- ✓ Regenerate local communities and create new corporate value through Japan Post Bank's unique GP<sup>\*1</sup> 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<sup>\*2</sup> 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.**



<sup>\*1</sup> 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.

<sup>\*2</sup> 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<sup>\*1</sup>, 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<sup>\*2</sup>, 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<sup>\*3</sup>**
  - Automated routing

#### Sophistication of systems infrastructure

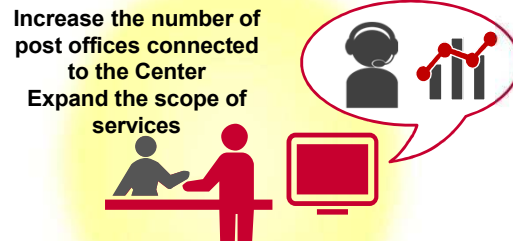
- ✓ **Open in-house network**
  - Shift to a flexible system fit for various work styles
  - Consolidate business devices
- ✓ **Utilize a Group customer management platform**
  - Develop a system infrastructure to enable the sharing of customer data within the Group

#### Post Office App



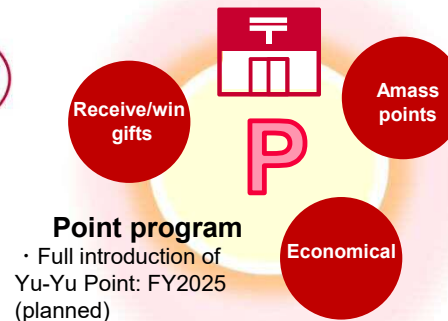
App that provides post office services “anytime” and “anywhere”

#### Financial Services Contact Center



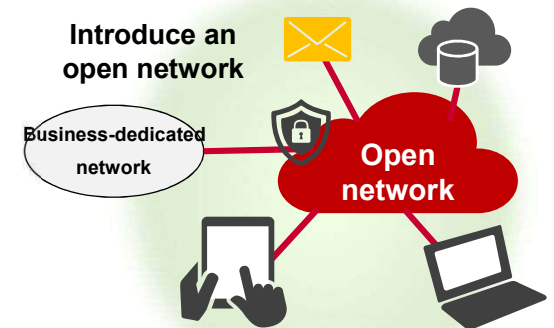
Professional guidance on financial products will become available anywhere

#### 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

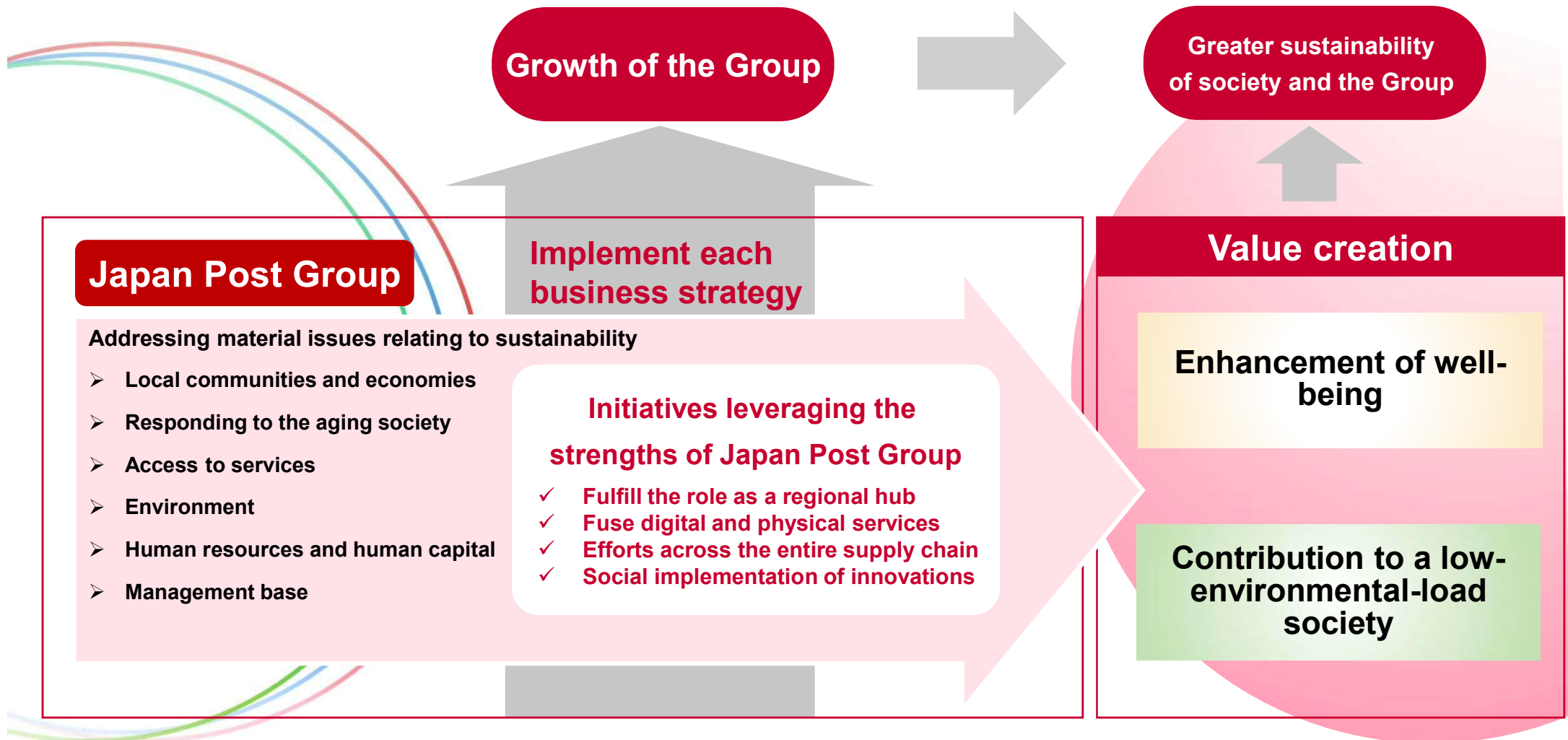
<sup>\*1</sup> Yubin ID will be renamed to Yu ID in May 2024.

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

<sup>\*3</sup> 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<sup>\*1</sup> and contributing to a low-environmental-load society, such as GX<sup>\*2</sup>.



<sup>\*1</sup> "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.

<sup>\*2</sup> 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><div>Group-owned real estate Approx. 30.0 billion yen</div><div>Non-Group-owned real estate Approx. 70.0 billion yen</div></div>	Built-for-sale business Approx. 10.0 billion yen	<div><div>Group-owned real estate Approx. 10.0 billion yen</div></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.				
* 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				Grand total 400.0 billion yen*

## 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<sup>Plus</sup> 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 Afac 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.

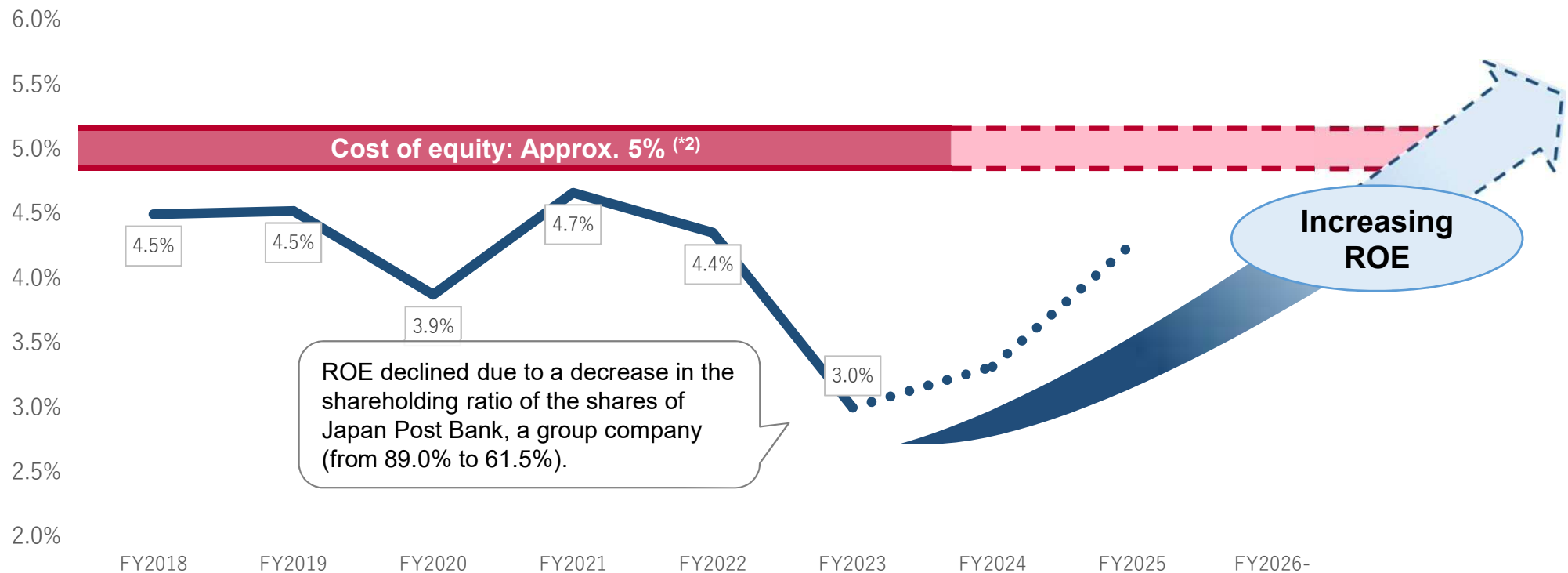
(\*2) Targets are for Scope 1 (Direct emissions by the Company) and Scope 2 (Emissions from use of electricity, etc. supplied by other enterprises).

(\*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<sup>Plus</sup> 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,  $\beta$ , and risk premium are as of each quarter end of FY 2023.

Cost of equity

=

Risk free rate

+

$\beta$

×

Risk premium

Approx. 5%

0.4%-0.8%

0.6-0.7

6.0%-6.4%



## II. JP Vision 2025<sup>Plus</sup>

# 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<sup>\*1</sup>.

Segments	Operating profit margin Net operating income	ROE Net income
Postal and domestic logistics business	3.5% 90.0 billion yen <sup>*2</sup>	—
Post office business	— (-49.0 billion yen <sup>*3</sup> )	—
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% <sup>*4</sup> 97.0 billion yen <sup>*4</sup>
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 <sup>*5</sup>

<sup>\*1</sup> 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.

<sup>\*2</sup> In Postal and domestic logistics business, revising postal charges is expected in October 2024.

<sup>\*3</sup> 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.

<sup>\*4</sup> 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.

<sup>\*5</sup> 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
<b>Profitability indicator</b>	<b>Operating profit margin (Net operating income)</b>	— (-68.6 billion yen)	3.5% (90 billion yen)
<b>Major KPIs</b>	<b>Yu-Pack NPS®</b>	—	Aim for industry-leading level by FY2030
	<b>Income from Yu-Pack</b>	339.4 billion yen	400 billion yen
	<b>Income from Yu-Packet</b>	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

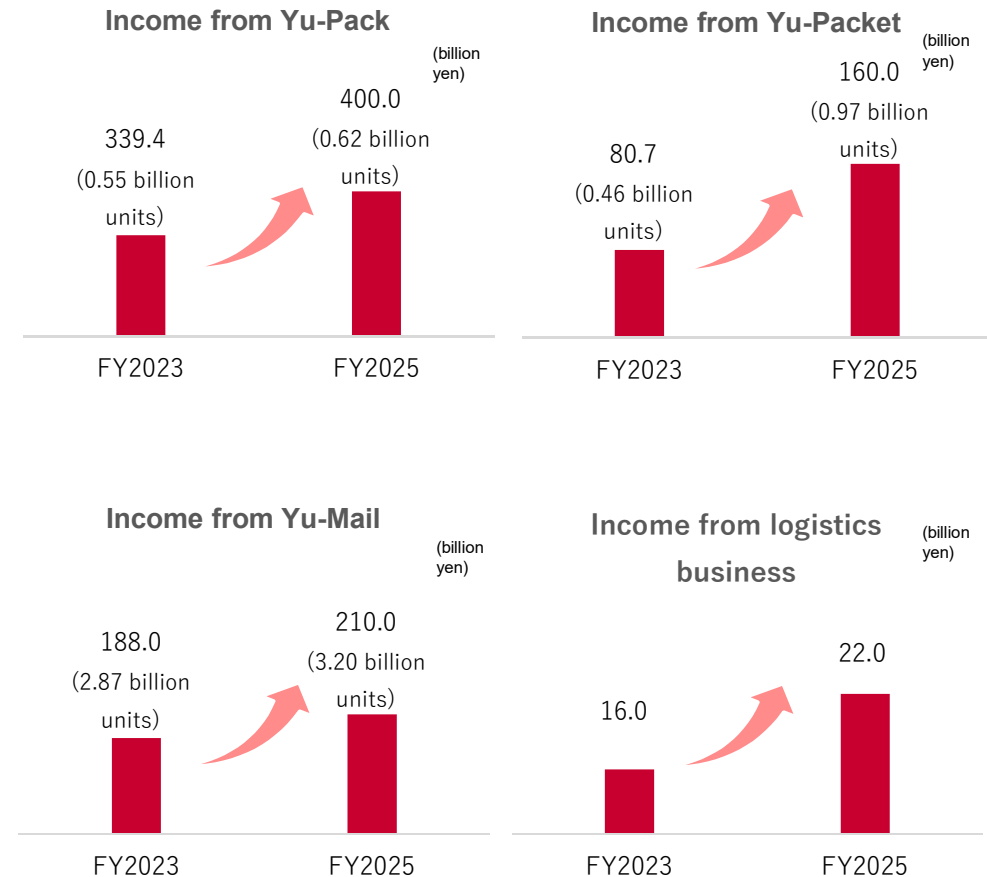
Strengthen  
transport/delivery capacity

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

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

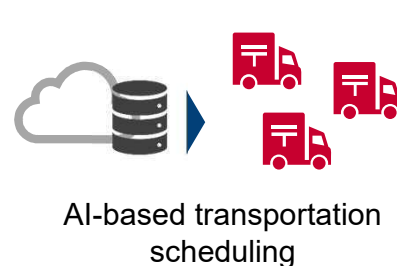
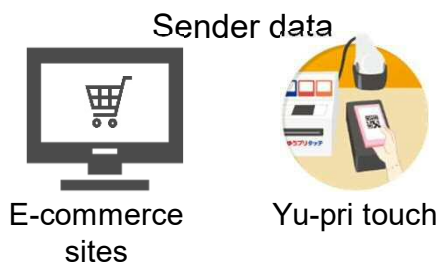


## Realize efficient operation and build a resilient transport/delivery network

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

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



## 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

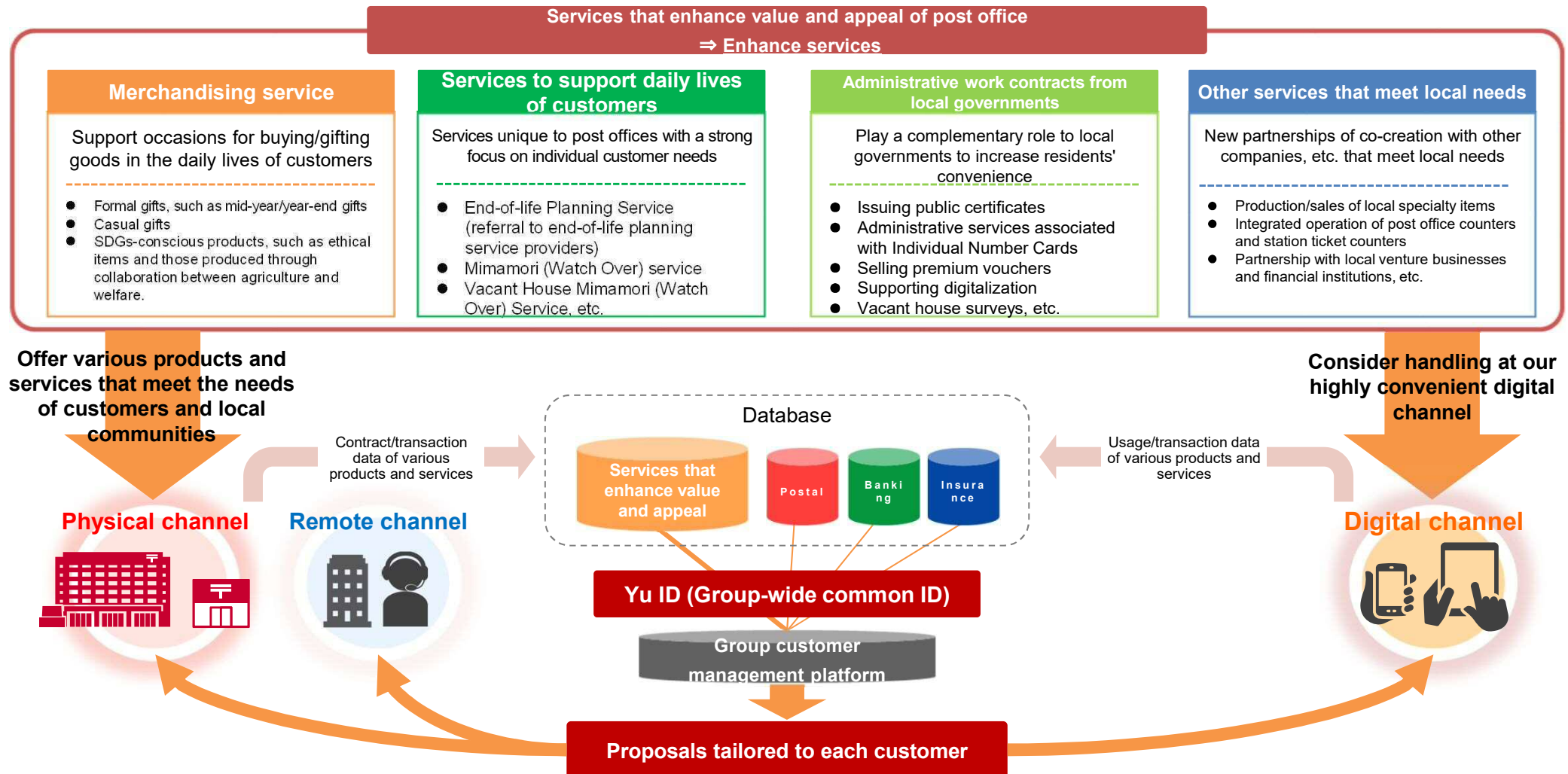
- Offer opportunities for attending training sessions and OJT, thereby strengthening employees' knowledge and skills
- Strengthen managers' management capabilities and operational/sales knowledge and skills so that all employees can make better use of their capabilities and play active roles

#### 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

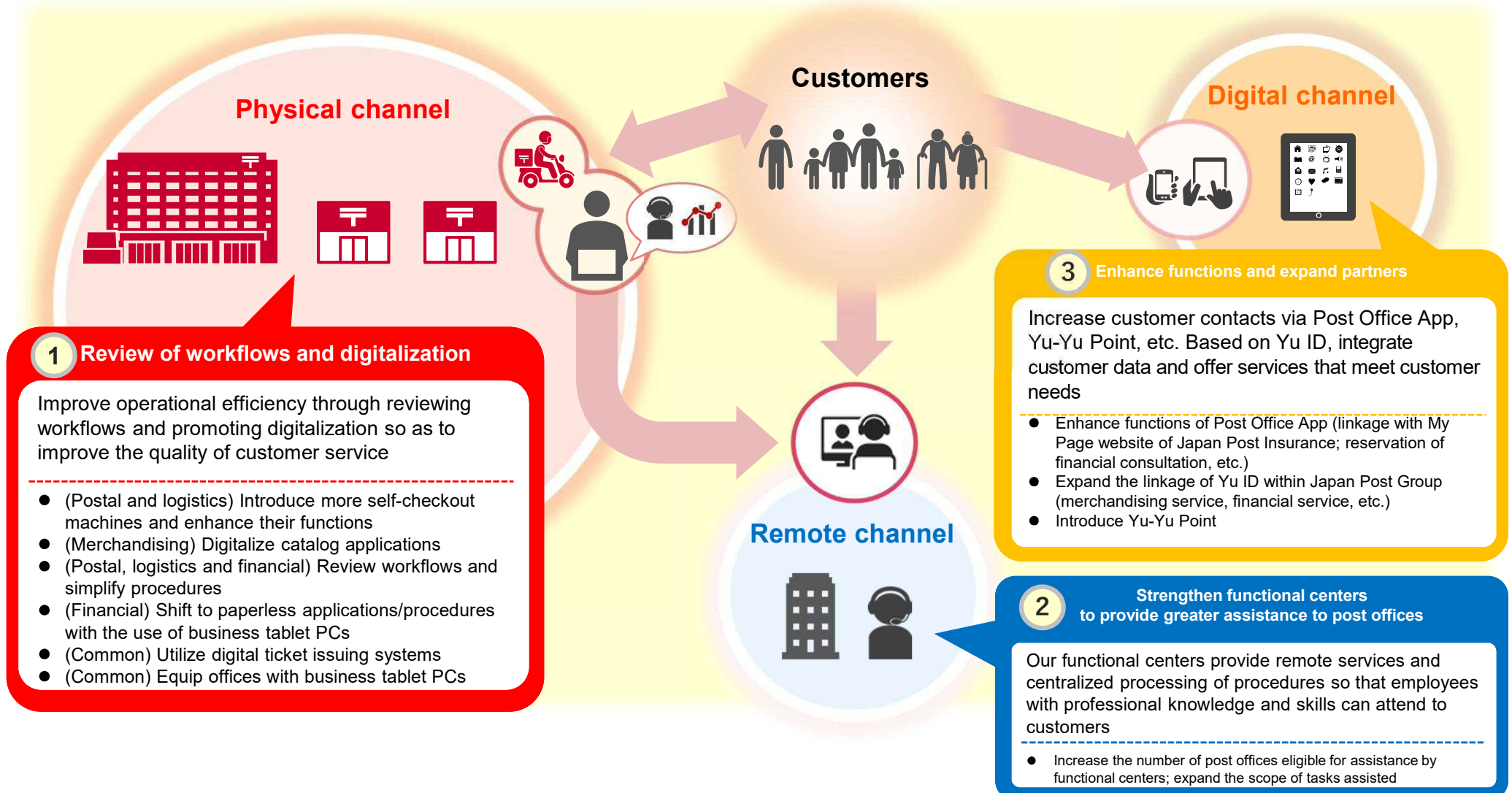
## Consider and implement measures for enhancing value and appeal

- 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)

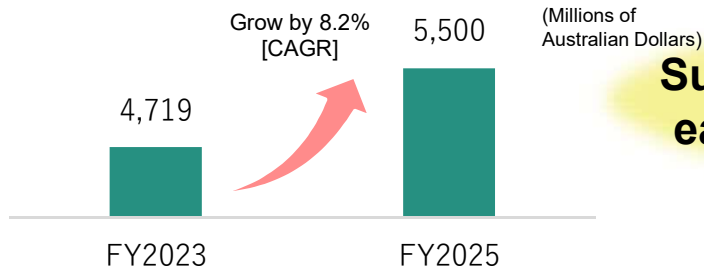
## Overall picture of the growth strategies of the international logistics business

- 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

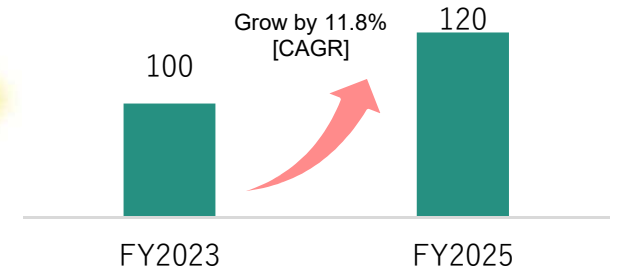
- Support customers' life and business with our logistics network that links the world

Operating income of International logistics business



**Sustainably expand the scale of earnings and realize increased profitability**

Net operating income (EBIT) (Millions of Australian Dollars)



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  $\Sigma$  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	730,000 accounts	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

\* Excluding unrealized gains on available-for-sales securities

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



## 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



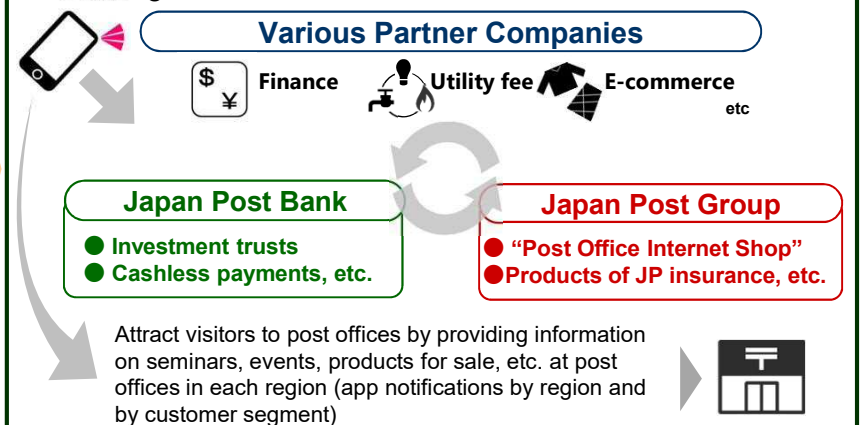
- Proactively make sales pitches and support for the Yucho Bankbook App to customers of all ages who visit our branches, utilizing our customer base of 120 million accounts and network of 24,000 post offices
- Make use of online promotions, etc. to expand use of the app

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

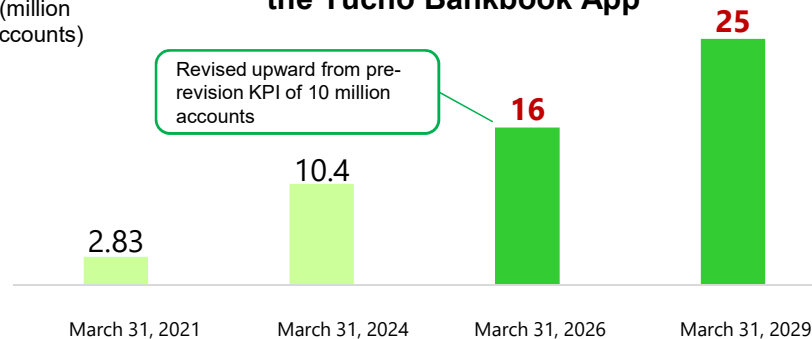
- Using the Yucho Bankbook App, introduce/advertise a variety of products from outside the boundaries of traditional banking services



### Revised KPIs

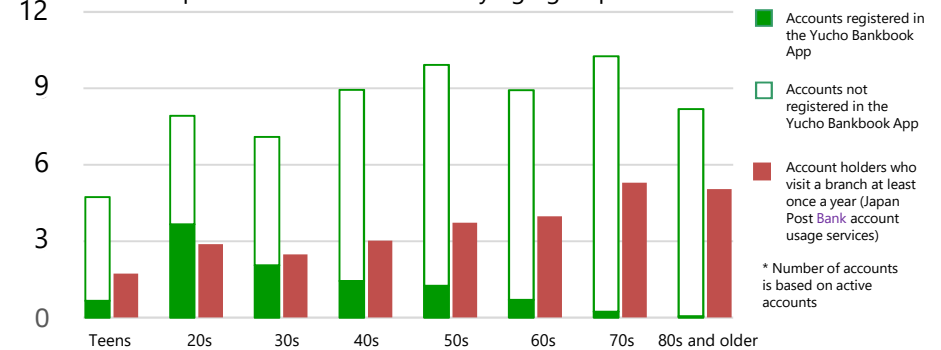
(million accounts)

### Number of accounts registered in the Yucho Bankbook App



(million people)

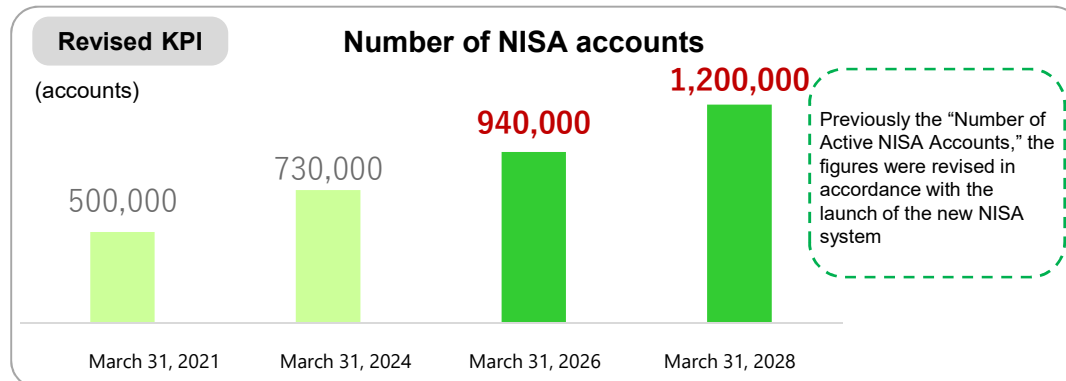
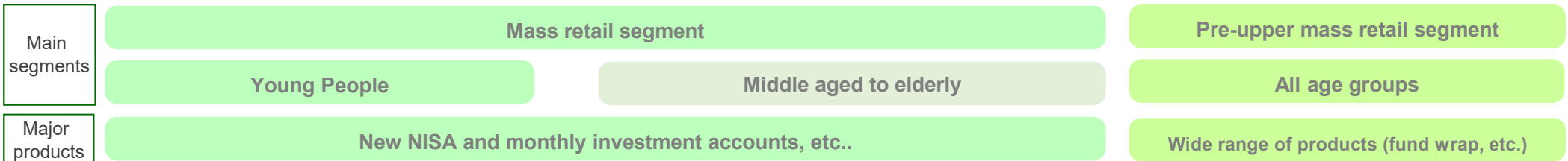
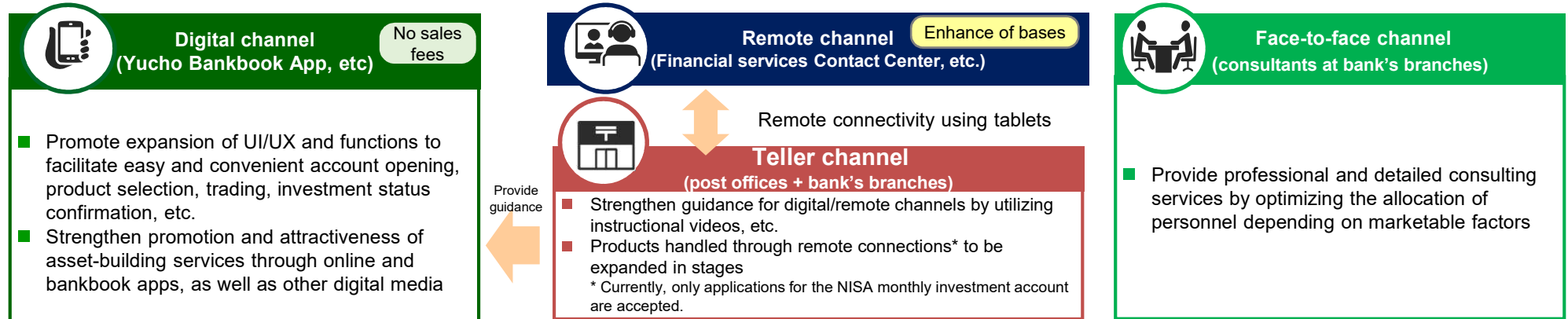
### (Reference) Number of Yucho Bankbook App users and in-person visits to branches by age group



⇒ 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.



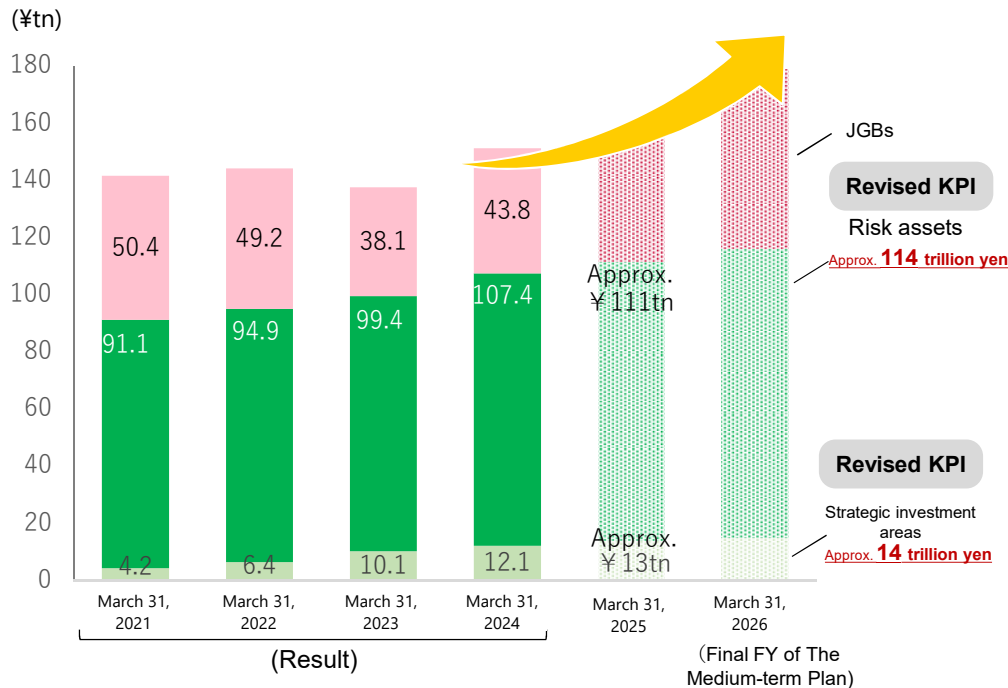
### Enhancement of products and services

- 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)

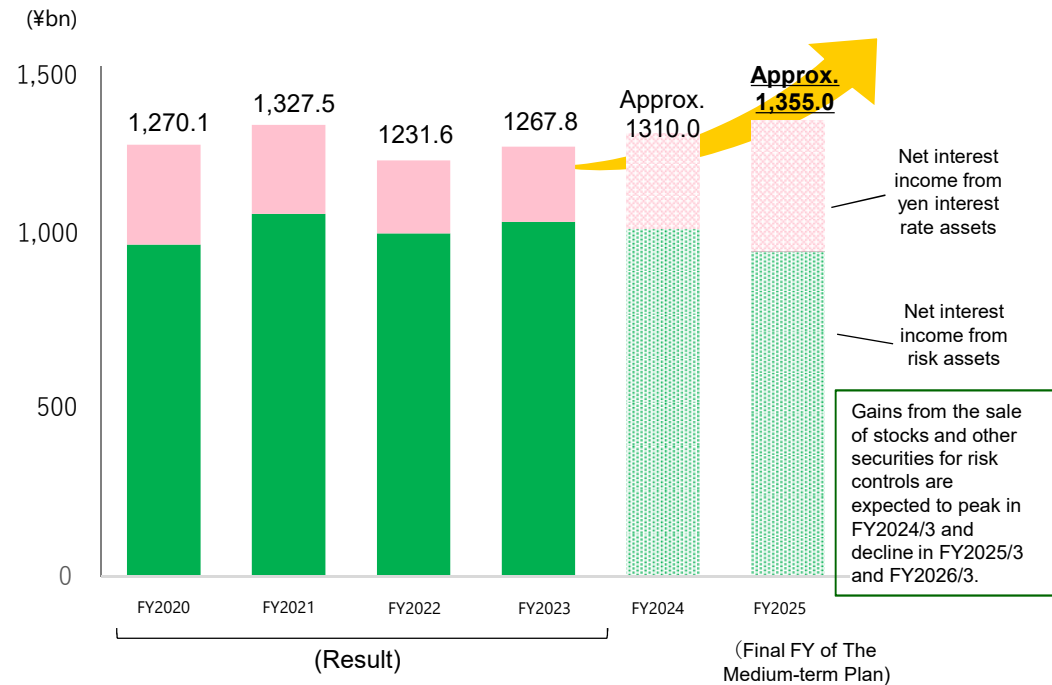
## Market Business Enhancement

- 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 $\Sigma$ 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\*<sup>1</sup> 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\*<sup>2</sup> 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

#### $\Sigma$ 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<sup>\*1</sup>)
- Diversify sources of revenue / Create new opportunities for growth

		FY2023 (result)	FY2025
Profitability indicator	Adjusted ROE <sup>*2</sup> (Adjusted profit)	—	Approx. 6% (97.0 billion yen)
Major KPIs	EV growth (ROEV) <sup>*3</sup>	7.6%	Aim for 6 to 8% growth
	Customer satisfaction <sup>*4</sup> 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

<sup>\*1</sup> 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.

<sup>\*2</sup> are defined in Appendix (P. 67).

<sup>\*3</sup> A value obtained by excluding the "difference between the economic assumption and actual results" from the EV variance factors.

<sup>\*4</sup> 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**

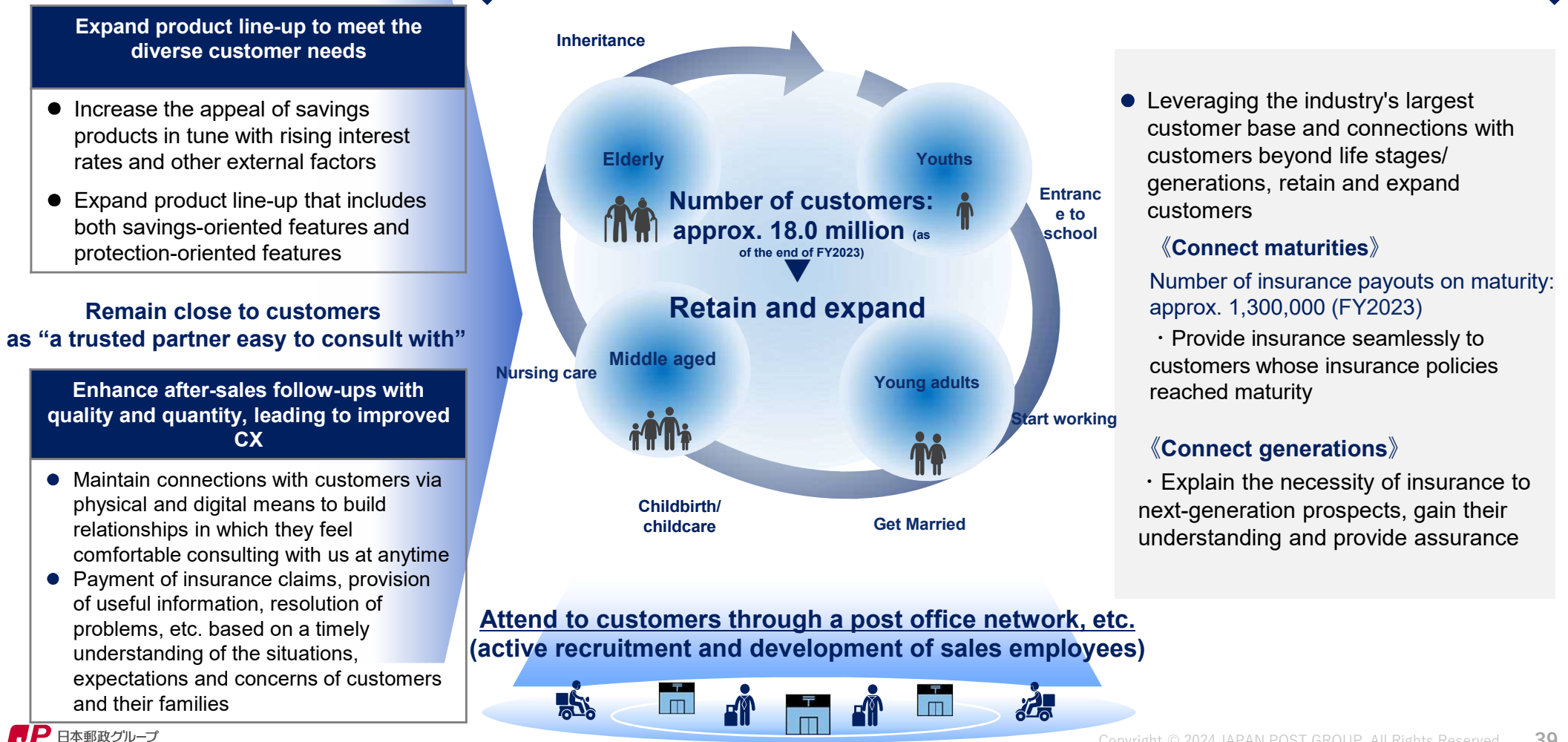
- By streamlining front line/back office operations, proceed with personnel shifting to production divisions and promote reduction of necessary expenses
- Reduce necessary expenses to 502.0 billion Yen (FY2025), while responding to inflation beyond expectations and strengthening investment in human capital.



## 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



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

- Under the ERM <sup>\*1</sup> framework, we aim to secure stable asset management earnings and improve asset management earnings based on ALM <sup>\*2</sup> 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

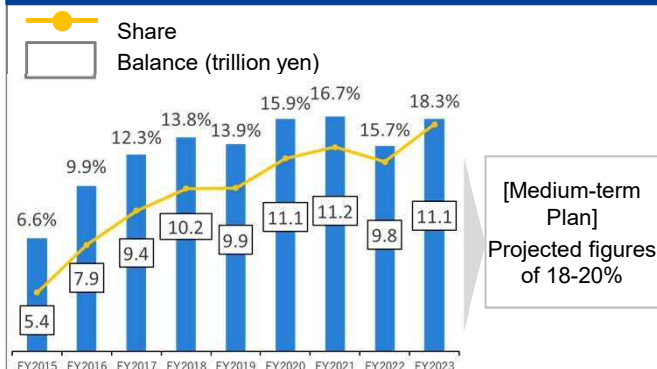
### Embark on a new stage of sustainable investment

- 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)

<sup>\*1</sup> 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.

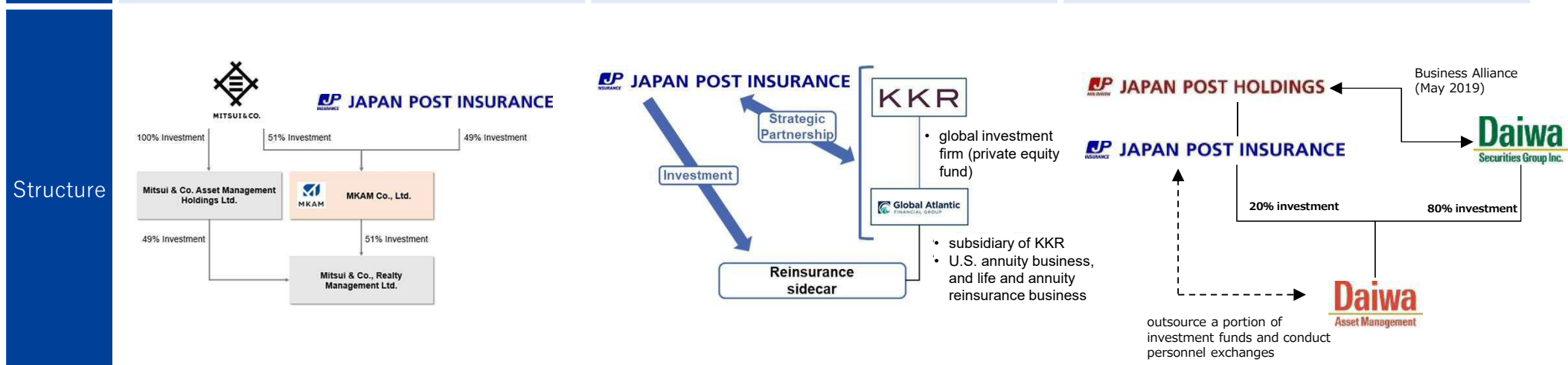
<sup>\*2</sup> ALM (Asset Liability Management) refers to Comprehensive management of assets and liabilities.



## 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"> <li>As an intermediary holding company, MKAM Co., Ltd. was established for the purpose of collaboration between Japan Post Insurance and MITSUI &amp; CO., LTD.</li> <li>Mitsui &amp; 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</li> </ul>	<ul style="list-style-type: none"> <li>The first international partnership for Japan Post Insurance</li> <li>Adding to the strategic partnership, we make an investment in a reinsurance sidecar sponsored by Global Atlantic</li> <li>Started discussion to expand business collaborations</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>Through this alliance, we aim to acquire new sources of revenue and further strengthen our asset management capabilities</li> </ul>



## 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 <sup>*1</sup> )	14.0% (11.0 billion yen <sup>*2</sup> )
KPI	Operating income	100.0 billion yen <sup>*1</sup>	80.0 billion yen

<sup>\*1</sup> Temporary increase in income from condominium sales

<sup>\*2</sup> 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
- ✓ Selectively acquire real estate in operation and for development upon examining their use of buildings and markets by area

#### Build systems/schemes to support business growth

- ✓ 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)

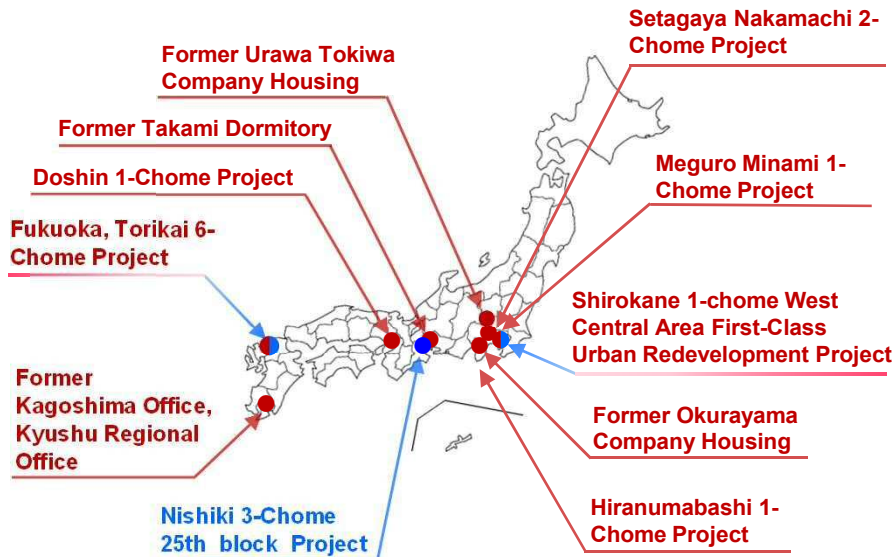
### Former Kagoshima Office, Kyushu Regional Office

**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\*<sup>1</sup> (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\*<sup>2</sup> (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)

### 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)

### 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)

### 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)

### 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)

### 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

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

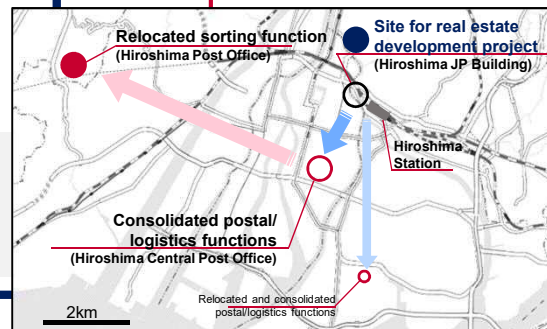
Newly built a regional distribution office

\* 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㎡



## 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\*.

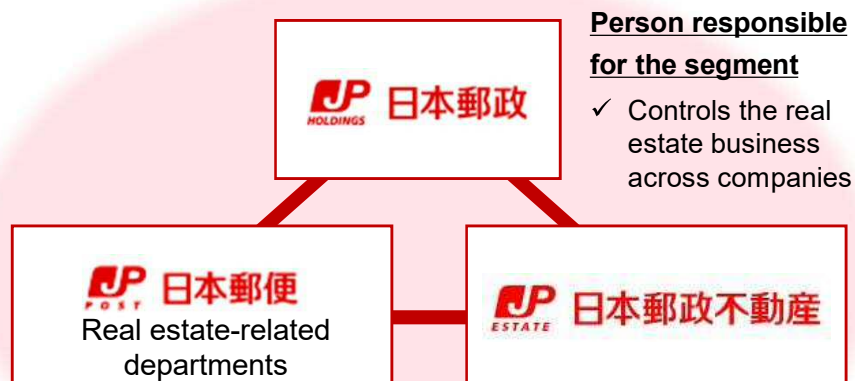
\* Excluding the impact of the segmentation, we project net operating income target of approx. 15.0 billion yen for FY2025, remaining unchanged from the initial target.

### Establishment of Real estate business segment

#### ■ Purpose of the establishment

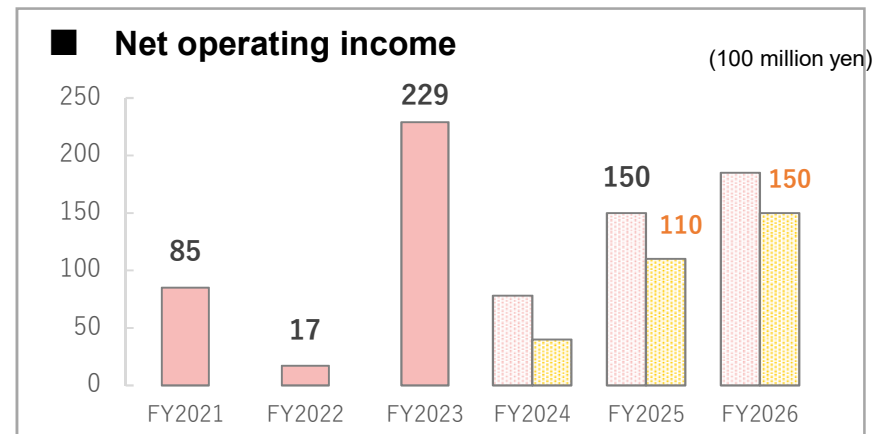
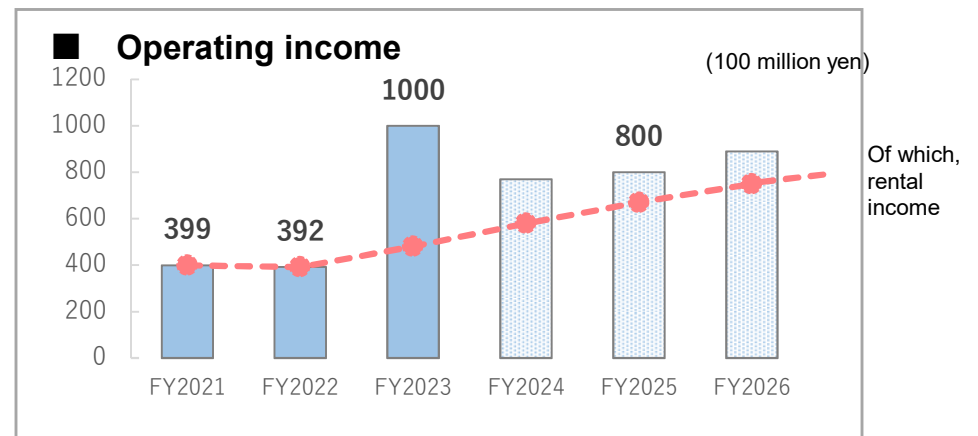
- ✓ By strengthening coordination among real estate-related departments and companies within the Group, we steadily promote the business and achieve growth, thereby developing the real estate business into one of the revenue pillars for the Group.
- ✓ We control the real estate business of the entire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

1. Efforts on growth strategies by the Japan Post Group

## (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.

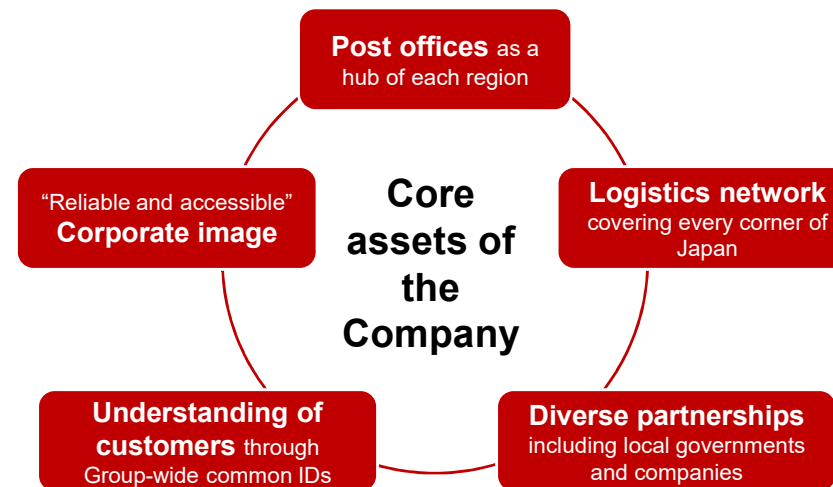
” Unchanged”  
Value we offer

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 necessary.



### 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

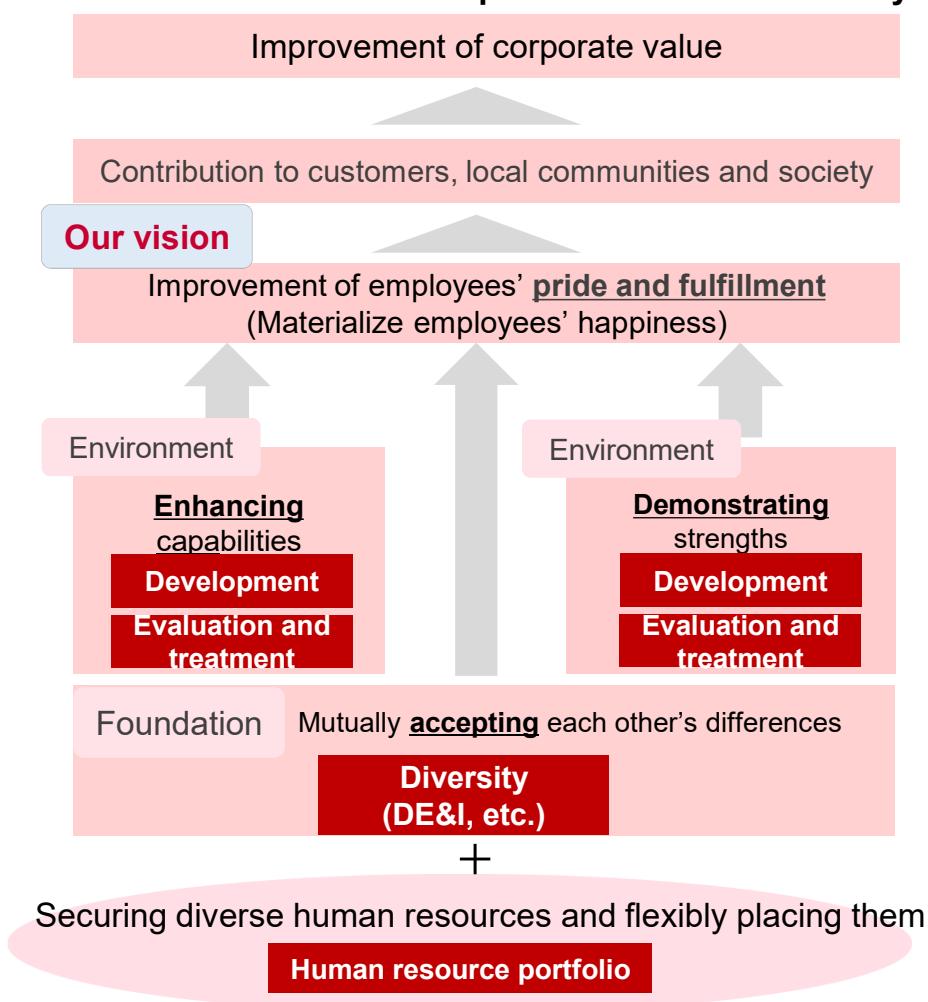


- (1) Improve EX by investing in human resources
- (2) Improve UX by promoting DX, etc.
- (3) Sustainability management

## 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 <b>personnel exchange system among the Group by internal open recruitment</b> <sup>*1</sup> (Invite employees to submit their preferences and make selections <sup>*2</sup> ) in <b>FY2024</b> <b>Purpose</b> Flexibly place personnel in light of business strategy and human resource needs <b>Summary</b> Launch open recruitment based on employee request for career track changes across the Group companies		<ul style="list-style-type: none"><li>• <b>Number of personnel exchanged in and out of the Group</b> Maintain FY2021 level<sup>*3</sup> (FY2025)</li><li>• <b>Number of personnel applied for open recruitment within the Group</b> At least the figure in the previous fiscal year (FY2025)</li><li>• <b>Right person to the right job score</b> At least the score in the previous fiscal year (FY2025) (Reference: FY2023: 2.70pt)</li></ul>
	Front-line	Fully start <b>recruitment of experienced workers and gig workers, etc. by FY2025</b> <b>Purpose</b> Secure diverse human resources <b>Summary</b> 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)		
	Company-wide	Aim to introduce <b>measures to develop personnel organizationally (evaluation/training meetings, etc.) and new evaluation methods by FY2025</b> <b>Purpose</b> Realize a fair personnel evaluation system, thereby those who work hard are truly rewarded <b>Summary</b> 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		
	Managers	<b>Review the labor environment of managerial staff (working hours, treatment, etc.) by FY2025</b> <b>Summary</b> Mitigate work overload on managerial staff and review salaries and other treatment systems, while promoting diverse work styles for managerial staff as a whole  <b>Shift personnel evaluation items of managerial staff to those relating to human resource development by FY2025</b> <b>Summary</b> 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' <b>pride and fulfillment</b> (Materialize employees' happiness)</div>				
<ul style="list-style-type: none"><li>• <b>Pride and fulfillment score</b> At least the score in the previous fiscal year (FY2025) (Reference: FY2023: 3.31pt)</li></ul>				

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

<sup>\*2</sup> Necessary discussions will be held among companies concerned upon selection.

<sup>\*3</sup> 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

#### Mitigate personnel transfers (fluidity)

- ✓ Newly establish a personnel exchange system among the Group by internal open recruitment\*<sup>1</sup> (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\*<sup>2</sup>
- ✓ 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

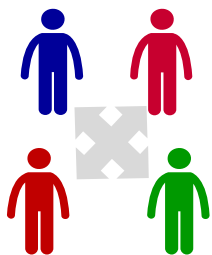
\*1 Implemented among organizations of Head Office from FY2022. We plan to spread the scheme companywide, including front-line organizations.

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

#### Secure human resources

- ✓ 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



## 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.

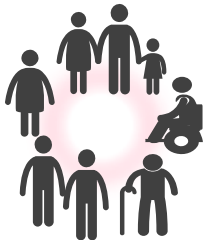
### Initiatives

<b>Development</b> 	<b>Human resource development system/ Autonomous career formation</b>	<ul style="list-style-type: none"> <li>✓ Rebuild career paths and development systems tailored to each company and type of business</li> <li>✓ Offer opportunities to consider their own career paths</li> <li>✓ 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)</li> <li>✓ Continue providing next-generation leaders development training and DX training</li> </ul> <p><b>KPI</b> · Attendance rate of DX training at Head Office and branches by applicable employees: 100%</p>
	<b>Strengthen mid-level executives’ function to develop human resources</b>	<ul style="list-style-type: none"> <li>✓ Enhance training to foster a sense of unity as the Group employees and develop a training environment</li> <li>✓ Introduce measures to develop personnel organizationally (evaluation/training meetings, etc.)</li> <li>✓ Shift personnel evaluation items of managerial staff to those relating to human resource development (review personnel evaluation items for managers)</li> </ul>
<b>Evaluation and treatment</b> 	<b>Work style reform of managerial staff</b>	<ul style="list-style-type: none"> <li>✓ Mitigate work overload on managers</li> <li>✓ Promote diverse work styles for managerial staff as a whole</li> <li>✓ Increase the ratio of women in management positions</li> </ul> <p><b>KPI</b> · Ratio of women in management positions at Head Offices of the four main Group companies: 30% (FY2030)</p>
	<b>System whereby those who work hard are truly rewarded</b>	<ul style="list-style-type: none"> <li>✓ 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)</li> <li>✓ Review the evaluation process (more persuasive evaluations through the confirmation of evaluation results by multiple managers)</li> </ul>
	<b>Review the way of treatment</b>	<ul style="list-style-type: none"> <li>✓ Review the salary system (consider the introduction of Japan Post-style “wages based on duties”)</li> <li>✓ Review the rules for job relocations</li> </ul>

## 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&amp;I, etc.)</div> 	Utilize diverse viewpoints and values	<ul style="list-style-type: none"> <li>✓ 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.)</li> </ul> <div>KPI</div> <ul style="list-style-type: none"> <li>• Childcare leave acquisition rate for both men and women: 100%</li> <li>• Average days of childcare leave acquired by men: 1 month or more</li> <li>• Average number of days of annual leave taken: 18 days or more</li> </ul>
	Promote health management	<ul style="list-style-type: none"> <li>✓ Satisfy the legally mandated employment rate of people with disabilities</li> </ul> <div>KPI</div> <ul style="list-style-type: none"> <li>• Raise the employment rate of people with disabilities to 3.0%*1 (FY2025)</li> </ul>
	Eradicate harassment	<ul style="list-style-type: none"> <li>✓ Further promote health management based on the Japan Post Group Declaration on Health</li> </ul> <div>KPI</div> <ul style="list-style-type: none"> <li>• Rate of employees requiring medical attention 1 and 2*2: 1% or less (FY2024)</li> <li>• Rate of no longer requiring specific health guidance: 23% or higher (FY2024)</li> </ul> <ul style="list-style-type: none"> <li>✓ Promote initiatives utilizing various personnel-related data (strengthen efforts to maintain mental health, etc.)</li> </ul>
	Reflect in executive remuneration	<ul style="list-style-type: none"> <li>✓ Strict disciplinary action against harassment perpetrators</li> <li>✓ Continue increasing awareness to eradicate harassment</li> </ul> <div>KPI</div> <ul style="list-style-type: none"> <li>• Recognized cases of harassment: The figure in the previous fiscal year or less</li> </ul> <ul style="list-style-type: none"> <li>✓ 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)</li> </ul>

\*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

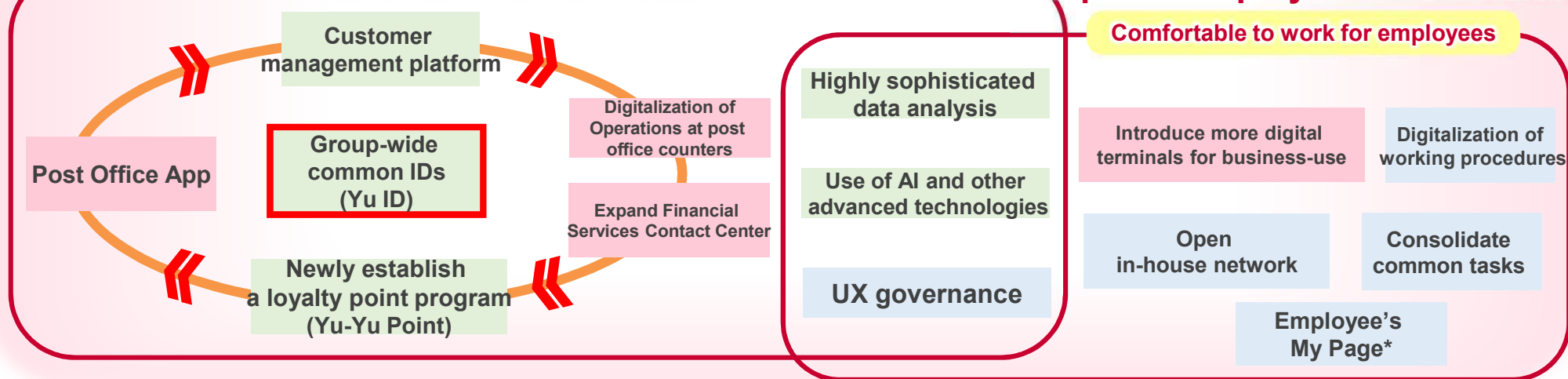
Improve experience value for users (customers and employees) with digital technology

### Improve customer experience value

Accessible to customers

### Improve employee convenience

Comfortable to work for employees



\*Communication platform that connects each employee to the company

3 elements of Group DX

Integration of the physical and digital worlds

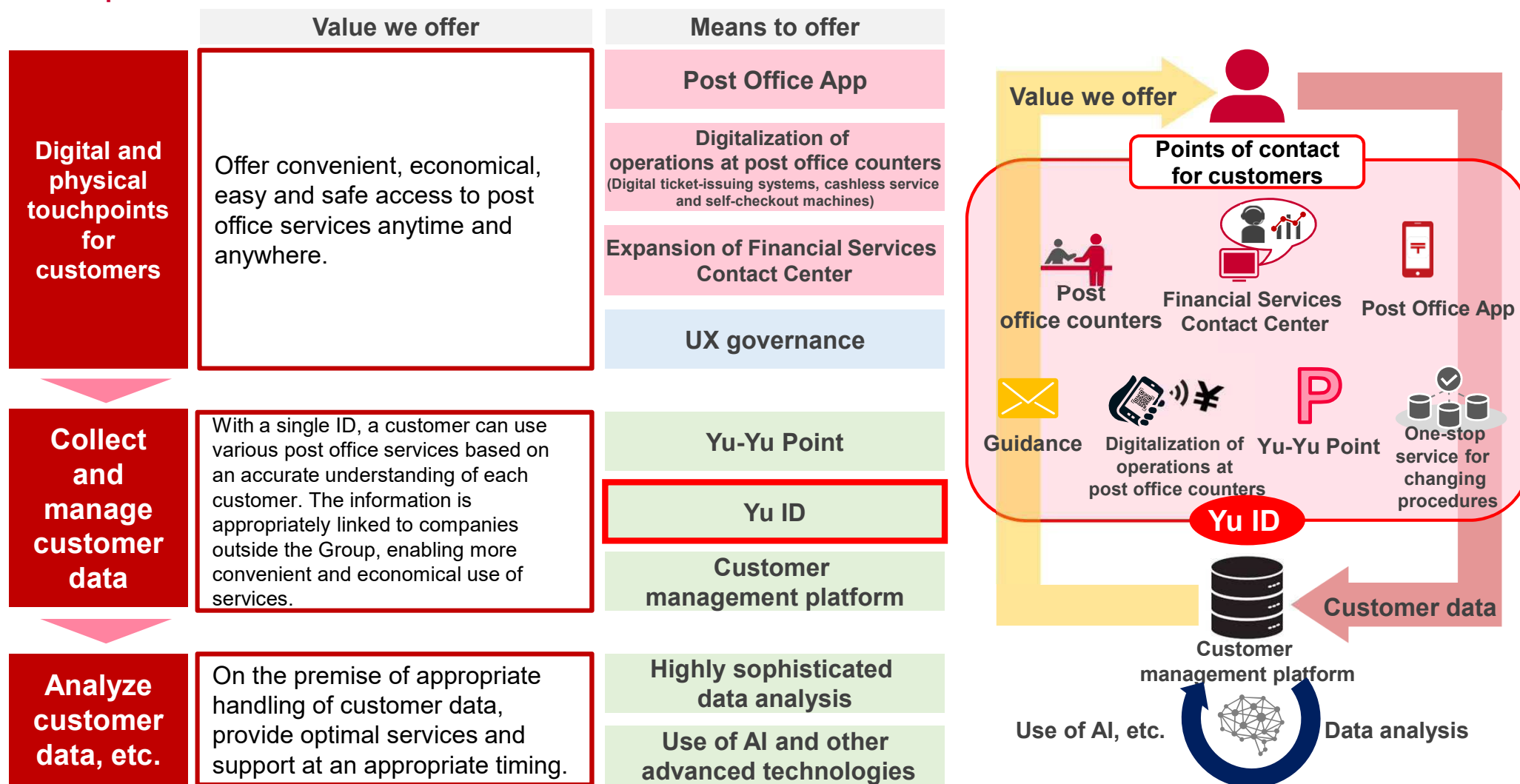
Utilization of data owned by the Group

Sophistication of systems infrastructure



## Initiatives to improve customer experience value


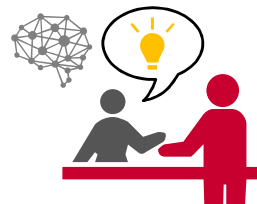
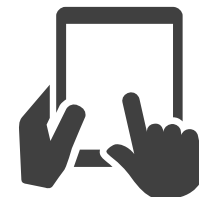
- Through Post Office App, digitalized post office counters and Financial Services Contact Center all based on Yu ID, we will deliver values to customers as the entire Group, work to improve customer experience value and offer new values that expand beyond the Group.
- Through the use of highly sophisticated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

## Key initiatives and KPIs

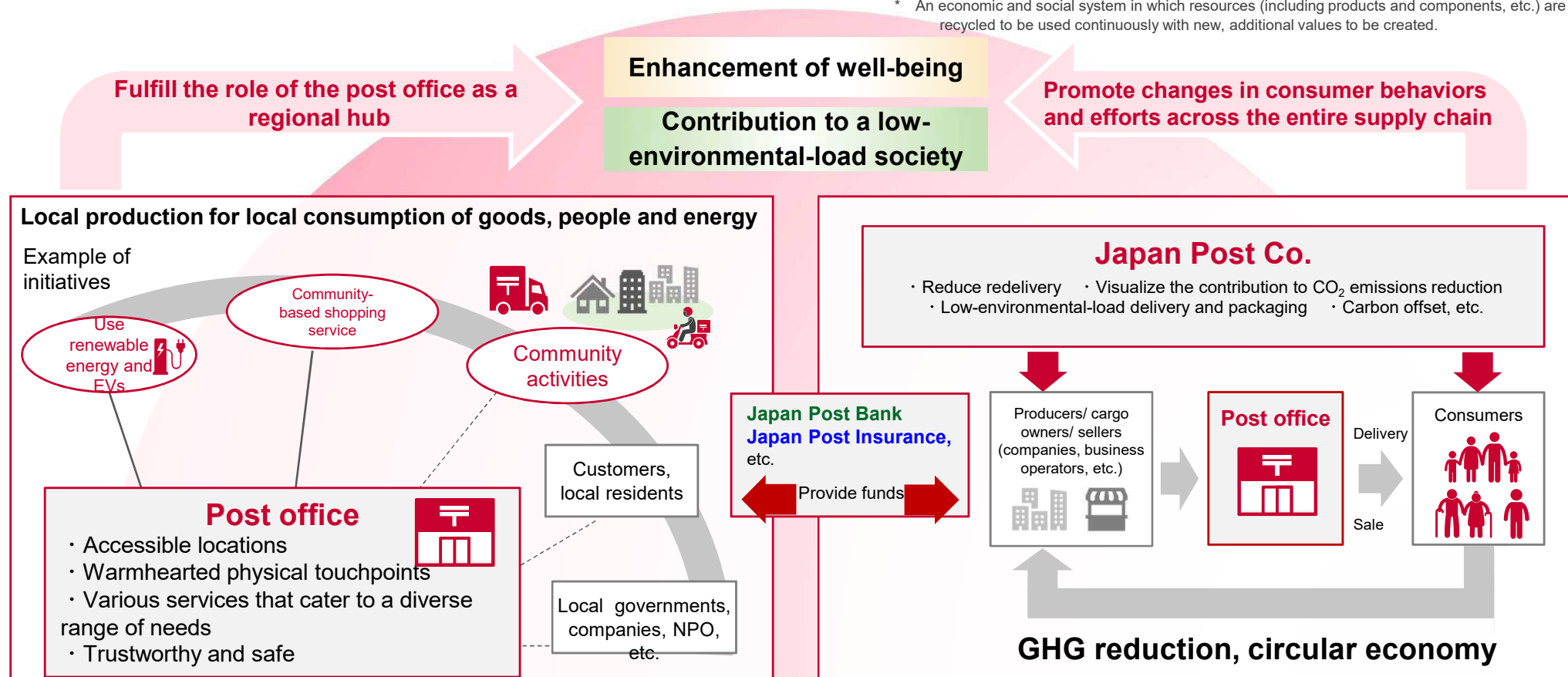
- Among the key initiatives, we particularly focus on the provision of values to customers based on Yu ID, aiming to improve UX.

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



**Accelerate the social implementation of innovations conducive to solving environmental and social issues**

## 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.

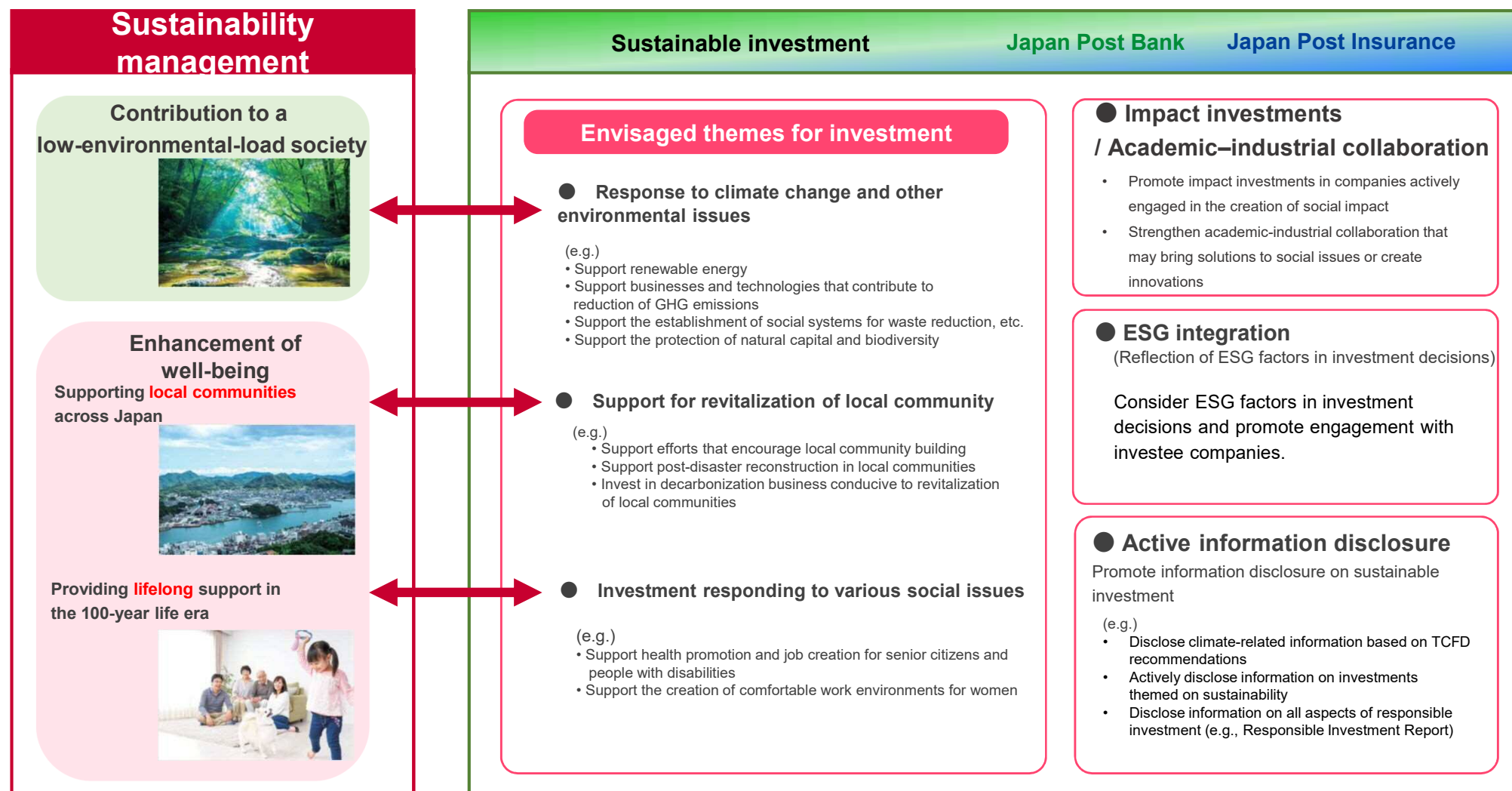
	Postal and logistics business	Post office business	Banking business	Life insurance business	Real estate business
Local communities and economies	(1) Maintain logistics infrastructure (2) Encourage logistics fit for local production for local consumption	(1) Maintain the functions of infrastructures required 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

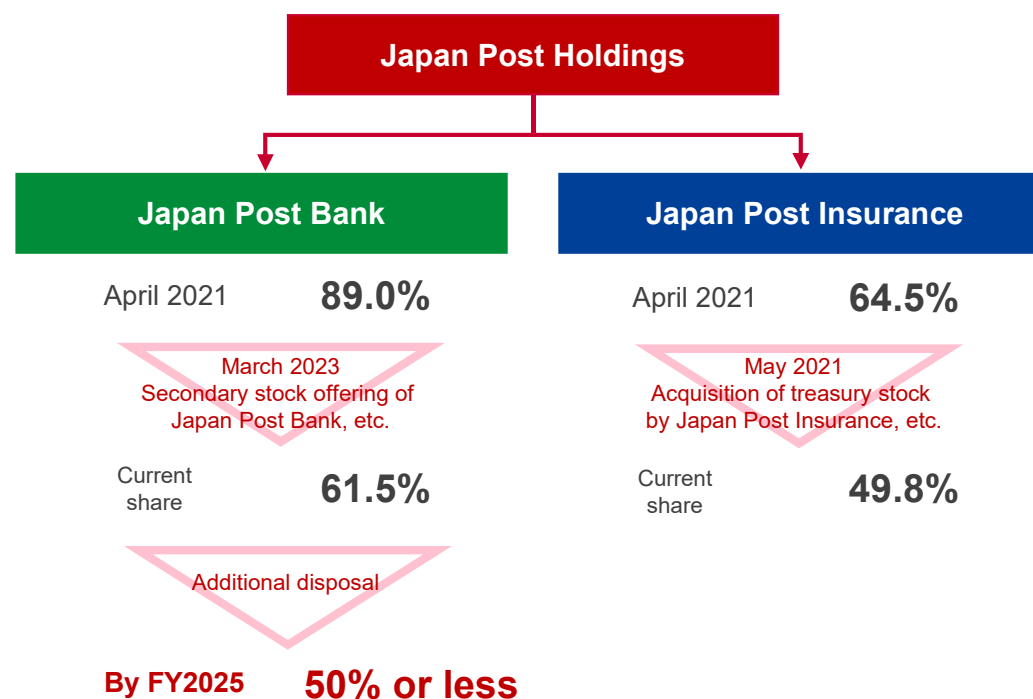
- We aim to lower the holding ratio of our equity interests in the two financial subsidiaries to 50% or less by FY2025. We keep this goal unchanged and continue efforts to dispose of Japan Post Bank shares.
- Even after the holding ratio drops to 50% or less, we will proceed with deliberations on the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

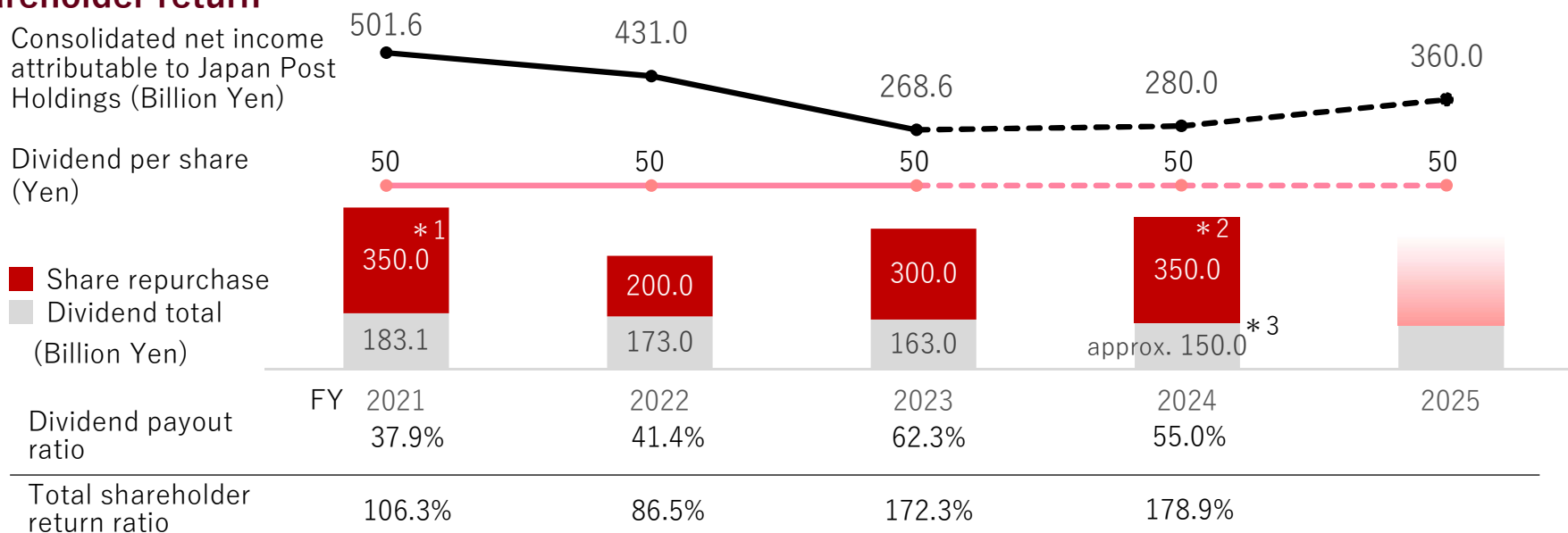
#### Share repurchase

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
<b>Postal and logistics business</b>	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.
<b>Post office business</b>	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)
<b>International logistics business</b>	55.0 billion yen	Facility and equipment investment (49.0 billion yen) System investments (6.0 billion yen)
<b>Banking business</b>	95.0 billion yen	Development associated with core systems (45.0 billion yen) Replacement of ATMs and counter terminals (22.0 billion yen), etc.
<b>Life insurance business</b>	120.0 billion yen	Renovation of core systems (39.0 billion yen) Replacement of system equipment (64.0 billion yen), etc.
<b>Real estate business</b>	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)
<b>Other business</b>	40.0 billion yen	Other business investments (16.0 billion yen), System investments (8.0 billion yen), etc.
<b>Total</b>	<b>775.0 billion yen</b>	

\* 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. 44,200㎡  
**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. 99,700㎡  
**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. 227,000㎡  
**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. 461,770㎡  
**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. 69,000㎡  
**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

## 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

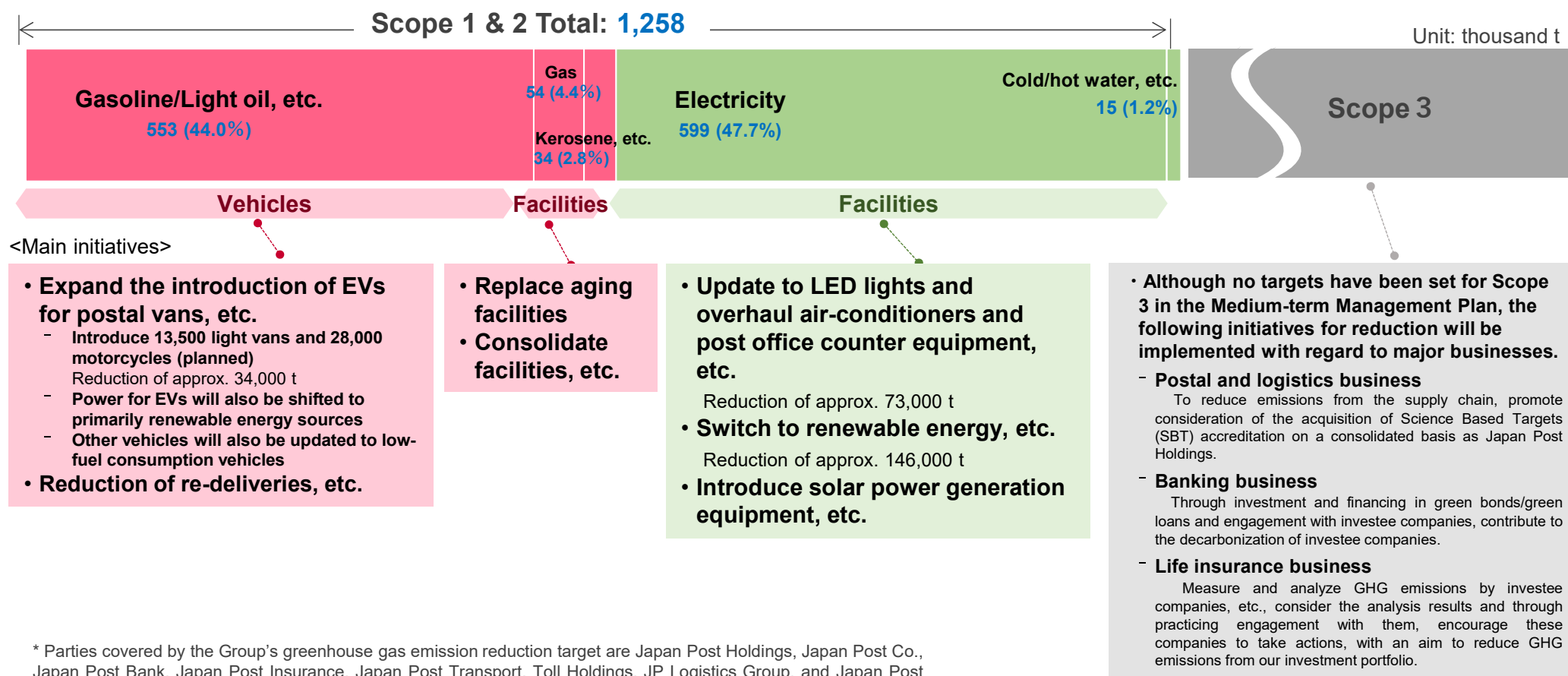


## Specific methods of reducing GHG emissions

- 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



\* 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.

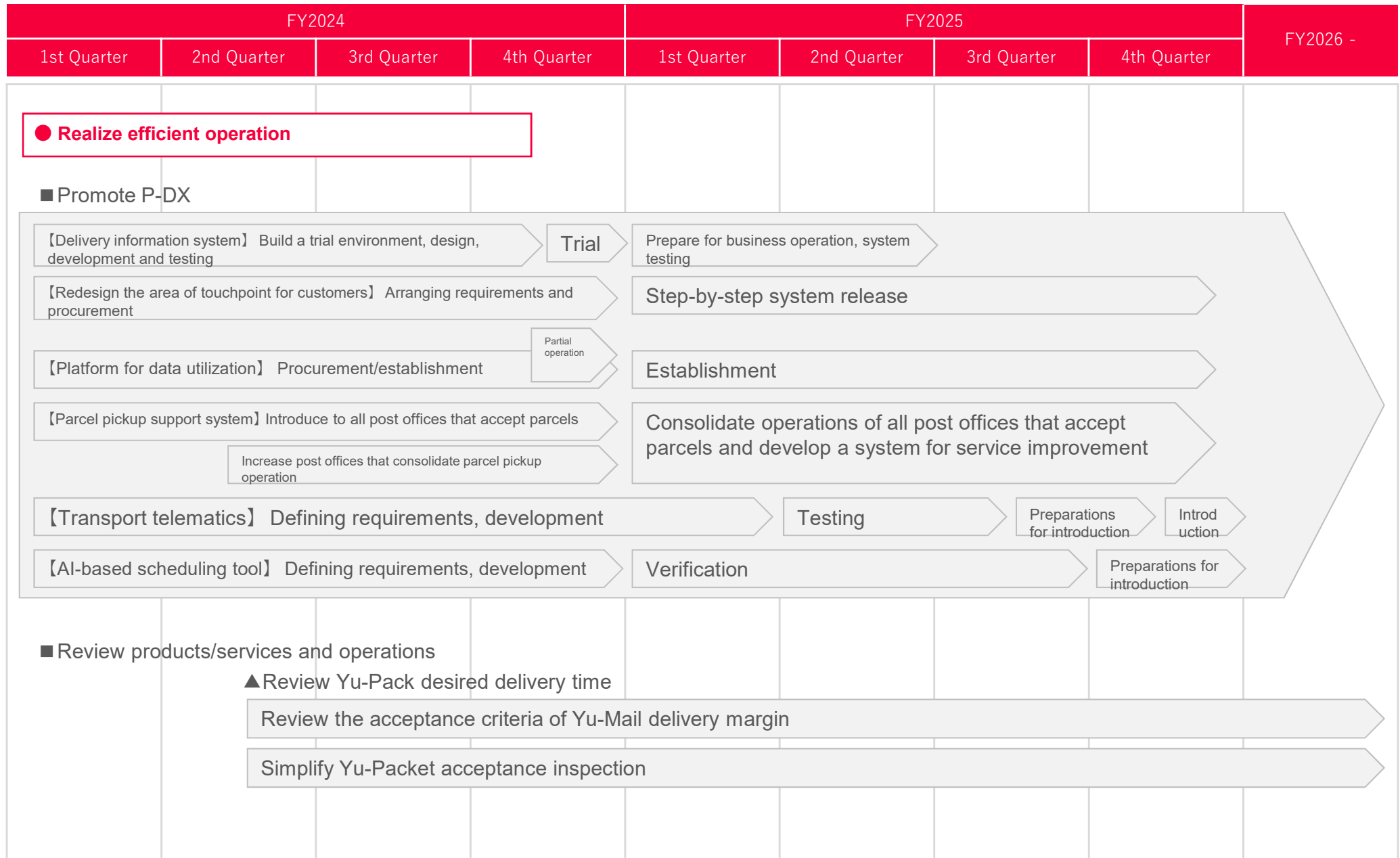


### **III. Timetable for JP Vision 2025<sup>Plus</sup>**

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

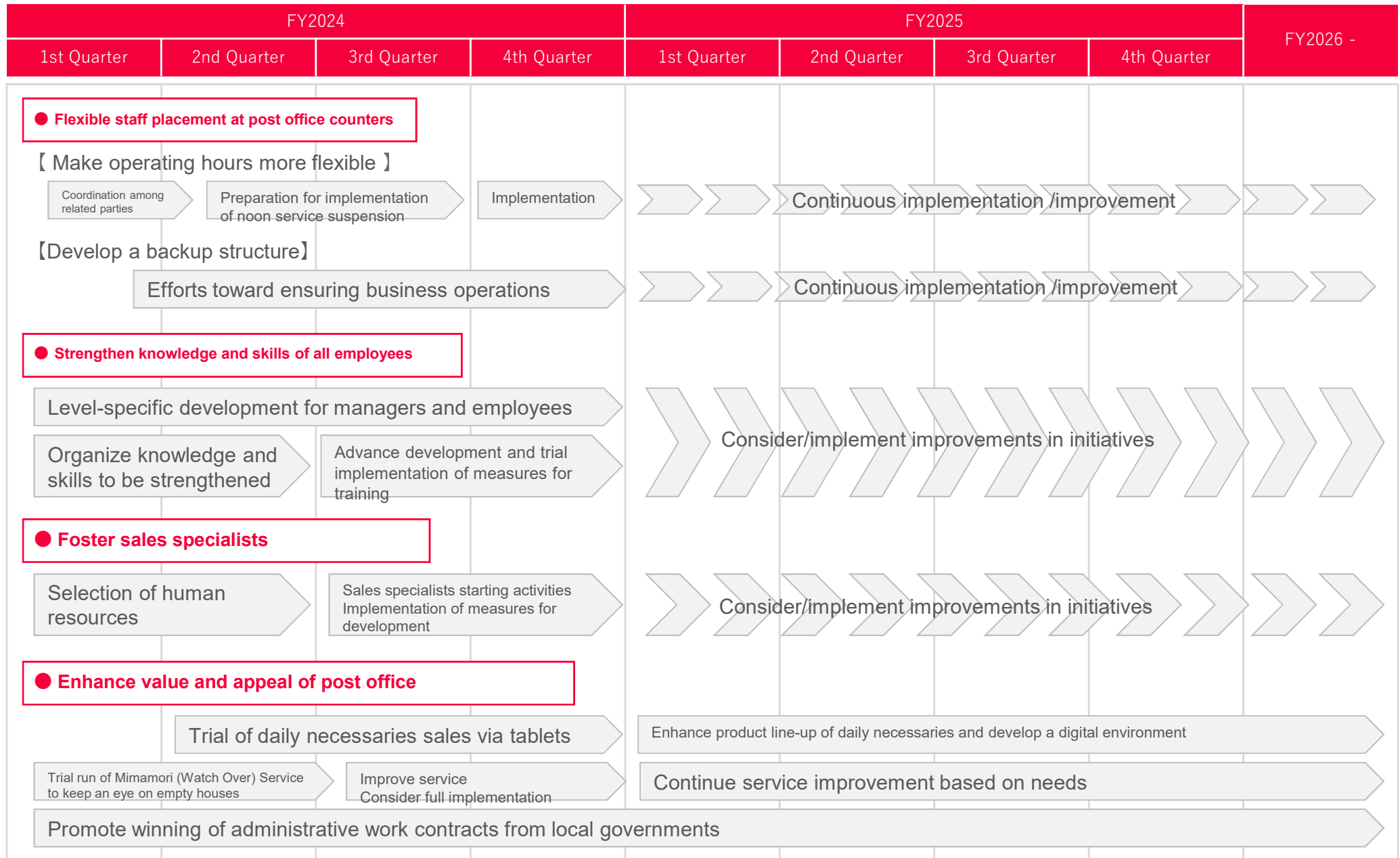
# 1. Growth strategies – Postal and logistics business (2/3)



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

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

# 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								



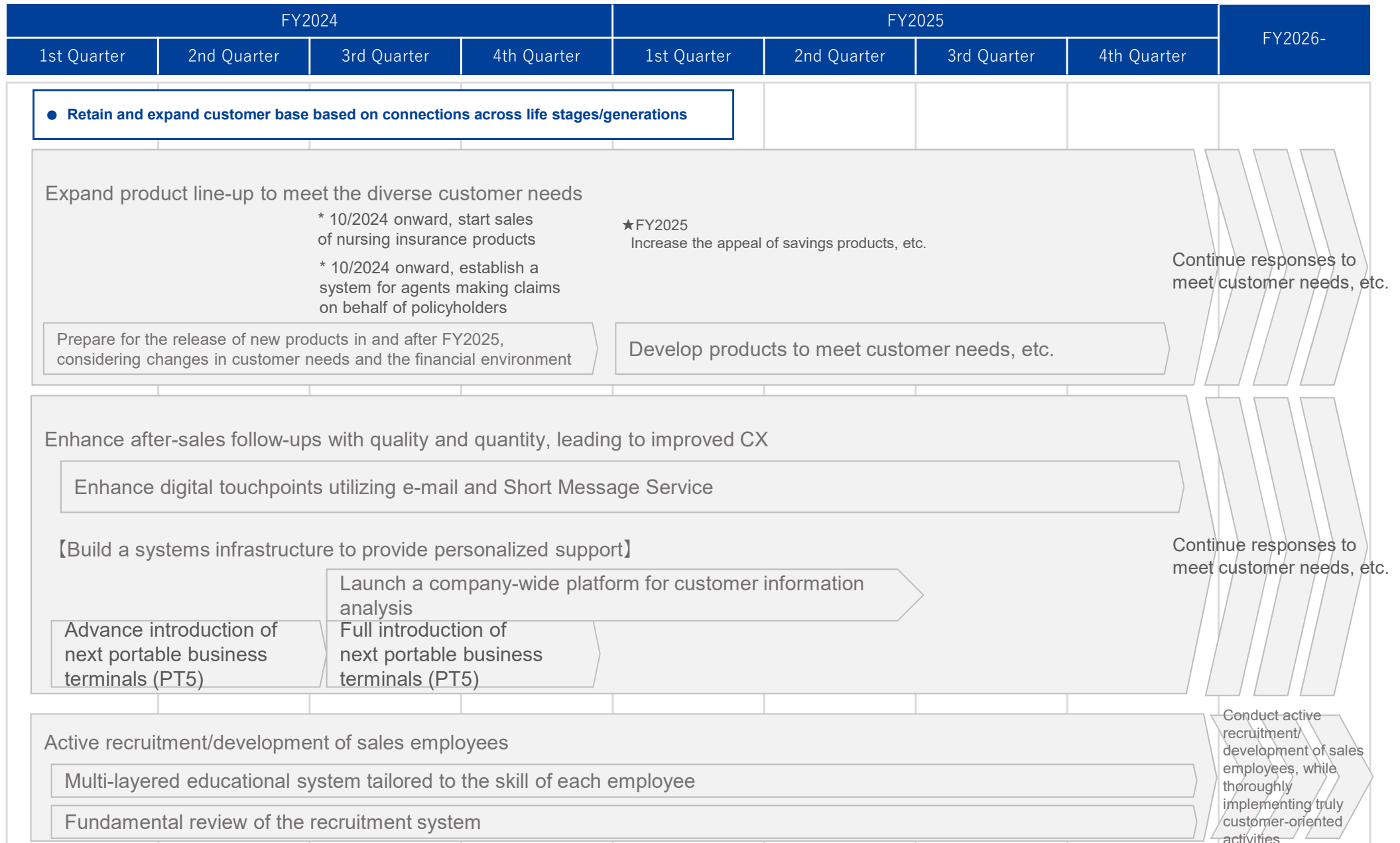
# 1. Growth strategies – Banking business (1/2)

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

# 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） Development of marketing support operation utilizing regional headquarters								
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								
Define requirements	Design/develop/test		Introduce to Head Office	Introduce to regional areas	Gradual expansion of the usage area, functional enhancements			

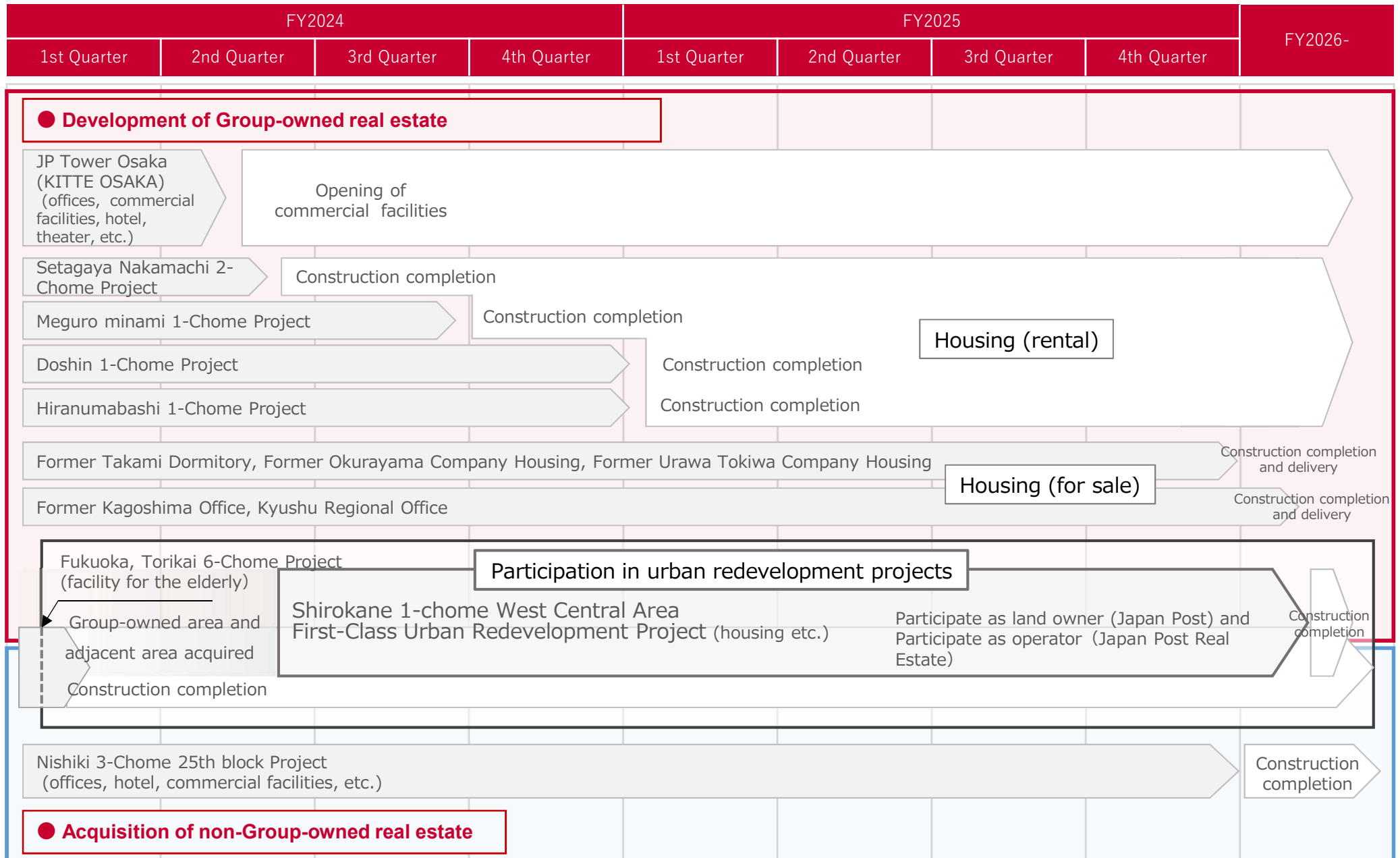
# 1. Growth strategies – Life insurance business (1/2)



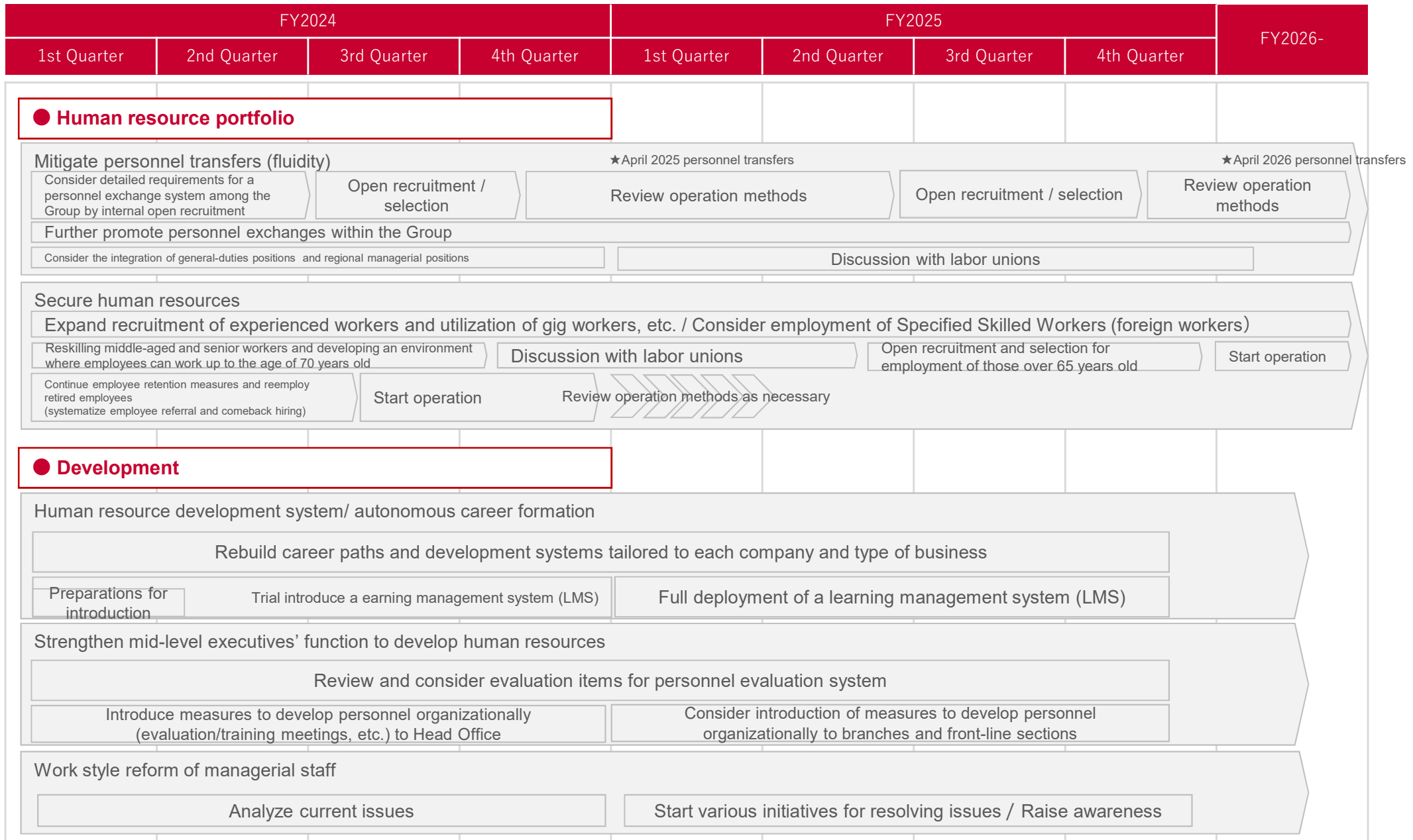
# 1. Growth strategies – Life insurance business (2/2)

FY2024				FY2025				FY2026-
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	
<b>● Achieve greater depth and evolution of asset management</b>								
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								
<b>● Diversify sources of revenue/Create new opportunities for growth</b>								
Expand collaborations aimed at further growth								
Continual discussion for the creation of new opportunities for growth								
<b>● Streamline business operations</b>								
Reduce necessary expenses by streamlining frontline/back-office operations Personnel shifting to production divisions for greater operational efficiency								

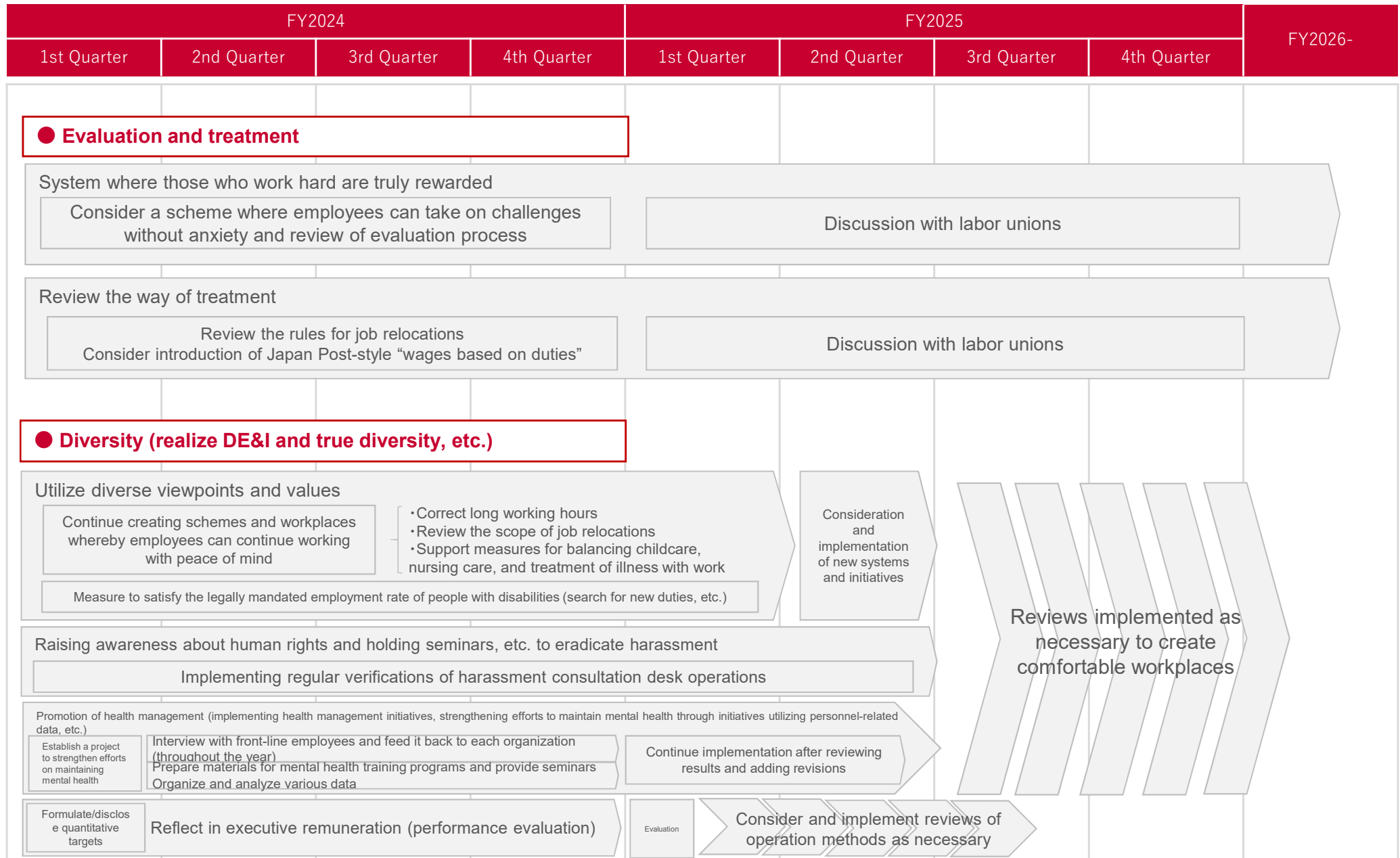
# 1. Growth strategies – Real estate business



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

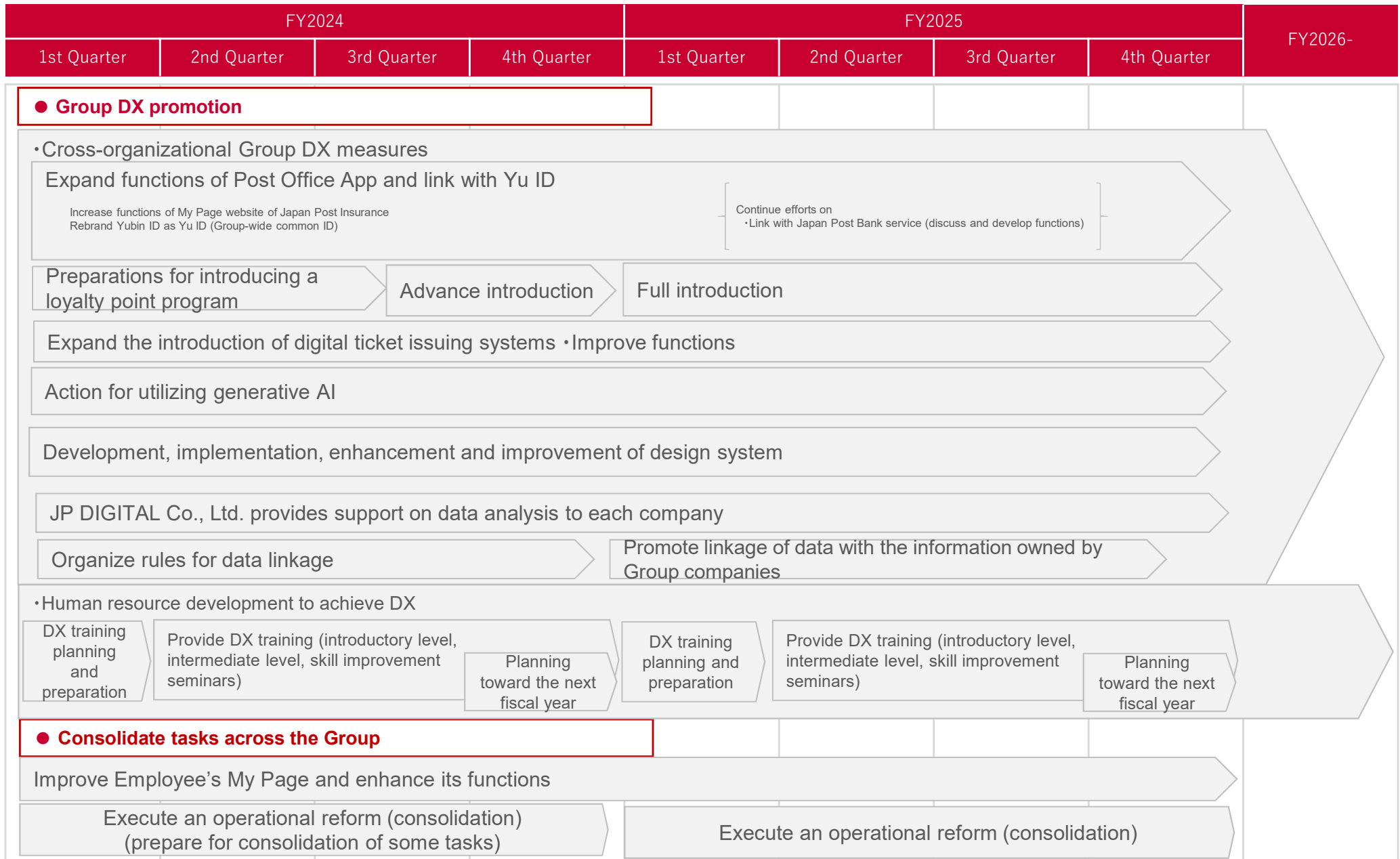


## 2. Further solidifying the management base \_Improve EX by investing in human resources (2/2)





## 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.		

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