

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.



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Approval of Business Plan for the Fiscal Year Ending March 31, 2025

Japan Post Holdings Co., Ltd. and its subsidiary, Japan Post Co., Ltd. hereby announce that on Wednesday, February 28, 2024, an application to the Minister of Internal Affairs and Communications was submitted for approval of the Business Plan for the Fiscal Year Ending March 31, 2025 (hereafter, the "Business Plan"), and that approval was given today, along with requests from the Minister.

The Business Plans for Japan Post Holdings Co., Ltd. and Japan Post Co., Ltd. are presented as Attachment 1 and Attachment 2, respectively, while the items requested from the Minister are annexed to each Business Plan.

Fiscal Year 2024

From April 1, 2024 to March 31, 2025

20th Term

Business Plan

Japan Post Holdings Co., Ltd.

Foreword

Japan Post Holdings Co., Ltd. (hereafter, “Japan Post Holdings”) will formulate and ensure execution of the basic management policies of Japan Post Co., Ltd. (hereafter, “Japan Post”), Japan Post Bank Co., Ltd. (hereafter, “Japan Post Bank”), and Japan Post Insurance Co., Ltd. (hereafter, “Japan Post Insurance”), and exercise its rights as shareholder thereof. Furthermore, Japan Post Holdings will support the businesses of Japan Post, Japan Post Bank, and Japan Post Insurance (hereafter, collectively the “business subsidiaries”), etc. by subcontracting indirect operations that can achieve economies of scale. In addition, by conducting management of hospitals, Japan Post Holdings will aim to provide customer-oriented service, support the lives of customers in the community, and ensure the happiness of both its customers and employees while demonstrating creativity and efficiency as a private enterprise to the greatest extent possible as the basis of trust and reassurance in the postal network. Also, Japan Post Holdings will conduct management of the company by making efforts to ensure that Japan Post Holdings demands management transparency from itself, follows the letter of the law, and is able to contribute to the development of society and the community. Furthermore, in the operation of these businesses, Japan Post Holdings will fulfill its duty to ensure that postal services, postal savings, remittance and credit settlement services as well as easily-accessible life insurance services, stipulated in Article 5, Paragraph 1 of the Act on Japan Post Holdings Co., Ltd. (Act No. 98 of 2005), can be utilized consistently, universally, and fairly at post offices throughout the country via convenient customer-oriented methods, while striving to make greater use of the post office network with the aim of contributing to local communities.

In the fiscal year ending March 31, 2025, Japan Post Holdings will revise its Group Medium-term Management Plan, “JP Vision 2025” (FY2021 - FY2025), which was announced in May 2021. While maintaining the basic concepts, such as a “Co-creation Platform” to support customers and local communities as its vision for the future, Japan Post Holdings will revise the plan so that it can serve as a guide for overcoming the challenges the group is facing and achieving the shift to a growth stage.

1. Basic Policy on Business Operations

(1) Increasing the Corporate Value of the Japan Post Group

As a means of increasing corporate value of the group, with regard to management challenges faced by each company in the Japan Post Group, Japan Post Holdings will provide necessary support and work toward their resolution while deepening the collaboration between each company as the holding entity.

In the fiscal year ending March 31, 2025, Japan Post Holdings will implement a range of cross-organizational, group-wide integrated DX measures. In particular, Japan Post Holdings will augment and improve the features of the Post Office App, the group platform app released in the fiscal year ended March 31, 2024, and promote its usage. Japan Post Holdings will also pursue initiatives aimed at the digitalization of post office counter services, mainly through the shift to self-service and the expansion of remote services.

With regard to the enhancement of customer convenience through the group-wide sharing and utilization of data held by each company, Japan Post Holdings will promote the establishment of rules for data utilization and data governance for the entire group in relevant departments and working groups in order to establish the data governance system required when using the data that post offices possess.

In addition, Japan Post Holdings will create environments where the group's employees can work long-term with peace of mind, based on the newly established Group Human Resources Policy from the perspective of promoting human capital management. This also includes supporting employees' autonomous career development, as well as reconfiguring human resources systems and employee treatment to emphasize personal growth and challenges, so that all employees can leverage their diverse perspectives and value perceptions and work with pride and fulfillment.

Moreover, Japan Post Holdings will help enhance and strengthen its core businesses (postal and logistics, banking, and life insurance) including universal services, expand collaboration with companies outside the group and local governments, and develop the real estate business including the utilization of real estate held by the group.

Japan Post Holdings will support Japan Post's efforts to provide stable and sustainable postal services through the review of postal charges, improve profitability in the logistics field, primarily small parcels, through measures such as more convenient sending and receipt, and provide sustainable financial services at post office counters.

Japan Post Holdings will support Japan Post Bank's initiatives for retail business innovations which are promoted by ensuring the complementarity between the utilization of digital technology, including more widespread use of the Bankbook App, and the physical network of post offices and other branches, and for regional revitalization through the promotion of Σ Business, which represents co-creation with regional financial institutions.

Japan Post Holdings will support the initiatives by Japan Post Insurance aimed at maintaining and expanding the customer base. This includes even more vigorous customer-oriented activities through measures such as multi-layered human resource development to match employee skills, stronger collaboration between Japan Post Insurance and Japan Post, market expansion through the development of new products to meet diverse needs, and the effective integration of digital services to achieve more substantial after-sales follow-up.

Japan Post Holdings will grow the real estate business into a new pillar of revenue by securing stable earnings through participation in real estate development and town development projects coordinated with the reorganization of postal and logistics bases. Japan Post Holdings will also build a group-wide management system by establishing the real estate business as an independent business segment.

Funds from the sale of a portion of Japan Post Bank's common shares in the fiscal year ended March 31, 2023, will be used to invest in growth, including measures to strengthen logistics capacity and the real estate business, and also to acquire treasury stock in order to strengthen shareholder returns and improve capital efficiency, thus increasing the corporate value of the group.

(2) Utilization of the Post Office Network

In our Group's Medium-Term Management Plan, "JP Vision 2025," we aim to provide customer-centric services as a "co-creation platform" that supports our customers and local communities. To achieve this, we will leverage the post office network—our Group's greatest strength—while collaborating with a wide range of external companies as well as local governments.

In the fiscal year ending March 31, 2025, in addition to the administrative work consigned from local governments, Japan Post Holdings will support initiatives to provide a wide variety of products and services that meet the needs of local communities and local customers in unique post office style. This will involve collaboration with other businesses, including enhanced collaboration with regional financial institutions and integrated operation of post office and station ticket counters.

(3) Strengthening Governance and Compliance Functions

In the fiscal year ended March 31, 2020, Japan Post Holdings received administrative dispositions from the Ministry of Internal Affairs and Communications and the Financial Services Agency, mainly regarding the improper solicitations of Japan Post Insurance products. In order to address the situation, Japan Post Holdings formulated a business improvement plan in January 2020, focusing on the improvement measures listed in the plan as the most important management priority, and has steadily implemented the plan.

In the fiscal year ended March 31, 2024, Japan Post Holdings received notification from the Ministry of Internal Affairs and Communications and the Financial Services Agency that the submission of reports based on the business improvement order would no longer be required, and that the progress of improvements would continue to be confirmed through normal supervision and monitoring.

Japan Post Holdings, as the holding entity of the listed company group, will endeavor to strengthen governance among the group as a whole and execute customer-oriented business conduct to secure transparency, full accountability, and proper operation of businesses. Reflecting on the problems that occurred in the past, Japan Post Holdings sees the improvement of compliance standards group-wide as an important issue for management in the fiscal year ending March 31, 2025 as well and will provide all necessary support and guidance to each group company by accurately grasping the formulation and promotion status of their compliance programs for the fiscal year ending March 31, 2025 as well as the condition and status of their internal audit systems.

In particular, Japan Post Holdings will establish a framework to continue to confirm the effect and penetration of measures based on the business improvement plan and manage these measures using the PDCA cycle.

In addition, to promote the dissemination of the Management Philosophy and cultivate a customer-oriented organizational culture, Japan Post Holdings will continue to implement initiatives to ensure the penetration of the common group standard of conduct known as the JP Code of Conduct, such as visits to the business front line of each group company and systems to reward employees who practice actions in line with the JP Code of Conduct.

Japan Post Holdings is committed to the further promotion and management of countermeasures against money laundering, financing of terrorism, and proliferation financing as one of its top priorities.

Japan Post Holdings will make efforts to ensure the public utility and public nature of the services offered by each group company and improve customer experience (CX).

In addition, as a company with a strong public nature, Japan Post Holdings will continue to engage in initiatives that serve public interest, such as the promotion of the spread of Individual Number Cards.

(4) Promotion of Sustainability Management

Japan Post Holdings will leverage the strengths of the Japan Post Group to achieve group-wide growth and enhance the sustainability of the group and society through the following initiatives.

- Environmental initiatives

In light of the latest trend under the government-led initiative for “Achieving Carbon Neutrality in 2050,” Japan Post Holdings will also proactively work on reducing its environmental footprint through business services, such as the expanded introduction of EVs across the group and a gradual switch to electricity with a low carbon emission factor with a view toward reducing CO2 emission.

- Promotion of diversity (such as employment of persons with disabilities and empowerment of women in the workplace)

With regard to the employment of people with disabilities, Japan Post Holdings achieved the designated employment rate (2.3%) of persons with disabilities required by the Act for Promotion of Employment of Persons with Disabilities also in the fiscal year ended March 31, 2024. The designated employment rate is expected to rise (to 2.5%) in the fiscal year ending March 31, 2025, and Japan Post Holdings will strengthen its efforts to promote the employment of people with disabilities to achieve this target.

Regarding the advancement of women, we will work to increase the number of women in management positions by raising motivation for career advancement among female employees, providing systematic development programs to expand the pipeline of female leaders, promoting workplace environments that support work–life balance, and enhancing related systems and infrastructure.

(5) Initiatives Related to Other Management Issues

(i) Strengthening Cyber Security

In order to protect ourselves from the increasing risk of cyber terrorism, Japan Post Holdings will work to enhance its cyber security measures and strengthen governance through information sharing across the group.

(ii) Preparing for the Disposal of Shares in the Group Companies

In accordance with the Postal Service Privatization Act, Japan Post Holdings is required to dispose of its entire equity interest in Japan Post Bank and Japan Post Insurance within the earliest possible timeframe while considering the business conditions of Japan Post Bank and Japan Post Insurance and any impact on the ability of Japan Post Holdings and Japan Post to fulfill their universal services obligation, Japan Post Holdings will make the necessary preparations. Meanwhile, Japan Post Holdings will make the necessary preparations to enable the government to dispose of its shares as required.

(iii) Developing a Crisis Management Structure

Japan Post Holdings will develop a crisis management structure to prepare for crises such as natural disasters and pandemics and will respond promptly and accurately in the event of such a crisis, in order to ensure business continuity.

To this end, Japan Post Holdings will develop the crisis management structure of the Japan Post Group in normal times, and in the event of a crisis, Japan Post Holdings will oversee the group and discuss and make decisions regarding specific crisis responses. Japan Post Holdings will also engage in supporting reconstruction from the Great East Japan Earthquake and other natural disasters.

Based on the aforementioned basic policies and the opinions of the Postal Privatization Committee, Japan Post Holdings shall carry out business operations focusing on the following items and rapidly and flexibly respond to changes in the business environment.

2. Other Matters Relating to Business Operation

(1) Formulation of Business Subsidiary Basic Management Policy and Assurance of Execution thereof, et al.

Japan Post Holdings will formulate the basic management policies for Japan Post and ensure the execution thereof so that the latter can achieve its company objectives of ensuring universal services of postal, banking and insurance, and providing stable service through the conservation and utilization of the post office network.

Specifically, Japan Post Holdings request consultation, approval, or reporting on an individual basis with regard to matters that have a significant impact on the group as a whole or are required to ensure management transparency for group management by concluding the Japan Post Group agreements and the Japan Post Group contracts pertaining to group operations with each business subsidiaries.

(2) Business Support of Business Subsidiaries

Japan Post Holdings aims to improve the group's management efficiency while supporting the business of its subsidiaries by subcontracting indirect operations can achieve economies of scale. Specifically, Japan Post Holdings will be entrusted the following indirect businesses from its business subsidiaries and execute.

(i) Provision of Telecommunications and Data Processing Services

Japan Post Holdings will provide telecommunications, and data processing services to business subsidiaries and contracted post offices.

(ii) Human Resource and Finance Businesses

Through subsidiaries that conduct temporary staffing dispatch and introduction business, Japan Post Holdings will carry out payment of salaries of business subsidiary executives, allowance calculation and income clerical duties (creation/mail-out of invoices requests, bank account transfer requests, credit data reconciliation) as well as expenditure clerical duties (creation/mail-out of payout certificates requests, bank account transfer requests, creation/mail-out of payment notices, credit data reconciliation).

(iii) Welfare Benefits-related Businesses

Japan Post Holdings will conduct recreation facility provision businesses for executives and employees, etc. of business subsidiaries.

Furthermore, through subsidiaries that conduct temporary staffing dispatch and introduction business, Japan Post Holdings will conduct health management business based on the stipulations set forth in the Industrial Safety and Health Law for executives and employees, etc. of business subsidiaries and the Organization for Postal Savings, Postal Life Insurance and Post Office Network.

(iv) Real Estate Management-related Businesses

Japan Post Holdings will conduct support of management, improvement planning, operational upkeep and design/construction supervision or transaction/leasing related to real estate such as land and buildings as well as equipment associated with said real estate that is either currently owned or leased by business subsidiaries or will be owned or leased by them in the future.

Japan Post Holdings will implement an organizational restructuring based on its purpose and role as a holding entity. Japan Post Holdings will establish a subsidiary in FY2024 and transfer the relevant operations to this subsidiary in order to improve the quality of services provided to group companies in this business.

(v) Temporary Staffing and Introduction Businesses

Through subsidiaries that conduct temporary staffing dispatch and introduction business, Japan Post Holdings will conduct solicitations for and employment of staff and introduce and dispatch them to each group member company. Also, the company will be entrusted with the human resource-related businesses of each group company.

(vi) Call Center-related Businesses.

Through subsidiaries that conduct telemarketing business, Japan Post Holdings will carry out the provision and management of call center facilities and systems to business subsidiaries.

(vii) Talent Development-related Businesses

Through the Postal College, Japan Post Holdings will execute cross-organizational training and aim for the improvement of employee capabilities in each group company.

(3) Hospital Operation

Japan Post Holdings will proceed with administrative improvement through revenue increasing measures by coordinating with community healthcare and enhancing emergency medicine, engaging in cost-cutting, and other related efforts through the enhancement of operational efficiency and reviews including the handover of business, as well as operate Teishin in Hospital as a company-founded hospital. Also, it will promote the improvement of medical services, response to local healthcare needs, and patient satisfaction.

In addition, Japan Post Holdings will implement measures to promote the use of Individual Number Cards as health insurance cards at Teishin Hospital.

■ Financial Plan

The financial plan for the fiscal year ending March 31, 2024 is as follows.

Unit: 100 mil JPY

Item	Amount
Cash inflow	
Balance carried over from previous term	9,861
Dividend income	1,448
Former savings accounting subsidy	1
Brand royalty fees	137
Indirect business commissions	448
Medical business income	121
Borrowings	500
Other income	1,429
Total	13,945
Cash outflow	
Personnel expenses	448
Non-personnel expenses	570
Taxes and dues	58
Investment expenses	161
Loans	1,365
Other expenses	1,673
Balance carried forward to next term	9,671
Total	13,945

N.B.:1) Total figures do not match due to rounding.

■ Income and Expenditure Budget

The income and expenditure budget for the fiscal year ending March 31, 2024 is as follows.

Unit: 100 mil JPY

Item	Amount
Ordinary Income/Loss Section	
Operating Income/Loss Section	
Operating revenue	2,093
Dividend income	1,439
Former savings accounting subsidy	1
Brand royalty fees	125
Indirect business commissions	401
Medical business income	123
Other income	4
Operating expenses	759
Personnel expenses	111
Non-personnel expenses	515
Depreciation costs	96
Taxes and dues	37
Operating Income	1,334
Non-operating Income/Loss Section	
Non-operating Income	26
Ordinary profit	1,360
Extraordinary gain and loss section	
Extraordinary gains	0
Extraordinary losses	-
Income before income taxes	1,360
Income taxes current	-3
Net income	1,362

N.B.:1) Total figures do not match due to rounding.

(Note 2) “-” indicates that no figure is applicable or available.

1. In anticipation of an increasingly digital society, Japan Post Holdings shall engage in group management from a long-term perspective, with a keen awareness that technological innovation may bring about fundamental changes to the three pillars of its postal business: postal, banking, and insurance.
2. Based on its public role in contributing to community welfare through physical branch locations, Japan Post Holdings shall remain committed to the reliable provision of universal services throughout the country, to improve the speed and quality of postal and logistics services, promote sales activities of Japan Post Insurance, provide products that meet the needs of local residents, and advance the utilization of regional service hubs.
3. Japan Post Holdings shall use its network of post offices to further strengthen public service initiatives, including popularizing and utilizing Individual Number Cards and providing administrative services for local governments through counter operations.
4. Japan Post Holdings shall push ahead with establishing new growth areas by promoting initiatives to move toward a digital society, such as building a data governance system necessary to leverage data that post offices possess, promoting DX at group companies, and contributing to the realization of the Vision for a Digital Garden City Nation.
5. Japan Post Holdings shall strive to secure national confidence and user trust by continuing to pursue initiatives such as enhancing compliance and strengthening the governance framework within the group.
6. Japan Post Holdings shall further advance initiatives to promote diversity, including the employment of people with disabilities, the promotion of women's advancement, and the further encouragement of male employees to take childcare leave to ensure work-life balance, as well as proactively implement initiatives to address environmental issues aimed at "Achieving Carbon Neutrality in 2050."
7. Japan Post Holdings shall work toward recovery and reconstruction in the wake of the 2024 Noto Peninsula earthquake. Moreover, during normal times, Japan Post Holdings shall work to establish methods to gather the information necessary in the case of an emergency and develop initial response measures, as well as striving as a group to disseminate information in preparation for emergencies, as measures for the future. And Japan Post Holdings shall strive to ensure business continuity across the entire group while appropriately responding to outbreaks of infectious diseases and disasters and ensuring.
8. Japan Post Holdings shall appropriately handle the disposal of shares of Japan Post Bank and Japan Post Insurance while ascertaining the impact on their ability to fulfill their obligation to provide universal services.

Fiscal Year 2024

From April 1, 2024 to March 31, 2025

18th Term

Business Plan

Japan Post Co., Ltd.

Foreword

Japan Post Co., Ltd. (hereafter, “Japan Post”) conducts its business operations with the responsibility to ensure that customers can use basic services related to the postal business consistently, universally and fairly at post offices throughout the country.

Going forward, efforts will be made to maintain the level of the post office network, which is a shared asset of the Japanese people, and to fully ensure major public benefits and contribute to local communities, while raising the value of the post office network by making post office services even more convenient.

In the Group Medium-term Management Plan “JP Vision 2025” announced in May 2021, the Japan Post Group (hereafter, the “Group”) set out a “Co-creation Platform” to support customers and local communities as its vision for the future.

Leveraging its network of post offices, the Group’s greatest strength, Japan Post will provide integrated services of the group while seeking partnerships with a diverse range of companies and others outside the Group, which the Group has never had. Such efforts will help local customers enjoy safe, secure, comfortable, and prosperous lives.

Part 1 Basic Policy on Business Operations

Following the discovery in the fiscal year ended March 31, 2020, of the improper solicitation of the products of Japan Post Insurance Co., Ltd. (hereafter, “Japan Post Insurance”), Japan Post has formulated the business improvement plan that mainly addressed the structural factors behind the issue of improper solicitation. Japan Post has positioned the execution of the business improvement plan as its foremost management challenge, and to date has taken various measures to prevent relapses, including 1) strengthening group governance, 2) strengthening group compliance, 3) reviewing the sales promotion scheme, 4) creating a healthy corporate culture that puts a priority on compliance and customer protection, and 5) establishing an appropriate solicitation quality control scheme. Japan Post no longer issue reports and announcements in relation to the business improvement plan. Nevertheless, Japan Post will continue to strive to achieve optimal business management.

Japan Post believes that to achieve sustainable growth, Japan Post must aim to be a company chosen by its customers, by enhancing the value and attractiveness of the post office network. Based on this belief, in addition to the administrative work consigned from local governments, Japan Post will provide a wide variety of products and services that meet the needs of local communities and local customers in unique post office style in collaboration with other businesses, including enhanced collaboration with regional financial institutions and integrated operation of post office and station ticket counters.

Japan Post will also strategically invest management resources in radical DX initiatives, based on customer needs, as well as striving to further enhance services for customers and improve profitability through efforts aimed at uncovering new demand, unconstrained by existing initiatives and businesses.

In the fiscal year ending March 31, 2025, Japan Post is forecast to record a net loss due to its investments aimed at sustainable growth, including the deployment of business-use electronic devices and tablets, in addition to decreases in the volume of mail and the number of post office users, mainly attributable to the declining population and the advance of digitalization, as well as price hikes and a rise in personnel expenses. However, Japan Post will implement measures

to improve business performance and achieve a profit in the fiscal year ending March 31, 2026. These include measures to improve profitability and operational efficiency.

In the postal and logistics business, Japan Post will strengthen the collaboration between its subsidiary JP Rakuten Logistics, Inc. and Rakuten Group, Inc. to promote sales activities. Japan Post will also strive to further expand the volumes handled through measures such as shortening the delivery lead time.

Regarding its relationship with the Yamato Group, with which Japan Post has concluded a basic agreement on the promotion of sustainable logistics services, Japan Post has decided to implement a nationwide initiative to use its delivery network to deliver small lightweight parcels collected by the Yamato Group throughout the fiscal year ending March 31, 2026. Japan Post will establish systems to reliably and efficiently deliver the increased number of parcels, thereby securing a profit.

With the rise in personnel expenses and other costs anticipated to continue, Japan Post will use the increased revenue from the revision of postal charges to improve productivity through measures such as mechanization for more efficient business operations.

Meanwhile, the tough earnings environment is expected to persist in the post office business in the fiscal year ending March 31, 2025. Japan Post will progressively invest in future growth, including the deployment of business-use electronic devices, despite an expected decrease in commissions for banking and insurance business consignment, mainly due to decreases in the number of remittances and the number of insurance policies in force.

However, with sales activities expected to pick up with the launch of lump-sum payment whole life insurance and the new NISA system, Japan Post will implement measures to overcome this tough environment and grow into a business chosen by customers.

Specifically, Japan Post will pursue initiatives such as “flexible staff placement at post office counters,” “strengthen knowledge and skills of all employees,” “foster sales specialists,” “enhance the value and appeal of post offices,” and “operation reforms of post office counters,” to improve results by improving profitability and service quality.

1. DX

Japan Post recognizes that it needs to reform itself with insight into future trends regarding societal and environmental changes as well as state-of-the-art technologies, if Japan Post is to continue providing its core services such as postal/logistics services, banking, and life insurance constantly and sustainably into the future.

Japan Post shall, therefore, endeavor to materialize enhanced services/functions and operational reform by fully utilizing the data accumulated through full-scale digitization of various data, while promoting initiatives for reforming business operation itself, organization, processes, and corporate culture.

In the fiscal year ending March 31, 2025, Japan Post will strengthen the initiatives to materialize low-cost operations in the postal and logistics business and enable more convenient sending and receipt, as well as the digitalization of counter service operations.

In the postal and logistics business, Japan Post is progressively collaborating with its competitors to help solve various social issues relating to logistics and promote sustainable logistics services.

However, to further expand its profit from parcels, it is essential to advance DX, thoroughly streamline operations and, above all else, ensure that customers choose Japan Post products and services.

Japan Post is currently working on postal and logistics business reforms (P-DX) utilizing digitalized sender data and the Group's proprietary delivery ledger data to achieve data-driven operations. Such initiatives will promote operational efficiency based on digitalized data and ensure the competitive advantage over other companies, while also striving to make it easier for customers to send and receive packages. In this way, Japan Post will grow into a company chosen by customers.

In the fiscal year ending March 31, 2025, Japan Post will engage in upgrading the system functions of the e-receiving assistance service, including upgrades enabling customers to receive absence notifications via LINE and change their designated delivery locations and delivery dates, in addition to launching a digital version of the delivery request form for designated locations. Japan Post will increase the range of locations for "HAKO POST" receiving lockers to enable customers to receive parcels more conveniently and improve productivity through the reduction of redeliveries.

Japan Post will also engage in making it more convenient for customers to send parcels through initiatives such as the planned release of a delivery method navigation app and the installation of Yu-pri touch at a greater range of locations.

To increase productivity, Japan Post will utilize the smartphone devices issued to all pickup and delivery employees in the fiscal year ended March 31, 2024, to ensure employee safety, help employees support each other between deliveries, and review delivery routes and delivery areas based on the data acquired using telematics. In addition, Japan Post will pursue the streamlining of pickup and delivery operations for Yu-Pack and other services by using AI-based automatic delivery route determination and reduce indirect operations at post offices by using the collection support system to consolidate collection reception operations into centralized call centers.

Japan Post will also implement initiatives to reduce manpower and workload at post office operations through measures such as the promotion of transportation DX and the use of automated guided vehicles (AGVs), as well as making preparations for the development of digital maps for use in pickup and delivery operations, etc.

In addition, Japan Post will also conduct continuous trials and experiments on robotics (involving picking robots, etc.) and enhanced delivery methods (involving drones, delivery robots, etc.) for practical application in the future.

In the post office business, too, the number of visitors to post office counters is trending downward due to the decline in population and advancements in digitalization. Under these conditions, it is essential to "improve profitability," "enhance the value and appeal of post offices," and "enhance service quality" for this business to grow into one that customers choose.

To achieve these three improvements, Japan Post will redistribute the operational burden that has so far been concentrated on physical channels, such as post office counters, to digital channels such as apps and remote channels such as the Financial Services Contact Center. At the same time, Japan Post will promote operational reforms for each channel, creating an environment where post offices, as physical channels, can provide "warmhearted services unique to post offices."

In the fiscal year ended March 31, 2024, Japan Post has enabled cashless payments at all directly operated post offices, as well as advancing the expansion of digital ticket dispensers and self-serve postal checkout services. Japan Post has also expanded the number of post offices where customers can utilize the Financial Services Contact Center, which is staffed by specialized operators who provide online product explanations and application services for savings-type NISA and non-life insurance products.

In the fiscal year ending March 31, 2025, Japan Post will thoroughly digitalize post office operations by, for example, using tablets, establishing an online support system, and expanding self-service operations, to create an environment that will enable effective and efficient sales activities. Japan Post will also utilize the resources thus generated to develop a wide variety of services that meet the needs of local communities and customers.

Specifically, Japan Post will deploy more business-use tablets and expand the range of services that can be handled via tablets, as well as increasing the number of post offices where customers can access the Financial Services Contact Center and expanding its scope of operations, thereby improving customer convenience and streamlining post office counter operations.

In addition, Japan Post will expand the introduction and enhancement of self-serve checkout services that enable customers to measure, calculate, and send postal items themselves, as well as purchasing retail products, without lining up at postal and retail counters and progressively digitize catalog applications for retail products. Japan Post will also expand the introduction of digital ticket dispensers that display a QR code on the numbered tickets issued to customers waiting for service, enabling them to check the number of people waiting ahead of them and the estimated waiting time through their smartphones.

As part of the “post office of the future” concept, Japan Post aims to provide new value to customers of all ages and regions and to thoroughly enhance experience value by integrating physical post offices with digital technologies. In the fiscal year ended March 31, 2024, Japan Post released the Post Office App, a Group platform app for smartphones that makes “sending and receiving” functions “easier to understand” and “easier to use.”

In the fiscal year ending March 31, 2025, Japan Post will continue to promote the use of the Post Office App and enhance customer experience value by expanding the app’s features, such as the financial consultation reservation function, and continuously improving it based on customer feedback to further enhance customer convenience.

Japan Post is also engaged in integrating the existing IDs that are separately managed by each Group company into a common ID to create an environment that enables seamless service collaboration and the aggregation and accumulation of customer information and usage history.

In the fiscal year ended March 31, 2024, Japan Post migrated the “Yubin ID” to a new infrastructure and launched the operation of the new IDs. In the fiscal year ending March 31, 2025, Japan Post will work to promote the common ID system by advancing the integration with the My Page website of Japan Post Insurance and the registration of IDs at postal service counters when applying for merchandise from catalogs. Japan Post will also consider the introduction of a membership website and a loyalty point program.

Furthermore, Japan Post will explore the possibilities of using the data it holds to solve local issues and to create new businesses while ensuring the appropriate handling of personal information and security.

2. Human Capital Management

Japan Post recognizes that the source of its competitive strength lies in the power of its employees. Japan Post will create environments where employees can achieve a high sense of job satisfaction and work energetically, while also investing in human resources to support their growth. By maximizing its employees' diverse value, Japan Post will promote human capital management to achieve sustainable growth.

Specifically, in the fiscal year ending March 31, 2025, Japan Post will work on reviewing the existing ES survey aimed at improving employee engagement. Japan Post will also promote the quantification and visualization of a range of HR data to ensure that the right person is deployed in the right position, revise personnel evaluation to maximize the value of each employee, and engage in transforming management.

In addition, Japan Post will aim to ensure the active participation of diverse human resources by creating comfortable workplaces for employees, including initiatives to help them balance work with childcare and caregiving duties and reduce overtime work, as well as promoting diversity initiatives such as hiring people with disabilities and empowering women. Japan Post will also advance efforts to eliminate harassment.

The Japan Post Group has established the Japan Post Group Declaration on Health based on the belief that all of the Group's employees must be healthy both mentally and physically so that they can fully utilize their abilities and work vibrantly. Japan Post will promote a more widespread and deeper understanding of health management among employees and advance initiatives such as mental health care and initiatives to help employees quit smoking.

To link these initiatives to sustainable corporate growth, Japan Post believes it is crucial that all employees share its goals and direction, and that Japan Post transforms into an organization where employees think for themselves about what should be done to achieve these goals and direction and take autonomous action. To this end, Japan Post will promote more substantial internal communication by holding conferences on the future of post offices for the exchange of opinions between management and employees and operating Japan Post suggestion boxes to utilize employee feedback in management.

3. ESG management

Japan Post has formulated the "Japan Post Sustainability Basic Policy" in the fiscal year ended March 31, 2022, and In the fiscal year ending March 31, 2025, Japan Post will continue to strive to achieve sustainable growth and enhancement of corporate value over the medium to long term by contributing to addressing social issues related to sustainability through the whole range of its corporate activities.

In an effort to contribute to "Achieving Carbon Neutrality in 2050," proposed by the Japanese government as part of its initiatives to reduce the environmental burden, Japan Post will endeavor to expand the use of electric vehicles (EVs), switch to LED lighting, and reduce redelivery. Japan Post will also continue to conduct demo tests, such as giving local EV users access to charging equipment and will promote the carbon neutralization of regions through collaboration with local governments in regions that have been already working to achieve decarbonization.

Moreover, Japan Post will work to build more "+eco post offices" that are more environmentally friendly by applying cross laminated timber (CLT) to post offices and using renewable energy such as the introduction of private solar power generation systems.

In addressing social issues, Japan Post believes that post offices are taking on an increasingly vital and valuable role in areas subject to low birthrates, population aging, and depopulation, where the withdrawal of other companies poses challenges for maintaining the local economy. In this context, Japan Post will provide a wide variety of products and services that meet the needs of local communities and local customers in collaboration with other businesses, including enhanced collaboration with regional financial institutions and integrated operation of post office and station ticket counters.

With the revision of the Act for Eliminating Discrimination against Persons with Disabilities, it will become mandatory for companies to provide reasonable accommodation for individuals with disabilities, and Japan Post will also work towards realizing a “society of coexistence.”

Japan Post will continue its efforts to strengthen governance. These include measures to prevent internal crimes, employee fraud, and improper sales practices, as well as ensuring customer protection, personal information protection, measures against money laundering, and the collection of appropriate charges, to achieve compliance-based management. In addition, Japan Post will work on further embedding compliance awareness among employees through guidance that reaffirms the purpose and significance of compliance.

Japan Post will promptly disclose any incidents of misconduct, except for those that are under police consultation or investigation. If the parties involved are minors, Japan Post will make certain allowances, as required, such as enhancing the degree of anonymity.

Part 2 Plans Regarding Operations Stipulated in Article 4, Paragraph 1 through 3 of the Japan Post Co., Ltd. Act

Japan Post ensures implementation of operations including postal operations, banking counter operations, and insurance counter operations stipulated in Article 4, Paragraph 1 of the Japan Post Co., Ltd. Act (Act No. 100 of 2005), in addition to conducting operations as stipulated in Paragraph 2 and Paragraph 3 of the same Article.

The essential details of the plan are as follows.

With regard to operations stipulated in Article 4, Paragraph 2, Item 3 and Paragraph 3 of the Japan Post Co., Ltd. Act, the plan is formulated based on provisions of Article 92 of the Postal Service Privatization Act (Act No. 97 of 2005) which stipulates that special care should be taken not to unfairly harm the interests of businesses engaged in the same type of operation as Japan Post.

1. Postal Operations (including sales of documentary stamps and issuance of New Year’s lottery postcards, etc.)

While the quantity of mail is decreasing, largely due to further advancement in digitization, Japan Post will strive to maintain the use of the postal service through the promotion of letter writing by providing education regarding its enjoyment, such as by supporting the Letter Writing Workshop Program and providing services to assist users’ preparation of New Year’s cards using smartphones. Japan Post will also endeavor to promote the use of New Year’s mail by encouraging customers to send paper New Year’s cards through LINE’s Smart Nenga service, as well as initiatives such as informing corporate clients who refrain from sending due to their

potential environmental impact about the use of FSC® certified paper, which contributes to forest conservation, in New Year's postcards.

In the meantime, incidents are still being discovered such as the abandonment or concealment of mail.

In the fiscal year ended March 31, 2024, Japan Post extended the length of its training program for newly recruited employees from the current one year to two years. Participants engaged in progressive training based on their acquisition of delivery skills, with the first year designated as a training period for new recruits to learn delivery skills and the second year designated as a follow-up period to confirm the acquisition of the skills learned. Japan Post believes that these initiatives have been effective, to some degree. In the fiscal year ending March 31, 2025, in addition to these initiatives, Japan Post will also promote measures targeting more experienced employees in view of the issues that came to light in the fiscal year ended March 31, 2024.

Increases in fuel and other commodity prices, as well as labor and other costs, are significantly impacting Japan Post's operations.

Japan Post has endeavored to streamline operations while utilizing digital technology to improve productivity. However, the postal business recorded an operating loss of 21.1 billion yen in the fiscal year ended March 31, 2023. This was the first loss recorded since privatization.

With the decline in the volume of mail forecast to continue, Japan Post believes that a review of postal charges is inevitable in the future in order to realize the stable provision of postal services as a universal service and to improve services to customers.

In the fiscal year ending March 31, 2025, Japan Post will proceed with preparations for the review of postal rates based on the progress of deliberations on the partial revision of the Ordinance for Enforcement of the Postal Act. If the revision of postal charges becomes possible, Japan Post will revise charges with due consideration for measures to prevent customer confusion. Japan Post will use the increased revenue from the revision of postal charges to continue initiatives such as wage increases and proper price transfer to contracted businesses, while also promoting efforts to expand the use of postal services described above, improving services through measures such as a larger range of pickup points for registered mail, and enhancing operational efficiency through automation.

2. Domestic Distribution Operations

Japan Post will work toward expanding revenue by providing products and services that meet customer needs, such as increasing the number of e-commerce sites that introduce its e-shipping service, expanding the number of locations where non-physical contact pickup lockers and OKIPPA (a service for leaving parcels in designated areas) are available, and enhancing the convenience in both sending and receiving items by diversifying payment methods to steadily capture the growing EC market and online flea markets. Japan Post will also work to increase the number of packages and other items handled by strengthening cooperation with other companies.

Specifically, in the fiscal year ending March 31, 2025, Japan Post will continue to strengthen collaboration between its subsidiary JP Rakuten Logistics, Inc. and Rakuten Group, Inc. amid an increase in the number of items handled by Rakuten marketplace vendors. Japan Post will promote sales activities through campaigns, rate revisions, and improvements in delivery quality,

and work to further increase the number of items handled by shortening delivery lead times through the expansion of direct shipping from regional distribution centers.

In Logistics, Japan Post has expanded its warehouses to 25 locations spanning a total of approximately 180,000m². With utilization rates also rising, Japan Post will continue to engage in boosting its proposal speed and price competitiveness in the fiscal year ending March 31, 2025, as well as working to increase revenues through initiatives such as enhancing B2B logistics services in collaboration with its subsidiaries.

In addition to these initiatives, Japan Post will aim to leverage its strength in small packages, increasing the volume of these packages by reinforcing the sales system and improving both the quantity and quality of its sales capabilities. Japan Post will also work on reviewing its products and services based on customer needs.

Specifically, Japan Post is considering expanding the range of items it handles. Japan Post will also work to strengthen its profitability by developing dedicated products and enhancing its competitiveness to capture the cross-border e-commerce market, which is expected to grow in the future.

To increase productivity, Japan Post will shift resources from the postal to the package delivery market. Japan Post will work to achieve sustainable growth by investing in facilities and human capital and strengthen its efforts to achieve more efficient operations through initiatives such as the promotion of DX, the introduction of sorting machines to enhance automated processing, and the reorganization of the next-generation distribution network.

In the fiscal year ended March 31, 2024, Japan Post signed a basic agreement to promote sustainable logistics services with the Yamato Group and launched an initiative to use its delivery network to deliver small lightweight parcels and booklet parcels (mail-bin) collected by the Yamato Group. At present, Japan Post has achieved stable business operations, but an expansion in the regions where Japan Post handles small lightweight parcels is planned in the fiscal year ending March 31, 2025, and Japan Post will build a system to reliably deliver the increased volume of packages.

In the fiscal year ending March 31, 2025, Japan Post will revise its transportation operations, including the introduction of relay transportation, in light of the so-called “2024 problem” caused by the reduction in drivers’ working hours associated with the amendment of the Notice of Improvement Standards and other laws relating to working style reform. Japan Post has worked to maintain the highest possible service level, but in some regions, there may be a reduction in this level. At the same time, however, Japan Post will strive to improve customer service, including through more convenient ways of sending and receiving items.

The Japanese government has announced measures to counter the “2024 problem” such as its “Policy package for logistics innovation” and “Guidelines for shipper and logistics operator initiatives for logistics rationalization and productivity improvement.” Japan Post will steadily implement its own action plan developed based on these guidelines to address the “2024 problem” from the perspectives of both shippers and transport operators.

Japan Post collaborates with many companies in the delivery and collection of mail and packages. Japan Post will continue to work toward building partnerships with such companies in accordance with the Guidelines on Price Negotiation for Appropriate Pass-through of Labor Cost, announced by the Japanese government.

3. Banking Counter Operations, Insurance Counter Operations, etc.

Japan Post has made proposals for Japan Post Insurance products to customers aged 70 and over only upon the customer's request. To ensure that there is no repeat of the recent solicitation issues, however, Japan Post is continuing to implement the measures established under the business improvement plan, such as ensuring that family members are present when making proposals. As part of this ongoing effort, Japan Post recommenced proactive proposals to customers aged 70 and over from January 2024.

In the fiscal year ending March 31, 2025, Japan Post's management will take the lead in establishing an appropriate sales promotion scheme, fostering a sound organizational culture that emphasizes compliance and customer protection, establishing an appropriate solicitation quality control scheme, and continuing efforts to fundamentally strengthen governance and thoroughly implement the PDCA cycle to ensure the steady and permanent implementation of improvement measures. At the same time, management will ensure that there are no discrepancies in communication with the front line and regularly and appropriately make the necessary revisions.

As in the fiscal year ended March 31, 2024, Japan Post will engage in customer-oriented consulting to make proposals in line with customer needs and ensure careful after-sales follow-up, based on the features of each product, focusing on "customer-oriented sales activities."

The number of visitors to post office counters is trending downward due to the decline in population and advancements in digitalization. Under these conditions, Japan Post will implement initiatives to achieve a framework for the sustainable provision of financial services through measures such as flexible staff placement at post office counters, fostering sales specialists, and operation reforms of post office counters.

Japan Post aims to enhance its sales capabilities through initiatives such as the introduction of a range of services to existing customers and personalized proposals based on the data it has collected and analyzed. Japan Post will also proceed to upgrade the infrastructure for Group-wide common IDs and Group-wide customer management.

In addition, Japan Post will reduce the number of documents stored at post offices and gradually digitize documents in order to prevent their loss and improve operational efficiency and will provide ongoing guidance to thoroughly ensure the protection of personal information.

Also, Japan Post will continue to implement check and control over post office managers and other personnel in managerial positions, such as the business practice of having post office managers work at another post office for long periods of time, as well as collecting customer feedback and employee insight to prevent or early discover internal crime.

4. Administrative Work Consigned from Local Governments

Japan Post believes that the social mission of post offices is to provide universal services of postal business, while staying in close contact with and working together with the communities Japan Post serves, all based on the trust of customers and communities that has been cultivated over the years since the foundation of the postal service in Japan.

Amid a situation in which it is increasingly difficult to maintain social infrastructure, including administrative services and privately run services, Japan Post will strive for various undertaking of administrative work consigned from local governments, including the issuance of public certificates and the reception of various notification regarding national pension-related services and National Health Insurance, and counter services such as the sales of premium gift

certificates. Japan Post will also seek administrative work contracts such as digital support in response to the changing times.

In the fiscal year ended March 31, 2024, legal and regulatory changes made it possible to accept applications for the issuance of Individual Number Cards through post offices, and Japan Post therefore launched proposal activities targeting local governments, aimed at contracting this service.

In the fiscal year ending March 31, 2025, Japan Post will continue to actively accept consigned work of issuing electronic certificates, supporting applications, and accepting applications for Individual Number Cards and installing and operating kiosk terminals purchased by local governments.

At the same time, Japan Post will make use of relationships with local governments through comprehensive partnership agreements with them and other means, aiming to revitalize the region.

5. Real Estate Operations, etc.

As in the fiscal year ended March 31, 2024, Japan Post will be engaged, together with other Group companies, in the property leasing business at JP Tower (which accommodates the KITTE commercial complex) and other properties, along with the leasing of residential properties, nurseries, and nursing homes, as an enterprise for effectively utilizing land in residential areas.

For properties that are currently in operation, Japan Post will continue to work towards maintaining the occupancy rate and enhancing asset value through collaboration with its business partners and others and the appropriate use of outsourcing, while ensuring high-quality, efficient management. In addition to pushing ahead with plans for JP Tower Osaka and other properties, Japan Post will choose the appropriate timing to formulate and execute development plans amid soaring construction costs, with a view toward expanding new revenue opportunities and effectively utilizing its existing real estate portfolio. In this way, Japan Post will turn its real estate business into one of the main revenue sources.

6. International Logistics Operations

Japan Post will work to maintain Toll Holdings Pty Limited's positions in Asia in the consumer goods and retail sectors, where its strengths lie, while expanding its capabilities in the healthcare sector to build a more balanced portfolio. Japan Post will continue to work to reduce costs through streamlining operations and other measures.

7. Other Business Operations

Japan Post will be providing products by catalogue-based distribution, along with the post offices' Watch Over Service utilizing ICT equipment, with a view toward helping customers achieve comfortable and fruitful lives and lifestyles in safety and security, while studying the launch of new products and services through investments and alliances.

Part 3 Basic Plan for Establishment and Elimination of Post Offices and Company Offices for which Notification is Required under the Stipulations of Article 6, Paragraph 2 of the Japan Post Co., Ltd. Act

1. Establishment of Post Offices, etc.

With regard to establishment of post offices, etc., Japan Post makes it a policy to maintain the level of the post office network in underpopulated areas based on Article 6 of the Japan Post Co., Ltd. Act and Article 4 of the Ordinance for Enforcement of the Japan Post Co., Ltd. Act (Ordinance of the Ministry of Internal Affairs and Communications No. 37 of 2007), and thereby ensure steady provision of universal services of postal business.

In addition, as for contracted post offices that are temporarily “out of service,” Japan Post will continue with efforts to promptly reopen these facilities regardless of whether they are in underpopulated areas as stipulated in Article 4, Paragraph 5 of the Ordinance for Enforcement of the Japan Post Co., Ltd. Act.

When temporary measures are needed, Japan Post will make efforts to provide counter services through “mobile post offices,” according to the local situation and status of use by customers.

Japan Post will continue to ensure that the level of the post office network, which is a shared asset of the Japanese people, is maintained while utilizing subsidies and contribution systems for the support the maintenance of this network.

2. Establishment of New Post Offices, etc.

Japan Post will press ahead with efforts to open post offices in areas where an increase in customer use is expected, while remaining engaged in initiatives for opening shops that meet changing customer needs amid the changing social environment, as well as shops that provide solutions to the challenges faced by local communities.

3. Elimination of Post Offices, etc.

Japan Post will review the location of post offices as before, in line with resolving issues such as decreasing customer demand and aging facilities.

Japan Post will revise the operational format of post offices which require improvement in management in terms of operational efficiency, such as those post offices with limited user groups and limited services in need.

In addition, regarding contracted post offices that have been “out of service” for a long period of time, Japan Post will review the situation in light of local demand and location of other post offices and make adjustments in cases where other post offices can be easily used given the movement of residents in their daily lives.

Part 4 Operation of Other Businesses

1. Support for Reconstruction from the Great East Japan Earthquake, the 2024 Noto Peninsula Earthquake and Other Disasters

In terms of support for reconstruction from the Great East Japan Earthquake, the 2024 Noto Peninsula Earthquake and other disasters, post office services including postal services, banking, and life insurance are indispensable for the maintenance of daily lives by those affected by the disaster. Japan Post will therefore continue to deepen ties between Japan Post Group companies to contribute to supporting the daily lives of people affected by the disaster by reopening post offices and other efforts. Regarding the 2024 Noto Peninsula earthquake, Japan Post will prioritize the safety of its employees while aiming to progressively resume operations based on its recovery master plan.

2. Response to Emergencies Including Disasters

Japan Post has prepared a business continuity plan, and based on the plan, it clarifies the important operations that must be resumed with priority, in the event of emergencies, including natural disasters such as earthquakes and pandemics that may seriously impact our corporate activities, and formulates a framework as well as prior countermeasures to achieve smooth business continuity and restoration.

In addition to the aforementioned, Japan Post has formulated business operation plans based on the provisions of Article 39, Paragraph 1 of the Basic Act on Disaster Management (Act No. 223 of 1961), Article 36, Paragraph 1 of the Act on Measures to Protect the People in Armed Attack Situations (Act No. 112 of 2004), as well as Article 9, Paragraph 1 of the Act on Special Measures for Pandemic Influenza and New Infectious Diseases Preparedness and Response (Act No. 31 of 2012), respectively.

3. International Harmony and Collaboration

In addition to steadily fulfilling its obligations based on the Universal Postal Convention, Japan Post will promote international harmony and collaboration and seek to improve the quality of the international postal services by playing an active and leading role in activities of the Universal Postal Union (UPU).

In addition, Japan Post will use its world-class knowhow and related technologies with regard to the post and post office networks to actively cooperate with postal business entities in other countries.

Appendix	Financial Plan
	Income and Expenditure Budget

Financial Plan for the Fiscal Year Ending March 31, 2024

Unit: 100 mil JPY

Item	Amount
Cash inflow	
Balance carried over from previous term	6,504
Income from postal business	13,734
Documentary stamps income	8,693
Income from deposits and insurance outsourced operations	4,585
Subsidies	3,030
Other operating income	10,143
Other financial income	-
Borrowings	-
Total	46,689
Cash outflow	
Personnel expenses	20,276
Non-personnel expenses	7,917
Taxes and dues	1,890
Investment expenses	1,766
Documentary stamps payment	8,739
Redemption of borrowings	-
Balance carried forward to next term	6,100
Total	46,689

N.B.: 1) Total figures do not match due to rounding.

2) “-” means that the figure does not exist.

Income and Expenditure Budget for the Fiscal Year Ending March 31, 2024

Unit: 100 mil JPY

Item	Amount
Operating income	28,674
Postal service business income	12,637
Documentary stamps outsourced operations income	270
Commissions for banking and insurance business consignment	4,146
Subsidies	3,030
Other operating income	8,591
Operating costs	26,798
Personnel expenses	18,713
Costs	8,084
Non-personnel expenses	6,755
Depreciation costs	1,056
Other costs	273
Sales, general and administrative costs	2,012
Personnel expenses	920
Non-personnel expenses	765
Other costs	327
Net operating income (loss)	-135
Other income	72
Other expenses	13
Net ordinary income (loss)	-76
Extraordinary gains	13
Extraordinary losses	63
Income (loss) before income taxes	-126
Income taxes current	39
Net income (loss)	-165

N.B.: 1) Total figures do not match due to rounding.

1. Japan Post shall compile fundamental measures for improving revenue and report them along with multi-year financial forecasts, in conjunction with the revision of the medium-term management plan. Furthermore, Japan Post shall report on the progress of specific improvement measures and the latest financial outlook based on its interim financial results.
2. Based on its public role in contributing to community welfare through physical branch locations, Japan Post shall ensure the provision of universal services throughout Japan, to improve the speed and quality of postal and logistics services, promote sales activities for Japan Post Insurance products, provide products that meet the needs of local residents, and utilize regional service hubs. Japan Post shall appropriately develop and provide highly convenient services with high added value to strengthen its profitability, thus maintaining universal services.
3. As the whole of Japan aims to shift away from a “cost-cutting economy” and transform into a “growth economy” that will be led by sustainable wage rises and vigorous investment, Japan Post shall continue its initiatives for the appropriate passing of costs, while implementing measures such as radical DX and efforts to develop and provide highly convenient services with high added value, in addition to reviewing the necessary service provision conditions, to further strengthen profitability. Japan Post shall keep customers fully informed to avoid confusion when reviewing postal charges and other service provision conditions.
4. Japan Post shall actively engage in price negotiations with contractors and discussions and consultations regarding the passing of costs in accordance with the Guidelines on Price Negotiation for Appropriate Pass-through of Labor Cost, in order to work through contracts with appropriate terms and conditions, while striving to improve the work environment for employees. Moreover, to address the shortage of postal and logistics personnel, including the so-called “2024 problem,” Japan Post shall work on establishing systems to prevent any impediment to the reliable provision of postal and logistics services, through collaboration with other

logistics operators and appropriate personnel allocation, with consideration for the working environment at each site.

5. Japan Post shall utilize its network of post offices to actively engage in highly public business operations in collaboration with local public infrastructure, including promoting the dissemination and use of Individual Number Cards and carrying out administrative services related to the issuance of Individual Number Cards that have become available for handling at post offices due to the revision of the Act on the Handling of Specific Administrative Affairs by Japan Post (Act No. 120 of 2001), as well as contributing to regional revitalization.
6. With regard to the data obtained and held by Japan Post, Japan Post shall conduct a study toward a wider use of the data in public and other fields, such as the provision of information in an emergency, while ensuring the appropriate handling of personal information and security.
7. Japan Post shall promote initiatives for the advancement of the digital society, such as contributing to the realization of the Vision for a Digital Garden City Nation, while also striving to enhance user convenience and strengthen profitability through Group-wide data utilization, including joint services using a common system of IDs, and the DX of post office counter services.
8. Japan Post shall proactively implement initiatives to promote diversity, including the employment of people with disabilities, the promotion of women's advancement, and the further encouragement of male employees to take childcare leave to ensure work-life balance, as well as initiatives to address environmental issues aimed at "Achieving Carbon Neutrality in 2050."
9. In light of the persistent incidents of misappropriation and other misconduct, Japan Post shall strive to secure national confidence and user trust as well as ensure thorough compliance by thoroughly taking recurrence prevention measures, in cooperation with the Group companies.
10. In response to the 2024 Noto Peninsula earthquake, Japan Post shall work to reopen closed post office counters and resume suspended services, thus helping to support

the lives and livelihoods of the disaster victims. Moreover, during normal times, Japan Post shall promote the systemization of basic information related to postal and logistics operations and organize a standard set of initial responses and ways to communicate information quickly and clearly to users in the event of a disaster, as measures for the future. And Japan Post shall strive to ensure business continuity across the entire Group while appropriately responding to outbreaks of infectious diseases and disasters and taking cyber security measures.

11. Japan Post shall continue to work to provide stable and smooth international mail services, securing a stable international mail transportation capacity and maintaining and strengthening cooperation with customs authorities, as well as striving to increase revenue through measures such as active collaboration with other business operators.