

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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Key Initiatives of the Next Medium-term Management Plan (Outline)

November 14, 2025



日本郵政グループ

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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1. Main Initiatives to Strengthen Compliance and Governance

- ▶ Incidents of misconduct, such as unperformed roll calls, have occurred within the Group, resulting in a loss of trust from our customers and other stakeholders. We regard this situation very seriously. We are committed to strengthening compliance and governance as a top management priority, and we will mobilize the full resources of the Group to thoroughly prevent any recurrence.
- ▶ We will return to the roots of our management philosophy and strive wholeheartedly to ensure that our customers can once again trust and feel secure in our post office services.

Initiatives to enhance environments and revise rules aimed at ensuring legal, regulatory, and general compliance

- Ensure appropriate business operations based on laws, regulations, and other rules
(Ensure legal compliance and streamline business operations through an overall review of internal rules and regulations)
- **Establish a systems environment that fundamentally prevents legal, regulatory, or other violations**
(See Appendix 1 for an illustration of digital roll calls and the Group customer management platform)

Initiatives to reform the organizational culture, develop human resources, and instill awareness

- Develop human resources to thoroughly implement customer-oriented operations together with legal, regulatory, and general compliance
(Instill the JP Code of Conduct and hold training sessions, etc.)
- Consider reforming the personnel system to enhance mechanisms for evaluation, compensation, etc., and further promote personnel exchange within the Group
- Promote reforms to internal communication
(Collect feedback from post offices to grasp the actual situation and implement problem-solving)
- Enhance the management capabilities of management personnel
(Implement management discussions, etc.)

Organizational and structural reforms aimed at early detection and improvement

- **Establish new organizational sections close to post office operations to accurately grasp the actual situation on the front lines and build a system for providing more detailed guidance and support**
- Strengthen systems in second-line-of-defense divisions (risk management, compliance, etc.)
(Improve risk detection utilizing IT and develop human resources for second-line-of-defense divisions.)

1. Long-term Changes in the External Environment ① (Megatrends)

- ▶ The Group's business environment is expected to undergo dramatic changes over the next 10 to 15 years due to factors such as the declining population in Japan.
- ▶ There are also issues specific to the Group, such as a predicted decrease in the volume of mail.

Economic



- Global economic growth will continue in the medium to long term
- Japan's economic growth rate is lower than that of the global economy, and the domestic market is shrinking due to population decline
- The current decline in the volume of mail is expected to accelerate amid further advances in digitalization

Social



- The decline and aging of Japan's population will accelerate, with further depopulation of rural areas and an increase in single-person households
- It will become difficult for companies to secure human resources due to the decrease in the working-age population
- Regional infrastructure (such as transportation networks and sewage systems) will progressively age and shrink

Technological



- Human tasks will become more efficient and automated due to advances in AI and robotics
- Blockchain will spread, drones will develop, and services using avatars will become commonplace
- Fintech and cashless systems will become more advanced and widely adopted

2. Long-term Changes in the External Environment ② (Impact of Changes on the Japan Post Group)

- ▶ It is essential to consider future strategies based on the impact of environmental changes over the next 10 to 15 years on the Group.

Lower revenues due to a decline in the volume of mail

- ❑ The decrease in demand for postal services will accelerate due to the declining population and advances in digitalization (Appendix 2)
 - ▶ We aim to increase revenues by transforming into a comprehensive logistics company as a new growth strategy
 - ▶ Discussions are essential to ensure the sustainability of the postal business

Changes in customer needs for financial services

- ❑ Changing value perceptions, an increasing segment of the population familiar with digital operations, and the increasing speed of market entry by Fintech companies
 - ▶ It is essential that we diversify the ways we offer services (face-to-face, digital, hybrid)
- ❑ Increasingly diverse needs for financial products in the age of 100-year lifespans
 - ▶ We must offer a more diverse and attractive range of financial products at post offices by expanding their management freedom

Emergence of the risk that regional infrastructure cannot be maintained

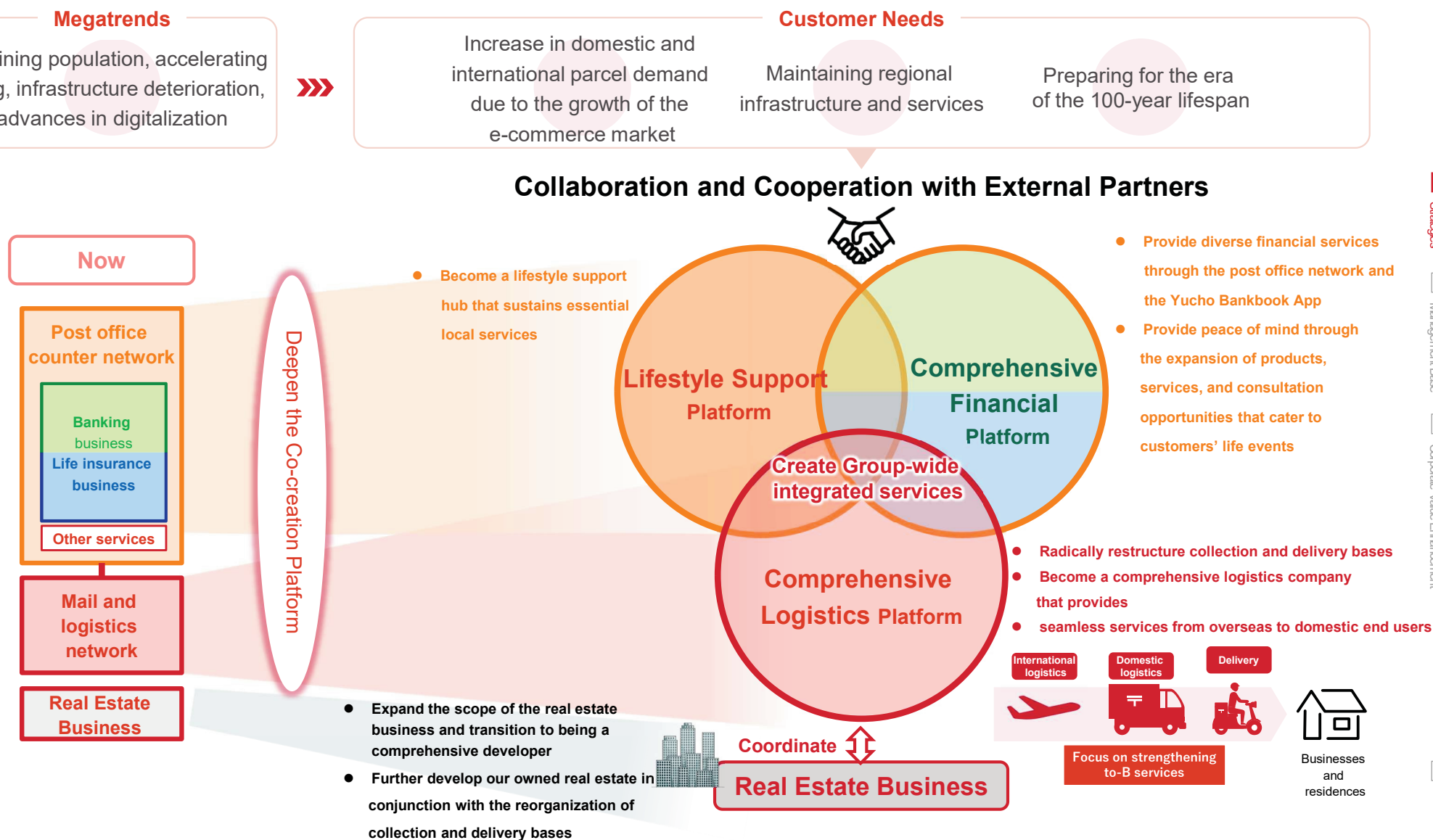
- ❑ Maintaining regional infrastructure will become difficult due to the tighter finances in regional areas, in addition to population decline and aging
 - ▶ There will be an increasing need to ensure essential local services (such as transportation, shopping, and medical care)
 - ▶ In addition to offering administrative work for local governments, we will actively pursue entry into these regional businesses

Increasing difficulty in recruiting employees

- ❑ It will become difficult to recruit employees due to factors such as a decrease in the working-age population, and the number of Group employees will continue to decline
 - ▶ It is essential that we pursue labor-saving through investments in IT and DX, and revise the way we offer services

3. The Group's Long-term Vision Based on these Changes in Environment

- ▶ Given these changes in the environment, in addition to strengthening our three platform functions, we will create greater appeal and value as the Japan Post Group by providing cross-platform services combining the real estate business and these three platforms.



4. Main Strategies During the Three Years of the Next Medium-term Management Plan ① (Post Office Network)

- ▶ We will strive to deepen our co-creation platform through the post office network, based on the main strategies presented below.

① Become a comprehensive logistics company capable of the integrated operation of both to-B and to-C logistics (Appendix 3)

- ❑ **Expand business areas to include to-B logistics, such as contract services**, to be a comprehensive logistics company that also supports wholesale business
- ❑ Leverage M&A (e.g., Tonami Holdings Co., Ltd.) and capital and business alliances (e.g., LOGISTEED Holdings, Ltd.), to create synergies including last-mile delivery and **establish a seamlessly integrated logistics supply chain network**
- ❑ Revise the classification of business segments to enhance management in accordance with the business characteristics of the postal and parcel services

② Enhance and optimize our last-mile delivery functions (Appendix 4)

- ❑ Improve service quality by radically enhancing the convenience of sending and receiving items, and develop a flexible pricing system to increase customer value
- ❑ **Improve the efficiency of the delivery network by consolidating collection and delivery bases** and, in connection with this, accelerate the deployment of existing post office properties in the real estate business
- ❑ **Thoroughly reduce costs** through measures such as the expansion and management of investment aimed at labor-saving and the optimal deployment of personnel (establish sections under the direct control of the President)

③ Expand the scope of the real estate business (Appendix 5)

- ❑ Strengthen our organizational and personnel platform to expand the business scope beyond a focus on the recurring-revenue business to include the one-time-fee business (built-for-sale and rotational-type businesses) to **transform into a comprehensive developer with both recurring-revenue + one-time-fee operations, aiming to be among the top ten players in the industry in the future**
- ❑ Implement ongoing business activities by **shifting to the development of owned real estate and the purchase of sites from outside the Group**

④ Transform post offices into local community support hubs (Appendix 6)

- ❑ **Expand services such as contracted administrative work for local governments, shopping and transportation support based on local needs, and medical services**, in light of factors such as the aging of society
- ❑ **Achieve productivity improvements** through measures adapted to local circumstances, such as **establishing flexible operations**, including half-day closures, trialing remote technology and mobile post offices to **create a function-oriented postal network**, and **optimizing the placement of post offices** to solve issues such as declining demand and aging post office buildings

⑤ Become a Comprehensive Financial Platform to Address Diverse Needs

- ❑ Establish systems for the provision of customer-oriented financial services. Provide diverse services through the combination of physical, remote, and digital operations.
- ❑ **Expand attractive value provided (products and services)** also in response to young and working-age population needs for preparation for retirement

5. Main Strategies During the Three Years of the Next Medium-term Management Plan ② (Banking and Insurance Businesses)

▶ Our main strategies in the banking business and the life insurance business are presented below.

Banking Business

- As a platform to support an era of 100-year lifespans, we provide diverse financial services for customers throughout Japan together with partner companies.
- As one of Japan's largest institutional investors, we refine our asset management capabilities and develop a distinctive asset management business.

Four New Business Strategies and Management Base
-The Strategies supported by the Management Base and backed by Customers and Deposits that Post Offices attract-

- **Consulting Business Strategy**
 - Expand new services and refine the combination of “physical(post offices), remote, and digital” channels to provide diverse consulting services
- **Digital Payment Business Strategy**
 - Realize “safe, secure, and easy-to-use” + “beneficial” services centered on the Yucho Bankbook App (target: 25 million users)
- **Regional and Corporate Solution Business Strategy**
 - Strengthen domestic PE investment (Σ business) centered on Yucho Capital Partners, and promote co-creation with regional financial institutions and corporate solution business
- **Market Operation and Asset Management Business Strategy**
 - Pursue the optimal asset management portfolio of yen interest rate assets and risk assets, and take on the challenge of an asset management business

collaborate with
partner companies

promote human capital
management and
corporate culture reforms

improve the
management base

Life Insurance Business

- Delivering a sense of security to customers nationwide, as we aim to be “No. 1 in trust and proximity” among life insurance companies
- Achieve growth by leveraging the collective strength of the Japan Post Group to provide customers across Japan with the peace of mind they seek, while ensuring customer-oriented business operations

Three pillars of our growth strategies
and five management bases

- **Establish sales systems**
 - We will grow sales channels including post offices, the Japan Post Insurance Services Department, and corporate sales, while building an appropriate and robust partnership with Japan Post Co. in accordance with the revisions to the Insurance Business Act, etc.
 - We will provide products and services that meet customer needs (enhance product appeal and expand the lineup, and leverage digital and AI technologies for procedures, etc.)
- **Strengthen asset management capabilities**
 - In favorable investment environments, we will achieve further profit growth and contribute to the resolution of social and environmental issues through impact investing
- **Challenges for the future**
 - Focusing on deepening collaboration with investment and alliance partners, we will expand revenue from asset management business and overseas insurance markets, while also exploring new business areas and creating technologies, services, and talent that will support the next generation.

Management bases
that support
these pillars

Digital · AI

ES · organizational
culture

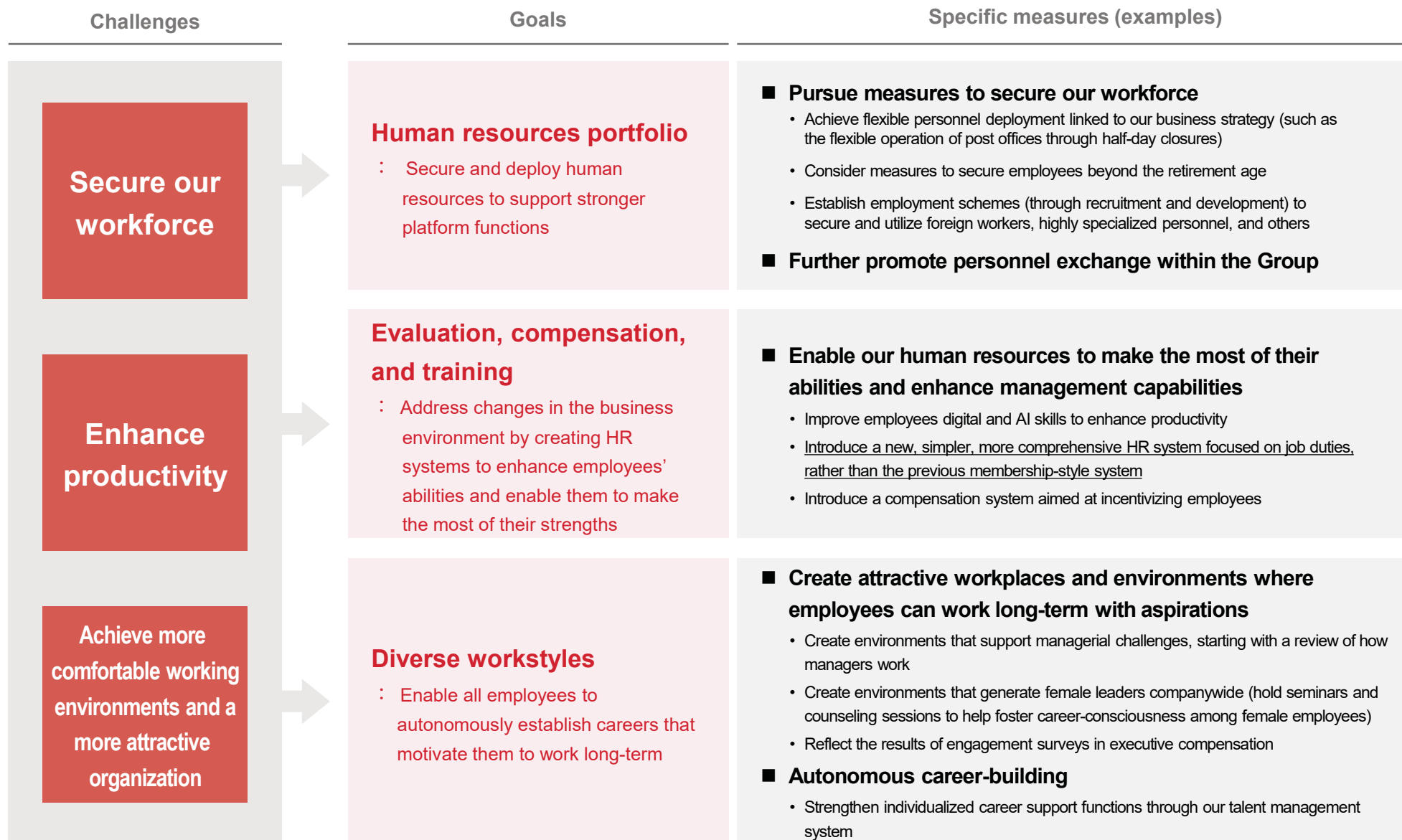
governance

Finance · capital
strategy

dialogue with stakeholders

1. Promoting and Deepening Human Capital Management

- ▶ We will pursue human capital management to maximize employees' potential by advancing business growth, organizational revitalization, and support for individual workstyles.



2. Enhancing CX/EX through Stronger Digital Infrastructure

- We are strengthening our digital infrastructure to achieve new advancements in customer experience (CX) and employee experience (EX) in response to changes in the external environment. By combining physical and digital operations, we aim to offer a variety of post office services and create even greater appeal and value.

Vision

Create further appeal and value Group-wide through the use of digital technology and owned data

	Enhance productivity and quality	Enhance convenience	Enhance customer experience value
Goals	<ul style="list-style-type: none"> ● Bridge gaps in experience and know-how to achieve high-quality customer service ● Improve the speed and accuracy of customer service and enhance operational efficiency 	<ul style="list-style-type: none"> ● Provide convenient services anywhere, anytime through diverse service channels ● Reduce the time and effort required for customers to complete procedures 	<ul style="list-style-type: none"> ● Provide more convenient and personalized services ● Provide a sense of benefit and enjoyment by granting points or rewards to customers who use our services
Specific measures	<ul style="list-style-type: none"> ✓ Verify handling methods using AI support, streamline tasks such as reporting and inquiries, and advance data aggregation and analysis ✓ <u>Achieve more streamlined and efficient workflows through measures such as new terminals and JP Employees' My Page</u> ✓ Cover labor shortages through labor-saving measures such as self-service terminals and remote services 	<ul style="list-style-type: none"> ✓ Link postal, savings, and insurance services with customers' Yu ID and app, and <u>enable one-stop services covering various procedures using data from the Group customer management platform</u> ✓ Enable customers to receive professional support anywhere with avatar-based customer service and remote assistance tools 	<ul style="list-style-type: none"> ✓ <u>Utilize customer data to provide financial and lifestyle support services Group-wide</u> (establish the Group Service Strategy Office) ✓ Promote co-creation with local governments, regional companies, and other organizations through collaboration outside the Group through Yu IDs and the Yu-Yu Point program

Strengthen digital infrastructure

Analyze and utilize data from Yu IDs, the Yu-Yu Point program, the Group customer management platform, etc.



1. Capital Policy and Shareholder Return Policy to Contribute to Corporate Value Enhancement

- ▶ We focus on swiftly achieving a return on equity (ROE) that exceeds the cost of shareholders' equity by engaging and investing in key measures aimed at growth.
- ▶ Based on the outcome of these management efforts, under the next medium-term management plan, we will formulate a new policy aimed at promoting stable, ongoing dividends and share repurchases as shareholder returns measures, while also maintaining financial soundness.
- ▶ Through the steady implementation of these initiatives, we aim for sustainable corporate value enhancement and stable shareholder returns.

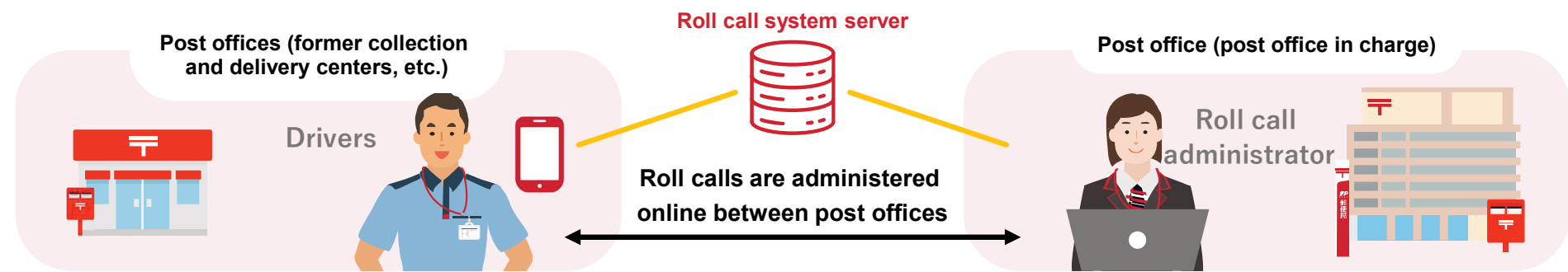


Enhance corporate value

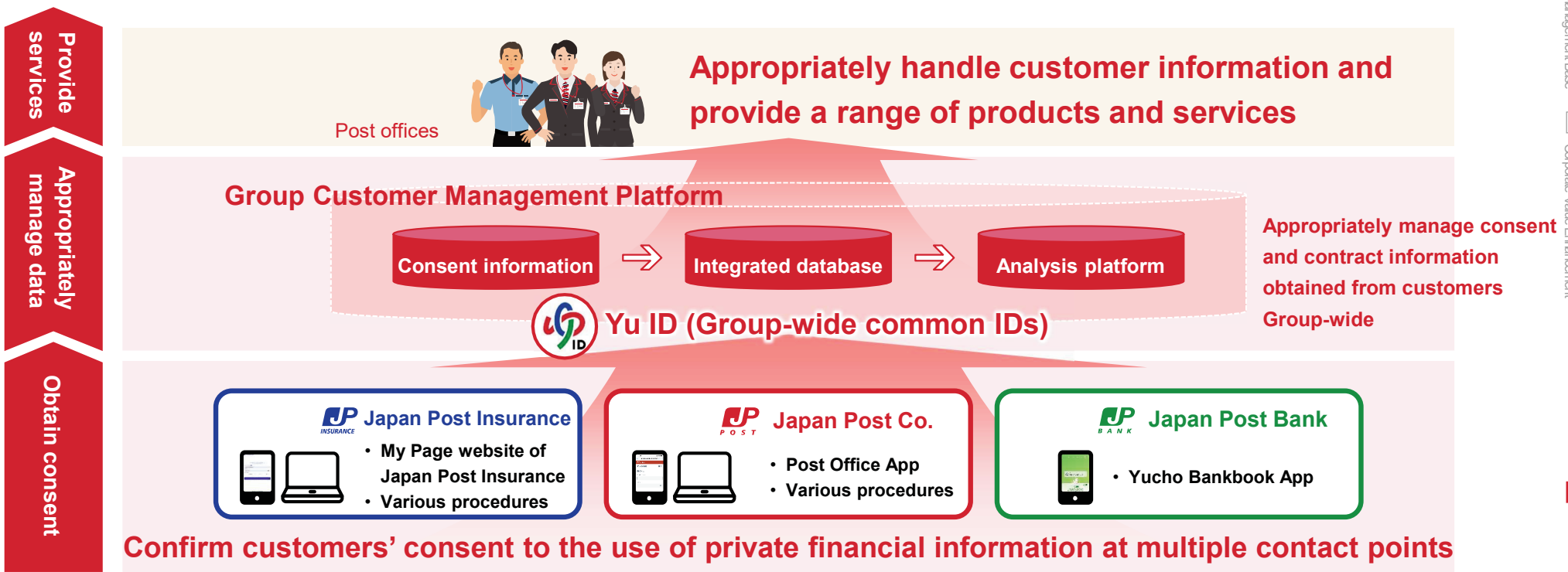
Appendix 1) *¹ Digital Remote Roll Calls / *² The Construction of a Group Customer Management Platform

※1 Illustration of Digital Remote Roll Calls

- The introduction of digital remote roll calls will help to prevent any record omissions or tampering



※2 Construction of a Group Customer Management Platform

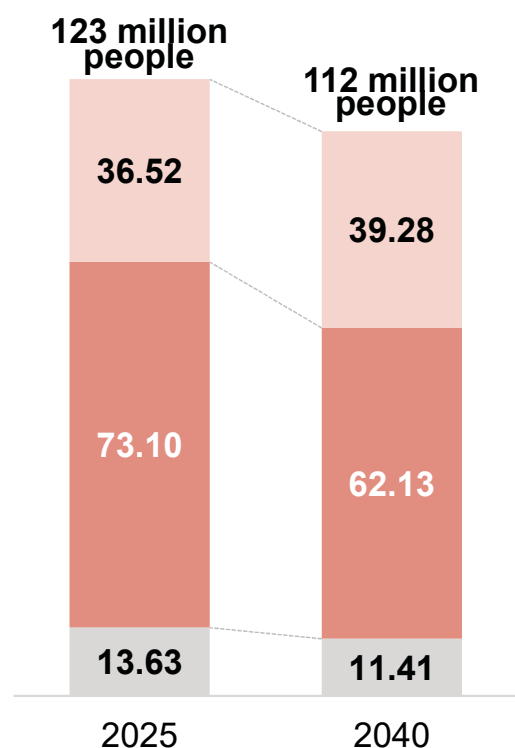


Appendix 2)*¹ Outlook for Japan's Population / *² Outlook for Mail Volumes

- ▶ Japan's population is forecast to continue to decline. Likewise, the volume of mail peaked in FY2001 and has been decreasing since. This declining trend is forecast to continue.

Outlook for Japan's Population

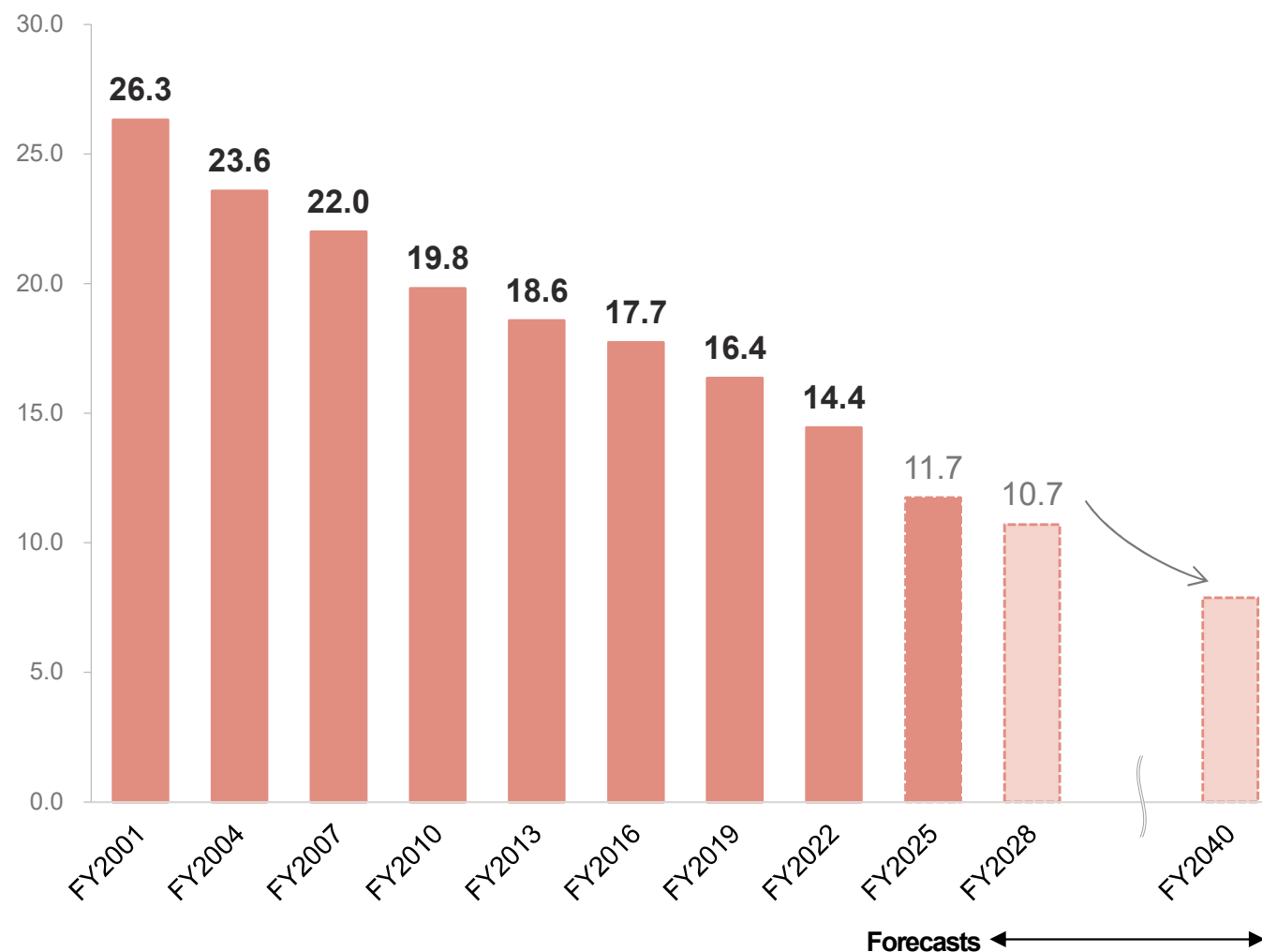
■ 0 to 14 ■ 15 to 64 ■ 65 and over



(Prepared with reference to the population statistics and 2023 projections report published by the National Institute of Population and Social Security Research)

Outlook for Mail Volumes

(Billion items)

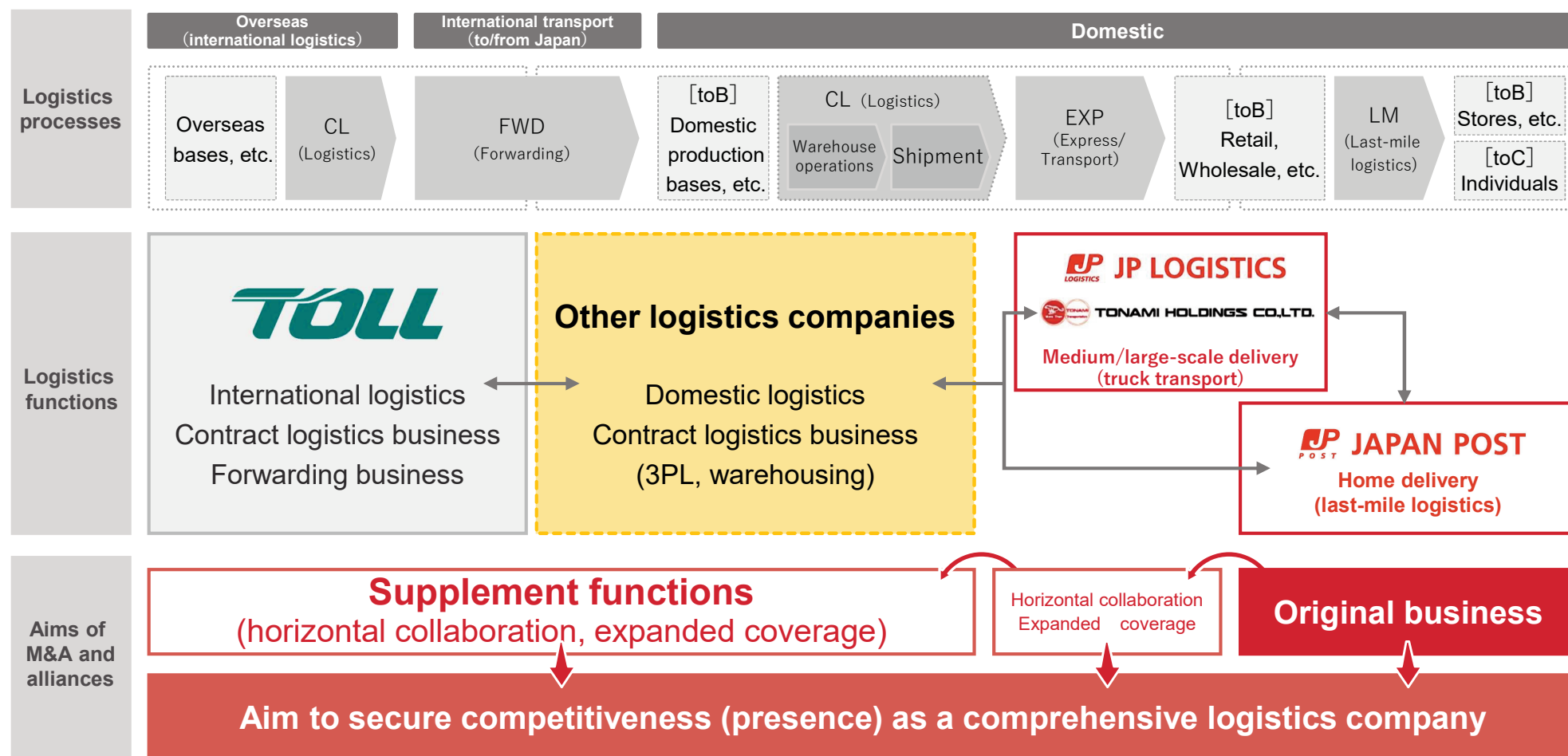


Note: Figures from FY2025 onward represent forecasts as of the date of these materials

Appendix 3) Leveraging M&A and Business Alliances to Strengthen B-to-B Logistics

- ▶ In addition to last-mile delivery, we are strengthening B-to-B logistics in Japan and overseas. We aim to become a comprehensive logistics company that can operate all aspects of international and domestic logistics (contract logistics business, truck delivery, and home delivery) as an integrated operation.
- ▶ We will utilize M&A (e.g., Tonami Holdings Co., Ltd.) and capital and business alliances (e.g., LOGISTEED Holdings, Ltd.) as ways to accomplish this.

Toward the Establishment of an Integrated Logistics Supply Chain Network (Comprehensive Logistics)



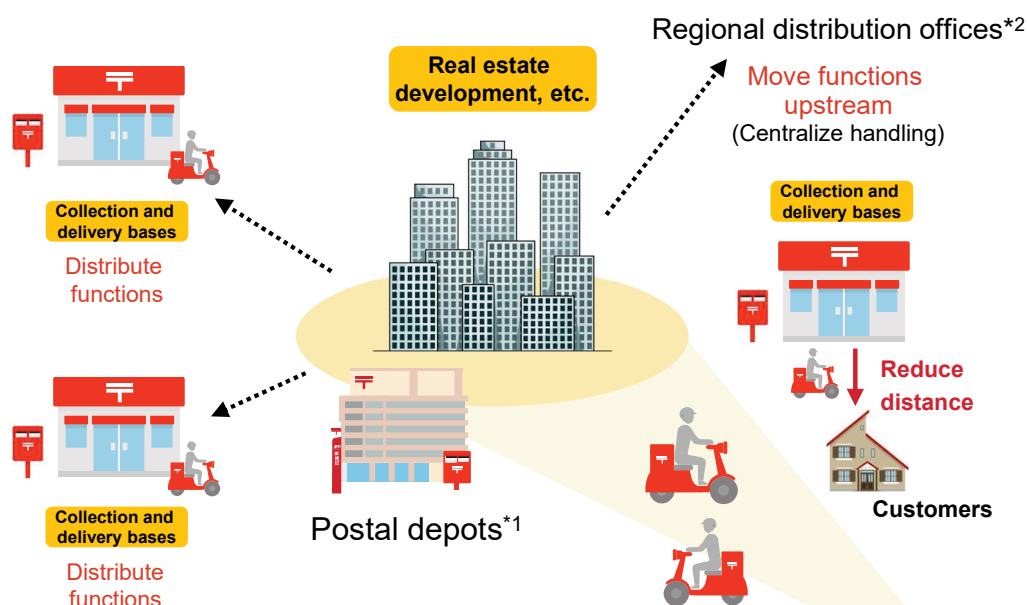
Appendix 4) Restructuring Collection and Delivery Bases (Strengthening Last-mile Delivery)

- ▶ We will restructure collection and delivery bases in line with the decline in the volume of mail.
- ▶ We will promote the real estate development of high-value postal depot sites in urban areas in line with the reorganization of the collection and delivery functions.

Urban Areas

In urban areas with high population densities, we will progressively reorganize the collection and delivery functions as follows:

- ① Centralize the handling of mail and parcels at regional distribution offices
- ② Establish new collection and delivery bases close to customers
- ③ Use postal depot sites for real estate development



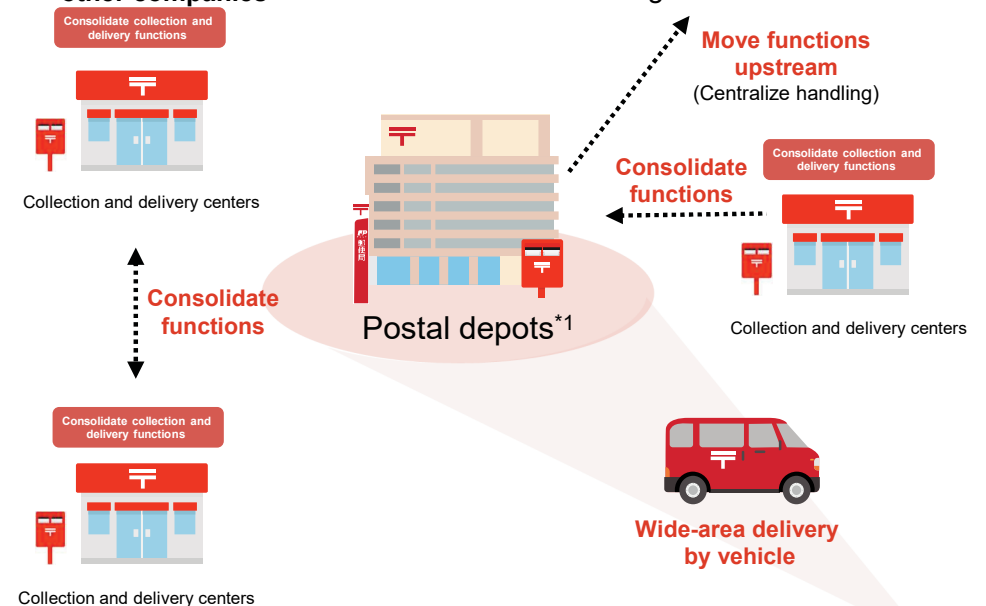
*1 Postal depots : Mainly large post offices with collection and delivery functions

*2 Regional distribution offices : Extremely large post offices that serve as regional hubs in each prefecture or region

Regional Areas

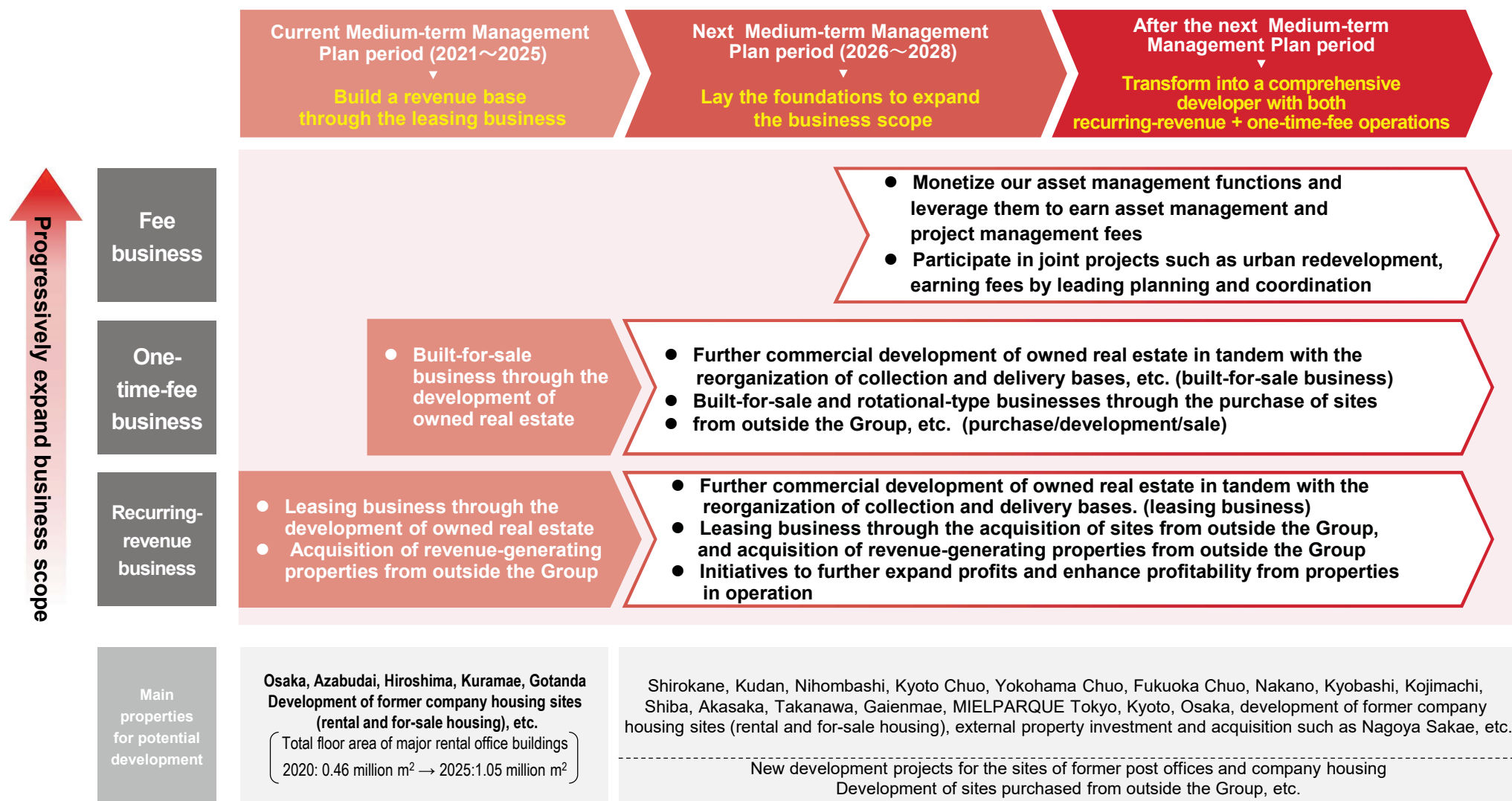
In regional areas with low population densities, we will consolidate collection and delivery centers to pursue the following measures:

- ① Centralize the handling of mail and parcels at regional distribution offices
- ② Consolidate the collection and delivery functions and implement wide-area delivery
- ③ Increase earning power through measures such as contracted delivery of parcels from other companies



Appendix 5) Growth Strategy in the Real Estate Business

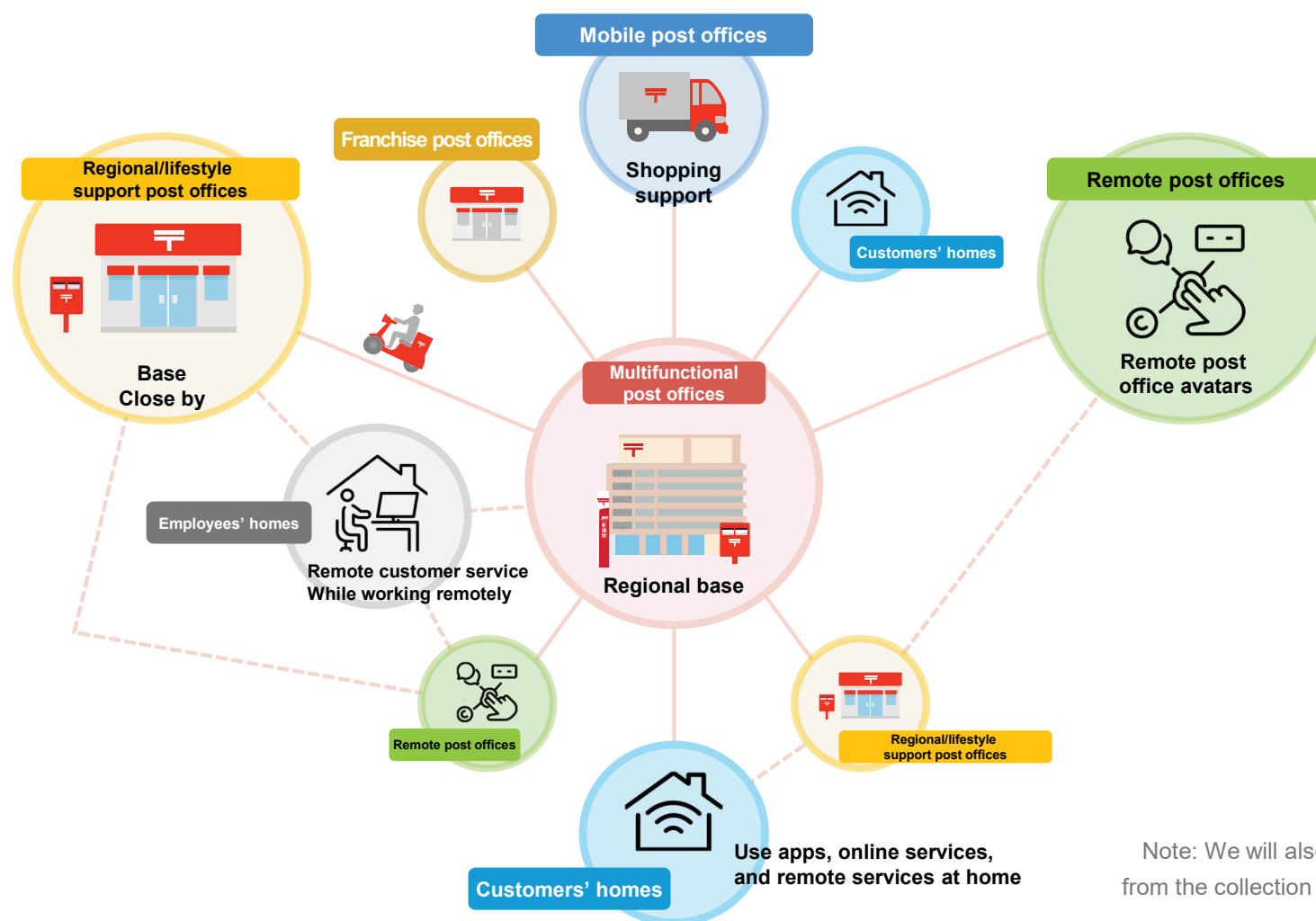
- ▶ We will strongly promote the development business for our owned real estate in tandem with the reorganization of collection and delivery bases, etc.
- ▶ We will strengthen our organizational and personnel platform to expand the business scope beyond a focus on the recurring-revenue business to include the one-time-fee business to transform into a comprehensive developer with both recurring-revenue + one-time-fee operations, aiming to be among the top ten players in the industry in the future.



Appendix 6) Improving the Productivity of the Post Office Network

- ▶ Local circumstances are becoming more diverse due to population decline and depopulation, and it is also becoming more difficult to secure employment due to a decrease in working-age population.
- ▶ We will achieve productivity improvements through measures adapted to local circumstances, such as establishing flexible operations, including half-day closures, trialing remote technology and mobile post offices to create a function-oriented postal network, and optimizing the placement of post offices to solve issues such as declining demand and aging post office buildings.

Illustration of a Function-oriented Postal Network and Optimal Placement of Post Offices



<Disclaimer>

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

Therefore, please be aware that actual results may vary depending upon various factors, such as the impact of changes in interest rates, fluctuation in stock price, changes in exchange rate, price fluctuation in asset holdings, changes in economic and financial conditions and trends, changes in competitive conditions, occurrence of large-scale disaster, etc., and changes in laws and regulations.

This document does not constitute an offer to sell or a solicitation of an offer to buy any stock or other securities of the Company or any of its subsidiaries.

The next Medium-term Management Plan is scheduled to be announced in May 2026, and its contents may vary from this document.