

2009 Business Year

From April 1, 2009 to March 31, 2010

5th Term

Business Plan

Japan Post Holdings Co., Ltd.

## Foreword

In addition to ensuring the execution of the basic management policies of Japan Post Service Co., Ltd., Japan Post Network Co., Ltd., Japan Post Bank Co., Ltd., and Japan Post Insurance Co., Ltd. (hereafter, “business subsidiaries”) and exercising our rights as shareholders thereof, Japan Post Holdings Co., Ltd. (hereafter, “Japan Post Holdings”) will support the businesses of its subsidiaries by subcontracting indirect operations from them and executing such operations where said execution is anticipated to be more efficient by consolidating it in one location rather than doing so among individual companies in the group. In addition, by conducting management of hospitals and lodging facilities, it will aim to increase the satisfaction of customers by responding to their needs and grow together with them while demonstrating creativity and efficiency as a private enterprise to the greatest extent possible as the basis of trust and reassurance that has been cultivated as public institution thus far. Also, it will basically conduct management of the company by making efforts to ensure that it demands management transparency from itself, follow the letter of the law, and is able to contribute to the development of society and the community.

A current issue facing Japan Post Holdings and each member company of the Japan Post Holdings group is the strengthening of internal controls. It will promote initiatives such as enhancing internal controls and ascertaining the operational status thereof for the proper and efficient execution of the businesses of Japan Post Holdings and its group companies.

For this reason, Japan Post Holdings sees the improvement of compliance standards group-wide as an important issue for management in FY2009 as well and will provide all necessary support and guidance to each group company by accurately grasping the formulation and promotion status of each company’s compliance programs for FY2009 as well as the condition and status of each company’s internal audit systems.

In addition, together with making efforts to ensure its public nature beginning with maintaining universal postal service and improve customer satisfaction (CS), Japan Post Holdings will also engage in corporate social responsibility (CSR) activities based on its societal responsibilities and those of each group company.

In particular, with regard to environmental conservation activities, Japan Post Holdings will proactively implement measures to combat global warming such as the creation of “JP Forest” to actively address such things as afforestation activities and environmental education, CO<sub>2</sub> reduction, et al.

Also, it will endeavor to promote the employment of people with disabilities, support in times of disasters, et al.

Based on the aforementioned way of thinking, Japan Post Holdings shall carry out business operations in a flexible manner by giving priority to the following items with the aim of carrying them out while adapting to changes in the management environment.

### 1. Assurance of Execution of Business Subsidiary Basic Management Policy et al.

Japan Post Holdings will ensure the execution of the basic management policies of its business subsidiaries with the aim of maintaining universal postal service and the post office network with regard to Japan Post Service Co., Ltd. and Japan Post Network Co., Ltd. Likewise, it will do so with aim of ensuring the provision of stable service through the effective utilization of the post office network with regard to Japan Post Bank Co., Ltd. and Japan Post Insurance Co., Ltd. as well as taking both companies public in the third year (FY2010) after privatization if possible or in the fourth year at the latest (FY2011) while ascertaining shifts in the market environment.

Specifically, Japan Post Holdings will require that business subsidiaries observe policies that relate to important management matters and request they obtain approval from or report to the former on an individual basis with regard to matters that have a significant impact on the group as a whole or are required to ensure executive management transparency.

In addition, it will conduct establishment and management of social and community contribution funds.

## 2. Business Support of Business Subsidiaries

By subcontracting indirect operations from business subsidiaries and executing them where said execution is anticipated to be more efficient by consolidating it in one location rather than doing so among individual companies in the group, Japan Post Holdings aims to improve the group's management efficiency while supporting the business of its subsidiaries. Specifically, Japan Post Holdings will subcontract and execute the following indirect businesses from its business subsidiaries.

- (1) Provision of Telecommunications and Data Processing Services
- (2) Based on stipulations of business subsidiaries that employ telecommunications equipment owned by Japan Post Holdings and those set forth in Article 4 of the Act Relating to the Consignment of Postal Window Services (Act No. 213 of 1949), it will provide telecommunications services and data processing services that employ data processing systems to individuals re-entrusted with business falling within the scope of consigned services stipulated Article 3, Paragraph 1 of said Act by Japan Post Network Co., Ltd.
- (3) Human Resource and Finance-related Business
- (4) Japan Post Holdings will carry out payment of salaries of business subsidiary executives, allowance calculation and income clerical duties (creation/mail-out of invoices, shipping requests, bank account transfer requests, credit data reconciliation) as well as expenditure clerical duties (creation/mail-out of payout certificates, bank account transfer requests, creation/mail-out of payment notices, credit data reconciliation).
- (5) Welfare Benefits-related Businesses
- (6) Japan Post Holdings will conduct health management and recreation facility provision businesses based on the stipulations set forth in the Industrial Safety and Health Law (Act No. 57 of 1972) for executives and employees, etc. of business subsidiaries and the Management Organization for Postal Savings and Postal Life Insurance.
- (7) Real Estate Management-related Businesses
- (8) Japan Post Holdings will conduct support of management, improvement planning, operational upkeep, design/construction supervision, and transaction/leasing businesses 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.
- (9) Temporary Staffing and Introduction Businesses
- (10) Through subsidiaries that conduct temporary staffing dispatch and introduction business, Japan Post Holdings will conduct solicitations for and employment of part-time staff to work at its business subsidiaries as well as services to introduce them to said business subsidiaries and dispatch primarily retired group employees to each group member company. Also, it will carry out subcontracting of the human resource-related businesses of each group company.

## 3. Hospital Operation

Japan Post Holdings will operate Teishin Hospital as a company-founded hospital and make efforts toward administrative improvement. Under the guidance of external experts, it will manage the status of progress in said administrative improvement, and together with addressing revenue-increasing measures et al. through coordination with community healthcare and enhancement of emergency medicine, it will engage in cost-cutting through reviews of outsourcing contracts. Also, it will promote even greater improvement of medical services, patient satisfaction, management efficiency, and thoroughness of internal controls.

## 4. Transfer of Lodging Facilities et al.

According to the stipulations set forth Article 2, Paragraph 1 of the Supplementary Provisions of the Act on Japan Post Holdings Co., Ltd., all facilities for publicizing the former postal savings system (11 locations) and former postal life insurance subscriber welfare facilities (71 locations) shall be transferred or abolished by September 30, 2012 (within five years of privatization).

With regard to the latter facilities, Japan Post Holdings will systematically promote initiatives for the improvement of executive management such as the execution of revenue-increasing measures such as an improvement of accommodation use charges, business optimization, et al.

Furthermore, facilities for publicizing the former postal savings system have been leased to third-party businesses since October 2008 in order to effect an improvement in asset value.

Japan Post Holdings will the disposal of real estate including said facilities conduct such disposal by adjusting its approach based on examinations in the “Third-party Review Committee Relating to the Sale of Real Estate et al.” established in the company.

Appendix            Financial Plan  
                          Income and Expenditure Budget

■ Financial Plan

The financial plan for the 2009 business year is as follows.

Unit: 100 mil JPY

Item	Amount
<b>Income Section</b>	
Balance carried over from previous term	70
Dividend income	1,008
Former savings accounting subsidy Executive management fee	754
Indirect business commissions	176
Lodging business income	937
Medical business income	355
Other income	241
Loans	201
	-
<b>Total</b>	<b>3,742</b>
<b>Expense Section</b>	
Labor costs	1,409
Equipment costs	1,026
Sundry taxes expense	53
Investment expenditures	313
Securities	105
Other expenditures	2
Balance of carried forward to next term	834
<b>Total</b>	<b>3,742</b>

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

■Income and Expenditure Budget

The income and expenditure budget for the 2008 business year is as follows.

Unit: 100 mil JPY

Item	Amount
Ordinary Income/Loss Section (Operating Income/Loss Section)	
1. Operating revenue	3,400
Dividends	1,008
Former savings accounting subsidy	754
Executive management fee	165
Indirect business commissions	894
Lodging business income	338
Medical business income	241
2. Operating expenses	1,915
Labor costs	633
Equipment costs	961
Depreciation costs	277
Sundry taxes expense	44
Operating Income	1,485
(Non-operating Income/Loss Section)	
Non-operating Income/Loss	24
Investment income from social/community contribution funds	1
Ordinary profit	1,510
Extraordinary profit and loss section	
1. Extraordinary profit	-
2. Extraordinary loss	-
Current net income before tax	1,510
Corporation, resident, and business taxes	(118)
Adjustments for corporation tax, etc.	63
Current net income	1,566

N.B.:

- 1) Total figures do not match due to rounding.
- 2) ”-“ means that the figure does not exist.

Japan Post Holdings will draft management plans that strive to achieve profitability with regard to former postal life insurance subscriber welfare facilities and that seek to effect an even further improvement in earning and expenses with regard to facilities for publicizing the former postal savings system, respectively, and based on these plans it will apply for permission to change its FY2009 business plan by the end of June of this year.